

## CAFII Board of Directors Meeting

**Date:** Tuesday, June 6, 2017  
**Location:** The Albany Club, President's Room  
2<sup>nd</sup> Floor, 91 King St. East,  
Toronto, ON

**Chair:** P. McCarthy  
**Time:** 2:50 – 5:00 p.m.  
**Dial-in:** 416-764-8662 or 1.888-884-4534  
Participant: 4532491# | Host: 5829171#

### Agenda

Item	Presenter	Document	Action
1. Call to Order, Meeting Confirmation, & Governance Matters <i>2:50 p.m.</i>	P. McCarthy		
1.1. CAFII Competition Guidelines		✓	Approval
1.2. Approval of Agenda			Approval
1.3. Election of 2017-18 CAFII Officers			
1.4. CAFII Board Chair Succession		✓	Discussion
2. Consent Items <i>3:07 p.m.</i>	P. McCarthy		
2.1. Draft Board Meeting Minutes, April 5, 2017		✓	Approval
2.2. Summary of Board & EOC Action Items		✓	Receipt
2.3. Regulatory Update		✓	Receipt
2.4. Regulator and Policy-Maker Visit Plan		✓	Receipt
3. Financial <i>3:09 p.m.</i>			
3.1. Financial Statements as at May 31, 2017	T. Pergola	✓	Approval
4. Regulatory <i>3:12 p.m.</i>			
4.1 Consultations/Submissions Timetable	B. Wycks	✓	Update
i. BC FICOM 10-year Review of FIA	B. Wycks		Update
ii. Quebec Omnibus Bill on Financial Sector Modernization	R. Beckford/B. Wycks		Discussion
iii. CCIR Annual Statement on Market Conduct	R. Beckford/ B. Wycks		Update
iv. CCIR Travel Health Insurance Products Position Paper	S. Manson/K. Martin/ B. Wycks	✓ (3)	Discussion
v. Saskatchewan Insurance Act/Regulations	R. Beckford/ B. Wycks		Update
4.2 Alberta Authorization of CI Sales Under an RIA Certificate	B. Wycks	✓	Update
4.3 Meeting With Saskatchewan Finance Minister, June 1/17	B. Wycks/K. Martin		Update
4.4 Meeting With Saskatchewan FCAA, June 1/17	B. Wycks/K. Martin		Update
4.5 Presentation To CISRO, June 2/17	B. Wycks/K. Martin		Update
4.6 Meeting With Ron Fullan and April Stadnek, Insurance Councils of Sask.	B. Wycks/K. Martin		Update
4.7 Meeting With Ontario FSRA Implementation Secretariat, June 29/17	B. Wycks		Discussion
4.8 Meeting With & Presentation To Insurance Council of Manitoba Staff, Week of July 3-7/17	B. Wycks		Discussion
4.9 Proposed Visits To BC and Alberta Regulators And Policy-Makers	B. Wycks	✓	Discussion
5. Strategy <i>4:00 p.m.</i>			
5.1 CAFII Strategic Plan Development	K. Martin		Update
5.2 Revised CAFII Media Protocol	K. Martin	✓	Discussion
5.3 Extension of Media Consultant Retainer	K. Martin		Discussion
6. Committee Reports Addressing CAFII Priorities: <i>4:10 p.m.</i>			
6.1 Market Conduct	R. Beckford		
6.2 Media Advocacy	C. Blaquiére		
i. CAFII Website Modernization	K. Martin/D. Moorcroft		
6.3 Licensing Efficiency Issues	M. Gill		
i. First Meeting of FSCO Life Insurance Industry Working Group	K. Martin		
6.4 Research & Education	D. Quigley		
6.5 Travel Medical Experts	S. Manson		
7. Other Business <i>4:30 p.m.</i>	B. Wycks		Updates
7.1 June 6/17 CAFII Reception, Incl. Expected Regulator and Policy-Maker Guests			
7.2 Next CAFII Board Meeting: October 3/17 In Montreal			
8. In-Camera Session <i>4:35 p.m.</i>	P. McCarthy		Discussion

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<b>Document Owner:</b>	CAFII Executive Operations Committee
<b>Practice Applies to:</b>	CAFII Members
<b>Process Responsibility:</b>	CAFII Secretary
<b>Final Accountability:</b>	CAFII Board of Directors

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## DEFINITION:

**"Competition Act"** means the *Competition Act*, R.S.C. 1985, c. C-34, as amended;

## COMPETITION LAW POLICY

### 1. Competition Law Policy Statement

It is the Corporation's policy that it, and all of its members, fully comply with the Competition Act in respect of any activity undertaken for or on behalf of the Corporation. Responsibility for such compliance rests with the Board and with each member.

### 2. Guidelines for Competition Act Compliance

At each Annual and Special Meeting of members of the Corporation, members shall be furnished with the Corporation's Guidelines for Competition Act Compliance ("Competition Law Policy") and a summary of the policy shall be read into the record at the beginning of the meeting as a reminder of members' undertakings with respect to Competition Act compliance. At meetings of the Board of Directors of the Corporation and of its Executive Operations Committee, this policy shall be referenced and acknowledged at the beginning of each meeting.

### 3. Consequences for Failure to Comply with Policy and Guidelines

Failure by a member to comply with this policy or the Guidelines is grounds for removal of that member from the register of the Corporation in accordance with section 9.06.

### 4. Annual Review of Guidelines

The Guidelines shall be reviewed annually by the Corporation and shall be amended from time to time, as necessary or considered desirable by the Board of Directors.

Any changes to the Competition Law Policy may not be ratified by electronic means.

If you have any questions, comments or suggestions regarding this document, contact the Executive Director, Brendan Wycks at [Brendan.wycks@cafii.com](mailto:Brendan.wycks@cafii.com).

# CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE

## GUIDELINES FOR *COMPETITION ACT* COMPLIANCE

Trade association meetings present a risk of interactions among competitors that in and of themselves may contravene, or may lead to a contravention of, Canada's competition laws. Depending on the circumstances, an inference may be drawn by the Competition Bureau of an improper agreement among competitors resulting from such interactions. In addition to rules of general application to all industries, there are also specific provisions in the *Competition Act* (the "**Act**") dealing with agreements or arrangements between federal financial institutions.<sup>1</sup>

Consequently, the Canadian Association of Financial Institutions in Insurance ("**CAFII**"), and its members, should be cognizant of the importance of compliance with the Act and committed to such compliance. In fulfilling the mandate of CAFII, and working towards the achievement of its objectives, members of CAFII are expected to adhere to the guidelines that follow and CAFII's competition law policy to promote and respect the spirit and the letter of the law.

### 1. Prohibited Activities<sup>2</sup>

#### (a) **Anti-Competitive Agreements or Understandings**

Neither CAFII nor any committee or activity of CAFII shall be used for the purpose of bringing about or attempting to bring about any agreement, written or oral, formal or informal, express or implied, among competitors regarding:

- (i) the amount or kind of prices, premiums, service charges, interest rates, or other terms or conditions of any products or services to be offered for sale by insurance companies;
- (ii) the amount or kinds of products or services to be offered to customers or classes of customers;
- (iii) the customers or classes of customers to whom any insurance company product or service may be sold or withheld; or
- (iv) the territories in which an insurance company product or service may be sold.

#### (b) **Sharing Information Posing Anti-Competitive Risk**

No CAFII activity, including any activity undertaken by a CAFII committee or group, shall involve discussion, exchange, collection or dissemination among competitors, for any purpose or in any fashion, information on those matters identified in subparagraphs (i) to (iv) in paragraph (a) above.

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<sup>1</sup> For the purposes of the relevant provisions of the Act, "federal financial institution" means a bank or authorized foreign bank within the meaning of section 2 of the *Bank Act*, a company to which the *Trust and Loan Companies Act* applies or a company or society to which the *Insurance Companies Act* applies.

<sup>2</sup> The activities captured by these guidelines include any activities undertaken for or on behalf of CAFII, including but not limited to, CAFII meetings, formal or informal CAFII-sponsored events, and advocacy and lobbying initiatives.

Where projects involve the collection of individual firm statistical data, such collection shall involve only aggregate data from past transactions and shall include effective steps to protect against disclosure of individual product-pricing or interest-payment information.

**(c) Exchange of Cost Information – Anti-Competitive Purposes**

No CAFII activity shall include any discussion of costs or any exchange of cost information for the purpose or with the probable effect of:

- (i) increasing, maintaining, or stabilizing prices, premiums, service charges, interest rates, or other terms or conditions of insurance company products or services;
- (ii) reducing competition with respect to the range or quality of products or services offered by insurance companies; or
- (iii) promoting agreement among insurance companies with respect to their selection of products or services for purchase, their choice of suppliers, or the prices they will pay for such products or services, including commissions for the services of commissioned agents.

**(d) Published Papers**

Papers published by or on behalf of CAFII or presented in connection with CAFII programs should not discuss or refer to the amount or kind of prices, premiums, service charges, interest rates, or other financial terms or conditions of insurance products or services offered for sale by insurance companies. Additionally, reference to costs in such papers should not be accompanied by any suggestion, express or implied, that prices, premiums, interest rates, service charges or other terms or conditions of insurance company products or services should be raised, adjusted, or maintained in order to reflect such costs. To ensure compliance, authors of conference papers shall be informed of CAFII's Guidelines for Competition Act Compliance and CAFII's competition law policy and the need to comply with these rules in the preparation and presentation of their papers.

**(e) No Attempt at Product Standardization**

Neither CAFII nor any CAFII committee or group shall make any effort to bring about the standardization of any insurance product or service for the purpose or with the effect of preventing the development or sale of any product or service not conforming to a specified standard.

**(f) Independent Dealings with Suppliers**

No CAFII activity or communication shall include any agreement, or any discussion which might be construed as an agreement, to collectively refrain from purchasing any products or services from any supplier.

**(g) No Exclusion from CAFII Activities**

No person shall be arbitrarily or unreasonably excluded from participation in any CAFII committee or activity where such exclusion may impair such person's ability, or the ability of his or her employer, to compete effectively in the insurance industry or as a supplier to the insurance industry.

## 2. Permissible Activities

The Act expressly permits certain activities among competitors and, as a result, within trade associations. These permitted activities include:

- the exchange of statistics;
- the defining of service or product standards;
- the exchange of credit information;
- the definition of industry terminology;
- co-operation in research and development; and
- agreements on environmental protection measures.

However, the usefulness of these exemptions is **very limited**. These activities become illegal if the result is that competition is unduly decreased, or if entry into an industry or expansion of a business within that industry is unduly restricted. For example, although “the exchange of statistics” is permitted, that does not mean that any and all forms and kinds of statistics and numbers, such as price lists or market-share data, may be exchanged among trade association members. Likewise, the defining of service or product standards may become criminal conduct if there is an agreement that CAFII members will restrict the range of services or products they offer to certain specified customers, or they agree to standards in terms of quality, range or quantity of products or services they offer with the aim of eliminating low price competitors.

## 3. Efforts to Influence Governmental Action

In general, one has a right to meet and to make joint presentations with respect to governmental activities of common interest. However, this right should not be used jointly by competitors for an anti-competitive purpose such as, for example, the lobbying for a legislative or regulatory change having the objective of impeding entry of new competitors, increasing insurance premiums, or restricting insurance services to certain classes of customers or geographic regions. Caution should be exercised where a particular lobbying initiative pertains to subject-matter that has competitive overtones or may be perceived as a concerted effort to lessen or prevent competition. In such cases, legal advice should be sought before proceeding with the initiative.

**Agenda Item 1.4**  
**June 6/17 CAFII Board Meeting**

**CAFII Board Chair Succession**

In light of the need for the CAFII Board to identify a successor Board Chair and appoint a candidate at the October 3/17 Board meeting, the following information is provided:

- Candidate Profile: CAFII Board Chair
- Reverse Chronology of CAFII Board Chair, Board Vice-Chair, EOC Chair, and Treasurer Appointees

**Candidate Profile: CAFII Board Chair**

CAFII Bylaw-Prescribed Duties and Responsibilities of the Board Chair:

- if present, preside at all meetings of the Board and of the Members;
- be an *ex officio* member of all committees appointed by the Board;
- sign all instruments which require his or her signature in accordance with the By-laws or otherwise;
- represent the Corporation as a spokesperson at public or official functions;
- have such other powers and duties as may from time to time be assigned to him or her by the Board; and
- must be a Director, i.e. from/nominated by a Foundation Member or a Regular Member.

The following are desired skills, attributes, experience, and related qualifications for the position of CAFII Board Chair:

- strong knowledge of principles, ethics, and practices of successful organizations, in particular industry Associations;
- strong verbal communication, interpersonal, and relationship-building skills;
- a collegial nature, as must be able to work co-operatively with other Directors; the EOC Chair; the Co-Executive Directors; and the Administrative Co-ordinator;
- ability to partner with and manage the EOC Chair and Co-Executive Directors;
- strong numeracy and financial literacy skills;
- strong monitoring orientation and attention-to-detail;
- ability to work effectively with a diverse group of stakeholders;
- experience in communicating and dealing with insurance regulators and policy-makers;
- experience and skills in Board meeting management; ability to set, control, and run the agenda, keeping within time limits;
- demonstrated strength in handling confidential matters;
- ability to lead by example and “set the standard” for the Board; and
- ability to groom and help to develop the next Board Chair.

## Reverse Chronology of

### CAFII Board Chair, Board Vice-Chair, EOC Chair, and Treasurer Appointees

Appointments to the CAFII volunteer Officer positions of Board Chair, Board Vice-Chair, Executive Operations Committee (EOC) Chair, and Treasurer have typically been made during the first Board meeting of a new governance year, immediately following the Annual Meeting of Members each June, except where noted below. In most cases, the appointed Officers have served two consecutive, one-year terms, except where noted below.

Terms (June to June, except where noted)	Board Chair	Board Vice-Chair	EOC Chair	Treasurer
2016-2017	Peter McCarthy, BMO Insurance	Joane Bourdeau, National Bank Insurance	Eleanore Fang, RD Insurance	Raja Rajaram, CIBC Insurance
2015-2016	Peter McCarthy, BMO Insurance	Joane Bourdeau, National Bank Insurance <i>(Oct 6, 2015 onwards)</i> Isaac Sananes, Canadian Premier <i>(Jun 9-18, 2015)</i>	Greg Grant, CIBC Insurance	Raja Rajaram, CIBC Insurance
2014-2015	Rino D'Onofrio, RBC Insurance <i>(Sep 19, 2014)</i>	Isaac Sananes, Canadian Premier <i>(Sep 19, 2014)</i>	Greg Grant, CIBC Insurance	Raja Rajaram, CIBC Insurance
2013-2014	Mark Cummings, ScotiaLife Financial	Rino D'Onofrio, RBC Insurance	Jennifer Hines, RBC Insurance	Raja Rajaram, CIBC Insurance
2012-2013	Mark Cummings, ScotiaLife Financial <i>(Dec 2012 onwards)</i> Cathy Honor, RBC Insurance <i>(until Dec 2012)</i>	Keith Demmings, Assurant Solutions <i>(until Dec 2012)</i>	Jennifer Hines, RBC Insurance <i>(Dec 2012 onwards)</i> John Lewsen, BMO Insurance <i>(until Oct 2012)</i>	Matt Fabian, BMO Insurance <i>(until Dec 2013)</i>
2011-2012	Cathy Honor, RBC Insurance <i>(Dec 2011 onwards)</i> David Minor, TD Insurance <i>(until Dec 2011)</i>	Keith Demmings, Assurant Solutions	John Lewsen, BMO Insurance	Matt Fabian, BMO Insurance
2010-2011	David Minor, TD Insurance	Keith Demmings, Assurant Solutions	John Lewsen, BMO Insurance	Matt Fabian, BMO Insurance
2009-2010	David Minor, TD Insurance	Keith Demmings, Assurant Solutions	Lawrie McGill, CIBC Insurance	Matt Fabian, BMO Insurance

Terms (June to June, except where noted)	Board Chair	Board Vice-Chair	EOC Chair	Treasurer
2007-2009	Rick Lancaster, CIBC Insurance	Steve Phillips, Assurant Solutions	Moir Gill, TD Insurance	Matt Fabian, BMO Insurance ( <i>Dec 2009 onwards</i> ) Monica Smith, BMO Insurance ( <i>Oct to Dec 2009</i> ) Victor Pywowarczuk, BMO Insurance ( <i>until Oct 2009</i> )
2005-2007	Neil Skelding, RBC Insurance ( <i>Oct 2005 onwards</i> )	Steve Phillips, Assurant Solutions	Lawrie McGill, CIBC Insurance	Victor Pywowarczuk, BMO Insurance
2004-2005	Cathy Honor, RBC Insurance ( <i>until Oct 2005</i> )	Steve Phillips, Assurant Solutions	Lawrie McGill, CIBC Insurance	Victor Pywowarczuk, BMO Insurance
2002-2004	Oscar Zimmerman, ScotiaLife Financial	Isaac Sananes, Canadian Premier		Ambrish Jaiswal, CIBC Insurance
2001-2002	Oscar Zimmerman, ScotiaLife Financial	Isaac Sananes, Canadian Premier		Karen Ramdhan, CIBC Insurance Tamesh Paraboo, Canadian Premier Life Insurance (2001)
2000	Russell Dunbar, TD Insurance	Isaac Sananes, Canadian Premier (Mar 2000 onwards) Bernard Dorval, Canada Trust (until Mar 2000)		
1998	Russell Dunbar, TD Insurance	Bernard Dorval, Canada Trust		



**CAFII Board Meeting Minutes**  
**Wednesday, April 5, 2017**  
**Location: TD Insurance, 320 Front Street,**  
**2<sup>nd</sup> Floor, Cape Breton Room,**  
**Toronto, ON M5V 3B6**

<b>Board Present:</b>	Nicole Benson Joane Bourdeau Bob Grant Chris Knight Todd Lawrence Chris Lobbezoo Peter McCarthy Robert Zanussi	Canadian Premier Life Insurance Co. National Bank Insurance Co. ScotiaLife Financial TD Insurance CIBC Insurance RBC Insurance BMO Insurance Assurant Solutions ( <i>by teleconference</i> )
		<i>Chair</i>
<b>Regrets:</b>	Nick Bilodeau Linda Fiset Kelly Tryon	AMEX Bank of Canada Desjardins Financial Security The CUMIS Group
<b>EOC Present:</b>	Jason Beauchamp Rose Beckford Charles Blaquiére Eleanore Fang Katherine Geisler Moirá Gill John Lewsen Charles MacLean Sue Manson Diane Quigley Andrea Stuska Raja Rajaram	BMO Insurance ScotiaLife Financial Canadian Premier Life Insurance Co. TD Insurance CIBC Insurance TD Insurance ( <i>for part</i> ) BMO Insurance RBC Insurance CIBC Insurance The CUMIS Group TD Insurance CIBC Insurance
		<i>Secretary</i>
<b>Also Present:</b>	Keith Martin Brendan Wycks Emily Cloutier	CAFII CAFII T•O Corporate Services
		<i>Co-Executive Director</i> <i>Co-Executive Director</i> <i>Recording Secretary</i>

**1. Call to Order, Welcome, and Confirmation of Meeting**

The meeting was called to order at 2:37 p.m. P. McCarthy acted as Chair; E. Fang acted as Secretary; and E. Cloutier acted as Recording Secretary.

P. McCarthy extended a particular welcome to Keith Martin, Co-Executive Director, who had joined CAFII on January 23/17 as Co-Executive Director and was attending his first CAFII Board meeting.

Secretary E. Fang confirmed that notice of the meeting was sent to all Directors in accordance with the Association's By-Law and there was a quorum of Directors present, with seven Directors present in-person and one Director participating by teleconference.

P. McCarthy declared this meeting of the Board of Directors of the Canadian Association of Financial Institutions in Insurance duly convened and properly constituted for the transaction of business.

### **1.2. Approval of Agenda**

On a motion duly made, seconded and unanimously carried

#### **IT WAS RESOLVED that:**

The Meeting Agenda be and is approved with the following amendment: addition of a new item *4.6 CAFII Letter of Concern to Saskatchewan Minister of Finance.*

## **2. Consent Items**

On a motion duly made, seconded and unanimously carried

#### **IT WAS RESOLVED that:**

The following Consent Agenda items be and are approved or received for the record, as indicated in the Action column in the Consent section of the agenda:

- Draft Board Meeting Minutes, November 29, 2016
- Summary of Board & EOC Action Items
- 2017 Co-Executive Directors Balanced Scorecard
- Regulatory Update
- Regulator and Policy-Maker Visit Plan
- Committee Reports Addressing CAFII Priorities

**IT WAS FURTHER RESOLVED** that the Minutes of the Board meeting held November 29, 2016 be and are adopted in the form presented, and that a copy of these minutes be signed and placed in the Minute Book of the Corporation.

## **3. Financial Matters**

### **3.1. Financial Statements as at February 28, 2017**

Treasurer R. Rajaram reported on the Association's financial statements as at February 28, 2017. With respect to the Balance Sheet, he noted that the Membership Dues invoices had been issued in mid-February and that total unrestricted net assets currently stood at \$383,284. Reserves of that amount constituted 51% of annual operating expenses.

T. Lawrence asked how the increase in CAFII Management Fees due to the addition of a Co-Executive Director would affect the total reserves and if CAFII would be in a budget deficit position at the end of 2017. B. Wycks confirmed that the 2017 CAFII Operating Budget called for a budget deficit of approximately \$193,000, which would draw down the Association's reserves to approximately 25% of annual operating expenses.

With respect to the Statement of Operations, Mr. Rajaram advised that the Association's net income was just under \$2, 500 with two months of the year completed as at February 28, 2017.

C. Knight inquired as to whether it would be possible to change Column 3 in the monthly Statement of Operations to contain Budget YTD data rather than the full annual budget for each line item. It was agreed upon that the Budget YTD allocation would be more helpful data to provide in the Statement of Operations.

***ACTION: Revise column 3 in the monthly CAFII Statement of Operations to contain Budget YTD data rather than the full annual budget. [S. Ghebru/R. Rajaram, May 15/17]***

On a motion duly made, seconded and unanimously carried

**IT WAS RESOLVED that:**

The CAFII financial statements as at February 28, 2017 be and are approved in the form presented.

**3.2. Quarterly Financial Reporting – March 2017**

Treasurer R. Rajaram recalled that the Quarterly Financial Report was a mechanism developed by in early 2016, with its purpose being to track the Association's financial results against the approved budget; and to project those results to the end of the fiscal year, with more precision, on a quarterly basis.

Mr. Rajaram noted that with current month deficits expected to be incurred in each of the nine months in the remaining three quarters of the year, the projection for the full 2017 fiscal year was a deficit of \$193,268.

On a motion duly made, seconded and unanimously carried

**IT WAS RESOLVED that:**

The CAFII Quarterly Financial Reporting as at March 2017 be and is approved in the form presented.

**3.3 Draft 2016 Audited Financial Statements**

Treasurer R. Rajaram presented the Association's 2016 Draft Audited Financial Statements, with particular focus on the Statement of Operations and Changes in Unrestricted Net Assets; the Statement of Financial Position; and the Independent Auditors' Report. He noted that the auditors KPMG had rendered a clean, unqualified audit opinion and none of the numbers provided in the draft 2016 year-end statements prepared by the Association's Controller had changed as a result of the audit.

On a motion duly made, seconded and unanimously carried

**IT WAS RESOLVED that:**

The 2016 Draft CAFII Audited Financial Statements be and are hereby approved in the form presented, and will be presented to the membership for approval at the Annual Meeting on June 6, 2017.

### **3.4. CAFII Treasurer Succession**

P. McCarthy advised the Board that R. Rajaram had expressed a desire to step down as Treasurer of the Association; and therefore the time had come to identify and secure a successor. It would be essential to have the new Treasurer identified prior to June 6, 2017 so that that individual could be appointed as an Officer of the Association at the first meeting of the new 2017-18 Board on that day.

Mr. McCarthy thanked R. Rajaram for four years of diligent and dedicated service as CAFII Treasurer.

At Mr. McCarthy's request, Mr. Rajaram elaborated on the CAFII Treasurer Position Profile included in the meeting materials, and on the level of workload and time commitment involved in serving as Treasurer.

Mr. McCarthy further advised that it would be advisable to ensure that the Association's Treasurer, Board Chair, and EOC Chair are all from different member companies -- to ensure transparency and to limit the possibility of undue influence being exerted by any one member company.

***ACTION: Consider the opportunity to nominate a suitably qualified representative from your member company for the key CAFII Officer position of Treasurer [all member companies other than BMO Insurance and TD Insurance, May 30/17].***

## **4. Regulatory**

### **4.1 Consultations/Submissions Timetable**

#### **i. BC FICOM 10-year Review of FIA**

B. Wycks advised that CAFII is still waiting for the BC Ministry of Finance to release its Policy Paper related to the 10-Year Review of the Financial Institutions Act. He will be reaching out to Elizabeth Cole of the Ministry for an update.

#### **ii. Quebec Omnibus Bill on Financial Sector Modernization**

B. Wycks advised that the latest commitment expressed by the Ministry of Finance is that it will table the long-awaited Omnibus Bill to modernize the province's financial services sector by the last date of the current sitting of the National Assembly which is June 16/17.

#### **iii. CCIR Annual Statement on Market Conduct**

B. Wycks advised that following a CAFII member-exclusive, high level webinar on the Annual Statement on Market Conduct which was CCIR presented on March 1/17, CCIR has now scheduled an instructional webinar for all industry players on April 11/17 which will focus on "how to complete the Statement" and other operational aspects.

#### **iv. CCIR Travel Health Insurance Review**

S. Manson, Chair of the CAFII Travel Medical Experts Working Group, reported that a CAFII delegation met with the CCIR Travel Insurance Working Group on February 22/17 to review the draft recommendations proposed for inclusion in the TIWG's upcoming Travel Health Insurance (THI) Products Position Paper.

Thereafter, CAFII submitted written feedback on the draft recommendations on March 10/17. The essence of CAFII's feedback was that

- greater specificity should be added to the recommendations wherever possible, to avoid vagueness, especially in terms of "measures of success";
- clarity, not standardization, should be the linchpin for improving consumers' understanding of THI and their ability to make an informed purchase decision; and

- greater balance should be infused into the Position Paper by emphasizing, where appropriate, consumers' responsibilities with respect to THI, in addition to their rights; and acknowledging – as appropriate throughout the Paper; and not just via a single passing reference – where the industry has already achieved high standards or made substantial progress in addressing the particular THI concerns which the CCIR has articulated.

B. Wycks added that CCIR has confirmed that it plans to seek some media attention and publicity by putting out a Media Release announcing the publication of its Travel Health Insurance Products Position Paper.

#### **v. Saskatchewan Insurance Act/ Regulations Consultation**

R. Beckford, Chair of the Market Conduct Committee, advised that in mid-February, CAFII was informed by Jan Seibel, Legal Counsel with the Financial Consumer Affairs Authority (FCAA) of Saskatchewan and lead on its Insurance Act and Regulations Re-write file, that the FCAA “had heard and appreciated the concerns expressed by CAFII and other industry stakeholders” that the planned April 2017 implementation date for the new Insurance Act and its related Regulations was not realistic or achievable; and that the FCAA had therefore recently decided that the implementation/proclamation into force date would be pushed back by one year to Spring 2018.

This favourable news was an indication that it is important for CAFII to push back on certain issues with regulators and policy-makers; and to take the opportunity to communicate our concerns and recommendations, and ensure that our voice is heard, Ms. Beckford indicated.

#### **4.2 Alberta Authorization of CI Sales Under an RIA Certificate**

B. Wycks advised that subsequent to the previous CAFII Board meeting on November 29/16, the Alberta Insurance Council (AIC) approved a definition of critical illness insurance that can be sold as a type of credit-related insurance under a Restricted Certificate of Authority. That definition was in harmony with the closely aligned definitions of critical illness creditor insurance proposed by CAFII and CLHIA.

However, AIC CEO Joanne Abram's letter of December 22/16 to CAFII and CLHIA, which communicated the approved definition of creditor critical illness insurance, also indicated that that definition would be packaged together with existing AIC internally-used definitions of creditor life insurance, creditor disability insurance, and creditor loss of employment insurance; and the full suite of definitions would be published on the AIC's website for public information.

At that point, CLHIA identified some concerns about the wording of the AIC's three internally-used definitions, asserting that it could cause misperceptions and confusion among the public. The AIC has therefore committed to have its Life Insurance Council re-examine those definitions in its next meeting on April 12/17; and to communicate back to CAFII and CLHIA thereafter.

#### **4.3 Consumer Protection Framework in Federal Budget Implementation Act, 2016 (Bill C-29)**

B. Wycks reported that Sandy Stephens, Assistant General Counsel, Canadian Bankers Association (CBA), had recently advised him that under forceful, full court press pressure from the Senate, consumer interest groups, and Opposition MPs, particularly those from Quebec, the federal Government decided in mid-December to remove Division 5 (the Consumer Protection Framework) from Bill C-29, Budget Implementation Act, in order to get the Bill passed.

The pressure point was around the federal financial consumer protection framework's infringing upon provincial responsibility for consumer protection; and, to some degree, its assertion of federal paramountcy over the regulation of banks.

The Government currently intends, after a Financial Consumer Agency of Canada (FCAC) exercise of benchmarking against provincial financial consumer protection frameworks, to re-introduce a federal financial consumer protection framework as a stand-alone Bill. If and when the Government starts working on that new Bill or when it is introduced as draft legislation, the CBA intends to intervene with Finance Canada at that time and work with it to resolve the two material, unintended consequence concerns for bank insurance products arising from the original Division 5, which were identified by CAFII member CIBC Insurance and then shared with the CBA for appropriate remedial action with Finance Canada.

#### **4.4 CBA Positioning Re Federal Bank Act Review and Insurance Retailing Prohibitions**

B. Wycks advised that Sandy Stephens, Assistant General Counsel, and Charles Docherty, Senior Legal Counsel, with the CBA had recently confirmed to him that in the upcoming federal Bank Act review, the CBA does not intend to pursue changes to the long-standing prohibition against banks retailing non-Authorized Insurance Products from their branches. The CBA therefore included only a boilerplate paragraph about this issue as a placeholder in its November 15/16 Review of the Federal Financial Sector Framework submission to the Department of Finance Canada.

#### **4.5 Opportunity to Present at June 1-2/17 CISRO Meeting in Saskatoon**

B. Wycks advised the Board that at the February 2017 EOC meeting, M. Gill had suggested that he speak to R. Fullan, Chair of CISRO, about the possibility of CAFII sponsoring a dinner around one of CISRO's two semi-annual meetings, largely as a liaison and get acquainted opportunity for new Co-Executive Director K. Martin.

Mr. Wycks then did speak to Mr. Fullan about that prospect at CAFII's stakeholder meeting with the CCIR Travel Insurance Working Group on February 21/17. Mr. Fullan's response was that just as CCIR does, CISRO declines such requests because its policy is that its members will not meet as an entire group, in conjunction with a CISRO meeting, with a stakeholder in a social event or dinner sponsored by that stakeholder – because accepting such a request could be perceived as favouritism towards that particular stakeholder.

However, as an alternative, Mr. Fullan, as Chair of CISRO, extended an invitation to CAFII to make a half-hour presentation to CISRO as part of the agenda for CISRO's meeting in Saskatoon on June 1-2/17.

At its March 21/17 meeting, the EOC supported acceptance of R. Fullan's invitation; and that a recommendation to that effect be brought forward to the Board for approval at this April 5/17 meeting.

B. Wycks also advised that if CAFII accepted the CISRO presentation invitation, the presentation could be arranged for the morning of Friday, June 2, during the final portion of CISRO's 1.5 day meeting. That way, CAFII would also be able to secure a separate liaison lunch meeting with R. Fullan immediately following the CISRO meeting, which could serve as both a CAFII-relevant debrief on the entire CISRO meeting and an opportunity to resurrect CAFII's Concept Proposal for a Restricted Insurance Agents Advisory Committee to the Executive Director of the Insurance Councils of Saskatchewan, which had been put on the back-burner since October 2013 due to Mr. Fullan's need to dedicate all of his time and energy to leading the LLQP modernization initiative, which was now complete.

In Board discussion of this matter, there was consensus that

- CAFII should accept the invitation to make a presentation to CISRO at its June 1-2/17 meeting in Saskatoon;
- the EOC was empowered to identify an appropriate topic and develop the content for the CAFII presentation to CISRO; and
- CAFII's delegation for the presentation, and a possible post-CISRO liaison meeting with R. Fullan, should include Co-Executive Directors B. Wycks and K. Martin, along with Board and/or EOC representatives.

Board Chair P. McCarthy advised that he would check to see if his schedule would allow him to be part of the CAFII delegation for the presentation to CISRO during its June 1-2 meeting in Saskatoon.

#### **4.6 CAFII Letter of Concern to Saskatchewan Finance Minister**

The Board reviewed a draft CAFII letter of concern to Saskatchewan Finance Minister K. Doherty with respect to his government's recent decision to impose a 6% provincial sales tax (PST) on most types of insurance premiums – including creditor's group insurance and travel insurance – effective July 1, 2017. The draft CAFII letter had been prepared by Co-Executive Directors K. Martin and B. Wycks, in consultation with EOC and Market Conduct Committee members.

P. McCarthy noted that the draft CAFII letter was clear and well-written. Essentially, he noted, the draft letter asked for two things: (i) please reverse your budget decision and don't do this because it is bad public policy; and (ii) if you still insist on imposing the PST on insurance premiums, give us more lead time to implement it to allow for necessary technology systems and process changes.

In contrast, Mr. McCarthy continued, CLHIA's already-sent letter of concern to the Finance Minister took quite a different approach. It essentially 'sacrificed' group insurance premiums by encouraging Saskatchewan to exempt individual retail life insurance premiums from the PST, asserting that "modifying the proposals to only apply retail sales tax on group life, disability, and health insurance (both insured and uninsured arrangements), while refraining from taxing individual life, disability and health insurance, would still leave Saskatchewan with over 80% of the targeted revenue from this measure."

Following thorough Board discussion of the draft CAFII letter, there was unanimous agreement that the Association's letter should be revised to focus solely on the aspect that imposing a PST on insurance premiums is ill-advised public policy; and to remove any reference to a deadline extension request.

***ACTION: Revise CAFII letter to Saskatchewan Finance Minister to focus solely on aspect that imposing a PST on insurance premiums is ill-advised public policy; and remove any reference to a deadline extension request; circulate revised letter to EOC members for review and feedback; and submit letter to the Minister [B. Wycks, K. Martin, E. Fang, April 7/17]***

***ACTION: Find out from Advocis what position it will be taking on Saskatchewan's imposition of the PST on insurance premiums and its related communication plans; and share with Board and EOC members. [P. McCarthy, April 7/17]***

## **5. Governance & Strategy**

### **5.1 Strategic Plan Development Plan Proposal**

K. Martin advised that in consultation with Co-Executive Director B. Wycks and EOC Chair E. Fang, he was developing a Strategic Plan Development Backgrounder document, which would serve as the discussion guide for a strategic planning session with EOC members which was being arranged to occur in conjunction with either the upcoming May or June EOC meeting.

The objective of the CAFII strategic development initiative was to review Who are we?; Where we are?; Where do we want to go?; and How Do We Get There, in terms of priorities, initiatives, and resources. The EOC had agreed that working through a strategic planning process was an important exercise, especially given the recent addition of a Co-Executive Director as a staff resource, Mr. Martin indicated

Mr. Martin added that he and B. Wycks would be meeting with EOC Chair E. Fang on May 8 to review the CAFII Strategic Plan Development Backgrounder; and that document would then be provided to the full EOC well in advance of its May or June Strategic Planning Session, which will enable EOC members to provide their views concerning overall direction, prioritization, and resourcing. The recommendations agreed to at the Strategic Planning Session would be shared with Board Chair P. McCarthy for discussion and feedback, prior to being presented to the entire Board at its October 3/17 meeting, he concluded.

### **5.2 CAFII Media Engagement; and Related Media Protocol**

K. Martin highlighted the recent situation in which he had been asked whether CAFII might be prepared to respond to a recent Rob Carrick column in the Globe and Mail which was very ill-informed and negative about creditor's group insurance sold by financial institutions.

Based on conversations with EOC and Board members, Mr. Martin continued, there did not appear to be consensus on how CAFII should approach such columns/articles that depict CAFII products and services negatively. There were two possible approaches, as follows, he indicated:

1. Ignore them and let them flame out on their own. These columns/articles are infrequent and by responding, we may only create more of an issue by fanning the flames and thereby keeping the issue "alive". In addition, there are some materials for response but they have not been approved.
2. A more streamlined and expedited Media Protocol needs to be developed and approved, so that as the Co-Executive Director focused on media matters, K. Martin is empowered with a level of pre-approved authority to prepare responses to such columns/articles, while expedited review and approval authority is vested in one or two Officers only, so that responses can be made quickly to the media entity involved.

In extensive Board discussion of this matter, there was general agreement that

- CAFII should begin to reach out to the media for relationship-building purposes and to start a long-term educational process around CAFII members' products and their valuable role in the marketplace, rather than continuing to sit back and always being in a reactionary, defensive position;
- an expedited Media Protocol should be prepared which empowers CAFII Co-Executive Director K. Martin to respond promptly to negative print media columns/articles with pre-approved CAFII Letter to the Editor-type content, without the need for unanimous member consent or full Board approval;



- stock Letters to the Editor should be developed, drawing upon CAFII's Key Messages content, for the Board's review and approval, which will then put Co-Executive Director K. Martin in a position of readiness to respond to negative print media columns/articles; and
- a media relations expert should be available to CAFII, as a sounding board consultant and a resource in dealing with media response situations as they arise.

***ACTION: Revise CAFII Media Protocol, based on Board direction with respect to responding to media, and present the updated document for Board review and approval at its June 6/17 meeting [K. Martin, May 30/17]***

***ACTION: Revise and renew CAFII's media consultant retainer relationship with D. Moorcroft – to extend it beyond June 30/17 – and build his involvement as a sounding board into the updated Media Protocol so that the number of review/approval steps can be minimized and CAFII Co-Executive Director K. Martin can be empowered to respond to media on behalf of the Association expeditiously [K. Martin, May 30/17]***

## **6. Other Business**

### **6.1 Upcoming CAFII Event Reminders**

#### **i. Order of Proceedings and Board/EOC Assignments for CAFII 20th Anniversary Celebration**

B. Wycks provided an update on the Order of Proceedings and Board/EOC member Hosting Assignments for the CAFII 20<sup>th</sup> Anniversary Celebration taking place that evening. He noted that all regulators and policy-makers in attendance would be readily visible by the blue-ribbon at the bottom of their name badges.

#### **ii. June 6/17 and October 3/17 CAFII Board Meetings**

B. Wycks advised that the next Board meeting, along with the Annual Meeting of Members, would be held on Tuesday June 6, 2017 at The Albany Club, President's Room, 91 King St. East, in Toronto; and a CAFII Social Reception would immediately follow at the same venue in the Sir John A. MacDonald Room.

The subsequent Board meeting on Tuesday, October 3, 2017 would be hosted by National Bank Insurance in Montreal, to allow for CAFII's annual liaison luncheon and Industry Issues Dialogue session with the staff executives of the AMF.

## **7. Termination**

There being no further business to discuss, the meeting was terminated at 4:30 p.m.

## **8. In-Camera Session**

The Board met in-camera from 4:30 to 5:00 p.m. The Board meeting did not resume thereafter, due to the CAFII 20<sup>th</sup> Anniversary Celebration taking place at the nearby Ripley's Aquarium.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Recording Secretary

Summary of CAFII Board and EOC Action Items					
Source	Action Item		Responsible	Deadline	Status 29-May-2017
	<b>BC Ministry of Finance &amp; FICOM Regulatory Issues</b>				
1	EOC April 25, 2017	• Review CAFII's September 2015 submission in response to BC's Initial Public Consultation Paper on its 10-Year Review of the FIA/CUIA, and recommend whether an updated submission should be made to E. Cole to reflect any changes in CAFII's views, issues, or priorities since that time.	Brendan	23-May-17	In progress
2	EOC Feb 16, 2016	• Investigate opportunities to engage with BC Ministry of Finance to provide information and find out more about what will be included in the Policy Paper to be released in late 2016C38:C150.	Brendan	Ongoing	In progress
	<b>Alberta Critical Illness Insurance Issue</b>				
3	EOC April 25, 2017	• Send the CLHIA document titled "Industry Feedback on December 2016 Creditor's Group Insurance Definitions" to all EOC members, along with background context information and a request that they consult with internal legal counsel and provide their member company's views on CLHIA's concerns about and proposals for amendments to the AIC definitions by May 3/17.	Brendan	27-Apr-17	Complete
4	EOC February 21, 2017	• Contact J. McCutcheon to ask her to review the definition of Creditors' Critical Illness Insurance approved by the Alberta LIC to ensure there are no issues with it from an industry-wide perspective.	Brendan	28-Feb-17	Deferred
	<b>Ontario Ministry of Finance &amp; FSCO/FSRA Regulatory Issues</b>				
5	EOC April 25, 2017	• Communicate back to H. Driver, FSCO, that CAFII accepts the invitation to have two representatives participate on the Life Insurance Industry Working Group.	Brendan	28-Apr-17	Complete
6		• Consult with M. Gill, LEIC Chair, on who should be CAFII's second appointee to FSCO's Life Insurance Industry Working Group	Brendan, Keith	12-May-17	Complete
7	EOC January 17, 2017	• Follow-up with S. Roberts, FSRA Implementation Secretariat, with a request that CAFII be given an opportunity to provide input for the Secretariat's development of draft Regulations.	Brendan	3-Feb-17	Complete
	<b>Canadian Insurance Services Regulatory Organizations (CISRO)</b>				
8	EOC April 25, 2017	• Prepare an initial draft of content for June 2/17 presentation to CISRO	Working group of Keith, Brendan, Diane, Sue	23-May-17	In progress
	<b>Finance Canada Regulatory Issues</b>				
9	Board Nov 29, 2016	• Monitor Canadian Bankers Association's plans and actions for seeking redress with Finance Canada re deficiencies in Bill C29, Budget Implementation Act's Consumer Framework related to creditor insurance and standalone insurance products.	Brendan	Ongoing	In progress
	<b>Regulator and Policy-Maker Meetings</b>				
10	EOC April 25, 2017	• Send out Meeting Invitations for liaison meetings with J. Abram, G. Matier, and B. Palace Churchill in London, along with an Agenda and Discussion Guide for each meeting.	Brendan	28-Apr-17	Complete
11		• Prepare and present proposals for a Western Canada Regulator and Policy-Makers Visit Tour and an Atlantic Canada Regulator and Policy-Makers Visit Tour in the Fall of 2017	Brendan	23-May-17	In progress
	<b>Strategy and Governance</b>				
12	EOC April 25, 2017	• Follow-up with S. Manson's assistant at CIBC Insurance to inquire as to whether a larger room can be secured for the entire time of the EOC meeting and the CAFII Strategic Planning Session on June 20/17.	Emily	28-Apr-17	Complete
13	EOC March 21, 2017 and Board April 5, 2017	• Prepare a proposed CAFII Strategy Plan Development Backgrounder document to be reviewed with the EOC Chair, and subsequently provided to the full EOC well in advance of the confirmed date for the Strategic Planning Session.	Keith	15-May-17	In progress
	<b>Media and Communications</b>				
14	Board April 5, 2017	• Revise CAFII Media Protocol, based on Board direction with respect to responding to media, and present the updated document for Board review and approval at its June 6/17 meeting.	Keith	30-May-17	Complete
15		• Revise and renew CAFII's media consultant retainer relationship with D. Moorcroft--to extend beyond June 30/17--and build his involvement as a sounding board into the updated Media Protocol so that the number of review/approval steps can be minimized and CAFII Co-ED K. Martin can be empowered to respond to media on behalf of the Association expeditiously.	Keith	30-May-17	In progress
	<b>Association Budgeting and Financial Management</b>				
16	EOC April 25, 2017	• Revise the Statement of Operations in CAFII's monthly Financial Statements to detail the Budget YTD as a percentage.	Senait, Raja	15-May-17	Complete
17	Board April 5, 2017	• Revise column 3 on the monthly Statement of Operations to contain Budget Year-to-Date data on an ongoing basis, rather than the full Annual Budget	Senait, Raja	15-May-17	Complete

**Regulatory Update – CAFII Board of Directors, May 29, 2017**

Prepared By Brendan Wycks, CAFII Co-Executive Director

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## **Federal/National**

### **Financial Consumer Agency of Canada (FCAC)**

#### Commissioner Calls For New Consumer Protection Advisory Committee Volunteers

On May 1/17, Lucie Tedesco, Commissioner of the Financial Consumer Agency of Canada (FCAC), issued a call for volunteer applicants for a new Consumer Protection Advisory Committee (CPAC) which will play a key role by supporting the Commissioner in carrying out the Agency's financial consumer protection mandate.

Committee members will help protect consumers by informing FCAC's supervision work, research initiatives, and the development of consumer education material. In addition, members will share their perspectives on marketplace trends and emerging issues, concerns regarding the delivery of financial services, and how changes in the financial services sector are impacting Canadians.

The CPAC will have up to 12 members, who will be selected by Ms. Tedesco. The FCAC is seeking candidates from the public, non-profit and private sectors. The Commissioner will consider the roles, experience and knowledge of applicants in selecting members of the Committee. The Commissioner also reserves the right to select a member who, in her view, has expertise or represents interests that may help advance the Committee's work. Membership selection will be open and transparent, representative of Canada's diversity, and merit-based.

Applicants and the organizations they represent should be able to demonstrate the importance they accord to financial consumer protection issues and the identification and evaluation of trends and emerging issues. Members should be senior representatives of organizations and/or experts in their field related to the financial industry, active in the financial sector and have significant influence within their sector. Members are required to actively participate in the Committee's activities.

The Committee will meet at least twice per year and may, at the discretion of the Chair, hold additional meetings. In-person participation is preferred; however, conference call facilities will be made available if required. Membership on the Committee is for renewable, two-year terms. The Commissioner will determine whether members are renewed.

Interested individuals may apply online until 11:59 p.m. on June 30, 2017.

### **Canadian Council of Insurance Regulators (CCIR)**

#### Northwest Territories Signs Onto MOU Re Co-operative Framework

In an April 24/17 meeting, CCIR Policy Managers M. Boyle and S. Jacobs advised CAFII that the Northwest Territories had recently signed the Council's Memorandum of Understanding related to its Framework for Co-operative Market Conduct Supervision.

As well, Newfoundland is in the late stages of its review and approval process and should be signing the MOU in the very near future. That will leave only the Yukon as a non-signatory among the 13 provincial/regional jurisdictions in the country; and it is currently going through some staff changes in terms of its insurance supervision roles. Jonathan Parker is the new Superintendent of Insurance for the Yukon.

#### CCIR Approves New 2017-2020 Strategic Plan; Targets Early June Release

CCIR approved a penultimate draft of its new 2017-2020 Strategic Plan during its April 6-7/17 Spring meeting. The target release date for the new Plan is early June.

M. Boyle and S. Jacobs offered to meet with CAFII after the new Strategic Plan's release to provide elaboration and clarification, and answer any questions. It was agreed that that meeting should take place after June 22/17 – the date of CCIR's Summer teleconference meeting – as deferring until then would allow for a wider range of updates to be provided.

#### CCIR To Resume October/November Timing For Annual Stakeholder Meetings

On April 24/17, CCIR Policy Managers M. Boyle and S. Jacobs advised CAFII that the Council will be continuing its Annual Stakeholder Meetings, but will revert to an October or November timing for them rather than the January and December timing that was used most recently.

#### CCIR Re-Appoints Executive Committee Members; Adds Third Vice-Chair

At its April 6-7/17 Spring meeting, CCIR made the following Executive Committee re-appointments for a two-year term: Patrick Dery; Chair; Brian Mills, Vice-Chair; and Robert Bradley, Vice-Chair; and Scott Moore was added as a third Vice-Chair.

#### CCIR To Share Aggregated Annual Statement On Market Conduct Results With Industry

On April 24/17, M. Boyle advised CAFII that CCIR plans to share an aggregated results report from the first year of the Annual Statement on Market Conduct with participating insurers and industry Associations, likely in the third or fourth quarter of 2017.

CAFII has also learned that there will only be grammatical changes made to the Annual Statement for its Year 2. Informal consultations on those changes would be conducted during the summer of 2017. Thereafter, CCIR has committed to a more fulsome review of the Annual Statement for its Year 3.

### **Travel Health Insurance Association (THiA)**

#### THiA Progressing On Travel Insurance Bill Of Rights and Responsibilities

Will McAleer, President of the Travel Health Insurance Association (THiA), reported in its Winter 2017 quarterly newsletter that the Association's in-development Travel Insurance Bill of Rights and Responsibilities (BofRs) had been reviewed and refined by the Executive Committee and would be showcased to the membership, along with a comprehensive communications plan, at the THiA Annual Conference, which was held April 30 to May 3/17 in Las Vegas.

"Our intention is to outline ways that you and your organizations can participate in the promotion of this exciting new initiative, such that we can show both regulators and the public our support for the programs we offer to Canadian travelers," McAleer said in his President's Message.

(At this time, no further news about the BofRs has been published on the THiA website, in either the public or members-only sections.)

Earlier, at THiA's AGM on September 27/16, the then-current draft of the BofRs was unveiled as follows:

*Know Your Health, Know Your Policy, Know Your Trip, Know Your Rights*

*You Have The Right To*

1. *A No Obligation Purchase: your travel insurance provider will allow you a '10-day free look.'*
2. *Be Informed: you will receive your policy documentation and confirmation of coverage outlining the policy terms and conditions, whether you purchased in-person, over the phone, or online.*
3. *Request Clarification: you may ask questions about the travel insurance you have purchased.*

4. *Review and Modify Medical Screening: you will receive a copy of the answers you provided on the medical questionnaire prior to the start of your policy.*
5. *Receive World-wide Assistance and Toll-free Support: you will have 24/7 access to the help you need, when you need it, from your travel insurance provider.*
6. *Fair and Prompt Claims Handling: you will have a timely and transparent communication process.*
7. *Escalate and Appeal: you may challenge decisions and request additional reviews with new information.*
8. *Confidentiality: your personal information will be protected in all dealings with your travel insurance provider.*
9. *Know Your Insurer: your policy will clearly identify the underwriter of your travel insurance and the process to file and resolve complaints.*
10. *Your Preferred Language: you may transact and correspond about all components of your travel insurance in English or French.*

#### *You Have The Responsibility To*

1. *Provide Accurate Information: you must complete the travel insurance application accurately.*
2. *Understand Your Purchase: you should read and understand your policy wording.*
3. *Travel With Proof of Insurance: you should have your policy number and emergency assistance contact information easily accessible.*
4. *Notify Your Travel Insurance Provider: you must provide prompt and timely communication when a claim situation arises and provide all requested documentation related to your claim, including all receipts.*

In addition to the BofRs itself, THiA is developing a 'Seal of Approval' icon which will be made available to members to use on their corporate websites, policy documentation, and promotional materials. THiA has indicated that to be able to use the 'Seal of Approval,' member companies will need to make sure that their policies and practices are in line with the BofRs; and in the near-term that process will be entirely self-managed.

#### **British Columbia**

##### Gerry Matier Suggests Work-Around For Representation For Banks-In-Insurance

In a May 5/17 liaison meeting with CAFII representatives at the CLHIA Conference in London, Ontario, Gerry Matier, Executive Director of the Insurance Council of BC, advised that the "BC residency requirement" remains an obstacle for creating a vehicle for CAFII and the financial institutions in insurance sector to have representation on the Insurance Council.

However, if the non-resident appointee prohibition remains a stumbling block, he advised that CAFII and the Insurance Council could create a work-around by setting up a permanent opportunity for CAFII to make a presentation to the Insurance Council at one of its scheduled meetings, perhaps annually or semi-annually.

Mr. Matier suggested that CAFII pursue setting this up with his successor, as he will be retiring as Executive Director of the Insurance Council at the end of 2017.

##### Judge Dismisses Application To Certify Class Action Against Banks

In a judgment handed down on March 28/17, the Honourable Mr. Justice J. Macintosh dismissed an application by Ms. Harpreet Kaur Sekhon to have a class action certified against Royal Bank of Canada, Toronto Dominion Bank, Canadian Imperial Bank of Commerce, Bank of Montreal, and Bank of Nova Scotia related to their credit card balance protection insurance (BPI).

The class definition proposed by Ms. Sekhon and her lawyers evolved over the course of a six-day hearing and ended up as *“this action is brought on behalf of members of a class consisting of the Plaintiff and all persons who, while residing in the Province of British Columbia, were enrolled in Credit Protection by telephone by the Defendant Banks and who paid monthly premiums and/or fees for Credit Protection, or such other class and/or subclass definitions or class periods as the Court may ultimately decide on the motion for certification.”*

Key elements of the judge’s dismissal decision included the following:

*“The Plaintiff could not point to anything that contravenes any law in the voluminous documentary evidence the Banks filed, showing their BPI policies, procedures, and protocols. . . . Given my finding that it was permissible for the Certificates of Insurance to be sent after the enrollment phone calls, no claim by a potential plaintiff can get off the ground without an examination of that individual’s enrollment phone call and his or her other knowledge about BPI. In the result, there is nothing common about the claims of the members in any potential plaintiff group.*

*It is not a common issue whether thousands of Canadians have enrolled by phone with the Banks to obtain BPI coverage, and have paid for that coverage. That is common ground.*

*There is a further level of individuality when any potential BPI claims is examined. The five Banks each have their own BPI program. While there are many common points in the five programs, there are also enough differences that it would be relevant to know which Bank a particular complainant dealt with. Similarly, each of the five programs changes from time to time.*

*The application for certification fails to satisfy the requirements in s. 4(1)(b)-(e) of the Class Proceedings Act. The central point of the case is the absence of “commonality” as discussed in the case law addressing s. 4(1)(c) of the Act. Every potential class member, no matter how the class was defined, would need to advance a case which was almost entirely specific to that customer.”*

In his judgement, Mr. Justice Macintosh did, however, make one backhanded slap at the defendants, as follows: *“I sympathize with the Plaintiff. From reviewing the Sekhon and Barbero phone transcripts . . . , I expect that Bank representatives, not infrequently, are, or at least have been, overly aggressive and persistent in selling BPI to their customers, many of whom phoned their Banks only to activate their credit cards. But in my view, that is not enough to make a finding of commonality so as to bring this application within the ambit of s. 4(1)(c) of the Act.”*

## **Alberta**

### CAFII Provides Feedback on AIC’s Internal Definitions of Credit-Related Insurance

In a May 19/17 response to CAFII’s “Feedback on Definitions of Credit-Related Insurance Authorized for Sale Under a Restricted Insurance Agent’s Certificate in Alberta,” J. Abram, CEO of the Alberta Insurance Council, wrote to B. Wycks as follows: “Thanks, Brendan. I appreciate your quick response on this issue and value your feedback. I will place this matter before the LIC at their next meeting and will let you know the outcome.”

Earlier on May 19/17, B. Wycks made a detailed submission to Ms. Abram on behalf of CAFII (see document supporting agenda item 4.2 for June 6/17 CAFII Board Meeting).

#### AIC Contemplating Separate Licensing Regime For Travel Agencies

In a liaison meeting with CAFII representatives on May 4/17 at the CLHIA Conference in London, Ontario, Joanne Abram, CEO of the Alberta Insurance Council, advised CAFII that the Council is looking seriously at the possibility of introducing a separate restricted licensing regime for travel agencies that sell travel health insurance in the province.

The AIC was approached by the Association of Canadian Travel Agencies (ACTA) with a proposal to that end. Currently, an RIA Certificate allows only the employees of travel agencies to engage with consumers under the licence with respect to travel insurance sales; no outsourcing is allowed. However, travel agencies would like to be able to engage TPAs to assist with the travel insurance aspect of their business. In that connection, the AIC has started to look at Saskatchewan's plans for a TPA licensing regime, but not in great detail yet.

This contemplated separate licensing regime would affect only individual travel insurance policy sales by travel agencies, Ms. Abram clarified. If the AIC decides to move ahead with this proposal, there will be a consultation with the industry on it.

#### AIC Approves New 2017-22 Strategic Plan

On May 4/17, Joanne Abram, CEO of the Alberta Insurance Council, advised CAFII that the AIC had recently reviewed and approved a new five-year, 2017-22 Strategic Plan for the organization. It should be posted on the AIC website by the end of May.

One initiative within the new Strategic Plan is undertaking a review of the Council's current system with respect to Errors and Omissions Insurance requirements, with the goal of implementing a better system for monitoring/auditing and enforcement.

#### Review of Alberta Insurance Act Not On Near-Term Horizon

On May 4/17, Joanne Abram, CEO of the Alberta Insurance Council, advised CAFII that a review of the Alberta Insurance Act was not on the near-term horizon, particularly given that the next fixed-term provincial election date is only two years away.

#### Nilam Jetha Now Permanent As Superintendent of Insurance

On May 4/17, Joanne Abram, CEO of the Alberta Insurance Council, advised CAFII that in early 2017, Nilam Jetha's appointment as Alberta's Superintendent of Insurance was made permanent. Ms. Jetha's confirmation as Superintendent follows a one-year temporary appointment made in early 2016, when her predecessor Mark Prefontaine was seconded to an Assistant Deputy Minister role.

### **Saskatchewan**

#### Retiring IBAS Executive Director Reminisces On Wins Against Banks In Insurance

Retiring after 25 years as Executive Director of the Insurance Brokers Association of Saskatchewan, Ernie Gaschler said the following in his farewell column to IBAS members in the Spring 2017 issue of the Association's Saskatchewan Broker magazine:

*"IBAS' political effectiveness has been legendary when it comes to keeping the banks from selling insurance through their branches and websites. Protecting the public interest at the point where credit is granted is a message that's resonated well with governments at both the national and provincial levels and should continue to do so in the future."*



Gaschler's parting comments also include a reminiscence that when he first became Executive Director of IBAS in 1992, for a number of years he also served in the dual role of General Manager of the relatively new Insurance Councils of Saskatchewan. "Although managing both provided a few challenges, there weren't many conflicts since the benefit of a fair and consistent regulatory regime served the best interests of industry and the public equally well," he opines.

Interestingly, the Spring issue of Saskatchewan Broker does not contain any mention of Finance Minister Kevin Doherty's imposition of a 6% provincial sales tax on most types of insurance premiums including home and auto premiums; nor any mention of IBAS initiatives either before or after the Minister's announcement of that PST measure in his March 22/17 provincial budget.

## **Manitoba**

### Insurance Council To Launch 2017-18 RIA Licence Renewal Period Shortly

The Insurance Council of Manitoba (ICM) has published a Notice on its website advising that the period for online renewal of Restricted Insurance Agent (RIA) licences for 2017-18 will open shortly. An email notice will be sent to an RIA's Designated Official as soon as that occurs.

The ICM recommends that RIAs renew their licences immediately after receiving the notification email indicating that its licensing portal is ready to accept RIA renewals. That's because if issues occur with an RIA entity's renewal application, and the license ends up not being issued prior to the July 1 renewal deadline, the entity and its employees will not be licensed or authorized to conduct insurance business in Manitoba after the current licence has expired.

The Notice also advises that amendments to an organization's name cannot be completed via the online licence renewal process; but rather must be submitted to the ICM in paper format. A new, fully completed application – including required documentation and an amendment fee of \$70 – is required to complete an amendment to an organization's name. In that connection, the Notice warns that under Section 391 of the Insurance Act of Manitoba, a licensee can only hold out in the manner in which it has been licensed by the ICM.

### Existing ISI Committee Could Be Vehicle For Restricted Licensee Representation

In a May 4/17 get acquainted discussion with CAFII representatives at the CLHIA Conference in London, Ontario, Barbara Palace Churchill, new Executive Director of the Insurance Council of Manitoba, was introduced to a key Manitoba-related concern for the Association.

In CAFII's view, with a relatively new Restricted Insurance Agent/Incidental Sales of Insurance regime now in place, Manitoba now faces the issue of coming up with an approach whereby the interests of all distribution channels are well-served by the Insurance Council and the representatives of any particular channel are not in a position to make decisions which could negatively affect or disadvantage competing channels.

Ms. Palace Churchill said that she understood and appreciated that concern; and that in her opinion, meaningful representation for Restricted Licence Holders could be achieved through the Council's existing ISI Committee. However, she also expressed interest in reviewing a copy of CAFII's Concept Proposal For A Restricted Insurance Agents Advisory Committee to the Executive Director of the Insurance Councils of Saskatchewan.

### ICM Requests Educational Presentation From CAFII In Winnipeg

Barbara Palace Churchill advised CAFII on May 4/17 that she would be delighted to have a more substantive liaison meeting with CAFII representatives in the near future.

Through discussion, it was agreed that that best approach and location for such a meeting would be a meeting at the Insurance Council's office in Winnipeg in late June or early July 2017 (following completion of ICM's intensive licence renewal period), in which CAFII's representatives also make a presentation to all ICM staff to help educate them about ISI Distribution/CGI Sales By Financial Institutions. It was agreed that CAFII would follow-up with Ms. Palace Churchill to schedule and co-ordinate that meeting and presentation opportunity.

## **Ontario**

### FSCO To Launch Life Insurance Industry Working Group

On April 21/17, Heather Driver, Director, Licensing Branch in FSCO's Licensing and Market Conduct Division, wrote to CAFII and four other industry Associations in the life and health insurance sector, with an invitation to appoint up to two representatives to the Commission's new Life Insurance Industry Working Group (LII Working Group).

The purpose of the LII Working Group will be to provide a forum to discuss operational policy issues and regulatory matters pertaining to the life insurance industry.

Ms. Driver, who will chair the LII Working Group, indicated that it will include participants from FSCO, the Ontario Ministry of Finance, and the following life insurance industry Associations: Advocis; Independent Financial Brokers (IFB); Canadian Association of independent Life Brokerage Agencies (CAILBA); Canadian Life and Health Insurance Association (CLHIA); Canadian Association of Financial Institutions in Insurance (CAFII).

Discussions at this forum are intended to be open and candid, so no minutes will be taken at the meetings. Although discussions are not intended to be confidential, there may be occasions upon which members are privy to confidential materials and may be asked to sign non-disclosure agreements.

The LII Working Group will meet three to four times per year and face-to-face meetings are being recommended for the first few meetings.

CAFII has determined that Co-Executive Director K. Martin and one member representative from the Association's Licensing Efficiency Issues Committee will be its representatives on FSCO's LII Working Group.

FSCO has now confirmed that the first meeting of the LII Working Group will take place on May 30/17.

## **Quebec**

### AMF Creates Fintech Lab

On April 27/17, the AMF announced that it was creating a Fintech Lab to explore the current and potential applications of new technologies among regulated entities (including market infrastructures) or in connection with its regulatory activities. The Lab will be accessible to all AMF staff who contribute to the various projects of the Fintech Working Group.

The Fintech Lab's mandate is to study new technologies rather than the business models that are based on them. It will therefore serve as a think tank, equipped with exploration tools, whose purpose is to provide the AMF with the knowledge it requires to fully carry out its role as a regulator in an increasingly digital environment.

In connection with its new Fintech Lab, the AMF also announced that it had signed a partnership agreement with R3, an innovation firm focused on building platforms and applications for the financial sector. R3 has established a consortium of financial institutions for developing and applying blockchain technology in the financial services industry.

R3 invited regulators to join the consortium in order to address the regulatory issues of the new technologies adopted by these institutions. By joining the consortium, the AMF will be able to gain access to relevant information about projects undertaken by other regulators, enter into project partnerships and develop its own initiatives in a more timely manner through the contributions of other members.

#### Finance Minister Says Integrating Chambres Into AMF Would Be Desirable

In a Quebec National Assembly Committee on Public Finance debate on May 2/17, Finance Minister Carlos Leitão confirmed that he is considering integrating the province's self-regulatory organization for financial advisors – the Chambre de la sécurité financière; and the Chambre de l'assurance de dommages (an SRO for general insurance agents, brokers and adjusters) – with the Quebec's financial sector regulator, the Autorité des marchés financiers. (AMF).

"We want to make the AMF more effective as a regulator. It would be desirable that this integration happens... The objective is not to cause turmoil to save money. We want the AMF to provide a better framework and give it the latitude it needs to carry out its role," said the Minister.

Louis Morisset, President and CEO of the AMF, was in attendance during the debate. He said the regulator is ready to take on this integration if the government decides on this path.

#### Finance Minister Non-Committal About Consultations Around Omnibus Bill

In a Quebec National Assembly Committee on Public Finance debate on May 2/17, an Opposition MNA asked Finance Minister Carlos Leitão if the government intends to hold consultations related to the long-awaited Omnibus Bill aimed at modernizing the province's financial services sector, once the Bill is tabled?

Minister Leitão replied "there has already been a great deal of consultation and we received many submissions. The positions of various industry bodies are well-known. We'll see. The industry has been amply consulted. There won't be any big surprises in this Bill."

## **International**

### **United Kingdom**

#### Payment Protection Insurance Dominant Cause Of Complaints By Consumers

Financial services firms in the UK received more than three million complaints and paid £1.9 billion in consumer redress in the second half of 2016, according to new data released on April 26/17 by the the UK's Financial Conduct Authority (FCA).

Payment protection insurance (PPI) was the product that drew the most complaints, accounting for almost 900,000, and accounted for £1.6 billion or 84 percent of the redress paid to consumers in the second half of 2016, according to the FCA's report, which is based on the complaints that firms reported under new complaint-handling rules that took effect in June 2016.

The new data on industry complaints are more informative because they provide greater insight into the products that consumers complain about, and they show the number of complaints against size of the business, the FCA's report states.

"Greater transparency of complaints information will enable consumers looking to invest or buy products to be better informed about the products that have caused concern for other consumers," the report notes.

### **Research, Thought Leadership, and Innovation**

#### KPMG Acquires Online Fintech Match-Up Firm

Netherlands-based KPMG International has acquired Matchi, a firm that provides an online platform to match financial services institutions with financial technology (fintech) companies. Through the Matchi platform, firms such as banks and insurance companies, can access a database that features more than 700 fintech solutions and more than 2,500 fintech companies.

"[The Matchi platform] is designed to identify, match and enable collaboration with the most innovative fintechs and solutions to address issues being faced by financial institutions," says Ian Pollari, global co-leader of fintech at KPMG International, in a statement.

Companies included in the database are first vetted. In Canada, there are about 22 fintech firms represented in the database and eight financial services institutions currently signed on to the service, says Andrée Gage, national manager of communications at KPMG MSLP, in an email.

## CAFII Regulator and Policy-Maker Visit Plan 2017-18

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status May 29/17
<b>British Columbia</b>				
<b>Insurance Council of BC:</b> Gerry Matier, Executive Director	- <b>May 5/17 liaison breakfast in London, Ontario</b> -Dec 9/16 informal discussion with B. Wycks at CISRO LLQP Session -Feb. 27/15 liaison breakfast in Toronto	-follow-up liaison meeting as part of CAFII tour of Western Canada regulators and policy-makers, in October 2017 (dependent on conflict avoidance with CCIR and CISRO Fall meetings.)	-Council's current view on 10-Year Review of Financial Institutions Act -Representation of alternate distribution/non-resident sellers on Council -Update on Council priorities	-Pending
<b>FICOM:</b> Frank Chong, Acting Superintendent of Financial Institutions (effective August 1/16)	-Dec. 12/16 CAFII Stakeholder Dialogue with CCIR in Toronto -Nov 10/15 in Vancouver re CGI Information Bulletin	-follow-up liaison meeting as part of CAFII tour of Western Canada regulators and policy-makers, in October 2017 (dependent on conflict avoidance with CCIR and CISRO Fall meetings.)	-FICOM Information Bulletin on CGI ('effecting' of CGI in BC issue: ED and EOC to monitor re need for meeting/ dialogue around any member or industry issues re compliance with CGI Info Bulletin -Monitoring for appt. of interim or permanent FICOM CEO successor - 10 yr. Review of BC Financial Institutions Act (if appropriate)	-Pending
Doug McLean, Deputy Superintendent of Insurance	-No contact/meeting for at least past three years	-See F. Chong above	-See F. Chong above	-See F. Chong above
Chris Carter, Acting Superintendent, Real Estate and Acting Registrar, Mortgage Brokers (effective August 1/16)	-April 14/16 teleconference re CAFII follow-up letter - Follow-up letter, seeking clarification on CGI Info Bulletin key issues, sent March 15/16 - Nov 10/15 in Vancouver re CGI Information Bulletin	-See F. Chong above	-See F. Chong above	-See F. Chong above
Lorena Dimma, Director, Market Conduct (assuming Harry James' former policy advisor role re 'effecting' of CGI issue)	-April 14/16 teleconference re CAFII's March 15/16 follow-up letter on CGI Info Bulletin	-See F. Chong above	-See F. Chong above	-See F. Chong above

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status May 29/17
Harry James, Senior Regulatory Advisor (Chair of CCIR's Travel Insurance Working Group)	-Dec. 8/16 cordial reply email to E. Fang, agreeing with CAFII's request that auto dealers are creditors for a moment-in-time issue be closed. -April 14/16 teleconference re CAFII's March 15/16 follow-up letter on CGI Info Bulletin	-See F. Chong above	-See F. Chong above. Although H. James is supposed to have handed the CGI Information Bulletin file to L. Dimma and C. Carter, he did most of talking in April 14/16 teleconference; so CAFII will continue to include Harry in discussions on "effecting" issue.	-Pending
Molly Burns, Analyst, Policy Initiatives	-April 14/16 teleconference re CAFII's March 15/16 follow-up letter on CGI Info Bulletin -Nov 10/15 in Vancouver	-None at this time	-See F. Chong above	-see F. Chong above
Erin Morrison, Regulatory Analyst, Policy Initiatives	-August 10/16 in Toronto, accompanied Harry James and participated in CCIR TIWG meeting with CAFII	-None at this time	-See F. Chong above	-see F. Chong above
<b>Ministry of Finance:</b> Michael de Jong, Minister of Finance	-Nov. 21/14: G. Grant represented CAFII at FIA Review roundtable discussion hosted by Minister	-None at this time	TBD until CAFII has a "direct ask" at Ministerial level	
Dan Ashton, Parliamentary Secretary for Finance (elected MLA)	-November 10/15 in Vancouver, along with Elizabeth Cole	-If necessary, follow-up meeting in Q2 or Q3 2017 in Vancouver, after Policy Paper released	-Update on 10-year Review of Financial Institutions Act: follow-up on CAFII issues/concerns including recommendations of other stakeholders	Pending (see E. Cole below)
Elizabeth Cole, Executive Director, Strategic Projects & Policy (head of 10-Year Review of FIA)	- <b>April 20/17</b> and June 23/16 telephone conversations with B. Wycks re updates on expected release date of Policy Paper and other FIA Review timelines	-If necessary, follow-up meeting in Q3 or Q4 2017 in Vancouver, after Policy Paper is released		-Pending Ministry of Finance's release of Policy Paper  -Pending

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Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status May 29/17
Anthonet Maramieri, COO	<ul style="list-style-type: none"> <li>-March 8/17 email to B. Wycks advising of Life Council's further look at definition of credit-related insurance approved to be offered under a Restricted Certificate, at April 12/17 meeting.</li> <li>-Sept 12/16 teleconference with G. Grant and B. Wycks</li> <li>-July 12/16 teleconference with G. Grant and B. Wycks</li> <li>- April 11/16 informal discussion with B. Wycks, at CISRO LLQP Info Session</li> <li>- Feb 27/15: Toronto: B. Wycks met A. Maramieri and had get acquainted chat at CISRO LLQP Stakeholder Info Session</li> </ul>	-See J. Abram above	-See J. Abram above	Pending (see J. Abram above)
Warren Martinson, Legal Counsel	<ul style="list-style-type: none"> <li>-W. Martinson in attendance at Feb. 22/17 CAFII stakeholder meeting with CCIR TIWG</li> <li>-May/June 2016 telephone discussion with J. McCutcheon (on CAFII's behalf) re legislative and regulatory underpinnings of selling of CI benefits as credit-related insurance under an RIA licence</li> <li>-Feb 10/14: Toronto, ON (with B. Wycks, as W. Martinson then on LLQP Governance Cttee.)</li> </ul>	-See J. Abram above	-See J. Abram above	Pending (see J. Abram above)



Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status May 29/17
<b>Treasury Board and Ministry of Finance:</b> Nilam Jetha, Superintendent of Insurance (made permanent at beginning of 2017, following one year interim period)  Mark Prefontaine, Superintendent of Insurance (seconded to Senior Asst. Deputy Minister for one year, effective Jan. 11/16)	No contact – appointed Jan 11/16 (congratulatory letter sent Feb. 1/16)  -Sep 30/14; Fredericton, NB (informal meeting)	-liaison meeting as part of CAFII tour of Western Canada regulators and policy-makers, in October 2017 (dependent on conflict avoidance with CCIR and CISRO Fall meetings)  -Not applicable	- Update on Superintendent’s priorities -Communicate CAFII issues; build and strengthen relationship	-Pending
David Sorensen, Deputy Superintendent of Insurance	No face-to-face contact to date - <i>appointed Sep 15/14</i>	-See N. Jetha above	See N. Jetha above	-Pending
Laurie Balfour, Director, Financial Compliance, Insurance Regulation and Market Conduct Branch (Chair of CCIR Insurance Core Principles Implementation Ctte)	-CAFII 20 <sup>th</sup> Anniversary: April 5/17 -Sep 30/14: Fredericton, NB (informal meeting) -Jul 28/14: call with CAFII reps re: “effecting of CGI”	-See N. Jetha above	-See N. Jetha above	-Pending
Joe Ceci, President of Treasury Board and Minister of Finance	No contact – appointed May 24/15	-None at this time	TBD until CAFII has a “direct ask” at Ministerial level	

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status May 29/17
<b>Saskatchewan</b>				
<b>Insurance Councils of Saskatchewan:</b> Ron Fullan, Executive Director, (CISRO Chair)	-CAFII 20 <sup>th</sup> Anniversary: April 5/17 -R. Fullan in attendance at Feb. 22/17 CAFII stakeholder meeting with CCIR TIWG -Dec. 12/16 CAFII Stakeholder Dialogue with CCIR in Toronto -Dec 9/16 informal discussion with B. Wycks at CISRO LLQP Session	-lunch meeting with CAFII small group on June 2/17 at Delta Bessborough Hotel, Saskatoon, immediately following CAFII presentation at CISRO meeting	-timing of renewed focus on establishing a Restricted Insurance Agents Advisory Committee  -ICS-relevant aspects of implementation of new Saskatchewan Insurance Act and Regulations  -Sask. RIA regime and licensure issues	-Confirmed      -Pending
April Stadnek, Director of Compliance	-Sept 22/15 CISRO LLQP Stakeholder Info Session in Toronto (B. Wycks) - Sep 30/14; Fredericton, NB (informal meeting) - November/13 in Toronto when April attended CLHIA CCOSS Seminar	-See R. Fullan above	-See R. Fullan above	-Confirmed
<b>Financial Consumer Affairs Authority (FCAA):</b> Roger Sobotkiewicz, former Director of FCAA Legal Branch, became Interim Chairperson and Superintendent of Insurance, effective Feb. 1/15	-no previous contact; congratulatory letter on appointment sent March 4/15	<b>-See J. Seibel below</b>	-see J. Seibel below; and -introduce CAFII and build relationship -Regulations being developed following passage of <i>Bill 177, The Insurance Act (Saskatchewan)</i> -ISI: Representation for Restricted Licence Holders -Sask's imposition of PST on all insurance premiums - Update on Superintendent's priorities	<b>-Pending (see J. Seibel below)</b>
Ian McIntosh, Deputy Superintendent of Insurance	-Jul 28/14 call with CAFII reps re: "effecting CGI"	<b>-see J. Seibel below</b>	-see J. Seibel below; and  -see R. Sobotkiewicz above	<b>-Pending (see J. Seibel below)</b>

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status May 29/17
Janette Seibel, Lawyer, became lead on Bill 177 and Regulations file effective June 1/15	March 2017 email exchange with B. Wycks re invitation to CAFII to provide feedback on FCAA-proposed definition of TPA, for inclusion in Insurance Regulations -February 17/17 call to B. Wycks advising that “in force” date for new Insurance Act and Regulations had been deferred to Spring 2018 -Jan 2017 email exchange with B. Wycks re timing of “in force” date for new Saskatchewan Insurance Act and related Regulations -Nov and Dec. 2016 email exchanges with B. Wycks re Insurance Regulations Consultation and TPAs sub-consultation.	<b>-Get acquainted/liaison meeting with CAFII reps on June 1/17 in Regina, following CAFII meeting with Sask Finance Minister K. Doherty and Ministry officials re issue of imposition of PST on insurance premiums</b>  -teleconference meeting in Q2 2017, if necessary	-timing of “in force” date for new Saskatchewan Insurance Act and related Regulations -CAFII’s response submissions on FCAA’s Insurance Regulations Consultation document (submitted Dec. 2/16) and TPAs sub-consultation (submitted Dec. 9/16) -Sask’s imposition of PST on all insurance premiums	<b>-Pending</b>
<u>Ministry of Finance</u> Kevin Doherty, Minister of Finance	no previous contact; appointed Finance Minister on May 21/15 (first elected in 2011)	-June 1/17, 1:00 to 1:30 p.m. in Regina	-introduce CAFII and build relationship -Sask’s imposition of PST on all insurance premiums	<b>-Confirmed</b>

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status May 29/17
<b>Manitoba</b>				
<b>Ministry of Finance:</b> Ken Lofgren, Acting Superintendent of Insurance	-Appointed Spring 2015; no previous CAFII contact	- <b>See S. Moore below</b>	-See S. Moore below	- <b>Pending</b>
Scott Moore, Deputy Superintendent of Insurance	-CAFII 20 <sup>th</sup> Anniversary event: April 5/17 -Dec. 12/16 CAFII Stakeholder Dialogue with CCIR in Toronto -August 10/16 CAFII stakeholder meeting re CCIR travel health insurance Issues Paper (participated by teleconference) -April 15/15 teleconference with three CAFII reps -April 29/14: meeting in Winnipeg, MB	- <b>week of July 3-7, 2017 liaison meeting in Winnipeg, on same day as (perhaps in combination with) meeting with Insurance Council of Manitoba (see B. Palace Churchill below)</b>	-Maintain and build relationship -Representation for Restricted Licence Holders on Life Insurance Council -concern about amended Insurance Act's apparent residency requirement for employees of Restricted Insurance Agents	- <b>Pending</b>
Cameron Friesen, Minister of Finance	No contact – took office May 3/16	-None at this time	TBD until CAFII has “direct ask” at Ministerial level	

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status May 29/17
<p>Barbara Palace Churchill, Executive Director, Insurance Council of Manitoba (appointed late November 2016)</p> <p>Erin Pearson, former Executive Director, Insurance Council of Manitoba (retired at end of 2016)</p>	<p>-May 4/17 short get acquainted/liaison meeting in London, Ontario</p> <p>-Sept. 23/16 email exchange with B. Wycks re amendments to Regulation 389/87 which ICM's ISI Committee recommended to Government re incorporating other organizations and other types of insurance into prescribed regulatory framework for RIA licence regime</p> <p>-Sept. 30/14: dinner in Fredericton, NB re: ISI implementation</p>	<p><b>-week of July 3-7, 2017 liaison meeting at ICM office in Winnipeg, including an educational presentation for ICM staff on CGI and other CAFII member products and practices (as suggested/ requested by B. Palace Churchill)</b></p> <p>-</p>	<p>-Introduce CAFII and build/maintain relationship</p> <p>-Representation for Restricted Licence Holders on Life Insurance Council</p> <p>-Insurance Council's "ISI items for further review and development"</p> <p>-communicate CAFII issues</p>	<b>-Pending</b>
<b>Ontario</b>				
<p><b>FSCO:</b></p> <p>Brian Mills, appointed Interim CEO and Superintendent on October 18/14. Will likely be FSCO's last CEO, as Ontario Government transitions to a new Financial Services Regulatory Authority (FSRA) over next two years (2017 and 2018), as stated by B. Mills at FSCO Symposium on November 25/16.</p>	<p><b>-May 3/17: informal chat with K. Martin during CLHIA Conference</b></p> <p>-Dec. 12/16 CAFII Stakeholder Dialogue with CCIR in Toronto - January 28/15 stakeholder meeting with CCIR</p>	-None at this time	<p>(i)Build/maintain relationship</p> <p>(ii) Ontario government review of FSCO's mandate</p> <p>(iii) next steps in Life Insurance Product Suitability Review</p> <p>(iv)CCIR review of travel health insurance</p> <p>(v)Update on Superintendent's priorities</p> <p>(vi)communicate CAFII issues</p>	

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status May 29/17
Anatol Monid, Executive Director, Licensing and Market Conduct Division	<b>-May 3/17: informal chat with K. Martin during CLHIA Conference</b> -CAFII 20 <sup>th</sup> Anniversary event: April 5/17 -June 7/16, December 8/15 and June 9/15: informal update conversations at CAFII Reception events -January 28/15 stakeholder meeting with CCIR	- None at this time	-next steps in Life Insurance Product Suitability Review -other FSCO initiatives re life insurance agent and/or insurer compliance	
Izabel Scovino, appointed Director, Market Conduct Regulation Branch in Nov/14	-conversation with B. Wycks at Dec. 12/16 CAFII Stakeholder Dialogue with CCIR in Toronto Oct. 8/15 at CLHIA CCOS Fall Seminar (B. Wycks) -Nov 21/14 at FSCO Life & Health Insurance Symposium	-None at this time	-see A. Monid above	

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status May 29/17
Heather Driver Director, Licensing Branch Licensing and Market Conduct Division (assumed position in Jan 2016, following retirement of Shonna Neil)	-conversation with B. Wycks at Dec. 12/16 CAFII Stakeholder Dialogue with CCIR in Toronto -Oct. 14/16 email exchange with B. Wycks following CAFII's delivery of input, requested by FSCO in Oct. 7/16 meeting, re optimal wording to use in FSCO communications re life insurance agent and insurer relationship -Oct. 7/16 meeting with CAFII reps, at FSCO's invitation, re FSCO initiatives around life agent and insurer compliance, particularly re E&O insurance (also attended by Richard Tillman, Allan Amos, Kelly Picard, and Abina Rogers of FSCO)	<b>-May 30/17 initial meeting of FSCO Life Insurance Industry Working Group (LII Working Group), of which H. Driver is Chair</b>	-see A. Monid above	<b>-Confirmed</b>
Richard Tillman, Senior Manager, Insurance and Deposit Institutions Policy	-conversation with B. Wycks at Dec. 12/16 CAFII Stakeholder Dialogue with CCIR in Toronto - Oct. 7/16 meeting with CAFII reps re life agent and insurer compliance	-None at this time	-see A. Monid above	
Reena Vora, Manager, Market Regulation Branch, Licensing and Market Conduct Division	-December 8/16 with CAFII reps for feedback on draft questionnaire for life insurer examination visits (one pilot test visit planned in Q1 2017), as next phase in Life Insurance Product Suitability Review	-None at this time	-Life insurer examination visits - -	

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status May 29/17
<b>Ministry of Finance</b>  -Sandy Roberts, Director, FSRA Implementation Secretariat (appointed Nov 2016)  -Stuart Wilkinson, Senior Manager, FSRA Implementation Secretariat (transferred from previous MOF role in Nov 2016)  -David McLean, Policy Advisor	-congratulatory letter on appointment sent January 2017  -CAFII 20 <sup>th</sup> Anniversary Reception: April 5/17 (regular attendee at CAFII Receptions)  -June 7/16 and April 12/16 informal conversations with B. Wycks at CAFII Receptions -July 30/15 life & health insurance sector roundtable -May 21/15 informal meeting: insurance sector round table	<b>-introductory face-to-face meeting for CAFII reps being pursued for June 2017</b>	-Ontario Government's replacement of FSCO with a new Financial Services Regulatory Authority (FSRA) over next two years (2017 and 2018); and Regulations to implement FSRA	<b>-Pending</b>
<b>Quebec</b>				
<b>AMF:</b> Louis Morisset, CEO;	-AMF 2016 Rendez-Vous on November 14/16 in Montreal  -Oct. 4/16 in Montreal: CAFII liaison lunch and Industry Issues Dialogue with AMF  -Apr 8/14: CAFII liaison lunch and Industry Issues Dialogue with AMF in Montreal	-CAFII liaison lunch and Industry Issues Dialogue with AMF on Oct. 3/17  -AMF 2017 Rendez-Vous event in November 2017	-(i)draft omnibus Bill to modernize Quebec's financial services sector, including Distribution Act (expected release by Ministry of Finance in Q4 2016) -(ii)AMF final paper on electronic commerce in insurance, setting out Orientations/expectations -(iii)Distribution Guide template and implementation timelines -(iv)Update on AMF priorities -(v)Communicate CAFII issues -(vi)Maintain and strengthen relationship	-Pending: invitation letter sent  -Pending



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Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status May 29/17
Maryse Pineault, Senior Director, Distribution Framework	-Dec 9/16 informal discussion with B. Wycks at CISRO LLQP Session in Toronto -AMF 2016 Rendez-Vous on November 14/16 in Montreal	-See L. Morisset above	-See L. Morisset and L. Gauthier above	-Pending
<b>Ministry of Finance</b>  Carlos Leitao, Minister  Richard Boivin, Assistant Deputy Minister, Financial Institution Policy and Corporate Law  Guillaume Caudron, Chief of Staff  Yann Nachabé, Policy Advisor	-Feb. 25/16 phone call between B. Wycks and Yann Nachabé, Policy Advisor, Ministry of Finance, resulting from CAFII request for April 2016 in- person follow-up meeting with Richard Boivin and Guillaume Caudron	-in-person or teleconference meeting with Ministry officials coincident with consultation period on Omnibus Bill expected in Q3 or Q4 2017, if necessary	-Omnibus Bill expected to modernize financial sector, incl. the Distribution Act (Minister Leitao in response to question at legislative committee meeting on April 28/16) -Ministry's direction on online distribution of insurance without involvement of an advisor -CAFII submission in response to Report on the Application of the Act respecting the distribution of	-Pending release of Omnibus Bill         -Request politely withdrawn, based on reassuring information from Y. Nachabé
<b>New Brunswick</b>				
Financial and Consumer Services Commission (Insurance Division): Angela Mazerolle, Superintendent of Insurance	-Dec. 12/16 CAFII Stakeholder Dialogue with CCIR in Toronto - May 4/16 dinner meeting with Atlantic Canada regulators in Halifax -Oct 1/14: Fredericton, NB	<b>-liaison meeting as part of CAFII tour of Atlantic Canada regulators and policy-makers, in September or November 2017 (dependent on conflict avoidance with CCIR and CISRO Fall meetings)</b>	-refreshed "Seven Point Guide to The Creditor Insurance Regulatory Regime," to be presented by CAFII as an educational resource to counteract false impression that ISI is unregulated -implementation of further phases of online licensing system -legislative/regulatory change to support electronic beneficiary designations -other New Brunswick licensing issues	<b>-Pending</b>

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status May 29/17
David Weir, Deputy Superintendent of Insurance	-Dec 9/16 informal discussion with B. Wycks at CISRO LLQP Session in Toronto -May 4/16 dinner meeting with Atlantic Canada regulators in Halifax - April 11/16 informal discussion with B. Wycks, at CISRO LLQP Info Session - Feb. 19/16 re CAFII feedback on online insurance licensing system - Sept. 22/15 CISRO LLQP Info Session in Toronto (B. Wycks) -Oct 1/14: Fredericton, NB	<b>-See A. Mazerolle above</b>	-see A. Mazerolle above -timing of final recommendations on reforming licensing framework for other-than-life agents and brokers -CAFII feedback on New Brunswick online insurance licensing system	<b>-Pending</b>
<b>Opportunities New Brunswick:</b> Jay Reid, Investment Attraction Officer	-Jun 3/14: Toronto, with Adam Mitton of predecessor organization Invest New Brunswick	-None at this time	- CAFII submission re: Insurance Act and regulatory process changes necessary to support business efficiency and further inbound investment and additional jobs in New Brunswick -Introduce CAFII and build relationship -Position CAFII as an information resource	
<b>Consumer Advocate for Insurance:</b> Ronald Godin, Consumer Advocate	No contact	-None at this time		

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status May 29/17
<b>Nova Scotia</b>				
<b>Superintendent of Insurance:</b> William Ngu, Acting Superintendent of Insurance	-May 4/16 dinner meeting with Atlantic Canada regulators in Halifax -Appointed June 2015; no previous CAFII contact	<b>-liaison meeting as part of CAFII tour of Atlantic Canada regulators and policy-makers, in September or November 2017 (dependent on conflict avoidance with CCIR and CISRO Fall meetings)</b>	-refreshed “Seven Point Guide to The Creditor Insurance Regulatory Regime,” to be presented by CAFII as an educational resource to counteract false impression that ISI is unregulated -Review of life and accident & sickness provisions of Insurance Act -legislative/regulatory change to support electronic beneficiary designations -Update on Superintendent’s priorities -Communicate CAFII issues; build and strengthen relationship	<b>-Pending</b>
Jennifer Calder, Deputy Superintendent of Insurance	-CAFII 20 <sup>th</sup> Anniversary event: April 5/17 -Dec. 12/16 CAFII Stakeholder Dialogue with CCIR (participated by phone) -August 10/16 CAFII stakeholder meeting re CCIR travel health insurance Issues Paper (participated by teleconference) -May 4/16 dinner meeting with Atlantic Canada regulators in Halifax	<b>-See W. Ngu above</b>	-See W. Ngu above	<b>-Pending</b>

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status May 29/17
<b>PEI</b>				
<b>Superintendent of Insurance:</b> Robert Bradley, Superintendent	-CAFII 20 <sup>th</sup> Anniversary event: April 5/17  -Dec. 12/16 CAFII Stakeholder Dialogue with CCIR in Toronto  -Oct 1/14: Fredericton, NB	<b>-liaison meeting as part of  CAFII tour of Atlantic Canada  regulators and policy-makers,  in September or November  2017 (dependent on conflict  avoidance with CCIR and  CISRO Fall meetings)</b>	-refreshed “Seven Point Guide to The Creditor Insurance Regulatory Regime,” to be presented by CAFII as an educational resource to counteract false impression that ISI is unregulated -Review of life and accident & sickness provisions of Insurance Act (on April 23/15, R. Bradley advised that this may get underway in late 2015) -legislative/regulatory change to support electronic beneficiary designations -Update on Superintendent’s priorities -Communicate CAFII issues -Maintain and strengthen relationship	<b>-Pending</b>
<b>Newfoundland</b>				
<b>Superintendent of Insurance:</b> John O’Neill, Superintendent          Craig Whalen, Deputy Superintendent of Insurance	-N/A; appointed in October 2015   -Oct 1/14: Fredericton, NB	<b>-liaison meeting as part of  CAFII tour of Atlantic Canada  regulators and policy-makers,  in September or November  2017 (dependent on conflict  avoidance with CCIR and  CISRO Fall meetings)</b>   <b>-see J. O’Neill above</b>	-refreshed “Seven Point Guide to The Creditor Insurance Regulatory Regime,” to be presented by CAFII as an educational resource to counteract false impression that ISI is unregulated  -legislative/regulatory change to support electronic beneficiary designations -Update on Superintendent’s priorities -Communicate CAFII issues; build and strengthen relationship	<b>-Pending</b>          <b>-Pending</b>

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status May 29/17
<b>FEDERAL/NATIONAL</b>				
<b>CCIR:</b>  Martin Boyle, Policy Manager	<b>-informal chats during May 3-5 CLHIA Conference</b> <b>-liaison lunch on April 24/17</b> -CAFII 20 <sup>th</sup> Anniversary event: April 5/17 -March 1/17 CCIR webinar presentation for CAFII members on CCIR expectations for insurer completion of Annual Statement on Market Conduct (presented by L. Balfour and M. Boyle) -Dec. 12/16 CAFII Stakeholder Dialogue with CCIR in Toronto -November 29/16 CAFII Holiday Season Reception -October 24/16 CAFII liaison lunch with CCIR Policy Managers -August 10/16 CAFII stakeholder meeting re CCIR travel health insurance Issues Paper -May 19/16 CCIR ICPIc teleconference/webinar meeting with CAFII members (L. Balfour and M. Boyle) -May 4/16 lunch meeting in Halifax (with C. Rogers and S. Jacobs)	<b>-liaison lunch in week of June 26-30/17, following CCIR Summer Teleconference on June 22/17</b>	-Annual Statement on Market Conduct (Martin) -Framework for Cooperative Market Conduct Supervision (Martin) -attendance of CCIR members at CAFII 20 <sup>th</sup> Anniversary celebration in 2017 -Possible CCIR speakers/panelists at CAFII events -Update on CCIR 2014-17 Strategic Plan and related priorities -Communicate CAFII issues; and maintain and strengthen relationship -possible CAFII webinar(s) for CCIR audience -updates on Annual Statement on Market Conduct	<b>-Pending</b>

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status May 29/17
Sean Jacobs, Policy Manager	<b>-informal chats during May 3-5 CLHIA Conference</b> <b>-liaison lunch on April 24/17</b> <b>-CAFII 20<sup>th</sup> Anniversary event: April 5/17</b> -February 22/17 CAFII stakeholder meeting with CCIR Travel Insurance Working Group -Dec. 12/16 CAFII Stakeholder Dialogue with CCIR in Toronto -November 29/16 CAFII Holiday Season Reception -October 24/16 CAFII liaison lunch with CCIR Policy Managers -August 10/16 CAFII stakeholder meeting re CCIR travel health insurance Issues Paper -July 7/16 CAFII webinar presentation by Lesli Martin, Pollara, on Canadians' perceptions, confidence, and satisfaction with travel medical insurance -May 4/16 lunch meeting in Halifax (with C. Rogers and M. Boyle) -March 16/16 CAFII/CLHIA joint stakeholder meeting with CCIR Travel Insurance Working Group	<b>-liaison lunch in week of June 26-30/17, following CCIR Summer Teleconference on June 22/17</b>	-CCIR TIWG's Position Paper (expected May 2017) -CCIR review of travel health insurance -See M. Boyle above	<b>-Pending</b>

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status May 29/17
Patrick Déry, Chair (Superintendent, Solvency, AMF)	<ul style="list-style-type: none"> <li>-Dec. 12/16 CAFII Stakeholder Dialogue with CCIR in Toronto</li> <li>-Oct. 4/16 in Montreal: CAFII liaison lunch and Industry Issues Dialogue with AMF</li> <li>-October 6/15: CAFII liaison lunch and industry issues dialogue with AMF</li> <li>-April 29/15 meeting in Quebec City, along with CCIR Vice-Chair Carolyn Rogers</li> </ul>	<ul style="list-style-type: none"> <li>-If necessary, Q2 or Q3 2017 meeting with P. Déry, as Chair of CCIR, following release of Travel Health Insurance Products Position Paper</li> </ul>	<ul style="list-style-type: none"> <li>-CCIR review of travel health insurance</li> <li>-Update on CCIR 2017-20 Strategic Plan and related priorities</li> <li>-Communicate CAFII issues; maintain and strengthen relationship</li> </ul>	-Pending
Harry James, Chair, CCIR Travel Insurance Working Group (TIWG)	<ul style="list-style-type: none"> <li>-<b>May 10/17 teleconference with S. Jacobs and CAFII reps re CCIR TIWG Communications Plan for release of Travel Health Insurance Products Issues Paper</b></li> <li>-<b>May 3/17: informal chat with K. Martin during CLHIA Conference</b></li> <li>-H. James chaired Feb. 22/17 CAFII stakeholder meeting with CCIR TIWG</li> <li>-February 22/17 CAFII stakeholder meeting with CCIR Travel Insurance Working Group</li> <li>-August 10/16 CAFII stakeholder meeting re CCIR travel health insurance Issues Paper</li> </ul>	<ul style="list-style-type: none"> <li>-If necessary, Q2 or Q3 2017 meeting with Harry and TIWG members following release of Travel Health Insurance Products Position Paper</li> </ul>	<ul style="list-style-type: none"> <li>-CCIR Travel Health Insurance Products Position Paper (expected May 2017) and CAFII response to same</li> </ul>	-Pending



Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status May 29/17
	<ul style="list-style-type: none"> <li>-March 16/16 CAFII/CLHIA joint meeting with CCIR Travel Insurance Working Group</li> <li>-March 24/15 meeting with CAFII EOC re travel health insurance review initiative</li> </ul>			
Laurie Balfour, Chair, CCIR Insurance Core Principles Implementation Committee (ICPiC)	<ul style="list-style-type: none"> <li>-CAFII 20<sup>th</sup> Anniversary event: April 5/17</li> <li>-March 1/17 CCIR webinar presentation for CAFII members on CCIR expectations for insurer completion of Annual Statement on Market Conduct (presented by L. Balfour and M. Boyle)</li> <li>-Dec. 12/16 CAFII Stakeholder Dialogue with CCIR in Toronto</li> <li>-August 10/16 CAFII stakeholder meeting re CCIR travel health insurance Issues Paper (participated by teleconference)</li> <li>-May 19/16 CCIR ICPiC webinar presentation for CAFII members (L. Balfour and M. Boyle)</li> </ul>	<b>-liaison meeting as part of CAFII tour of Western Canada regulators and policy-makers, in October 2017 (dependent on conflict avoidance with CCIR and CISRO Fall meetings)</b>	<ul style="list-style-type: none"> <li>-Harmonized Annual Statement on Market Conduct</li> <li>-Framework for Co-operative Market Conduct Supervision in Canada</li> <li>-ICPiC work on IAIS' Insurance Core Principles</li> </ul>	<b>-Pending</b>

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status May 29/17
<b>CISRO:</b> Ron Fullan, Chair (SK); G. Matier (BC); J. Abram (AB), W. Martinson (AB); D. Weir (NB)	-CAFII 20 <sup>th</sup> Anniversary event: April 5/17 -R. Fullan in attendance at Feb. 22/17 CAFII stakeholder meeting with CCIR TIWG -Dec 9/16 informal discussion with B. Wycks at CISRO LLQP Session in Toronto -Dec. 12/16 CAFII Stakeholder Dialogue with CCIR in Toronto -August 10/16 CAFII stakeholder meeting re CCIR travel health insurance Issues Paper (participated by teleconference)	-June 2/17 CISRO meeting in Saskatoon (CAFII to make a presentation)  -lunch meeting with CAFII small group on June 2/17 at Delta Bessborough Hotel, Saskatoon, immediately following CISRO meeting	-national, online licensing system for insurance and related harmonization issues -possible CISRO Strategic Plan and opportunity for stakeholders to provide input	-Confirmed  -Confirmed  -Pending
<b>Financial Consumer Agency of Canada (FCAC):</b> Lucie Tedesco, Commissioner  Brigitte Goulard, Deputy Commissioner  Jane Rooney, Financial Literacy Leader	-May 1/15: B. Wycks made self-introduction and chatted with L. Tedesco, following her speech at CLHIA Conference  -Jun 10/14: B. Goulard was speaker at CAFII event  -Feb 10/15 (presentation at CAFII Annual Luncheon)	-None at this time  -None at this time  -None at this time	-FCAC consultation on its Proposed Supervision Framework and Publishing Principles for FCAC Decisions (released September 29/16 with November 14/16 deadline for submissions) of document expected). CAFII decided not to respond to this consultation, as out-of-scope	
Jeremie Ryan, Director, Financial Literacy and Consumer Education  Karen Morgan, Marketing Officer	-Feb. 10/15 (with J. Rooney for presentation at CAFII event)  -Jan 9/14 (meeting with M. Gill and B. Wycks in Ottawa)	-None at this time  -None at this time		

# CAFI

21 St Clair Ave East, Suite 802

Toronto, ON M4T 1L9

## Balance Sheet

As at April 30, 2017

	Current 2017
<b>ASSETS</b>	
<b>Current Assets</b>	
Bank Balance	\$364,907
Investments <sup>A</sup>	\$54,077
Accounts Receivable	\$77,116
Interest Receivable	\$180
Prepaid Expenses	\$437
Computer/Office Equipment	\$8,014
Accumulated Depreciation -Comp/Equip	(\$2,440)
Intangible Assets-Trademarks	\$0
Accumulated Amortization-Trademark	\$0
<b>Total Current Assets</b>	<b>\$502,290</b>
<b>TOTAL ASSETS</b>	<b>\$502,290</b>
<b>LIABILITIES</b>	
Current Liabilities	
Account Payable <sup>B</sup>	\$17,047
Deferred Revenue	\$131,875
<b>Total Current liabilities</b>	<b>\$148,922</b>
<b>TOTAL LIABILITIES</b>	<b>\$148,922</b>
<b>UNRESTRICTED NET ASSETS</b>	
Unrestricted Net Assets, beginning of year	\$380,758
Excess of revenue over expenses	(\$27,390)
<b>Total Unrestricted Net Assets</b>	<b>\$353,367</b>
<b>Total Unrestricted Net Assets</b>	<b>\$353,367</b>
<b>TOTAL LIABILITIES AND UNRESTRICTED NET ASSETS</b>	<b>\$502,290</b>

### Financial Reserves Targets as per 2016 Budget:

Minimum 3 months (25%) of Annual Operating Expenses=	\$ 188,161
Maximum 6 months (50%) of Annual Operating Expenses=	\$ 376,322

<b>Current Level of Financial Reserves</b> (total unrestricted net assets):	<b>\$353,367</b>
<b>Current Level of Financials Reserve (%)</b> :	<b>47%</b>

**C A F I I**  
 21 St Clair Ave east, Suite 802  
 Toronto, ON, M4T 1L9  
**Balance Sheet Items**  
**As at April 30, 2017**

**Item A**

**Investment Portfolio**

Investment Type	Issue Date	Principal	Rate	Deemed Interest	Maturity Date
Cashable GIC #0087-8019718-13	June-16-16	\$54,077.01	0.40%	\$216.31	June-16-17
<b>Total</b>		<b>\$54,077.01</b>		<b>\$216.31</b>	

**Item B**

**Accounts Payable**

	<b>Total</b>
	97.09
	13,560.00
	3,390.00
<b>Total outstanding:</b>	<b><u>17,047.09</u></b>

# CAFII

21 St Clair Ave East, Suite 802  
Toronto, ON M4T 1L9

## Statement of Operations As at April 30, 2017

	Current Month	Current YTD	Budget 2017	% Used
<b>Revenue</b>				
Membership Fees	46,594	186,375	559,125	33%
Interest Revenue	36	71	250	28%
<b>TOTAL REVENUE</b>	<b>46,630</b>	<b>186,446</b>	<b>559,375</b>	<b>33%</b>
<b>Expenses</b>				
Management Fees	38,744	146,201	500,115	29%
CAFII Legal Fees/Corporate Governan	-	110	7,000	2%
Audit Fees	-	-	14,560	0%
Insurance	437	1,746	5,500	32%
Website (incl translation)	-	10,810	33,700	32%
Telephone/Fax/Internet	99	832	5,000	17%
Postage/Courier	28	103	375	27%
Office Expenses	86	- 1,181	3,300	-36%
Bank Charges	-	-	40	0%
Miscellaneous Expenses	-	-	-	
Amortization Expense	-	-	-	
Depreciation Computer/Office Equipm	134	534	468	114%
<b>Board/EOC/AGM</b>				
Annual Members Lunch	0	10,246.61	13,200	78%
Board Hosting (External)	0	0	15,000	0%
Board/EOC/Meeting Expenses	494.42	4,230.09	11,000	38%
Industry Events	0	36.48	2,000	2%
EOC Annual Lunch	0	0	2,200	0%
<b>Sub Total Board/EOC/AGM</b>	<b>494</b>	<b>14,513</b>	<b>43,400</b>	<b>33%</b>
Provincial Regulatory Visits	-	-	8,000	0%
Research/Studies	-	-	50,000	0%
Regulatory Model(s)	-	-	20,000	0%
Federal Financial Reform	-	-	2,000	0%
Media Outreach	3,390	13,560	20,000	68%
Marketing Collateral	-	-	7,000	0%
Tactical Communications Strategy	-	-		
<b>Networking Events</b>				
Speaker fees & travel	0	0	4,000	0%
Gifts	54.95	113.28	500	23%
<b>Sub Total Networking &amp; Events</b>	<b>55</b>	<b>113</b>	<b>4,500</b>	<b>3%</b>
20th Anniversary Event	21,256	26,495	27,685	96%
<b>TOTAL EXPENSE</b>	<b>64,722</b>	<b>213,837</b>	<b>752,643</b>	<b>28%</b>
<b>NET INCOME</b>	<b>- 18,092</b>	<b>- 27,390</b>	<b>- 193,268</b>	<b>14%</b>

### Explanatory Notes:

- 1 - Amortization of office equipment based on 4 year straight line depreciation
- 2 - Management fees includes TO Corp and Executive Director
- 3- Website includes hosting cafii.com, Vimeo(videos) subscription and website improvements

# CAFII

21 St Clair Ave East, Suite 802  
Toronto, ON M4V 2Y7

## Membership Fees

As At April 30, 2017

	<u>Jan-17</u>		<u>Jul-17</u>	
	<u>Billed</u>	<u>Received</u>	<u>Billed</u>	<u>Received</u>
BMO Bank of Montreal	\$ 29,375.00	31-Mar-17	\$ 29,375.00	
CIBC Insurance	\$ 29,375.00	17-Mar-17	\$ 29,375.00	
RBC Insurance	\$ 29,375.00	16-Mar-17	\$ 29,375.00	
ScotiaLife Financial	\$ 29,375.00	10-Mar-17	\$ 29,375.00	
TD Insurance	\$ 29,375.00	3-Mar-17	\$ 29,375.00	
National Bank Insurance Company	\$ 29,375.00		\$ 29,375.00	
Desjardins Financial Security Life Assurance Company	\$ 20,562.50		\$ 20,562.50	
AMEX Bank of Canada	\$ 14,687.50	17-Mar-17	\$ 14,687.50	
Assurant Solutions	\$ 14,687.50	28-Feb-17	\$ 14,687.50	
Canadian Premier Life Insurance Company	\$ 14,687.50	10-Mar-17	\$ 14,687.50	
Cumis Group Ltd/Co-operators Life Insurance Co.	\$ 14,687.50	10-Mar-17	\$ 14,687.50	
Willis Towers Watson	\$ 4,800.00	17-Mar-17		
Aimia	\$ 4,800.00			
Collins Barrow Toronto Actuarial Services	\$ 4,800.00	17-Mar-17		
CSI Brokers Inc.	\$ 4,800.00			
KPMG LLP	\$ 4,800.00	17-Mar-17		
Laurentian Bank of Canada	\$ 4,800.00			
Munich Reinsuranace Company Canada Branch (Life)	\$ 4,800.00	31-Mar-17		
Optima Communications	\$ 4,800.00	13-Apr-17		
RGA Life Reinsurance Company of Canada	\$ 4,800.00	10-Mar-17		
The Canada Life Assurance Company	\$ 4,800.00	17-Mar-17		
<b>January Invoices</b>	<b>\$303,563</b>		<b>\$255,563</b>	
<b>July Invoices</b>	<b>\$255,563</b>			
<b>Total Membership Fees</b>	<b>\$559,125</b>			
Total amount to reallocate monthly Jan-Dec	\$46,593.75			

## CAFII Consultations/Submissions Timetable 2017-18

Regulatory Issue	Deliverable	Deadline	Accountable
BC FICOM 10-Year Review of FIA (consultation paper released June 2, 2015)	<ul style="list-style-type: none"> <li>CAFII Response to Initial Consultation Paper</li> <li>Meetings with Ministry of Finance officials</li> <li>Public Report on input received on Initial Consultation Paper</li> <li>Policy Paper on proposals for change</li> <li><b>CAFII Response to Policy Paper</b></li> <li><i>Meeting with Ministry of Finance officials, if necessary</i></li> <li>Amendments to Act and drafting of Regulations</li> </ul>	<ul style="list-style-type: none"> <li>Sep 15, 2015</li> <li>Nov 10, 2015</li> <li>Issued March 23, 2016</li> <li><u>Expected Q3 2017</u></li> <li><b><u>Q3 or Q4 2017</u></b></li> <li><i>Q3 or Q4 2017</i></li> <li>Q4 2017 or Q1 2018</li> </ul>	<ul style="list-style-type: none"> <li>Joint Market Conduct/Licensing Committee; ED to monitor</li> </ul>
QC Ministry of Finance Review of Distribution Act	<ul style="list-style-type: none"> <li>CAFII Response to June 12/15 Consultation Report</li> <li>Dialogue with Ministry re meeting re online distribution</li> <li>CAFII secures specialized legal counsel, in preparation for draft Bill</li> <li>Draft omnibus Bill to be tabled, for industry consultation</li> <li><b>CAFII Response to draft legislation</b></li> <li><i>Meeting with Ministry of Finance officials, if necessary</i></li> </ul>	<ul style="list-style-type: none"> <li>Sep 30, 2015</li> <li>Completed March 2016</li> <li>Nov 2016</li> <li><u>Expected June 1, 2017</u></li> <li><b><u>Q3 or Q4 2017</u></b></li> <li><i>Q3 or Q4 2017</i></li> </ul>	<ul style="list-style-type: none"> <li>Joint Mkt Conduct/Licensing Committee; ED to monitor</li> </ul>
CCIR Annual Statement on Market Conduct	<ul style="list-style-type: none"> <li>CAFII Response to Draft 3</li> <li>CCIR releases implementation-ready final version of Statement</li> <li>CCIR presents webinar on Annual Statement for CAFII members</li> <li>Access to AMF-developed system for data submissions provided</li> <li>Insurers submit “best attempts” data based on 2016 fiscal year</li> <li><u>CCIR to consult industry on grammatical changes only for Year 2</u></li> <li><u>CCIR to share aggregated results report from Year 1 with industry</u></li> <li><u>CCIR to do detailed review for Year 3 version of Annual Statement</u></li> </ul>	<ul style="list-style-type: none"> <li>August 26, 2016</li> <li>Dec 2016</li> <li>March 1, 2017</li> <li>March 28, 2017</li> <li>May 1, 2017</li> <li><u>Q3 2017</u></li> <li><u>Q3 or Q4 2017</u></li> <li><u>Q3 or Q4 2018</u></li> </ul>	<ul style="list-style-type: none"> <li>Market Conduct Cttee; ED to monitor</li> </ul>
CCIR Review of Travel Health Insurance	<ul style="list-style-type: none"> <li>CAFII Response to Issues Paper</li> <li>Meeting with CCIR TIWG re draft Recommendations in Position Paper</li> <li>CAFII Submission on draft Recommendations in Position Paper</li> <li><u>Meeting with CCIR TIWG re Communications Plan for Position Paper</u></li> <li>CCIR releases Position Paper</li> <li><b>CAFII Response to Position Paper</b></li> <li><i>Meeting with CCIR TIWG Re Position Paper, if necessary</i></li> </ul>	<ul style="list-style-type: none"> <li>Sep 30, 2016</li> <li>Feb 22, 2017</li> <li>March 10, 2017</li> <li><u>May 10, 2017</u></li> <li><u>Expected May 31, 2017</u></li> <li><b><u>Q3 2017</u></b></li> <li><i>Q2 or Q3 2017</i></li> </ul>	<ul style="list-style-type: none"> <li>EOC; ED to monitor</li> </ul>
SK Bill 177	<ul style="list-style-type: none"> <li>FCAA releases Draft Regulations for industry consultation</li> <li>CAFII Responses to Draft Regulations &amp; TPA Sub-consultation</li> <li>CAFII Response to FCAA-proposed definition of TPA</li> <li><i>Meeting with FCAA officials re CAFII submissions, if necessary</i></li> <li>New Saskatchewan Insurance Act and Regulations come into force</li> </ul>	<ul style="list-style-type: none"> <li>Oct 7, 2016</li> <li>Dec 2 and 9, 2016</li> <li>March 13, 2017</li> <li><i>Q2 or Q3 2017</i></li> <li>Spring 2018</li> </ul>	<ul style="list-style-type: none"> <li>Market Conduct Cttee; ED to monitor</li> </ul>
“Modernizing the New Brunswick Insurance Licensing Framework”	<ul style="list-style-type: none"> <li>CAFII Response to Position Paper on aspects related to life agents</li> <li>FCNB delivers final recommendations to Minister</li> </ul>	<ul style="list-style-type: none"> <li>Jan 22, 2016</li> <li>?</li> </ul>	<ul style="list-style-type: none"> <li>Licensing Committee; ED to monitor</li> </ul>

Underline = new/updated item since previous publication; **Boldface** = CAFII response pending; *Italics* = CAFII meeting with regulators/policy-makers pending



31 May 2017

Brendan Wycks  
Executive Director, CAFII  
21 St. Clair Avenue East Suite 802  
Toronto, Ontario  
M4T 1L9  
Canada

**Re: CCIR's Travel Health Insurance Products Position Paper**

Dear Brendan, 

The Travel Insurance Working Group of the Canadian Council of Insurance Regulators (CCIR) has released its Travel Health Insurance Products Position Paper.

The purpose of the Position Paper is to respond to stakeholders on what the Working Group has learned from the consultation and to set out the final recommendations to CCIR members, insurers, intermediaries and the public regarding the issues that were identified.

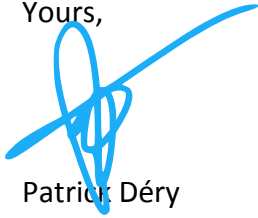
Overall, Canada has a strong travel insurance market place, however there is opportunity for improvements to be made to ensure consumers maintain confidence in their insurance protection when they travel.

Since the start of this initiative in early 2015, the CCIR's Travel Insurance Working Group has been working closely with key stakeholders, including members of CAFII, on issues and concerns around travel health insurance. The industry itself has recognized the opportunity for improvement and is proactively taking steps to respond to the issues raised under this initiative.



Moving forward CCIR will be monitoring the effectiveness of the recommendations put forth to ensure that they achieve the desired outcomes, recognizing that it will take some time for the recommendations to take affect within the market.

Yours,

A handwritten signature in blue ink, appearing to read 'Patrick Déry', is written over the word 'Yours,'.

Patrick Déry

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**TRAVEL HEALTH INSURANCE PRODUCTS  
Position Paper**

**A document prepared by the  
Canadian Council of Insurance Regulators (CCIR)  
Travel Insurance Working Group**

This document reflects the work of regulators who are members of CCIR and is intended to generate discussion. The views expressed should not be considered as legal opinions.

This document does not necessarily represent the official position or views of any provincial, territorial or federal government or agency.

**MAY 2017**

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## **Executive Summary**

This Position Paper sets out the recommendations put forth by the Canadian Council of Insurance Regulators (“CCIR”) in respect to the issues identified in its May 2016 Issues Paper regarding the Canadian Travel Health Insurance marketplace.

The purpose of this Position Paper is to respond to stakeholders on what the CCIR has learned from the consultation and to set out the CCIR’s expectations for improvement of travel insurance to CCIR members, insurers, intermediaries and the public regarding the issues that were identified.

Overall, Canada does have a strong and reliable travel insurance market. However, from the comprehensive review that was undertaken to better understand the issues and concerns raised, it is the CCIR’s conclusion that there are opportunities for improvements to be made within the travel insurance marketplace, especially in the fair treatment of consumers.

It is also observed that key stakeholders in the industry are taking a proactive approach to improve the consumer experience in order to ensure confidence in the product is improved. The industry has collectively come together to propose possible solutions to improve individual and group travel insurance in the Canadian marketplace. The CCIR acknowledges the engagement of the industry in this regard and will continue to work with these stakeholders in light of the issues raised.

## **1. INTRODUCTION**

### **1.1. CANADIAN COUNCIL OF INSURANCE REGULATORS**

The CCIR is an inter-jurisdictional association of provincial, territorial and federal insurance regulators. The provincial and territorial regulators are responsible for market conduct regulation and legislative compliance of insurers authorized in their province or territory. They may also have responsibility for the solvency of insurers incorporated in their jurisdictions.

The CCIR has developed a framework for cooperative market conduct supervision among its members. CCIR members have made a commitment to observing, where reasonable, the Insurance Core Principles (“ICPs”) of the International Association of Insurance Supervisors (“IAIS”). Of particular importance are ICP 18 and 19 which address the supervision of conduct of business or market conduct and intermediaries:

- ICP 18 Intermediaries – the supervisor sets and enforces requirements for the conduct of insurance intermediaries, to ensure that they conduct business in a professional and transparent manner.
- ICP 19 Conduct of Business – the supervisor sets requirements for the conduct of the business of insurance to ensure customers are treated fairly, both before a contract is entered into and through to the point at which all obligations under a contract have been satisfied.<sup>1</sup>

One of the main goals of the CCIR is to facilitate harmonization of insurance regulation across Canada to benefit both consumers and the insurance industry. Working towards a harmonized approach promotes efficiencies and cost savings while providing consistent protection to consumers across Canada. It is recognized that individual jurisdictions may need to accommodate any local or regional issues in implementation.

### **1.2. TRAVEL INSURANCE WORKING GROUP**

In response to growing concerns over public confidence in the market and the manner in which travel health insurance (“THI”) is manufactured and distributed, the CCIR formed a working group on THI at its fall 2014 meeting (the “Working Group”).

The Working Group is composed of representatives from the CCIR and from the Canadian Insurance Services Regulatory Organizations<sup>2</sup> (“CISRO”). The Working Group’s mandate is to:

- Improve consumer’s confidence in the THI market;
- Promote harmonization in regulatory approaches to THI in Canada;

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<sup>1</sup> Insurance Core Principles (ICPs) 18 and 19 “Intermediaries” and “Conduct of Business”, International Association of Insurance Supervisors, <http://iaisweb.org/page/supervisory-material/insurance-core-principles//file/58067/insurance-core-principlesupdated-november-2015>.

<sup>2</sup> The Canadian Insurance Services Regulatory Organizations is a national association of insurance intermediary (agents, brokers, adjusters) regulating authorities. Its objectives include creating a common voice to deal with issues that may be of interest to other financial services regulators, consumers and intermediaries.

- Identify practices that are causing harm, or have the potential to cause harm to the public; and
- Develop recommendations to address them in order to prevent loss of consumer confidence.

In achieving this mandate, the Working Group was also asked to consult with industry stakeholders where possible.

The work of the Working Group is in alignment with the CCIR's strategic priorities of identifying common emerging issues (fact gathering), and engaging stakeholders and policy makers so that the right information is in the hands of those in charge of making policy decisions in a timely manner. It is also in alignment with the CCIR's risk-based approach to regulation.

The Working Group undertook a thorough review of the Canadian THI market in order to identify and better understand the issues. The Working Group conducted a survey in 2015 and liaised with various industry stakeholders<sup>3</sup>. The survey was completed by 33 THI insurers.

In addition, the Working Group called for public submissions in February 2015 and received 27 submissions from the public, mostly private citizens, about problems they saw in THI market. Finally, the Working Group considered disclosure documents, insurance policies and other materials made available and obtained through the course of the regulatory activities of its members.

In July 2016, the CCIR released its [Travel Health Insurance Products Issues Paper](#) on THI (the "Issues Paper"). The Issues Paper aimed to set out the context and situation of the THI market as the CCIR believed it existed as of July 2016. It reflected what the Working Group had learned from the 2015 survey and other findings based on the above-mentioned materials. Stakeholders and consumer associations were invited to provide comments by September 30, 2016.

### **1.3. THE PURPOSE OF THIS POSITION PAPER**

The purpose of this Position Paper is to respond back to stakeholders on what the CCIR has learned from the consultation and to set out the proposed recommendations to CCIR members, insurers, intermediaries and the public regarding the issues that were identified.

This Position Paper considers some of the initiatives industry stakeholders are already undertaking to enhance consumers' experience with THI. The CCIR acknowledges the engagement of the industry in this regard and will continue to work with these stakeholders in light of the issues raised in this Paper.

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<sup>3</sup> Such as the Canadian Life and Health Insurance Association, the Travel Health Insurance Association, the Canadian Association of Financial Institutions in Insurance, the General Insurance Ombudservice and the Ombudservice for Life and Health Insurance.

## **2. RESULTS OF CONSULTATION AND RECOMMENDATIONS**

From its 2016 Issues Paper, the Working Group sought input from stakeholders, both the industry and the public, with regard to:

- Whether the CCIR's understanding of the topics and issues as presented was accurate;
- Whether all significant gaps and issues had been identified;
- Which initiatives have already been undertaken or should be undertaken to enhance consumers' experience with THI and to best achieve the fair treatment of consumers in the THI market.

In total, the CCIR received 13 submissions from stakeholders to the Issues Paper that included industry associations and insurance companies. In addition, the Working Group met with some associations as a follow-up to the Issues Paper.

We thank all stakeholders who participated in the consultation process: your input has been invaluable.

### **2.1. PRODUCT DESIGN**

#### **2.1.1. COMPLEXITY OF TRAVEL HEALTH INSURANCE PRODUCTS**

As outlined in its Issues Paper, the Working Group believes that the common practice by insurers of combining different coverages in THI products, such as single trip and multiple trip coverages, medical or non-medical coverages, emergency medical care, ambulance costs and hospitalization, overall increases the complexity of design of some THI products. This complexity may impact consumers' ability to effectively comprehend the available options and the relevant limitations in the products as they apply to them.

In their responses to the Issues Paper, stakeholders in general were in disagreement with the Working Groups position that the complexity of THI products is a core issue affecting consumers' ability to fully understand the nature of the THI products they are purchasing. From the submissions received, the industry generally believes that their initiatives focused on disclosure and education will reduce the concerns raised with regard to policy complexity and clarity in THI products. It is the CCIR's belief that the amalgamation of coverages and how policy documents are presented (e.g. bundling, number of plans, regimes and options) are factors that influence public perception regarding the complexity of THI products. The information provided to consumers should enable them to fully understand the characteristics of the THI products they are buying and help them understand whether and why they meet their requirements.

### **Recommendation**

The CCIR recommends that product features be presented more clearly to consumers and laid out in a manner that is easy to understand.

To help reduce the perception of complexity and ensure the fair treatment of consumers, the industry should make THI products and related materials simpler and more targeted, preferably with a limited number of plans, regimes and options.

### 2.1.2. TERMINOLOGY AND DEFINITIONS

The travel insurance marketplace in Canada is quite diverse in the range of THI products offered to consumers. In its analysis, the Working Group observed an absence of standardization within the industry regarding the terms and expressions used in THI products. This lack of consistency in the use of terminology and the absence of standard definitions add to the confusion faced by consumers navigating the products and options available to them, and also make it difficult to adequately compare and understand product features.

The Issues Paper asked:

- What terms or expressions should be defined and standardized in order to allow a better understanding of THI products by consumers, and enable them to more readily compare products and make informed decisions?
- What other initiatives related to product design could be put in place by the industry to help consumers better understand the extent of the coverage offered and the terms and exclusions, so they can make informed decisions?
- What type of controls should be put in place at the insurer or other levels in order to ensure that consumers of THI products are treated fairly?

On this issue, there was general agreement from stakeholders that better clarification and standardization of key THI terms and expressions were necessary to help resolve the issue of consumers' understanding of the products available to them in the marketplace. However, it was observed that there is a variation amongst stakeholders as to what terms and expressions should be defined and standardized.

With regard to specific recommendations related to the design of products to help consumers better understand the coverages offered, it was suggested that insurers implement a 1-800 customer helpline. The Working Group notes, however, that this is already prescribed by law in Quebec<sup>4</sup> for incidental selling of insurance and that many guides produced for the Quebec market are also used across Canada.

Stakeholder suggestions regarding the types of controls to be put in place in order to ensure the fair treatment of consumers seemed more relevant to section 2.2 *Product Marketing and Sales*. As is discussed in section 2.2, the Working Group observed that in general, the solutions put forth by stakeholders in this regard are focused on the selling of insurance, such as training and testing programs, rather than on the product design itself and types of controls that should be put in place.

The CCIR believes that the definition and standardization of key THI terms and expressions are an important building block to the success of reforms within the THI market because they will improve consumers' understanding of the extent of the coverage offered, of exclusion, restriction and limitation clauses and of medical questionnaires and disclosure documents. They will also allow consumers to more easily compare products and facilitate the training of sellers.

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<sup>4</sup> *An Act Respecting the Distribution of Financial Products and Services*, section 421: "The insurer shall maintain a consultation service to answer any inquiries from a distributor or from a client concerning the distribution guide."



The CCIR recognizes that the industry is already taking important steps to provide improved clarity on key terms, standardize key definitions and increase the use of more plain language in policy documents. As part of these steps, it is important that all industry stakeholders have the opportunity to provide input in developing a complete list of terms and expressions to be defined and standardized.

## Recommendations

The CCIR recommends that the industry:

1. Produce a preliminary list, to be followed by a more complete list, of all relevant terms to be included in the standardization process;
2. Establish general rules regarding the use of defined terms and expressions, such as avoiding the use of synonyms and of confusing terms and expressions;
3. Establish a target deadline by which the industry can agree to use the standardized definitions for the relevant terms identified.

The industry should conduct consumer focused testing to ensure that the definitions and terminology developed and used are clear and being interpreted and understood by consumers in the intended manner.

The industry should look for opportunities to strengthen its oversight and control processes to address any recurring problems with language used with THI products.

### 2.1.3. UNDERWRITING OF TRAVEL INSURANCE PRODUCTS

Traditional underwriting processes for life and health insurance products have applicants providing detailed medical information to insurers for their review in order to make the decision to underwrite the risk or not. However, the Working Group found that 95% of applicants for THI products sold in 2014 were automatically accepted, in most cases based on very general medical questions with no additional underwriting.

This rate of automatic acceptance is considered to be unusually high by the Working Group, and may be due, in part, to the existence of exclusion, restriction and limitation clauses, including those pertaining to pre-existing medical conditions, that allow for insurers not to engage in further medical underwriting at the time the application is made. As such, the burden of determining the limits of coverage that apply to the insured and the product's suitability lies with the applicant, who may not be in a position to properly understand the important conditions that would affect their eligibility or suitability, contributing to existing expectation and knowledge gaps. This burden can be made even more complicated when exclusions for pre-existing medical conditions are applicable given the complex nature of the medical questions and terminology used. Together, these factors and the expectations that are created as a result contribute to the public perception that THI applications are reviewed post-claim.

The Issues Paper asked:

- How could the industry improve consumers' awareness about and understanding of exclusion, restriction and limitation clauses, especially pre-existing medical conditions?
- What changes could be made to the application process to ensure that consumers have sufficient knowledge to have a thorough understanding of exclusions for pre-existing medical conditions as well as to complete an application for THI, thus enhancing consumer confidence in the underwriting process?
- How can the industry ensure that consumers are offered THI products that are suitable for their needs?
- How can the use of medical questionnaires by insurers be improved in the context of the underwriting of travel insurance products, in order to ensure the fair treatment of consumers?

In aggregate, the industry was of the view that the education of consumers and the clarification of policy terms, including using plain language, will allow for consumers to have a better understanding of their eligibility for coverage prior to them making a purchase. There was little in the way of other feedback on how to improve underwriting practices or on assisting consumers to determine product suitability. While the industry seems to suggest that better consumer education is the answer, the Working Group believes that this approach does not address the problem and instead places a substantive burden on the shoulders of the consumer to be the expert.

The CCIR recognizes that a number of the initiatives undertaken by industry will help to reduce instances of consumer harm in the marketplace. However, the consumer perception issue described above remains a primary concern and needs to be addressed in order to reduce and eliminate existing consumer expectation and knowledge gaps.

Regarding product suitability, the CCIR believes that insurers need to ensure that the products they offer are suitable for their specific target audience and they have in place controls and processes to limit customer access to products likely to be inappropriate. In developing products insurers must ensure that they have identified the target audience to whom the product is to be targeted, have looked at the needs of that audience and have developed a product that is suitable for those needs. The CCIR believes insurers should carry out a diligent review of existing products to ensure that the products are adapted to meet the needs of the consumers to which they are the most suitable and realign or develop additional products for those consumers that have more distinct needs.

## Recommendations

The CCIR recommends that insurers take steps to improve their application and screening process in order to properly identify applicants who would benefit from either a different THI product or undergo additional underwriting prior to making a purchase. Such an approach is also consistent with the outcomes promoted by ICP 19.

Steps should also be taken to better assist consumers' understanding of their eligibility requirements and applicable exclusions at time of application. Insurers should also look at how to better assist consumers who may have questions or concerns during the application process, through enhanced educated staff at call centres and help lines, and better educated sales forces to allow consumers to have more confidence over their eligibility and coverage.

The CCIR also recommends that insurers prominently inform consumers before purchase that they will use the information from the application to assess eligibility for any claim made.

## 2.2. PRODUCT MARKETING AND SALES

### 2.2.1. DISCLOSURE OBLIGATIONS AND SALES

#### 2.2.1.1. THI DOCUMENTS

THI products can be lengthy and complex in their design, offering a wide variety of protections that may be offered in bundles or combined to create plans offered under a single-trip plan, a multiple trip plan or both. In addition to this complexity, THI products target a wide range of consumers of different ages, education and literacy where the burden of understanding the scope and significance of the product features lies with the consumer. Therefore, the Working Group believes that these products would benefit from having clear, structured and readable documents for consumers.

The Issues Paper asked:

- How could insurers ensure that the information shown in the disclosure documents is limited to that which is essential, and that the format of these documents promotes a quick understanding of the fundamental information?
- How could the industry improve disclosure documents so that they can be more easily understood by consumers?

In general, stakeholders agree with the arguments raised in the Issues Paper, that THI documents are lengthy and complex regarding the language used and the manner in which they are packaged/bundled. However, stakeholders did not provide any tangible suggestions on how to simplify disclosure documents and to help reduce their length and complexity.

## Recommendations

It is the CCIR's expectation that insurers must simplify and improve disclosure documents to ensure consumers have a clear and proper understanding of the coverage, conditions, limitations and exclusions of the THI products they are offered so that they can make informed purchase decisions. Taking such steps to provide consumers with clear information before the sale will help ensure the fair treatment of consumers in the marketplace.

In addition to using plain language, insurers must consider limiting the length of disclosure documents. These documents should draw consumers attention to the important elements needed to make a purchase decision, and also refer them to specific policies therein. Furthermore, disclosure documents should be made specific to one plan, regime or option.

### 2.2.1.2. TIMELY DISCLOSURE

Customers should be properly informed and in a timely manner when buying any insurance product. In the case of THI products, which are complex and are offered through a variety of channels, the need to ensure appropriate disclosure before the product is sold is even more important in order to enable consumers to make informed purchase decisions before entering into a contract.<sup>5</sup>

The Issues Paper asked:

- How can the industry ensure that consumers are informed of the key elements of the THI coverage in a timely manner, before they make a purchase decision?

In general the submissions referred to work being undertaken to improve the quality of disclosure and to provide a one page summary of important information. The submissions otherwise did not provide other suggestions for improvement.

The CCIR strongly believes that consumers are entitled to have access to sufficient information to make an informed purchase decision. That information must be available upfront prior to the purchase and this information must be comprehensive enough to allow the consumer to understand the key terms, conditions, exclusions, etc. and be presented in a manner that is easy to comprehend.

While disclosure forms and information documents can assist consumers, ultimately it is the policy contract itself that governs the relationship. Having access to that document prior to purchase can assist consumers not only in confirming their understanding of the coverage and limits but also enable comparative shopping.

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<sup>5</sup> ICP 19 (19.5 - *the supervisor sets requirements for insurers and intermediaries with regard to the timing, delivery, and content of information provided to customers at point of sale*).

## Recommendation

It is the CCIR's expectation that insurers should publish disclosure documents and policy specimens through the various sales channels it uses (internet, phone, in-person, group policies) for pre-purchase consultation and without the obligation to close a transaction. In addition, insurers should promote the availability of such documents in any of their promotional or advertising material. This will help ensure the fair treatment of consumers by reducing the risk of sales which are not appropriate to customers' needs.

### 2.2.2. DISTRIBUTION CHANNELS

THI products are distributed as individual or group plans through various distribution channels, including licenced insurance representatives, deposit-taking institutions, travel agents, employee benefit plans, directly from insurers and as a credit card benefit (embedded or not). Concerns were raised in the Issues Paper as to whether the distribution channel that consumers use to obtain their THI product has an impact on their understanding of the coverages for which they are eligible.

There were also questions raised over whether insurers have sufficient oversight and controls to ensure that those involved in distributing their products or involved in claims are appropriately licensed or qualify for an exemption. The CCIR has long taken the view that insurers are ultimately responsible for ensuring that anyone selling their products have sufficient knowledge and expertise about the product to be able explain its features and exclusions, restrictions and limitations and/or identify where consumers should seek more expert information.

The Issues Paper asked:

- How do insurers ensure that they have effective controls and oversight over their distribution channels and that proper distribution channels are used for the distribution of their travel insurance products, as well as for other coverages that do not qualify as travel insurance and which are embedded in these products?
- What should the industry do to ensure that all consumers get an appropriate and timely disclosure relating to THI embedded in credit cards?

The feedback received from stakeholders regarding disclosure for group products, including travel insurance embedded in group products and credit cards, is that it may not be well understood by consumers, and there is an opportunity for improvement. In aggregate, industry believes that its current initiatives with respect to disclosure and education will help reduce concerns regarding distribution of group products.

It was also observed that the industry agrees with the CCIR's view that insurers retain accountability for ensuring that individuals are appropriately licensed.

## Recommendation

It is the CCIR's recommendation that insurers be able to demonstrate that they have in place effective controls and oversight over all their distribution channels regardless of the type of sales channel. Where appropriate, insurers should also have in place effective controls and oversight regarding those who solicit customers with respect to insurance products, or negotiate or transact an insurer's products to ensure they are knowledgeable about the product and adequately trained to sell those products. Such controls should include the collection and monitoring of data per sale channel.

The CCIR also reminds insurers that in developing clearer disclosure documents regarding THI coverage in group insurance products, insurers should consider testing the effectiveness of that disclosure and consumers' understanding of the group insurance coverage.

### 2.3. INVOLVEMENT OF THIRD-PARTY SERVICE PROVIDERS/PROGRAM ADMINISTRATORS

Third party administrators play significant roles in the THI product life cycle, including claims management, program development, and distribution. It is recognized that there are benefits to outsourcing business functions, such as cost efficiencies, access to markets and needed expertise. However, there must be appropriate measures in place to ensure that third parties are in compliance with applicable legislative requirements and codes of conduct and that the manner in which third parties are conducting business on behalf of the insurer does not harm consumers.

In its Issues Paper, the Working Group identified specific concerns regarding the lack of clarity as to the identity of insurers, the lack of direct recourse to the insurer regarding additional information or to pursue complaints, and in some cases using unlicensed third parties to adjust claims or sell products. Insurers are expected to have adequate controls and oversight over outsourced functions, because ultimately, an insurer is accountable for their products and for how those products are delivered.

The Issues Paper asked:

- What can be done to make sure that promotional material and policy or certificate documentation provided indirectly by the insurer through the use of third parties are not misleading or deceptive as to the identity and responsibilities of the insurer?
- Are there functions that should not be outsourced to third-party administrators in order to make the roles and responsibilities clear?
- How does delegating product development to third parties affect the insurer's role as manufacturer?
- What should be done to ensure that consumers are made aware of their right to contact the insurer regarding questions about the terms and conditions of the policy and claims disputes?
- What are some of the best practices insurers could follow to ensure that there is appropriate oversight and controls over outsourced claims functions?

In aggregate, the responses from industry indicate strong agreement that the insurer remains ultimately accountable where the development of THI products is outsourced to a third party. Some stakeholders felt that existing oversight and controls are sufficient, while others indicated that there were opportunities to make improvements in some areas, such as by ensuring the proper disclosure of an insurer's identity, and that consumers should have clear and direct access to the insurer.

From the responses received, the industry recognizes the need to pay closer attention to third party service providers; however, the Working Group remains concerned that some within the industry have differing views regarding the amount of oversight that is necessary. If insurers outsource their services, they need to have in place proper controls and oversight over such groups to make certain they are providing services properly, as if the insurer was themselves providing such services for their products.

## Recommendations

It is CCIR's expectation that insurers have in place adequate controls and oversight mechanisms to ensure that customers continue to be treated fairly throughout the product lifecycle (design, promotion and disclosure, sales/marketing/conflicts of interest, post sales and policy servicing, claims, complaints/disputes) regardless of whether the customer is dealing with the insurer directly or through a third party services provider. For guidance on CCIR expectations regarding the use of third party service providers, industry should refer to the principles set out in Appendix 1 of CCIR's 2012 Position Paper "[Strengthening the Life MGA Distribution Channel](#)".

Insurers need to take steps to ensure that in all policies, documents and other materials used in conjunction with their products their identity is clearly disclosed and information is readily made available regarding how to contact the insurer regarding a complaint, dispute, or concern. Providing consumers with clear information, including who the insurer is, before, during and after the point of sale is a key outcome in ensuring the fair treatment of consumers.

## 2.4. CLAIMS MANAGEMENT

Insurers are expected to ensure the fair treatment of consumers throughout the entire insurance product life cycle, including claims management. In support of this, insurers should have in place fair and transparent claims handling and claims dispute resolution procedures that are also documented in writing. Consumers should similarly be informed of such claims handling and dispute resolution procedures and how the process works before, during and after a claim is submitted.

Concerns have been raised by some consumers as to how insurers manage claims, specifically with regard to claims being denied for material misrepresentation even when consumers made the most honest efforts to complete their applications truthfully. Similar concerns have been expressed about the common practice of insurers conducting a thorough review of an application only at the time a claim is made by a consumer, leaving consumers with the perception the insurers engage in "post-claim

underwriting” when in fact insurers are conducting a “claims investigation”. Such perceptions have begun to erode consumer confidence in THI.

The Issues Paper asked:

- What initiatives could be put in place by insurers to ensure that best practices are implemented with regards to claims handling?

In general, stakeholders were supportive of the need to have in place fair and transparent claims handling and claims dispute resolution procedures, some suggestions of which include adopting quality standards, including putting in place a Claims Appeals Committee, to manage and review claims handling, and for insurers to publish online information on their complaint examination process.

## Recommendations

The CCIR recommends insurers look at ways to improve their claims handling processes to ensure that consumers are not unnecessarily denied for unrelated health situations or for errors or omissions in applications made by consumers acting in good faith and making best efforts to disclose.

As part of this, the CCIR also recommends the development of industry best practices regarding review and escalation processes for rejected claims to ensure that consumers are being treated fairly.

Insurers are also expected to take steps to provide better upfront disclosure regarding their claims handling processes to consumers including a clear explanation of the consequences of a misrepresentation as well as claims dispute processes so that consumers understand how to escalate a claim and how to access appropriate Ombudservices, as referenced in section 2.5.

Claims handling and claims dispute resolution practices and procedures should be documented in writing and include oversight and control functions to ensure that consumers are not being unfairly treated. Where an insurer outsources claims handling functions to a third party service provider, the insurer needs to have in place oversight and control mechanisms to ensure that the third party is acting in accordance with the claims handling processes/procedures, is acting within authority and is not engaging in any behaviour that may lead to unfair treatment to the consumer.

The CCIR supports the industry’s proposals to improve disclosure in travel insurance documentation and to review claim rejections from unrelated health application errors or omissions.



## 2.5. COMPLAINTS

As described in the Issues Paper, it was observed that many consumer complaints related to claims denial yet the Working Group also found that some policies, especially when a third party program administrator is involved, did not clearly disclose the insurer's complaint process. It is expected that all insurers have processes in place to deal with consumer dissatisfaction and to disclose to consumers how those processes work and how a complaint might be initiated<sup>6</sup>.

The Issues Paper asked:

- What initiatives could be put in place by insurers to ensure better claims dispute processes?

In general, stakeholders support the need for insurers to have documented processes in place to manage consumer complaints, and to communicate the complaints process to consumers when they purchase a new product. The Working Group believes that, similar to claims management described previously, insurers should have in place documented procedures on how complaints are managed, including for third parties that insurers outsource their services to.

### Recommendations

It is the CCIR's recommendation that, in order to ensure the equitable examination of complaints, insurers should have a documented internal process for timely complaints management and dispute resolution to attempt to resolve issues before they escalate.

As part of this process, insurers should communicate to consumers how the existing complaints process works, including how to initiate a complaint (contact details) and what options are available, such as internal and external Ombudservices, where a dispute remains unresolved. Such information should be publicly available on an insurer's website.

The CCIR supports the industry's proposal to develop an industry best practice for conducting internal reviews.

By documenting and being transparent about claims management and complaint management processes, which the CCIR acknowledges some in the industry already do, insurers will help further ensure that consumer complaints and disputes are dealt with in a consistent and fair manner, which is in direct support of the standards found under ICP 19. Together, this will help strengthen public trust and consumer confidence in the insurance sector.

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<sup>6</sup> ICP 19 (19.10 - *the supervisor requires that insurers and intermediaries have policies and processes in place to handle complaints in a timely and fair manner*).

## 2.6. EDUCATION

As outlined in this Position Paper, there is a strong need for appropriate disclosure for THI products. However, the Working Group believes that there is also an important need for a better understanding amongst consumers of the THI market in general as well as the nature of THI products themselves.

The Working Group remains concerned that the industry is still putting the onus solely on the consumer to be able to better understand THI products. The industry must themselves look to help better educate consumers on THI, such as through the use of plain language, better underwriting practices and by making insurance products less complex for the consumer.

The CCIR supports the initiatives industry is undertaking to better educate consumers but see this as only a part of the area where improvement can be undertaken. In the submissions received, industry did not discuss the necessity for insurers to ensure adequate training of sellers.

The CCIR remains concerned that some in the industry are not developing training programs for the broad needs of many of its sellers and are focusing on a substantive and voluntary program that may not be appropriate for all sellers. Plain language remains key to better consumer understanding.

The CCIR also believes (*see the discussion 2.2.2 – Distribution Channels*) that insurers are responsible to ensure that any seller, exempt or licensed, has adequate knowledge about the product to explain key terms, conditions, exclusions and coverage options, or otherwise provide reliable information to the consumer on the product or know when and where to direct the consumer for that advice.

### Recommendations

Insurers are expected to ensure that any seller, exempt or licensed, has adequate knowledge about the product to be able to:

- Explain key terms, the nature of the guarantee, options, conditions, and exclusions of the product; and
- Provide reliable information/advice on the product or know when and where to direct the consumer for information/advice.

In order to enhance consumers' awareness and understanding of THI products, the CCIR recommends that industry look to educating consumers on the following key areas:

- There are different coverage options available, possibly not all suitable;
- There are many exceptions and limitations that can apply and they can vary from one product or even from one plan to another;
- What are pre-existing medical conditions, their role and their potential impacts,
- The importance of the application process and the consequences of inaccurate information, good faith or not;

- The need to declare any change in their health conditions they may experience between the moment they filed their application and their departure; and
- That coverage under group plans may have limitations that need to be understood.

## 2.7. DATA COLLECTION

From its 2015 survey, the Working Group observed that some insurers did not collect or monitor data that would help provide more insights into how their products affect consumers, as part of their overall oversight and control regimes for THI products.

The Issues Paper asked:

- What key indicators could be standardized and implemented to ensure proper monitoring of insurers' THI activities?

Overall, stakeholder responses to the Issues Paper indicated agreement that the monitoring of key metrics and indicators would be of value to insurers in their efforts to improve their processes, in particular around complaints and customer service.

The Working Group believes that the industry understands the need to improve their collection of appropriate data for the purpose of enhancing oversights and controls. The Working Group also recognizes that industry will want some feedback from regulators to ensure that the data they collect is aligned with regulatory expectations.

The CCIR acknowledges that the industry has proposed a number of initiatives that have not yet been started or are still in the early development stages and that it will take some time to implement and take effect in the THI marketplace. While the initiatives all have promise, it is not yet clear how effective these initiatives will be when implemented.

## Recommendation

As the success of the CCIR's recommendations can only be evaluated following their implementation, the CCIR will monitor their adoption by the industry, as well as the implementation of the industry's proposals. CCIR also believes that in developing and implementing its proposals, industry should consider how it will measure the effectiveness of the proposals in achieving their desired outcomes. CCIR intends to continue to work with industry to identify key metrics that should be collected by industry, so both regulators and insurers can proactively monitor THI.

### **3. CONCLUSION**

While Canada has a strong and competitive travel health insurance marketplace, there are opportunities for improvement to be made, especially in the fair treatment of consumers. As such, CCIR members continue to view travel insurance as a key issue to address.

In its Issues Paper the Working Group outlined some key issues, which clearly affect the fair treatment of customers as defined by current international standards. It remains essential for the THI industry to adapt its practices to better reflect the concerns voiced by CCIR members in terms of market conduct and the adherence of current practices to international standards.

### **4. NEXT STEPS**

The CCIR will continue to monitor the work undertaken by the industry to address the issues identified. The CCIR also expects that insurers will begin to put in place data collection methods to measure and evaluate the success of the initiatives undertaken. The questions put forth in the CCIR's 2015 Travel Health Insurance Survey outline the areas regulators expect insurers to be able to track information against.



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## NEWS RELEASE

For Immediate Release  
May 31, 2017

Canadian Council of Insurance Regulators

### **Canada's insurance regulators unveil travel insurance reforms**

TORONTO – Today the Canadian Council of Insurance Regulators (CCIR) is releasing its Travel Health Insurance Products Position Paper detailing its final recommendations to the issues it identified in travel health insurance. The recommendations are expected to enhance consumer protection and confidence in travel health insurance.

“We have heard the concerns of the public and insurance brokerage community and with this clear, nationally agreed way forward, we are reinforcing the pre-eminent goal of consumer confidence in their insurance protection when they travel,” said CCIR chair Patrick Déry. “It is our belief that these measures will go a long way towards meeting consumer expectations wherever Canadians live in the country.”

While the CCIR believes Canada has a strong and competitive travel health insurance marketplace, it also believes there are opportunities for improvements to be made. The final recommendations outlined in the Position Paper include:

- Development of common standardized definitions and terminology
- Improvements to the application, screening and claims process
- Simplifying and improving disclosure documents
- Ensuring adequate controls and oversight mechanisms are in place throughout the product lifecycle
- Improved training and information for sales forces

The CCIR is encouraged by the industry's commitment to improve the consumer experience and will continue efforts to monitor the implementation of the recommendations to ensure they are adopted in a timely manner. CCIR members remain determined to see that the changes make a difference for all Canadians.

You can see the full document here: <http://www.ccir-ccrra.org/en/>

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The CCIR includes representatives from every province and territory in Canada, and the consultation and implementation include the Canadian Insurance Services Regulatory Organizations (CISRO). Both the CCIR and CISRO recognize the insurance industry's commitment to improving consumer confidence in the product.

#### **About the CCIR:**

The Canadian Council of Insurance Regulators is a national association of insurance regulators that traces its roots back to 1914. The mandate of the CCIR is to support an efficient and effective insurance regulatory system in Canada to serve the public interest.

#### **About CISRO:**

The Canadian Insurance Services Regulatory Organizations is a national association of insurance intermediary (agents, brokers, adjusters) regulating authorities. Its objectives include creating a common voice to deal with issues that may be of interest to other financial services regulators, consumers and intermediaries.

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**Agenda Item 4.2**  
**June 6/17 CAFII Board Meeting**

**From: Brendan Wycks [mailto:brendan.wycks@cafii.com]**  
**Sent: Friday, May 19, 2017 1:40 PM**  
**To: 'Joanne Abram'**  
**Cc: 'Anthonet Maramieri'; 'wmartinson@abcouncil.ab.ca'**  
**Subject: CAFII Feedback on Definitions of Credit-Related Insurance Authorized for Sale Under a Restricted Insurance Agent's Certificate in Alberta**

Hi, Joanne.

In follow-up to our recent discussion at the CLHIA Conference in London where we shared our views on this matter with you verbally, I'm now pleased to communicate in writing CAFII's views on the definitions of the four types of Credit-Related Insurance authorized for sale under a Restricted Insurance Agent's Certificate, in keeping with section 454 of the Alberta Insurance Act, as set out on page 2 of your December 22, 2016 letter to us.

After review and due diligence at both Association-wide and individual member company levels, I can confirm that CAFII

- has no issues with the definition of Creditors' Critical Illness Insurance which the Life Insurance Council recently approved, following input from industry stakeholders; but
- shares the concerns recently identified by CLHIA with respect to the definitions of Creditors' Disability Insurance, Creditors' Life Insurance, and Creditors' Loss of Employment Insurance which were set out on page 2 of your December 22/16 letter.

More specifically, we concur with CLHIA – as itemized in its document “Industry feedback on December 2016 Creditor's Group Insurance Definitions – that

- the language “pays off” could be read as a guaranteed payment. Similarly, the language “pays off the loan” could be read as payment for the entire outstanding loan amount;
- the terms "person" or "debtor" would be preferable to the term "borrower" that is used in the AIC definitions, as they are more commonly used in legislation; and
- the term "beneficiary" is more commonly used in individual insurance and has certain policy-holder rights associated with it that do not extend to CGI products. In addition, using "beneficiary" to describe the creditor could exclude an important exemption for farm, fishery and ranch lines of credit under the Insurance Business (Banks and Bank Holding Companies) Regulations, where the insurance monies may be paid to parties other than the creditor.

It is our understanding that the definitions of Creditors' Disability, Creditors' Life, and Creditors' Loss of Employment Insurance have been used for internal reference purposes within the AIC for a number of years; and the Life Council wanted to integrate the new CI definition with them into a comprehensive package that could be shared publicly.

However, we agree with CLHIA that those previously existing internal definitions, if shared publicly via the AIC website or other public channels, could cause misunderstanding and confusion among consumers.

That said, given that the three long-standing definitions have been working well for internal reference purposes at the AIC, CAFII would support the following solution which we believe that CLHIA has also proposed for your consideration: on your website and/or in other public channels, publish only the list of types of Credit-Related Insurance that are authorized for sale under a Restricted Insurance Agent's Certificate, without any accompanying definitions. That simple solution would allow the three long-standing definitions, along with the new definition of Creditors' Critical Illness Insurance, to continue to be used for internal purposes at the AIC.

Should the Council determine that it definitely must publish the definitions of the types of Credit-Related Insurance for public information, then CAFII strongly recommends that the definitions of Creditors' Disability, Creditors' Life, and Creditors' Loss of Employment Insurance be reviewed and revised in accordance with the comments provided in CLHIA's document "Industry feedback on December 2016 Creditor's Group Insurance Definitions."

Thank you and best regards,

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Making Insurance Simple and Accessible for Canadians  
Rendre l'assurance simple et accessible pour les Canadiens



**Agenda Item 4.9**  
**June 6/17 CAFII Board Meeting**

**Proposed CAFII 2017 Western Canada Regulators and Policy-Makers Visits:  
Manitoba (Week of July 3-7/17); and BC and Alberta (October 16-18/17)**

1. Week of July 3-7/17: Liaison Meeting with Barbara Palace Churchill, Executive Director, and staff of Insurance Council of Manitoba; with CAFII representatives to make a an educational presentation on "ISI Distribution/CGI Sales By Financial Institutions." (Tentative)

BC and Alberta Combined Visits Tour

- Monday, October 16/17: fly from Toronto to Vancouver
2. Tuesday, October 17/17, morning: Liaison meeting with Insurance Council of BC (both Council members and staff), Vancouver (Tentative).
  3. Tuesday, October 17/17, early afternoon: Liaison meeting with Elizabeth Cole, Brian Dillon, and Kari Toovey, BC Ministry of Finance, Re 10-Year Review of Financial Institutions Act, Vancouver (same office as FICOM) (Tentative).
  4. Tuesday, October 17/17, late afternoon: Liaison meeting with Chris Carter, Frank Chong, and Harry James, BC FICOM, re CAFII-related regulatory issues, Vancouver (same office as Ministry of Finance) (Tentative).
- Tuesday evening, October 17/17: fly from Vancouver to Edmonton.
5. Wednesday, October 18/17, morning: Liaison meeting with Joanne Abram, CEO, and key senior staff of Alberta Insurance Council at AIC's Edmonton head office. (Tentative)
  6. Wednesday, October 18/17: afternoon liaison meeting with Nilam Jetha, Superintendent of Insurance; David Sorensen, Deputy Superintendent of Insurance; and Laurie Balfour, Director, Financial Compliance, Insurance Regulation and Market Conduct Branch (Chair of CCIR Insurance Core Principles Implementation Committee, Alberta Treasury Board and Ministry of Finance, at their Edmonton office. (Tentative)
- Wednesday late afternoon/evening, October 18/17: fly home to Toronto.

# **CAFII Media Protocol II**

**June 2017**

## **Section 1**

### **Background and Positioning**

## **Background**

CAFII has an existing Media Protocol, entitled “CAFII Media Protocol,” -- to be called “Media Protocol I” for the purposes of this document -- which was updated in March 2017 and approved at the April 5, 2017 Board meeting. This Media Protocol I details the process by which CAFII will respond to media requests.

The CAFII Board has noted that the process to respond to media requests is consensus-based and potentially time-consuming; and has therefore recommended that a streamlined approach would increase the probability of CAFII effectively responding to media in specific circumstances. More specifically, it was noted that negative columns/articles in print media could be countered by a Letter to the Editor, but this requires a rapid (typically same day) response. It was proposed that as part of a proactive, not reactive media strategy, a first step for CAFII would be to develop a rapid response to negative media columns/articles where a same or next day Letter to the Editor could provide a counter point of view. This will be called Media Protocol II.

## **Strategic Objectives and Tactical Considerations**

There has been a vibrant and useful discussion among senior CAFII leaders about how best to respond to negative print media columns/articles. On the one hand, there have been examples of erroneous, unfair, and inaccurate columns/articles to which CAFII could, but has not, set the record straight. On the other hand, the impact of these columns/articles on public perception is not clear: responding could keep the issue in the public eye, and elicit further negative commentary--for example from the active and well-organized broker lobby.

Is it best to respond and set the record straight? Or to take our lumps and let sleeping dogs lie, letting our customers make their own judgments based on CAFII members’ strong and proven record? Or do we best respond more indirectly, by making our case through networking with influencers; through our website where we can share a controlled message in our own environment; and through research where we can disseminate the facts objectively and methodically.

To move forward the potential for responding quickly to negative print media columns/articles with a Letter to the Editor as part of the tactical toolkit in our media strategy, the Board has directed staff to develop a rapid-response approach—Media Protocol II.

## **The Triggers that Would Set in Motion the Process for a Letter to the Editor**

This Media Protocol is focused on print only; depending on our experience with this process, CAFII can look at expanding its proactive media responses to other types of media at a later time. As well, at this time this Media Protocol is limited to responding to a negative media article—over time, we may wish to explore sending articles to the media, for example in conjunction with the publication of new CAFII-generated research that we would like to share more broadly.

For the purposes of this Media Protocol, however, we will limit ourselves to responding to a negative print media article to which we intend to quickly send a corrective Letter to the Editor. But what would trigger this process? What type of articles should we respond to?

The process detailed below leaves considerable discretion in the hands of CAFII staff and volunteer leaders to initiate the process of reviewing whether we should send a Letter to the Editor, but in general we would anticipate that the following list covers that situations that would a ) trigger the process and b) not be suitable criteria for triggering the process.

### ***a) Print articles we would consider responding to are:***

- Articles that are about financial institutions in insurance generally, or which are about a specific product CAFII members offer in common (CGI, Travel Insurance, Life Insurance), and which are factually inaccurate, or negative in tone;
- Articles that are factually inaccurate or negative in tone about alternative distribution models or about selling insurance products or services without a broker or advisor.

### ***b) Print article that we would not consider responding to are:***

- Articles that are not factually inaccurate or negative, but generally informative and fair;
- Articles that are specific to a CAFII member, including complaints about a situation, product, or service that specifically refers to one of our members.

## **Content of Possible Letters to the Editor**

We have referred in this document to up to ten Letters to the Editor, but the question may arise—what is the different content of these different letters? Why so many letters?

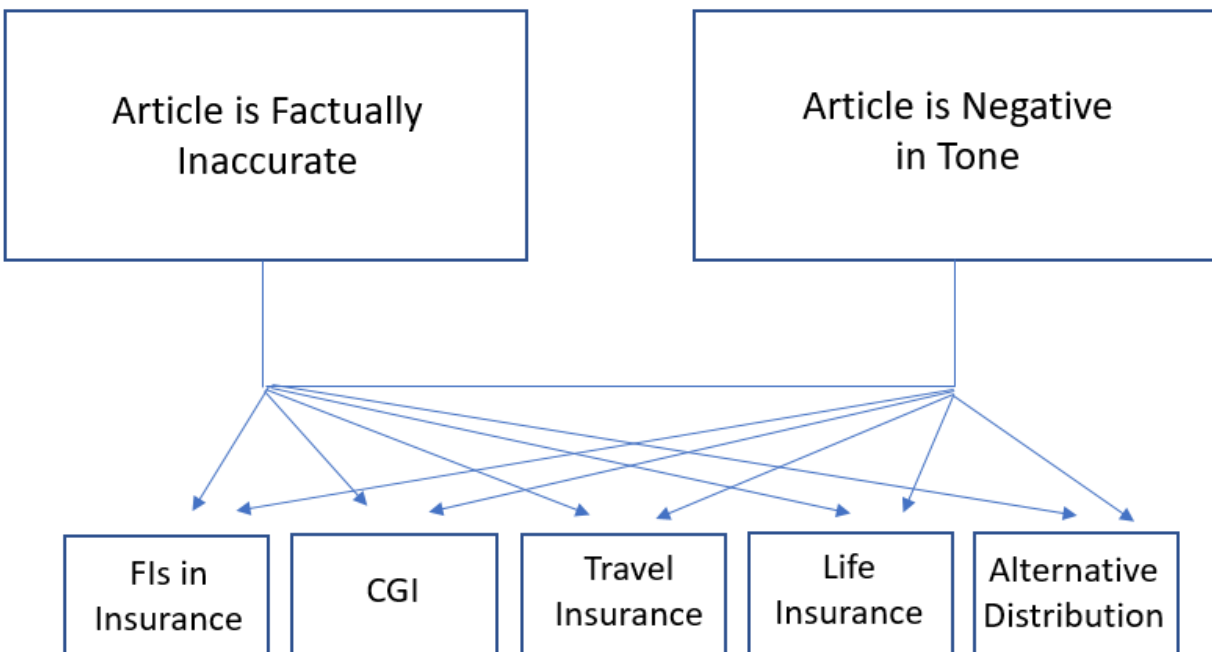
The content of a Letter to the Editor would differ based on the nature of the article we are responding to, and perhaps the best way to characterize this content is as “source material” CAFII leaders could pre-approve of, and which the Media Spokesperson could work with the Media Consultant at putting together into a cohesive response to a negative article without developing entirely new material from scratch.

The proposed content sources that would be pre-approved can be initially split out as follows:

--All source materials will be focused on one of two approaches—a set of source materials focused on factually inaccurate articles; and a set of source materials focused on articles that have a negative tone.

--All source materials will focus on specific products, services, or channel (Financial Institutions in Insurance, CGI, Travel insurance, Life Insurance, Alternative Distribution).

--Specific source content can be combined to respond to articles that cover more than one topic or which are more general in content.



## **Section 2**

### **The Process**

## **Media Protocol II—The Preparatory Process**

### **Step I – Preparation**

The Media Spokesperson for CAFII (Co-Executive Director KMartin), in consultation with Co-Executive Director of BWycks, and in close collaboration with the Media Consultant (DMoorcroft), will develop a set of Letters to the Editor (likely ten in total), which can serve as pre-approved responses to probable and typical negative print media columns/articles. These will differ slightly in content and tone, in anticipation of how best to respond to different types of negative columns/articles.

### **Step II—Article Approval and Pre-Approval**

The CAFII Board will make any desired changes to the Letters to the Editor, including eliminating any or requesting additional ones for development with a new, different, and specified content and tone. The final drafts will be approved by the Board and then serve as a pre-approved set available for responding to negative print media columns/articles.

### **Step III—The People and Process Involved in the Decision to Send a Letter to the Editor**

The CAFII Board will review and approve, up-front, the following: the process for sending a Letter to the Editor including the people to be involved; and the set of Letters to the Editor to be used to respond to a negative column/article. The process to be followed in actually responding to a negative media column/article will be a streamlined one.



## **Media Protocol II—The Process to Send a Letter to the Editor**

The proposed people to be involved and the proposed process are as follows:

### **The People**

Media Spokesperson:	Co-Executive Director (KMartin)
Proposal to Respond to Media:	Any Board or EOC member, or staff, or the Media Consultant
Staff Initiators:	Co-Executive Directors (KMartin and BWycks)
Media Consultant:	Media Consultant (DMoorcroft)
Leadership Deciders:	Board Chair or designate (currently PMcCarthy)
	EOC Chair or designate (currently EFang)

### **The Process**

#### **Action I:**

Identifying a Situation Which Warrants a CAFII Response: any Board or EOC member can bring a specific article to the attention of one of the co-Executive Directors (KMartin and BWycks) to initiate the process.

#### **Action II:**

Recommendation (yes or no) with rationale: Co-Executive Directors (KMartin, with BWycks)—to be brought to Leadership Deciders. Yes or No decision is made by Leadership Deciders. If decision is no, file is closed. **If decision is yes, proceed to Action III.** Chair of the Media Advocacy Committee to be informed of status and next steps and kept informed of the progress of the file.

#### **Action III:**

Media Spokesperson to consult with Media Consultant on the following:

- Is there an appropriate pre-approved Letter to the Editor available, and if so which of the pre-approved Letters to the Editor is to be used? How do we best assemble a letter based on the pre-approved “source content”?
- What tweaks/modest changes (if any) are to be made to the pre-approved Source Content and to the assembled Letter to the Editor?

#### **Action IV:**

The chosen Letter to the Editor, slightly modified as required, is sent for publication under the CAFII Board Chair’s signature. Notice is sent to the EOC and Board. The EOC and Board is kept up to date on subsequent developments.