

## CAFII Board of Directors In-Person/Virtual Hybrid Meeting Agenda

**Date:** Tuesday, October 11, 2022  
**Chair:** P. Thompson  
**Location:** Complexe Desjardins,  
150 Saint-Catherine St. W., Montreal,  
Quebec; and [Virtual MTeams Meeting](#)

**Time:** 2:20 to 4:00 p.m. EDT  
**Dial-in:** 437-703-4263  
**Phone Conference ID:** 965 295 258#

1. Welcome, Call to Order, and Meeting Confirmation	2:20 p.m.	Presenter	Action	Document
a. Declaration of Meeting Properly Called and Constituted		P. Thompson		
b. Approval of Agenda		P. Thompson	Approval	✓

2. Consent Items	2:23 p.m.	Presenter	Action	Document
a. Draft Board Meeting Minutes, June 7/22		P. Thompson		✓
b. Summary of Board and EOC Action Items				✓
c. June 2022 Regulatory Update				✓
d. September 2022 Regulatory Update				✓
e. May 31/22 CAFII Submission to FSRA on "Guidance on Use of Retained Revenues under Regulation 'Money Retained Outside the Consolidated Revenue Fund'" Consultation				✓
f. September 9/22 CAFII Response Submission to BCFSa on "Draft Insurer Code of Market Conduct and Supplemental Guideline"				✓
g. October 3/22 CAFII Response Submission to BC Ministry of Finance on "Consultation Regarding Restricted Insurance Licences"				✓
h. Consultations/Submissions Timetable				✓
i. Regulator and Policy-Maker Visit Plan Recap				✓
j. Board-Approved CAFII 2022 Schedule of Meetings and Events				✓

3. Governance Matters	2:25 p.m.	Presenter	Action	Document
a. Welcome to and Self-Introduction by New CAFII Director Wayne Hewitt, Scotia Insurance		P. Thompson		✓
b. CAFII Board Vice-Chair Position		P. Thompson	Update	
c. EOC-Endorsed Recommendations for Revisions to CAFII Alerts Weekly Digest	2:28 p.m.	R. Dobbins/ K. Kasperski	Discussion/ Approval	✓
d. Recommended CAFII 2023 Schedule of Meetings and Events, Including Feedback Question Re Optimal Timing of 2023 Annual Members and Associates Luncheon	2:38 p.m.	B. Wycks/ K. Martin	Discussion/ Approval	✓
e. Plans for CAFII 25 <sup>th</sup> Anniversary Celebration Event on October 19/22	2:42 p.m.	B. Wycks/ K. Martin	Update	✓

4. Financial Management Matters	2:45 p.m.	Presenter	Action	Document
a. CAFII Financial Statements as at August 31/22		D. Hinnecke	Update/ Approval	✓
b. Forecast for CAFII 2022 Fiscal Year as at August 31/22	2:49 p.m.	D. Hinnecke	Update	✓
c. EOC-Endorsed Recommendation, Supported by CAFII Treasurer, That CAFII Member Dues Be Consolidated Into One Invoice/Payment Starting In 2023	2:53 p.m.	K. Martin	Discussion/ Approval	✓ (Briefing Note Only)
d. Critical Path For Development of 2023 CAFII Operating Budget; and Budget Development Considerations Under Current Economic and CAFII Financial Position Circumstances	2:59 p.m.	B. Wycks/ K. Martin	Update/ Discussion	✓

5. Strategy Setting and Implementation; and Regulatory Matters	3:02 p.m.	Presenter	Action	Document
a. Debrief Discussion on Just-Completed 'Industry Issues Dialogue' with AMF Staff Executives, Particularly Re Issue of RADM's Applicability to Credit Card-Embedded Insurance Benefits		P. Thompson	Discussion	✓ (3)
b. Insights Gained from CAFII Participation in September 19/22 Alberta Insurance Council Stakeholder Feedback Interview With Independent Agency Berlin Communications	3:22 p.m.	B. Wycks	Update	✓

c.	Plans for November 4/22 CAFII Virtual Stakeholder Session with CCIR on Its Draft 2023-25 Strategic Plan 3:25 p.m.	B. Wycks/ K. Martin	Update	✓
d.	EOC-Endorsed Proposal Re CAFII's Return to Insurance Regulator and Policy-Maker Visits Tours in 2023 3:28 p.m.	K. Martin	Discussion/ Approval	✓
e.	Recent Operatic Agency Deliverables Re CAFII Website Videos; and Enhancements to FAQs on CAFII Website 3:33 p.m.	K. Martin	Update	
f.	Execution of EOC-Approved CAFII 2022 Tracking Study Research on Consumers' Satisfaction with CPI, with Pollara Strategic Insights 3:37 p.m.	K. Martin	Update	✓
g.	Insights Gained from September 13/22 CAFII 2022 Annual Members and Associates Luncheon, with Mark White, CEO of FSRA, as Guest Presenter 3:42 p.m.	K. Martin	Update	✓
h.	Insights Gained from CAFII/CLHIA/THIA Biweekly Meetings Re Impact of COVID-19 on Travel and the Travel Insurance Industry 3:45 p.m.	B. Wycks	Update	

6.	Read Only Items	3:48 p.m.		Read Only	Document
a.	CAFII Decision Not To Make A Response Submission on OSFI Consultation on Updated Guideline B-10: Third Party Risk Management				✓
b.	Recent Change At RSM Canada Re Staff Executive Leadership Involvement in CAFII's Quarterly Benchmarking Study				Briefing Note Only
c.	FSRA-Provided Powerpoint Deck Update For October 3/22 Meeting of Stakeholder Advisory Committee (SAC) for the Life and Health Insurance Sector				✓
d.	THIA Innovation Summit on October 19/22				✓
e.	AMF Rendez-Vous Mini-Conference in Montreal on November 22/22				✓

7.	In Camera Session	3:48 p.m.	Presenter	Action	Document
a.			P. Thompson	Discussion	

**CAFII 25<sup>th</sup> Anniversary Celebration:** Wednesday, October 19/22, 4:30 to 7:30 p.m., at BMO Corporate Event Space, 68<sup>th</sup> Floor, First Canadian Place, Toronto

**Next Board Meeting:** Tuesday, December 6/22, 3:00 to 5:15 p.m. EST, Hosted by CIBC Insurance at Commerce Court North (Room: TBA), 25 King St. West, Toronto; Followed by Year-End/Holiday Season Reception from 5:30 to 7:30 p.m. at Nearby Restaurant or Private Club Venue.

## **Briefing Note**

### **CAFII Board Meeting 11 October, 2022 Agenda Item 1(a)**

#### **Welcome, Call to Order, and Meeting Confirmation: Declaration of Meeting Properly Called and Constituted**

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#### ***Purpose of this Agenda Item – Start of Meeting***

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Board Chair Peter Thompson will open the meeting

#### ***Background Information***

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The EOC Chair and Board Secretary Rob Dobbins will confirm that there is quorum of Directors present for this Board meeting.

#### ***Recommendation / Direction Sought – Start of Meeting***

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Start of meeting.

#### ***Attachments Included with this Agenda Item***

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No attachments.

## **Briefing Note**

### **CAFII Board Meeting 11 October, 2022 Agenda Item 1(b)**

#### **Welcome, Call to Order, and Meeting Confirmation: Approval of Agenda**

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#### **Purpose of this Agenda Item – *Approval***

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The Board will be requested to approve the agenda.

#### **Background Information**

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At this in-person/hybrid meeting in Montreal, Quebec, the Board will be asked to approve the agenda.

#### **Recommendation / Direction Sought – *Approval***

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Approval requested.

#### **Attachments Included with this Agenda Item**

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1 attachment (the agenda itself).



## **Briefing Note**

### **CAFII Board Meeting 11 October, 2022—Agenda Item 2(a-j) Consent Items**

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#### **Purpose of this Agenda Item – Information Only**

To provide documentation for the Board to review, which does not require updates, discussion, or decisioning.

#### **Background Information**

The Consent Items that do not require any discussion or decisions are:

- a. Draft Board Meeting Minutes, June 7/22;
- b. Summary of Board and EOC Action Items;
- c. June 2022 Regulatory Update;
- d. September 2022 Regulatory Update;
- e. May 31/22 CAFII Submission to FRA on “Guidance on Use of Retained Revenues under Regulation ‘Money Retained Outside the Consolidated Revenue Fund’” Consultation
- f. September 9/22 CAFII Response Submission to BCFSa on “Draft Insurer Code of Market Conduct and Supplemental Guideline”
- g. October 3/22 CAFII Response Submission to BC Ministry of Finance on “Consultation Regarding Restricted Insurance Licences”
- h. Consultations/Submissions Timetable;
- i. Regulator and Policy-Maker Visit Plan Recap;
- j. Board-Approved CAFII 2022 Schedule of Meetings and Events.

#### **Recommendation / Direction Sought – Information Only**

No action required.

#### **Attachments Included with this Agenda Item**

10 attachments.

**BOARD MEETING**  
**CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE**

Tuesday, June 7, 2022

2:20 to 3:50 p.m. EDT

Minutes

<b>Board Members</b>	Chris Lobbezoo	Royal Bank Insurance (outgoing Chair) (in-person)
<b>Present:</b>	Peter Thompson	National Bank Insurance (incoming Chair) (in-person)
	Paul Cosgrove	Assurant (virtual)
	Zack Fuerstenberg	ScotiaLife Financial (in-person)
	Peter McCarthy	BMO Insurance (virtual)
	Nicole Benson	Valeyo (virtual)
	Kelly Tryon	CUMIS/The Co-operators (virtual)
	Rob Robinson	Canadian Premier Life Insurance Company (virtual)
	Simon Lacroix-Hubert	Desjardins (virtual)
	Sophie Ouellet	Sun Life (virtual)
	Atanaska Novakova	TD Insurance (in-person)
	Adam Vespi	Canadian Tire Financial Services (in-person)
<b>Regrets:</b>	Louie Georgakis	The Canada Life Assurance Company
	Ian Oncea	CIBC Insurance
	Wally Thompson	Manulife Financial
<b>Also Present:</b>	Brendan Wycks, Co-Executive Director (in-person)	
	Keith Martin, Co-Executive Director (in-person)	
	Rob Dobbins, EOC Chair and Board Secretary (in-person)	
	Jake Becker, Association Coordinator (in-person)	
	Tony Pergola, ScotiaLife Financial (outgoing Treasurer) (virtual)	
	Donald Hinnecke, Royal Bank Insurance (incoming Treasurer) (in-person)	
	David Self, CIBC Insurance (representing CAFII Director Ian Oncea) (virtual)	

**Item 1: Welcome, Call to Order, and Meeting Confirmation**

Chris Lobbezoo welcomed all to this first meeting of the 2022-23 CAFII Board of Directors -- which was held at the downtown Toronto offices of TD Bank at 66 Wellington St. West, as well as virtually on the Microsoft Teams platform -- and he called the meeting to order at 2:20 p.m. Jake Becker acted as Recording Secretary.

**Item 1(a): Welcome to New CAFII Director: Simon Lacroix-Hubert, Desjardins Insurance**

Chris Lobbezoo welcomed new CAFII Director for Desjardins Insurance, Simon Lacroix-Hubert, who had just been appointed to the Board via the immediately preceding CAFII 2022 Annual Meeting of Members. Mr. Lacroix-Hubert introduced himself to his CAFII Board member colleagues, and said he was looking forward to participating in CAFII's deliberations.

**Item 1(b): Approval of Agenda**

On a motion duly made, seconded and unanimously carried **IT WAS RESOLVED** that the meeting Agenda be and is approved as amended, to include a special update from Co-Executive Director Keith Martin.

### Item 1(c): Review and Acceptance of CAFII Competition Law Policy

Mr. Lobbezoo recalled that the CAFII Competition Law Policy provided in the Board meeting package had been adopted by the Association's then-Board of Directors on April 3, 2008. The Association's practice has been to highlight the key principles set out in the Competition Law Policy annually, at this first Board meeting in a new CAFII governance year, he indicated.

Mr. Lobbezoo highlighted that the CAFII Competition Law Policy commits the Association's Directors and other Member representatives who participate in the Association's affairs to avoidance of the following:

- making or discussing any agreement on prices, premiums, fees, or products;
- exchanging cost information (with the intent to fix prices or reduce competition);
- restricting independent dealing with industry suppliers; and
- precluding, arbitrarily, participation in CAFII in a manner that may limit competition.

On a motion duly made, seconded and unanimously carried **IT WAS RESOLVED** that the 2022-2023 CAFII Board of Directors hereby commits to comply with and abide by the CAFII Competition Law Policy.

### Item 1(d): Appointment of 2022-2023 CAFII Officers

Mr. Lobbezoo noted that, as this was the first Board meeting following the appointment of the Association's 2022-2023 Directors, the Board must now appoint the volunteer Officers of the Association for 2022-2023, with those volunteer Officer positions being Board Chair; Board Vice-Chair; Board Secretary & Executive Operations Committee Chair; Vice-Board Secretary & Executive Operations Committee Chair; and Treasurer.

Mr. Lobbezoo explained that Article 7.1 of the CAFII Bylaw specifies that *"the Directors shall select annually Officers of the Corporation. Except for the Executive Director, Officers shall hold their position for a period of one year."*

The following slate of Officers was nominated for appointment by the Board:

Board Chair:	Peter Thompson, National Bank Insurance
Board Vice-Chair:	To Be Announced And Confirmed In Due Course
Board Secretary & EOC Chair:	Rob Dobbins, Assurant Canada
Vice-Board Secretary & EOC Chair:	Karyn Kasperski, RBC Insurance Holdings Inc.
Treasurer:	Donald Hinnecke, RBC Insurance Holdings Inc.

With respect to the Board Vice-Chair position, Mr. Lobbezoo said that he was pleased to advise that there is a strong candidate from among the current Directors who is giving serious consideration to that opportunity and the commitment it involves; and that individual is currently seeking approval from his or her boss at the Member company involved, to take on the CAFII Board Vice-Chair role.

Mr. Lobbezoo added that the Association is confident that the candidate's requested internal approval will be secured imminently, such that the Board will be in a position to make the Board Vice-Chair appointment in the near future, either at the Board's next meeting in October; or perhaps earlier, *via Clause 5.14 of the CAFII Bylaw, Voting By Electronic Means Outside Of A Board Meeting*.

On a motion duly made, seconded and unanimously carried **IT WAS RESOLVED** that the proposed slate of CAFII 2022-2023 Officers be appointed.

As a new Board Chair, Peter Thompson of National Bank Insurance, had just been appointed, at this time Mr. Lobbezoo handed off the Chair's role to Mr. Thompson, and Mr. Thompson chaired the remainder of the meeting.

Mr. Thompson thanked Mr. Lobbezoo for his superb and steady leadership as CAFII Board Chair over the past two years.

#### **Item 1(e): Welcome to New CAFII Treasurer: Donald Hinnecke, RBC Insurance**

Mr. Thompson noted that CAFII had also elected a new Treasurer, Donald Hinnecke from Royal Bank Insurance. Upon Mr. Thompson's invitation, Mr. Hinnecke briefly introduced himself to the CAFII Directors and other representatives in attendance.

#### **Item 2: Consent Items**

On a motion duly made, seconded, and unanimously carried **IT WAS RESOLVED** that the 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. The consent items approved are as follows:

- a. Draft Board Meeting Minutes, April 12, 2022
- b. Summary of Board and EOC Action Items
- c. April 2022 Regulatory Update
- d. May 2022 Regulatory Update
- e. Consultations/Submissions Timetable
- f. Regulator and Policy-Maker Visit Plan
- g. Committee Reports Addressing CAFII Priorities
- h. Board-Approved Schedule of CAFII 2022 Meetings and Events

And further, **It Was RESOLVED** that the minutes of the meeting of the Board of Directors held April 12, 2022 be and are adopted in the form presented, and that copies of those minutes be signed and placed in the minute book of the Corporation.

#### **Item 3: Governance Matters**

##### **Item 3(a): Progress In Identifying A Fall 2022 Date For CAFII 25<sup>th</sup> Anniversary Celebration, When Insurance Regulators and Policy-Makers Will Be In Toronto**

Brendan Wycks reported that CAFII is attempting to find a date for its 25<sup>th</sup> Anniversary Celebration when insurance regulators and policy-makers from across Canada will be in Toronto and would therefore be more likely to attend a CAFII event on the evening in the middle of two days of regulatory meetings. It appeared possible that CCIR and CISRO may be meeting in Toronto on 20 and 21 October, 2022. CAFII was currently liaising with those organizations to co-ordinate a date that would allow maximum regulator and policy-maker participation in a CAFII 25<sup>th</sup> Anniversary Celebration event.

**Item 3(b): Plans to Hold In-Person CAFII 2022 Annual Members and Associates Luncheon On Tuesday, September 13/22 at St. James Cathedral Event Centre Venue, Toronto**

Brendan Wycks reported on current plans for an in-person CAFII 2022 Annual Members and Associates Luncheon, with the intention being to hold such the event at St. James Cathedral on 13 September, 2022.

**Item 3(c): Plans for Next CAFII Board Meeting on Tuesday, October 11/22: To Be Held In Quebec and Combined With A Liaison Lunch and/or “Industry Issues Dialogue” With AMF Staff Executives?**

Board members expressed strong support for the intention to hold the 11 October, 2022 Board meeting as an in-person and hybrid meeting in Quebec, in order to facilitate an opportunity for a liaison lunch and Industry Issues Dialogue session with relevant AMF staff executives.

**Item 4: Financial Management Matters**

**Item 4(a): CAFII Financial Statements as at April 30/22**

Outgoing Treasurer Tony Pergola highlighted from CAFII’s financial statements as at April 30, 2022, noting that the Association had revenues of \$332K, expenses of \$212K, for a surplus of \$120K, which is a positive variance to the budget of \$120K. The entirety of that variance was due to the timing of expenses.

On a motion duly made, seconded, and unanimously carried **IT WAS RESOLVED** that the CAFII Financial Statements as at April 30, 2022 be and are approved.

**Item 4(b): Forecast for CAFII 2022 Fiscal Year as at April 30/22**

Outgoing Treasurer Tony Pergola reported that the forecast for CAFII’s 2022 fiscal year as at April 30, 2022 was well-aligned with the Board-approved budget.

Peter Thompson noted that Mr. Pergola had just completed his final report to the Board, after five years of outstanding service as the Association’s Treasurer. He graciously thanked Mr. Pergola and acknowledged his exemplary contribution to the Association as its financial management and stewardship leader. Mr. Thompson indicated that the CAFII Board would miss Mr. Pergola’s professionalism, reliability, and sage advice.

**Item 4(c): Payment of 2022 Member First Instalment Dues Invoices; and 2022 Associate Dues Invoices**  
**Brendan Wycks provided an overview**

Brendan Wycks provided an update on the payment status of CAFII Member 2022 First Instalment Dues Invoices, along with the payment of 2022 Associate Dues Invoices.

**Item 5: Strategy Setting and Implementation; and Regulatory Matters**

**Item 5(a): Implementation of Board-Approved Next Steps Re Public Release of Results of Deloitte Canada Thought Leadership Paper on Digitization of CPI: (a) Webinars for Insurance Regulators and Policy-Makers; and Allied Industry Association and CAFII Associate Representatives; (b) Posting of Executive Summary of Research Results on CAFII Website; and (c) Media Release Based on Executive Summary of Research Results**  
Keith Martin reported that CAFII was executing on the direction from the Board to publicly release portions of the results of the Deloitte Canada Thought Leadership Paper on the Digitization of CPI. Two webinars had now been held, one with sister Associations, the other with regulators, policy-makers, and government officials, and the latter webinar was now posted on the website.

The research summary was being translated into French, and a more visually-pleasing graphic designed version was also being developed in both English and French, and those documents would also all be posted on the CAFII website. Following that, CAFII would issue a press release on the findings of the study.

**Item 5(b): Implementation of 2022 Operatic Agency Scope of Work Proposal Re CAFII Website and Search Engine Optimization Results Enhancements**

Keith Martin reported that CAFII and Operatic Agency were executing on the 2022 scope of work for the CAFII website, with one video on the Deloitte research study to be developed, along with ongoing work to enhance the website, add to its content, continue enhancing search engine optimization, and reworking the FAQs section. There have been many positive comments on the quality of the website and it continues to be a valuable asset for the Association.

**Item 5(c): Insights Gained from May 3/22 CAFII Webinar On “Principles-Based Regulation (PBR); The Emergence of Rule-Making Authority; and How They Work Together: A Complementary, Harmonious Fit Or ‘Dynamic Tension’ For Canada’s Insurance Regulators?”**

Keith Martin reported that the most recent CAFII webinar, held May 3, 2022, had produced considerable regulator and policy-maker interest, with over 40 regulators and policy-makers registered for it, and over 14 from FSRA alone. FSRA had also reached out to CAFII requesting permission to use the webinar recording, which is posted on the CAFII website, for internal dissemination within FSRA.

**Item 5(d): Insights Gained from CAFII/CLHIA/THIA Biweekly Meetings Re Impact of COVID-19 On Travel and the Travel Insurance Industry**

Brendan Wycks provided an update on insights related to the impact of COVID-19 on travel and the travel insurance industry, which had been shared in CAFII’s periodic meetings with CLHIA and THIA on those matters.

**Item 5(e): Other Business**

Chair Peter Thompson invited Keith Martin to provide a special update under “Other Business.”

Keith Martin noted that he had attended, as CAFII’s representative, a meeting of the recently reconstituted FSRA Sectoral Advisory Committee on Life and Health Insurance, on 6 June, 2022.

At that meeting, FSRA made several presentations on their investigation of the MGA channel, and noted that they had uncovered three large MGAs that were engaged in activities that the regulator was very concerned about. One of those MGAs had 30,000 unlicensed recruits who were engaged in the selling process, including having to make pitches to friends and relatives. The top earners at some of those MGAs sold few or no life insurance policies, and instead made money from those who they had recruited into the organization. FSRA said that those MGAs engaged in “false and misleading training” as well as inappropriate selling, which led to “consumer harm.” Mr. Martin noted that in attendance at the 6 June, 2022 meeting was CLHIA’s Lyn Duhaime; and this issue might fit more under the CLHIA banner than CAFII’s.

**Item 6: Meeting Termination**

On a motion duly made, seconded, and unanimously carried **IT WAS RESOLVED** that the meeting be terminated at 3:50 p.m.

Summary of CAFII Board and EOC Action Items					
	Source	Action Item	Responsible	Deadline	Status Sept. 16, 2022
		<b>Association Strategy, Governance and Financial Management</b>			
1	EOC and Board: October 2019	Launch CAFII EOC Working Group to Explore a New Lower Dues Category of CAFII Membership, via a first meeting and a draft Terms of Reference for this Working Group.	B. Wycks/K. Martin	31-Dec-22	In Progress/ See #2
2	BOD: June 9, 2020	Revisit the launch of the CAFII Working Group On A Proposed Lower Dues Category Of CAFII Membership once the economic environment stabilizes, via a first meeting and a draft Terms of Reference for this Working Group.	K. Martin	31-Dec-22	In Progress
3	EOC May 29, 2018	Develop a summary job description for the CAFII EOC Chair role and circulate it to EOC Members.	B. Wycks/K. Martin	31-Dec-22	In Progress
4	EOC February 27, 2018	Document in writing the process for reviewing, approving, and admitting applicants for CAFII Members and Associate status	B. Wycks	31-Dec-22	In Progress
5	BOD April 12, 2022	Consult with CCIR & CISRO to find a date for holding the in-person CAFII 25th Anniversary celebration that maximizes regulators participation	B. Wycks/K. Martin	30-Apr-22	Completed
6	BOD April 12, 2022	Work with CAFII's Treasurer and assigned Controller to wind down the Restricted Fund and transfer its residual monies into the Association's General Fund during the Association's 2022 fiscal year	B. Wycks/K. Martin	31-Dec-22	In Progress
7	EOC July 26, 2022	Bring recommendation re consolidating into one annual invoice/payment back to EOC at September 20/22 meeting, for final consideration and proposed endorsement	B. Wycks/K. Martin	16-Sep-22	Completed
8	EOC July 26, 2022	Bring forward Recommendations for Revisions to CAFII Alerts Weekly Digest based on June/July EOC Member Input Survey to September 20/22 EOC Meeting, for consideration and proposed endorsement	K. Kasperski/R. Dobbins	16-Sep-22	Completed
		<b>Regulatory Initiatives</b>			
9	EOC October 26, 2021	Organize a meeting of the Market Conduct and Licensing Committee to review CCIR's 2021 document on the industry's adoption of the FTC guidance	K. Martin/B. Wycks	31-Jul-22	In Progress
10	EOC July 26, 2022	Bring recommendation re sequencing of return to regional Regulator and Policy-Maker Visits Tours in 2023 back to EOC at September 20/22 meeting, for final consideration and proposed endorsement	K. Martin/B. Wycks	16-Sep-22	Completed
		<b>Association Operations</b>			
11	EOC May 17, 2022	Regularly scan website videos to ensure that they are up-to-date and don't include broken links	K. Martin/B. Wycks	31-May-22	Ongoing



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**Regulatory Update – CAFII Executive Operations Committee, 28 June, 2022**

Prepared by Keith Martin, CAFII Co-Executive Director

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## Federal/National

### Canadian Council of Insurance Regulators (CCIR)

*Munir Chagpar, Co-Policy Manager for CCIR, has left FSRA and the CCIR*

CAFII has learned that Munir Chagpar, Tony Toy's Co-Policy Manager for CCIR, has left FSRA and is no longer in this position. His LinkedIn profile indicates that since May, 2022 he has been "Financial Sector Specialist" at the Bank of Canada, with the following role description: "Strategic policy development to advance the Bank's mandate in supervising retail payment providers."

### Canadian Association of Independent Life Brokerage Agencies (CAILBA)

*CAILBA Holds its Annual Conference In-Person in Banff, Alberta from May 18-20, 2022*

CAILBA held its annual conference from May 18-20, 2022 in Banff, Alberta. The sold-out event included a panel with Janet Sinclair, CEO, Insurance Council of British Columbia; Brent Rathgeber, in-house Counsel and Director of Policy, Alberta Insurance Council; April Stadnek, Executive Director, Insurance Councils of Saskatchewan; Louise Gauthier, Senior Director of Policy Framework and Distribution, AMF; and Angela Mazerolle, Vice President, Regulatory Operations, and Superintendent, Pensions and Insurance at the New Brunswick Financial and Consumer Services Commission (FCNB).

Ontario's insurance regulator FSRA intended to have a senior representative participate (Huston Loke, Executive Vice President, Market Conduct), but at the 6 June, 2022 meeting of the FSRA Sectoral Advisory Committee on Life and Health Insurance, Mr. Loke told CAILBA representative Eric Wachtel that he was sorry he had to cancel his appearance as the meeting coincided with the Ontario provincial election.

There was also a special tribute at the meeting to outgoing Executive Director of the Insurance Councils of Saskatchewan Ron Fullan. The full Agenda for the meeting can be found in Illustration 1.

### **Illustration 1--Agenda, CAILBA Annual Conference, 18-20 May, 2022**

5:00 to 7:00	Sunlife Cocktail Reception & Sponsor Tradeshow (Riverview Lounge)
7:00 to 9:00	Canada Life Welcome Dinner & Champagne Toast – Together Again! (Cascade Ballroom)
7:30 to 8:30	KEYNOTE SPEAKER, Mark Bowden, Expert in Body Language and Human Behaviour (Cascade Ballroom)
<b>THURSDAY MAY 19, 2022</b>	
6:30 to 8:30	Breakfast (Alberta/New Brunswick Room)
8:30 to 8:45	Opening Remarks (Cascade Ballroom)
8:45 to 9:45	KEYNOTE SPEAKER, Ken Wong, How to Compete in an Uncertain Economy (Cascade Ballroom)
9:45 to 10:00	Carlos Cardone, Senior Managing Director, Investor Economics, Segregated Funds, from Stagnation to Renaissance (Cascade Ballroom)
10:00 to 11:00	<b>BREAKOUT A</b> (Alhambra Room) <ul style="list-style-type: none"> <li>• MGA Roundtable – The Great, The Good, The Bad: Increasing Sales What's Working and What's Not? Moderated by Gary Wardrop</li> </ul> <b>BREAKOUT B</b> (Ivor Petrak Room) <ul style="list-style-type: none"> <li>• Fair Treatment of Consumers: Where We Have Been &amp; Where We Are Going; Moderated by Nina Kavalinas.</li> </ul> <b>BREAKOUT C</b> (Cascade Ballroom) <ul style="list-style-type: none"> <li>• Technology Advancing Growth – APEXA, CLIEDIS, Equisoft, iPipeline, NPC DataGuard, Broadridge, APOLLO Insurance. Moderated by Heidi MacDonald</li> </ul>
11:00 to 11:30	Equisoft Networking Break & Tradeshow (Riverview Lounge)
11:30 to 12:30	<b>BREAKOUT A</b> (Alhambra Room) <ul style="list-style-type: none"> <li>• MGA Roundtable – The Great, The Good, The Bad: Increasing Sales What's Working and What's Not? Moderated by Gary Wardrop</li> </ul> <b>BREAKOUT B</b> (Ivor Petrak Room) <ul style="list-style-type: none"> <li>• Fair Treatment of Consumers: Where We Have Been &amp; Where We Are Going; Moderated by Nina Kavalinas</li> </ul> <b>BREAKOUT C</b> (Cascade Ballroom) <ul style="list-style-type: none"> <li>• Technology Advancing Growth – APEXA, CLIEDIS, Equisoft, iPipeline, NPC DataGuard, Broadridge, APOLLO Insurance. Moderated by Heidi MacDonald</li> </ul>
12:30 to 1:30	Equitable Life Luncheon & CAILBA AGM (Cascade Ballroom)
1:30 to 2:30	Association Partners Presentations – ADVOCIS, CALU, CLHIA, IFBC (Cascade Ballroom) Moderated by Gary Wardrop
2:30 to 3:00	HST/GST Update (Cascade Ballroom)
3:30 to 4:00	Equisoft Networking Break & Tradeshow (Riverview Lounge)
4:00 to 5:00	Dominic Villeneuve, Director of Security, UV Assurance, Mitigating Cybersecurity Risk, (Cascade Ballroom)
6:00 to 7:00	BMO Cocktail Reception & Sponsor Tradeshow (Riverview Lounge)
7:00 to 9:00	RBC Insurance Gala Dinner featuring the Calgary Fiddlers (Cascade Ballroom)
<b>FRIDAY MAY 20, 2022</b>	
6:30 to 8:30	Breakfast (Alberta/New Brunswick Room)
8:30 to 9:15	An Exclusive Interview with Ron Fullan by Michael Williams. (Cascade Ballroom)
9:15 to 10:45	Provincial Regulatory Presentations: Janet Sinclair, BC; Brent Rathgeber, AB; April Stadnek, SK; Louise Gauthier, PQ; Angela Mazerolle, NB (Cascade Ballroom) Moderated by: Eric Wachtel
10:45 to 12:00	Equitable Life Luncheon – Light Buffet or Lunch Box To Go (Cascade Ballroom) including Closing Remarks

Further information about the conference can be found here:

<https://cailba.com/2022-national-conference/>

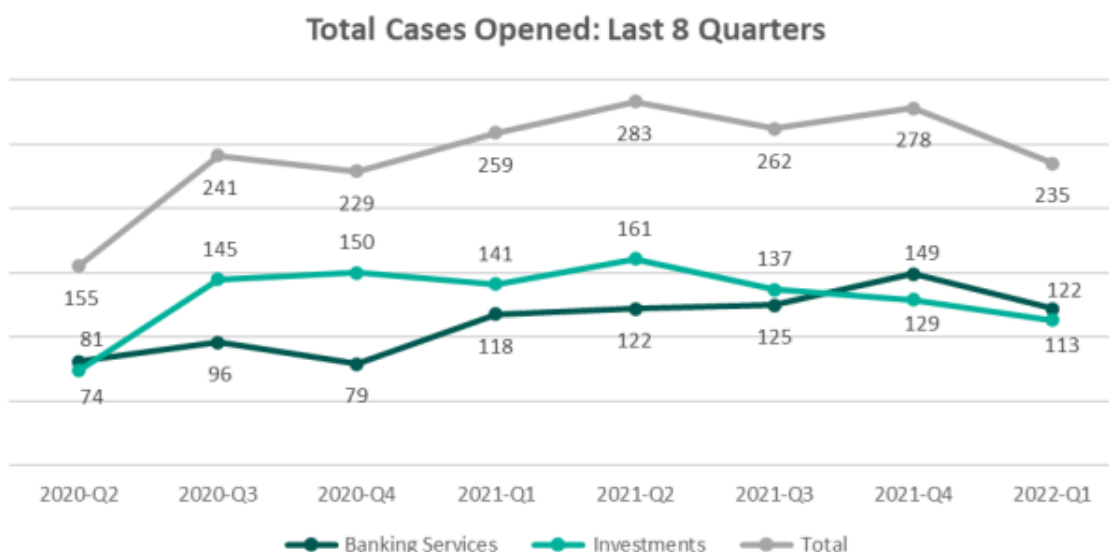


## The Ombudsman for Banking Services and Investments (OBSI)

*The Ombudsman for Banking Services and Investments (OBSI) Releases Data That Shows Overall Case Volumes Eased by 15% in Q1 2022 from Q4 2021*

The Ombudsman for Banking Services and Investments (OBSI) released data that shows that overall case volumes declined by 15% from the near-record high levels of the previous quarters (see Illustration 2). The analysis found that service issues for both banking and investments were on the rise while e-transfer and fraud cases for banking consumers exceeded 2021 levels.

### Illustration 2: Total OBSI Cases Opened: Last 8 Quarters



The full data analysis can be found here:

[Q1-2022-case-summaries\\_EN.pdf \(obsi.ca\)](#)

### *OBSI Releases Report to Commemorate 25 Years of Ombudsmanship in Canada*

OBSI has released a report to commemorate 25 years of work in Canada. Sarah Bradley, Ombudsman and CEO, OBSI says: “Throughout its 25-year history, OBSI has worked with financial sector regulators, firms, industry, and consumer groups to establish and strengthen access to independent ombuds services for Canadian financial consumers. From the beginning, our vision has been to help to build fairness, effectiveness, and trust in the financial services sector. In our current environment – amid the pandemic and related economic pressure and market volatility – the need for accessible, independent ombudsman services that serve the public interest is more important than ever.

Report highlights are:

- Since opening its doors in 1996, OBSI has responded to over 125,000 Canadians who reached out to us with inquiries and requests for assistance.
- OBSI has investigated and resolved over 13,000 cases and facilitated settlements of over \$39 million dollars in compensation.
- In the aftermath of the 2008 global financial crisis, OBSI's case volumes increased significantly and never returned to pre-crisis levels.
- In 2020, market volatility and economic uncertainty associated with the COVID-19 pandemic triggered a sharp rise in banking and investment case volumes that continued into 2021, setting a new case-opening record over OBSI's 25-year history.

The full report can be found here:

[OBSI's 25th Anniversary Report](#)

*OBSI Issues Annual Report*

On March 15, 2022 OBSI released its Annual Report, which states that

*"The past year marked a number of significant milestones for OBSI," said Sarah Bradley, Ombudsman and CEO, OBSI. "We successfully managed the highest case volumes we have experienced in our 25-year history. During this landmark year, we also completed our 2017–2021 Strategic Plan and finalized the development of our new 5-year strategic plan. 2021 also marked an important governance shift for OBSI as it was the last full year in the term for our Chair of the Board of Directors, and the board undertook the recruitment process for our new chair."*

The report states that banking cases increased 55% year-over-year, from 332 cases in 2020 to 514 in 2021. The top concerns raised with OBSI by consumers in 2021 related to credit cards, personal transaction accounts, and mortgage loans. Complaints related to credit cards were the subject of 35% of all banking cases, while personal savings and chequing account complaints followed at 15%, and mortgage loan complaints represented 14% of all banking cases.

It is notable that for anyone who suggests that credit protection insurance is a product that consumers do not want, the data from OBSI is that of 514 complaints in 2021, only 5 (less than 1%) were about credit protection insurance (see Illustration 3).

### *Illustration 3: Credit Protection Insurance is Subject to Minimal Complaints*

Banking products	# of cases	% of cases	Banking issues	# of cases	% of cases
Credit card	179	35%	Fraud	111	22%
Personal savings and chequing account	77	15%	Service issues	91	18%
Mortgage	71	14%	Chargeback	71	14%
e-Transfer	36	7%	Relationship ended	36	7%
Wire transfer	32	6%	Product information disclosure/misrepresentation	26	5%
Debit card	21	4%	Credit decision	21	4%
Cheque/certified/money order/draft	21	4%	Pre-payment penalty	21	4%
Line of credit	14	3%	Other – banking	20	4%
Personal loan	13	3%	Missing or lost funds	18	4%
Estate account	11	2%	Credit reporting	16	3%
Commercial account	10	2%	Unauthorized transaction	15	3%
GIC/term deposit	7	1%	Transaction error	14	3%
Insurance – credit protection	5	1%	Hold on funds	12	2%
Registered accounts	4	1%	Collections process	11	2%
Safety deposit box	4	1%	Interest rate	9	2%
Other – banking services	4	1%	Privacy breach	8	2%
Home equity line of credit	3	1%	Product modification	6	1%
Commercial loan	2	<1%	Fee disclosure/misrepresentation/calculation	5	1%
<b>Total</b>	<b>514</b>	<b>100%</b>	Joint holder disputes	3	1%
			<b>Total</b>	<b>514</b>	<b>100%</b>

Note: Percentages may not total 100 due to rounding.

The full report can be found here:

[Ombudsman for Banking Services and Investments Annual Report 2021 \(obsi.ca\)](https://obsi.ca)



### *OBSI Announces Maureen Jensen as its New Chair*

OBSI announces that Maureen Jensen, past Chair and Chief Executive Officer of the Ontario Securities Commission, is its new Chair. “I am looking forward to my new role on the board and to working with all OBSI stakeholders and staff to ensure we are a fair, effective and trusted Canadian ombuds service,” said Ms. Jensen, past Chair and Chief Executive Officer of the Ontario Securities Commission.

### *OBSI Board Welcomes Canadian Government’s Decision To Establish a Single Ombudsman for Banks*

The Board of Directors for the Ombudsman for Banking Services and Investments (OBSI) welcomed the Federal Government’s decision to establish a single, not-for-profit ombudsman for federally regulated banks announced in the April 7, 2022 budget.

“We applaud the government’s decision to correct our current system that allows banks to choose the ombudsman who will investigate and decide on their customers’ complaints,” said Maureen Jensen, Chair, OBSI. “A single non-profit ombudsman will make the system fair. An ombudsman needs to be a fair arbiter between banks and their customers and if an ombudsman needs to compete for the banks’ business, it puts banks in the position of choosing their own referee.”

OBSI has long argued that a competitive dispute resolution model leads consumers to reasonably question the impartiality and independence of the system. This perception of conflict of interest can undermine public confidence in the financial sector. The only way to improve consumer confidence is to remove ombudsman competition and establish a single, independent, not-for-profit ombudsman dedicated to the public interest.

“Internationally, a single impartial ombudservice is recognized as the best practice,” said Ms. Jensen. “OBSI has over 25 years of experience providing ombudsmanship services to the Canadian financial services sector, and we are committed to working with the government in support of this important initiative, which we strongly believe is in the best interest of both consumers and the financial sector.”

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

*FCAC Consumer Protection Framework to Go Into Force on 30 June, 2022*

Ian Bickis of the Globe and Mail reports that the new consumer protection reforms that the FCAC will be enforcing are about to go into force, on 30 June 2022. Banks need to send alerts when an account balance goes below \$100, and there are new rules limiting the liability on lost or stolen cards to \$50 unless there's gross negligence. The new rules also reduce the number of days to 56 after first submitting a complaint against a bank before someone can elevate the issue to one of the third-party evaluators. The new rules now specifically state that banks can't "impose undue pressure" to sell a product or service, and that those products and services need to be "appropriate for the person" and their financial needs.

## **Canadian Bankers Association**

*CAFII Meets With New CBA President and CEO Anthony Ostler, and the CBA Vice President of Communications Aaron Boles*

As an acquaintance of Anthony Ostler, the new President & CEO of the Canadian Bankers Association, CAFII media consultant David Moorcroft arranged a get acquainted lunch with Anthony for Keith Martin and Brendan Wycks, which David and Aaron Boles, CBA's Vice President of Communications, also attended.

The lunch was largely a get-acquainted session. Mr. Ostler was very engaged and forthcoming, and said that he would welcome regular interactions with CAFII. He said that one of his strategic objectives was to increase the staff complement of the CBA, which he said had been significantly depleted over the years, and which made it challenging to meet the expectations of the CBA membership. He said that he would in that respect be making a request to the CBA Board for a fee increase.

Mr. Ostler said that he had already been in several discussions with FCAC Commissioner Judith Robertson, and that the first one was a quite difficult discussion where she "laid down the gauntlet" and came across as quite forceful and unyielding. Subsequent conversations have been more of a dialogue and more positive.

There was discussion of the recently released report from FCAC based on mystery shopping in 2019 that indicated that vulnerable populations were more likely to be sold inappropriate products. Aaron Boles said that this was an example of the need to constantly communicate the reality to regulators, and that the study in question was anecdotal and dated.

Brendan Wycks raised the issue of the AMF file around compliance with credit-card embedded insurance benefits, and that some CAFII members had hoped the CBA would get engaged in this issue. Mr. Ostler was not familiar with this file and did not comment, but he did say he would take this under advisement. Mr. Ostler was quite interested in CAFII's background information on the provincial regulatory environment, and particularly around details on some of the issues with the AMF. He said that the CBA did not have a strong presence amongst provincial regulators and that this was something he wanted to look at strengthening for the Association.

### **Canadian Health and Life Insurance Association of Canada (CLHIA)**

#### *CLHIA Holds 4-5 May 2022 Virtual Compliance and Consumer Complaints Annual Conference*

CAFII attended the two-day virtual Compliance and Consumer Complaints Annual Conference on 4-5 May, 2022.

One panel, moderated by Jill McCutcheon, Partner, Torys, consisted of Angela Mazerolle, Superintendent of Pensions and Insurance, Financial and Consumer Services Commission, FCNB; Chris Carter, VP and Deputy Superintendent, Market Conduct, BC Financial Services Authority (BCFSA); and Louise Gauthier, Directrice principale, Autorité des marchés financiers (AMF).

Another panel consisted of April Stadnek, Executive Director, Insurance Councils of Saskatchewan; Janet Sinclair, Chief Executive Officer, Insurance Council of British Columbia; and Joanne Abram, Chief Executive Officer, Alberta Insurance Council. In that panel, Ms. Stadnek mentioned that Saskatchewan has rolled out a Restricted Insurance Agent Committee consisting of members from CLHIA and CAFII, and that this is working very well.

Detailed notes on the presentations made by panelists have been developed by CAFII and are available here: [https://infocafii-my.sharepoint.com/:f/g/personal/info\\_cafii\\_com/EjpPVC6ip91JueM0wluU4-UBqbFgyb7xDEkIGBz4wdcPuQ?e=kD9YxC](https://infocafii-my.sharepoint.com/:f/g/personal/info_cafii_com/EjpPVC6ip91JueM0wluU4-UBqbFgyb7xDEkIGBz4wdcPuQ?e=kD9YxC)

#### *CLHIA Announces Bernard Lord as its New Chair of the Board*

The CLHIA has announced that Bernard Lord, Chief Executive Officer of Medavie has been elected Chair of its Board of Directors. Mr. Lord became CEO of Medavie in September 2016 to provide strategic leadership and further the company's mission to improve the wellbeing of Canadians. Prior to this, he served eight years on its board of directors.

Mr. Lord was premier of New Brunswick from 1999 to 2006. He is currently the Chair of the International Federation of Health Plans, and the incoming President of the Canadian Association of Blue Cross Plans. He is a Queen's Counsel and a member of the New Brunswick Law Society and the Canadian Bar Association.

## **Insurance Bureau of Canada**

### *Don Forgeron To Retire from the Insurance Bureau of Canada*

Alyssa DiSabatino of Canadian Underwriter reports that Don Forgeron will retire as president and CEO of the Insurance Bureau of Canada after a tenure of almost 30 years. He will also retire as a member of the IBC's board of directors. The search for Forgeron's successor will begin in July, and he will continue to lead the company until his successor is onboarded in late 2022.

"It has been an honour to serve as IBC's president and CEO," Forgeron said in a press release. "IBC has grown to become a credible and trustworthy voice for governments, regulators, and consumers who rely on insurers to provide protection to Canadians when they need it most. "We've made progress on fixing broken auto insurance systems to work better for drivers. We've built on the momentum for a national flood insurance program to protect homeowners from the impacts of our changing climate. And IBC and its members have continued to show that a strong, competitive insurance industry is a force for good in the lives of Canadians," he continued.

From 1999 to 2002, Forgeron served as IBC's vice-president of strategic development of investigative services. He was vice-president of Atlantic from 1993 to 2008, vice-president of Ontario from 2008 to 2009, and was appointed as president and CEO in 2009, according to his LinkedIn profile. In his early career, he worked for Alberta's Department of Environment and the National Research Council in Nova Scotia.

Forgeron is a founding member and current president of the Global Federation of Insurance Associations (GFIA) and leads an international working group at GFIA. He is a Cape Breton University graduate and completed management studies at the University of Toronto, Harvard, and McGill universities. "I'm proud of what IBC and the industry have accomplished during my tenure," Forgeron said.

“Under Don’s leadership, IBC has become an invaluable voice for important issues affecting the P&C insurance industry,” Heather Masterson, president and CEO of Travelers Canada and chair of IBC’s board of directors, said in a press release. “Over the years, Don has been integral to the expert counsel, consumer education programs, and strategic initiatives that IBC offers our industry – the importance of which has never been more evident than during the unprecedented events of the past couple of years.

“We wish Don and his family all the best for his retirement and look forward to continue working with IBC on issues that make a true impact on the industry and consumers,” she stated.

### **Canadian Credit Union Association (CCUA)**

*Canadian Credit Union Association (CCUA) Announces Martha Durdin’s Retirement, and the Appointment of Jeff Guthrie as the New President and CEO Effective 1 July, 2022*

The Canadian Credit Union Association (CCUA) has announced that Martha Durdin is retiring, and that Jeff Guthrie would be the new President and CEO as of 1 July, 2022.

Keith Martin worked with Martha Durdin while at BMO and he spoke to her at the 9 June, 2022 FSRA reception, at which she mentioned that she had not yet met Mr. Guthrie but would soon be meeting him for a day to provide context and background about the CCUA.

The news release announcing the leadership change says that Jeff Guthrie is a skilled senior leader with a wide range of experience in financial services and has led organization-wide transformations throughout much of his career. With a focus on collaboration, he has an established record of leading teams and working with partners to develop and execute strategies to deliver and grow shareholder value.

The CCUA press release stated: “On behalf of the board, we are thrilled to welcome Jeff as the new leader of CCUA,” said the Chair of CCUA’s board, Shelley Besse. “This is a pivotal time in the financial services industry, and we are pleased to have Jeff at the helm of our national trade association. We are very much looking forward to working together to build upon CCUA’s foundation as we implement and execute our new three-year strategic plan to support our members”.

Jeff has built his leadership expertise over the past twenty years, having held senior executive leadership positions at RBC, Moneris Solutions and most recently, President and COO of Hank Payments. He has also written over 20 essays on LinkedIn highlighting some of the vital issues facing businesses and Canadians, including Economic Recovery, Cryptocurrencies, and Buy Now Pay Later.

“I am honoured to be appointed as President & CEO of CCUA,” said Guthrie. “Credit unions play an important role in the financial services industry by providing Canadians with more choice in how they bank. I welcome the opportunity to join a sector with co-operative values that align closely with my own”.

“The financial services landscape is rapidly changing, and credit unions are well-positioned to capitalize on the opportunities we have as a system, such as open banking, payments modernization, ESG and social purpose. I am looking forward to working with the CCUA team to build on the last five years’ accomplishments and continue to champion the credit union system across the country,” he added.

Jeff takes the reins of CCUA from retiring President & CEO Martha Durdin. Martha has stewarded the association over the past eight years and led the charge to successfully transform CCUA into the first member-owned and governed national trade association for Canada’s credit unions.

## **Travel Health Insurance Association of Canada (THIA)**

*THIA Holds In-Person AGM on 15 June, 2022*

Keith Martin and Brendan Wycks attended THIA’s in-person AGM at the Richmond Hill Golf and Country Club. Michael Camacho, CSI Brokers, whose company was a former CAFII Associate, was acclaimed as the new President, replacing outgoing president Richard Ollier, Allianz Global Assistance. Mr. Camacho was acclaimed after Mindy Tarantelli, who until recently was an EOC member from Scotiabank Financial (she left to become SVP-National Affinity Practice Leader, Marsh McLennan), stepped down as a candidate for President. Vice-President Kimberly Winkworth, AIG, would normally have stepped into the President role (normally at THIA, the Vice President serves for two years and steps thereafter into the President role), but she declined as she has recently taken a new role at AIG that is not focused on travel health insurance. Elliott Draga from Nordic Insurance Software was elected Vice President, in an election with Kellee Irwin, Vice President, CAA Club Group of Companies.

Patrick Charbonneau, THIA Treasurer, noted that COVID had a very negative impact on THIA’s financials, with lost revenue due to the cancellation of two annual in-person conferences that are flagship events for THIA (see Illustration 4).

**Illustration 4—THIA Revenue and Expenses Pre-COVID and Now**

## Comparison with pre-covid and now



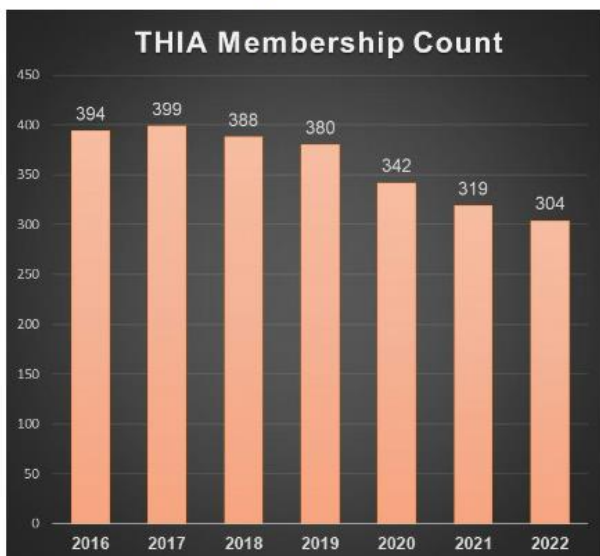
Markus Mueller, Chair of the Membership Committee, said that COVID had accelerated a decline in membership in THIA that has been occurring over the past five years, with a 10% drop in membership during that period (see Illustration 5).

Mr. Mueller said that reversing this trend would be a strategic priority of THIA going forward.

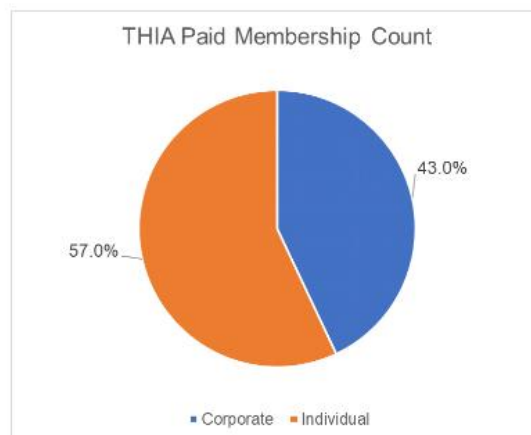


### Illustration 5—THIA Membership Snapshot

## 2022 THIA Membership Snapshot



**NOTE:** Historical figures higher as Conference increases membership and there was no in person conference in 2020 or 2021



**NOTE:** Corporate memberships include up to 5 members. On average using 4.6 membership spots.

- Membership in steady decline over the last 5 years (membership erosion of 4.5% per year)
- Of individual members corporate memberships account for almost 80%
- COVID-19 will continue to pressure on membership as companies rethink expenditures
- Consolidation continues within the travel insurance space (M&A, unloading of portfolio)
- Membership declines in corporate (8%) and increases individual (5%)



2022 Annual General Meeting – June 15, 2022

Janet Pacini Thibodeau, Chair of THIA's Education Committee and a CAFII EOC member, gave an update on the very successful TRIP program, which is an online accreditation program with nine modules. The TRIP program has recently been launched in French, and it is recognized by provincial regulators as meeting high educational standards for insurance agents, broker and adjusters in Alberta, Ontario, Manitoba, Quebec, and Saskatchewan.

There was a Guest Presentation by Atila Ulku, Manager, Industry Relationships, Canada & Bermuda, AMERICAS-Field Offices, International Air Transport Association (IATA). IATA's mandate is "to represent, lead and serve the airline industry." It is an international organization that was founded in 1945 in Havana, Cuba. It has 290 members from 120 countries, with its headquarters in Montreal, Quebec.



In 2020, the IATA Financial Settlement Systems processed \$156.3 billion in transactions. There are 53,000 plus IATA accredited travel agencies globally. In 2019, there were 1 million flights in Canada by IATA members, contributing \$60.3 billion to the Canadian GDP, and supporting 729,000 jobs.

COVID has devastated the passenger industry in 2020 and 2021, with recovery now being impacted by the tremendous pressures on operating costs on the industry especially due to fuel costs. Current estimates are that the passenger industry will only fully recover from COVID by 2024, with IATA predicting 5 billion flights by then, exceeding slightly the pre-COVID 2019 numbers. The recovery is fastest in those regions like North America where pandemic restrictions have been lifted most quickly, with a 15% travel demand reduction in March 2022 versus March 2019 in that region; the ongoing reduction is much more pronounced in the Asia Pacific where restrictions remain stringent, with a 66.7% reduction in demand in March 2022 versus March 2019.

In 2020 and 2021 the industry contribution to GDP declined by \$950 billion globally, and 1724 routes were lost. While most of this was on the personal travel side and the cargo sector of the industry was much less impacted by COVID, it too is now facing inflationary and operating cost pressures.

A full copy of the presentation is available here: [https://infocafii-my.sharepoint.com/:f/g/personal/info\\_cafii\\_com/EjpPVC6ip91JueM0wluU4-UBqbFgyb7xDEkIGBz4wdcPuQ?e=kD9YxC](https://infocafii-my.sharepoint.com/:f/g/personal/info_cafii_com/EjpPVC6ip91JueM0wluU4-UBqbFgyb7xDEkIGBz4wdcPuQ?e=kD9YxC).

## **Torys**

*Torys Holds a Webinar on the Fundamentals of Banking and Insurance Law—Business & Investment Powers and Federal Players (April 20, 2022)*

Torys has organized a series of webinars on financial institutions, with the first on the “Fundamentals of Banking and Insurance Law—Business & Investment Powers and Federal Players” held on April 20, 2022. The presenters were Blair Keef, Eli Monas, and Melissa Prado.

The presentation focused on the relevant provisions of the *Bank Act* and the *Insurance Companies Act*, which are collectively called the Acts. It was noted that historically, the Bank Act was required to be revised every 10 years and there was no sunset clause in the federal insurance legislation. In 1992 this was changed to every 5 years for the Bank Act to be reviewed, and a regular review was added to the Insurance Companies Act. At the same time, the Acts were modernized and sections of the *Trust and Loan Companies Act* and the *Cooperative Credit Associations Act* were introduced into those statutes at the same time. The

Acts provide for main business powers for industry, noting that “an insurance company shall not engage in or carry on any business other than such business generally as appertains to the business of providing financial services”; similarly, the Bank Act specifies that a bank shall not engage in or carry on any business other than the business of banking.

The Acts also provide numerous business constraints:

- *insurance companies cannot insure any risk other than classes of insurance which have been approved;*
- *insurance companies cannot accept deposits except as otherwise permitted by the ICA;*
- *cannot act as a trustee for a trust in Canada;*
- *cannot generally issue guarantees of unlimited amounts, except to subsidiaries;*
- *cannot deal in securities in Canada to the extent prohibited by the regulations;*
- *cannot provide operating leases or auto leases in Canada;*
- *cannot provide residential mortgages in Canada above an 80% loan-to-value ratio cannot grant security interests except in accordance with the policy established by the board;*
- *cannot be a partner in a partnership or a general partner in a limited partnership*
- *cannot directly or through a subsidiary hold share in the company/bank or its holding company (insurance companies can hold shares in a seg fund which mirrors a recognized index)*
- *banks cannot undertake the business of insurance (generally in Canada) except to the extent permitted by the regulations;*
- *cannot act as agent in Canada for any person in the placing of insurance;*
- *cannot lease or provide space in any branch in Canada to any person engaged in placing of insurance.*

It was noted that banks cannot undertake the business of insurance except to the extent permitted by the regulations. Banks cannot act as an agent in Canada for any person in the placing of insurance, and cannot lease or provide space in any branch in Canada to any person engaged in the placing of insurance.

However, banks may administer an authorized type of insurance, and are permitted to promote and provide advice on authorized types of insurance but not on other types of insurance. They may, however, provide advice in respect of insurance policy that is not an authorized type of insurance if advice is general in nature, and not in respect of a specific risk, insurance policy or

service, or any particular insurance company, agent or broker. Authorized types of insurance are:

- *credit or charge card-related insurance;*
- *creditors' disability insurance;*
- *creditors' life insurance;*
- *creditors' loss of employment insurance;*
- *creditors' vehicle inventory insurance; export credit insurance;*
- *mortgage insurance, and*
- *travel insurance.*

Other insurance restrictions for banks are that a bank cannot share customer information with, or promote, an insurance company, agent or broker; and a bank cannot provide a telecommunications device that is primarily for the use of customers in Canada and that links a customer with an insurance company, agent or broker.

The full presentation can be found here: [https://infocafii-my.sharepoint.com/:f:/g/personal/info\\_cafii\\_com/EjpPVC6ip91JueM0wluU4-UBqbFgyb7xDEkIGBz4wdcPuQ?e=kD9YxC](https://infocafii-my.sharepoint.com/:f:/g/personal/info_cafii_com/EjpPVC6ip91JueM0wluU4-UBqbFgyb7xDEkIGBz4wdcPuQ?e=kD9YxC)

#### *Torys Holds a Webinar on the New Financial Consumer Protection Framework (May 24, 2022)*

The second Torys series of webinars on financial institutions was on the “New Financial Consumer Protection Framework” and was held on May 24, 2022. The presenters were Marissa Daniels, Brigitte Goulard, and Eli Monas. Brigitte Goulard is a former FCAC Deputy Commissioner, and she made a presentation to CAFII in that capacity at a special purpose Board meeting on 14 September, 2018, at which she was quite critical of some CPI sales practices.

Starting with history, it was noted that in 2014, the Supreme Court ruled against banks in a provincial consumer protection class action (known as “Marcotte”). In response, as part of the 2016 Budget Implementation Bill (Bill C-29), a new federal consumer code was tabled, which included provisions asserting paramountcy of the banks, but due to political pressure, the Bill C-29 consumer code was pulled. The FCAC subsequently released the “Domestic Bank Retail Sales Practices Review” (March 2018) and the “Report on Best Practices in Financial Consumer Protection” (May 2018).

Bill C-86, *Budget Implementation Act, 2018, No. 2* was introduced in the House of Commons in 2018. This Act introduced new Bank Act amendments to consolidate and strengthen financial consumer protection, as well as amendments to the FCAC Act strengthening the powers of the FCAC Commissioner. The Framework received Royal Assent in December 2018, and the FCAC Act amendments came into force in April 2020. These important Bank Act amendments will come into force on June 30, 2022. The FCAC also introduced 3 guidelines to assist with interpretation of the framework (related to provisions on complaints, whistleblowing, and the appropriateness of products).

Banks must now establish and implement policies and procedures that ensure products and services sold are appropriate, taking into account a consumer's circumstances, including their financial needs. The banks' specific responsibility is to establish Policies and Procedures, but the new requirement should be read in combination with the provisions requiring banks to ensure that remuneration, payment or benefit offered to officers and employees does not interfere with their ability to comply with these policies and procedures; and that banks' officers and employees are trained in the bank's policies and procedures for complying with the consumer provisions.

Several other provisions also promote responsible business conduct (which may now apply to business customers) including a prohibition from communicating or providing false or misleading information to a customer, the public or the FCAC Commissioner; and a general prohibition, added to the tied selling restriction, against imposing undue pressure on a person for any reason or taking advantage of a person; a requirement that advertisements be accurate, clear and not misleading and a codification of disclosure standards; the introduction of a cooling off period, during which a consumer can cancel an agreement for certain products or services without any cancellation charge; and a prohibition against imposing any charges for optional products or services under promotional, preferential, introductory or special offers on the day the promotion ends without obtaining the person's express consent (promotional, preferential, introductory or special offers with respect to products or services other than optional products or services trigger disclosure obligations in advance of the end of the promotional period). As well, the provisions significantly enhance the complaint-reporting framework, and the banks are required to eliminate the word Ombudsman, or any term that suggests its employees are independent of the bank.

To ensure these new provisions are adhered to, amendments have been made that strengthen the enforcement capabilities of the FCAC. The FCAC is a market conduct regulator with the power to investigate and enforce, and it has been provided with significantly increased penalties that it can apply for violations.

There was reference to a technical legal issue around the application of these requirements to authorized insurance, since the provisions (perhaps due to a drafting error) occasionally refer to products or services provided by the bank. But authorized insurance is not provided by the bank, so if only “provided” is used technically this would exempt authorized products, which would only be captured if the term “offer, provide, or sell” was used. This was viewed as an uncertainty which will require clarification.

An attendee said that they have defined appropriateness based on: purpose (need); objective (timeline); tolerance (rate/risk); qualification (affordability). The panelists said that they felt that this sounded, in principle, like a good approach.

The full presentation can be found here: [https://infocafii-my.sharepoint.com/:f/g/personal/info\\_cafii\\_com/EjpPVC6ip91JueM0wluU4-UBqbFgyb7xDEkIGBz4wdcPuQ?e=kD9YxC](https://infocafii-my.sharepoint.com/:f/g/personal/info_cafii_com/EjpPVC6ip91JueM0wluU4-UBqbFgyb7xDEkIGBz4wdcPuQ?e=kD9YxC)

*Torys Holds a Webinar on the Overview of the Canadian Foreign Bank Regime (June 22, 2022)*

Torys third webinar in its series on financial institutions was on an “Overview of Canadian Foreign Bank Regime.” The presenters were Blair Keef and Eli Monas.

The presentation noted that there have been several changes to the foreign bank entry regime over the last 40 years or so. The 1980 Bank Act allowed banks to establish banking subsidiaries in Canada but not branches. Most large international banks were established in Canada in the 1980’s, but in the 1990’s many banks started retreating from Canada. In 1997 the government recognized the need to establish a new framework for foreign banks to operate in Canada to stem the withdrawal of foreign banks from the Canadian market and to encourage the entry or re-entry of foreign banks into Canada.

In 1999 the Canadian government proclaimed in force legislation implementing a key part of its foreign bank entry framework – to allow qualifying banks to carry on wholesale banking business directly in Canada through a branch without establishing a Canadian subsidiary. This legislation brought Canada into line with other industrialized countries that permit direct branch banking and results in greater operational flexibility, increased lending capacity and reduced corporate governance requirements for foreign banks. The policy behind the foreign bank entry regime is to try to put foreign banks on a relatively level playing field with Canadian domestic banks.

Keith Martin asked anonymously if foreign banks can offer credit protection insurance, and the answer was in principle yes, but doing so would require that the bank be engaged in offering lending products to Canadians. In practice, since there are restrictions on gathering deposits from Canadians for foreign banks, most are not likely to offer CPI other than through credit cards.

The remainder of the presentation was on the legal and technical elements of this regime. The full presentation can be found here: [https://infocafii-my.sharepoint.com/:f/g/personal/info\\_cafii\\_com/EjpPVC6ip91JueM0wluU4-UBqbFgyb7xDEkIGBz4wdcPuQ?e=kD9YxC](https://infocafii-my.sharepoint.com/:f/g/personal/info_cafii_com/EjpPVC6ip91JueM0wluU4-UBqbFgyb7xDEkIGBz4wdcPuQ?e=kD9YxC)

## **LIMRA / LOMA Canada**

*LIMRA / LOMA Holds its Canada Annual Conference Virtually from 25-26 May, 2022*

Keith Martin attended this virtual conference which had about 80 participants. Brent Lemanski, AVP and Executive Director at LIMRA / LOMA, made some opening comments that focused on the theme of change in insurance that would be covered by the conference, including issues such as staff developments, rapid technology advances, and how to reach consumers differently. New issues to be tackled included the inflationary economy, increasing regulation, and cyber-crime.

*Kartik Sakthivel, Vice President and Chief Information Officer, LIMRA LOMA Global, Speaks About "The Great Digital Reset: The COVID Catalyst On the Right Side of Digital Transformation."*

Kartik Sakthivel, Vice President and Chief Information Officer, LIMRA LOMA Global, spoke about what to expect after COVID-19, stating that the industry was in constant transformation. He said that there were three issues to look at: the "now normal," the "new normal," and the "next normal" (see Illustration 6 and Illustration 7).

Insurance is undergoing a major digital transformation. This has been happening for the past ten to twelve years, but insurance has overall been a laggard in the financial services industry, with retail banking 3-5 years ahead of the industry. Just three years ago, key themes were moving to agile project managing, cloud technology, an emphasis on innovation, the impact of blockchain, and the challenges of legacy systems, all of which was predicated on technology.

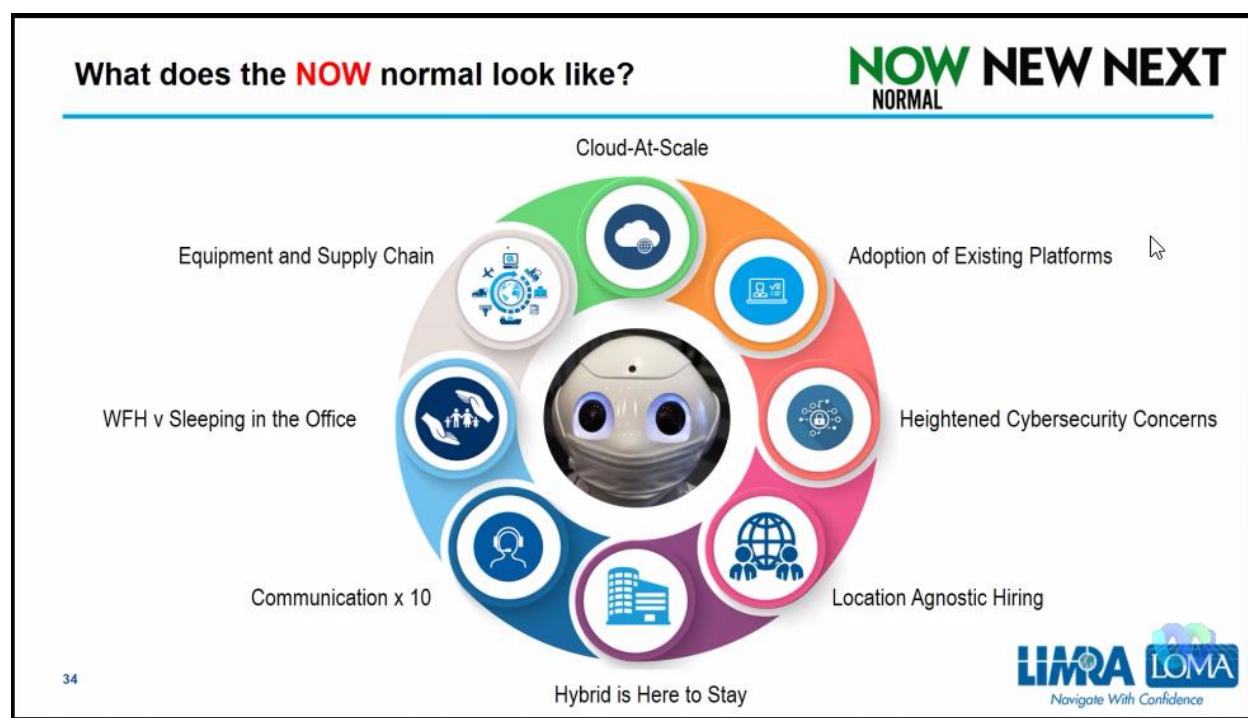
There has been a remarkable transformation in technology over the past 25 years. Netflix is the gold standard in scaling effectively, quickly, and globally, while delivering a consistent, yet regionalized experience to consumers worldwide. Blackberry transformed the world by letting people connect to their email at all times, but they did not adapt to all consumers, and did not develop apps.



Post COVID, transformation will continue. In 2019, pre-COVID, the focus was on transformation and dealing with the chaos of the levels of change in the industry. Operationally insurance has been challenged, but the industry has a long history and is strategically sound. Insurance however has to deal with transformation, including the pace of technology change, new skills sets, and the burden of legacy systems. The pandemic has also demonstrated the importance of life insurance.

Despite all the strides that have been made, major challenges exist. The cloud will continue to be key, there is a concern around employee burnout, agile is a mindset that needs to be fundamentally embraced, and communication is critical.

### **Illustration 6: What Does the “Now Normal” Look Like?**



## Illustration 7: What Does the “New Normal” Look Like?



The next normal will involve a transformation strategically, foundationally, and elementally. Digitization will need to occur not only around traditional functions of insurance, but across the entire value chain. APIs will continue to be fundamental to these changes. Underwriting will continue to evolve to improve the customer experience.

There will be an intersection between data and analytics, and legacy systems will need to be replaced. The foundation is data strategy and information management, legacy systems, modernization, technical debt, and cybersecurity.

To review a video of the presentation, go to:

[THE COVID CATALYST ON THE RIGHT SIDE OF DIGITAL - limra-1 \(wistia.com\)](https://wistia.com/medias/limra-1)




*Mark Hardy, VP Direct Life and Health at TD Insurance on “Driving a Balance for Customers and Employees that can Outlast COVID”*

Mark Hardy, VP Direct Life and Health at TD Insurance made a presentation on “Driving a Balance for Customers and Employees that can Outlast COVID.” He spoke to the importance of not just receiving feedback, but using it and actually incorporating it into your actions. Mr. Hardy said that life insurance premiums are up 25% from 2020, and that the preference for shopping online up 29% over the last six years. He added that consumer confidence in life insurance companies remains high compared to pre-pandemic levels. Key future needs are to make it simple for customers to interact with insurance companies, to accelerate digital marketing, to automate where possible, to keep the customers at the centre, and to simplify the fundamentals.


Mr. Hardy said that TD is committed to a diverse workforce and inclusion. He added that it is important for insurance organizations to have cross functional collaboration, including marketing; data and analytics; product; underwriting; and sales. Mr. Hardy concluded by emphasizing that at TD Insurance, people are the greatest investment (see Illustration 8).




### **Illustration 8: Employee Investments at TD Insurance**




## Winning with our Talent: **Employee Experience**

Our people are our greatest investment; COVID uniquely challenged us to re-think the **future of work**



Initial COVID Investments	The Future of Work	Career Confidence
 <ul style="list-style-type: none"> <li>✓ Remote set up costs</li> <li>✓ Financial incentives</li> <li>✓ Flexible scheduling</li> </ul>	 <ul style="list-style-type: none"> <li>✓ Hybrid environment</li> <li>✓ Health &amp; Safety</li> <li>✓ Moments that Matter</li> </ul>	 <ul style="list-style-type: none"> <li>✓ Development focus</li> <li>✓ OneTD Advantage</li> <li>✓ Pulse check ins</li> </ul>



To review a video of the presentation, go to:

[DRIVING A BALANCE FOR CUSTOMERS AND EMPLOYEES THAT CAN OUTLAST COVID - limra-1 \(wistia.com\)](#)

*Duncan Meadows, Senior Manager, Insurance People Advisory Services, EY and Darryl Wright, Associate Partner, Workforce Advisory Practice, EY, on The Future of Work in Insurance*

The presenters said that macro trends that the insurance industry will need to grapple with include the shortage of talent, inflation, and the rising importance of ESG.

EY conducted a survey of work needs and a key survey result was that one could almost pre-determine who will be in the office, hybrid, or remote based on certain attributes. The work model was forced to change due to COVID and companies will now need to adjust to a new talent reality. The importance of the hybrid model is growing, and retaining workers will be a key future challenge. Only 22% of employers expect employees to be in the office 5 days a week. Companies, like Morgan Stanley that said that employees would need to be in the office all the time have had to walk back that statement or risk losing key talent.

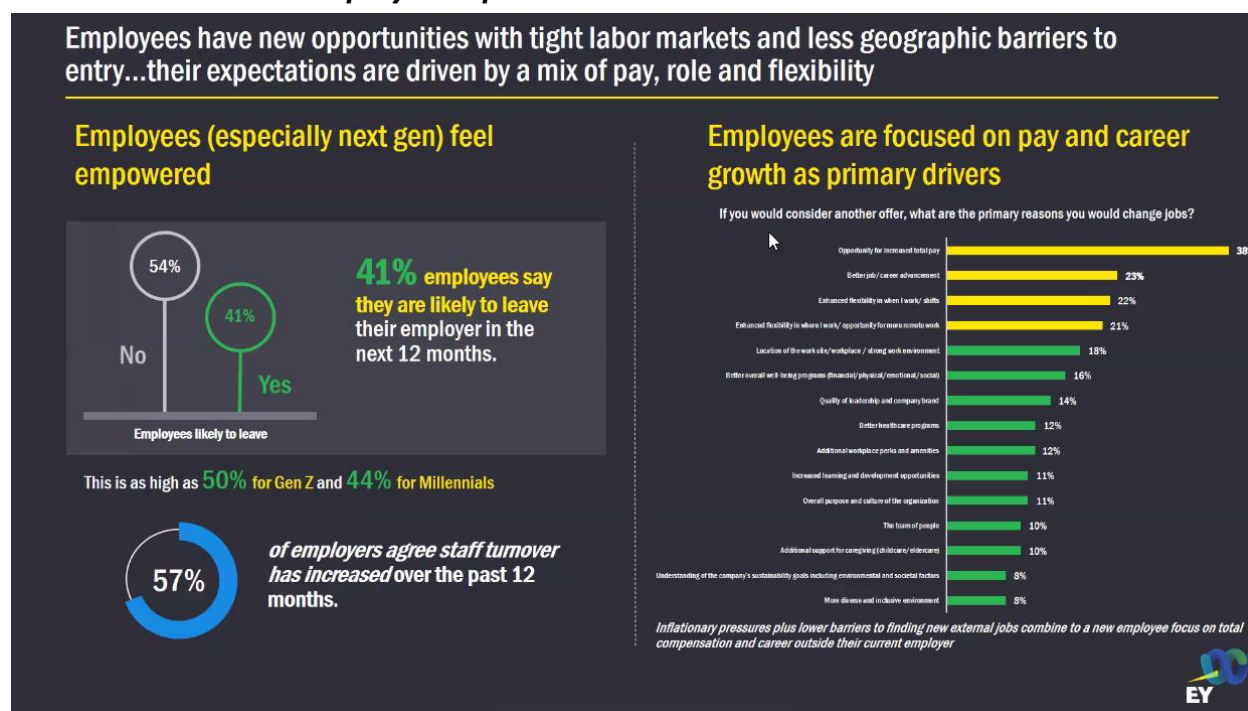
***Illustration 9: Divergences Between Employers and Employees Related to New Ways of Working***



In insurance, 90% of employees want to work 2 plus days remotely, and on average employees want 3-4 days remotely. Only 9% of employers say everyone must return to the office 5 days. However, there are a series of issues where there are serious divergences between employer expectations and employee expectations (see Illustration 9).

Survey results found that 41% of employees say they are likely to leave their employer in the next 12 months, and 57% of employers agree staff turnover has increased over the past 12 months (see Illustration 10).

### Illustration 10: New Employee Expectations



Employees and employers feel much more can be done on diversity equity and inclusion. Fully 45% of Canadian employers report difficulty filling jobs.

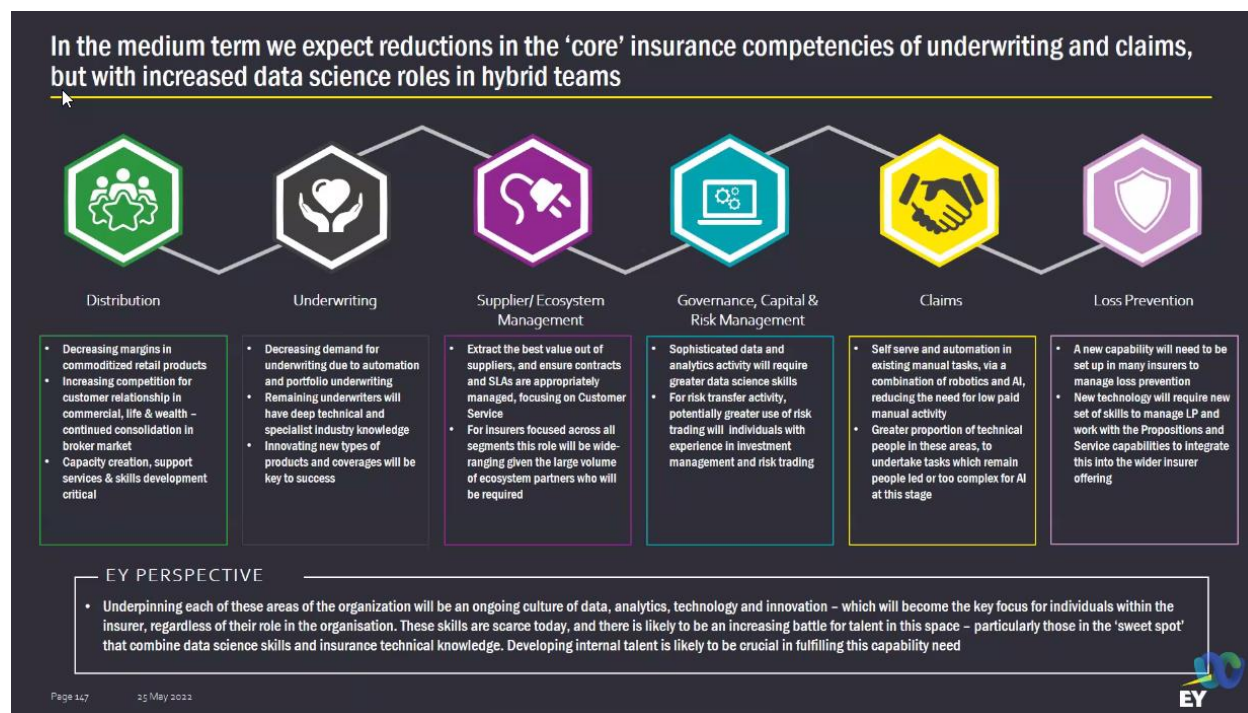
The presenters noted nine trends that are emerging in the workforce:

- employees are being given more flexibility around when and where they work;
- more hiring outside of market;
- need to focus on purpose & culture;
- physical and mental wellbeing programs;

- *training & upskilling focus;*
- *diversity & inclusion;*
- *collaborating remotely;*
- *physical workplaces will need to change;*
- *need to manage effectively in a virtual environment.*

It was noted that 50% of the workforce is now made up of millennials, yet only 4% of millennials are interested in insurance; and that 1 in 4 P&C insurance workers in Canada will retire over the next 10 years. Together, these trends are combining in ways that will prove very challenging for the industry. This is combined with changes in the types of competencies required within insurers (see Illustration 11).

### **Illustration 11: Evolving Competencies Required in Insurance Companies**



To review a video of the presentation, go to:

[THE FUTURE OF WORK IN INSURANCE - limra-1 \(wistia.com\)](https://www.wistia.com/medias/limra-1)



*John Carroll, Senior Vice President, Member Relations and Sales, LIMRA and LOMA*

John Carroll, Senior Vice President, Member Relations and Sales, LIMRA and LOMA, said the Association was conducting a review of the challenges around searching for talent. There are more challenges in hiring than ever, especially for core competencies like information technology, cybersecurity, and risk management.

To review a video of the presentation, go to:

[CANADIAN UPDATE - JOHN CARROLL - limra-1 \(wistia.com\)](#)

*Scott Plummer, Vice President, Product Management, Vitech Systems Group and Barry Redfern, Director, Product Management, Vitech Systems Group on Achieving Successful Digital Engagement*

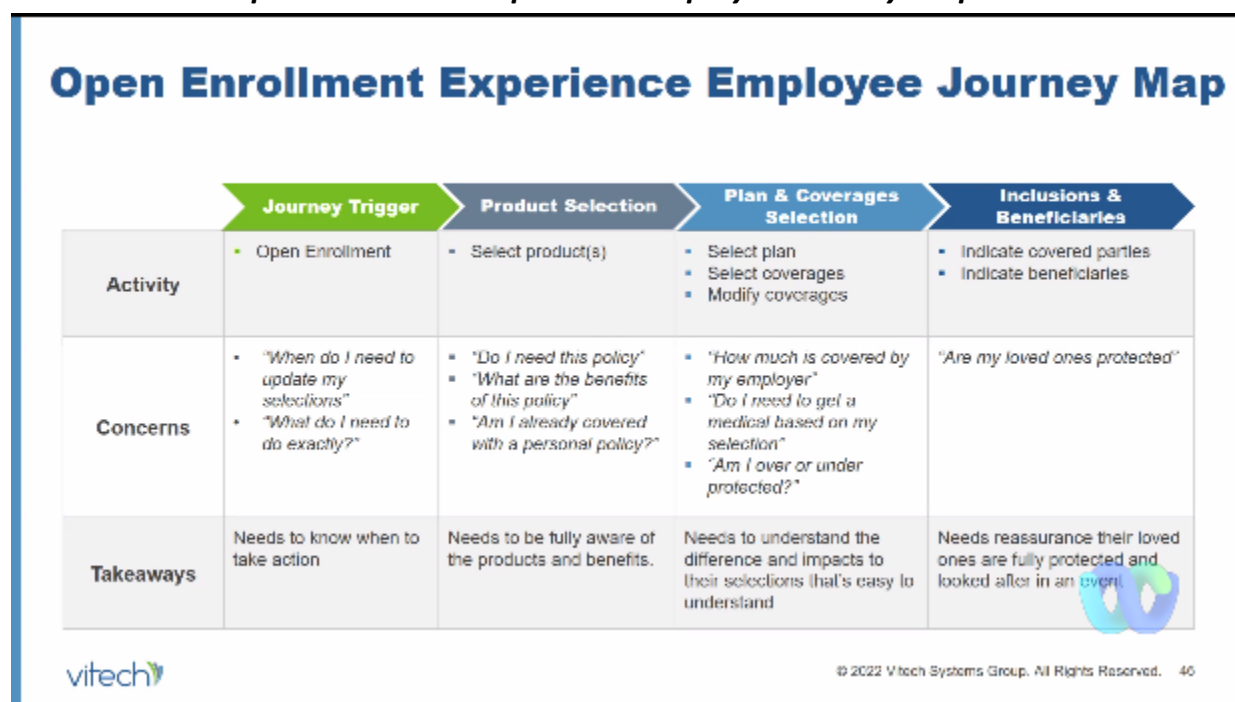
Scott Plummer and Barry Redfern said that it was critical to create a personalized digital experience for customers. Personalization is about a “convenient, data-driven experience that feels fully tailored to them and comparable to interacting in person” (McKinsey definition).

## Illustration 12: Employee User Persona Example



Employees who were surveyed on their preferred way of engaging on their benefits with their carrier said online, followed by phone, but the more complex the issue the greater the chance that they would want human interaction. Most interactions could be resolved digitally but if it became more complex the employee may switch to human interaction. Key takeaways are that digital excellence is critical, and organizations should aim to avoid requiring the customer to change channels. However, some switching is inevitable so an omni-channel strategy is also critical. It was noted that omnichannel is not multichannel; omnichannel is a “unified, seamless experiences” such that one channel is not siloed.

**Illustration 13: Open Enrollment Experience Employee Journey Map**



The presenters spoke about a persona-driven digital engagement, where for digital engagement to work you need to understand the end user you are serving, as well as key segments including employees, employers, brokers and consultants. Each of these can then be further segmented with key features for each segment identified (see Illustration 12).

A further recommendation was to map out customer journeys, anticipate channel switching, lean into advice & education, and look to delight the customer (see Illustration 13).



Keith Martin asked what size of budget/resourcing is needed to successfully implement this sort of initiative, and the presenters said that the personalization initiative is a significant investment and there is some human time required to make it work. They added that it requires a very strong technical foundation, including technical foundations around cloud technology, an administration engine, an API first approach, a data lake, data & analytics, and a low/no code configuration.

To review a video of the presentation, go to:



[ACHIEVING SUCCESSFUL DIGITAL ENGAGEMENT - limra-1 \(wistia.com\)](#)

*Dave Harris, Partner, Actuarial Services, PwC Canada, and Matthew Lawrence, Partner, Financial Services Consulting Group, PwC Canada on Insurance Banana Skins Report: Key Risks and Potential Implications*

Dave Harris and Matthew Lawrence reported that key market trends are a changing employee landscape including changes due to demographics and aging; a pending massive transfer intergenerational transfer of wealth; a generational shift – by 2025 millennials and Gen Z will represent 85% of workers and will want a digital-first models; and the workforce composition will also change with increasing immigration and with 20-30% of the workforce in the gig economy.

### Illustration 14: Technology Trends in Insurance

Several technology trends are becoming increasingly accessible to insurers, changing distribution and operations

Technology trend	Impact to insurers
 Cloud storage / distributed architecture	Canadian insurers' technology debt is mounting, as underlying policy administration technology and data architecture are largely still hosted on mainframe technology and built in-house.
 Process automation / Applied AI	AI capabilities such as automated client intake & underwriting, streamlined operational processes, proactive care management, and claims management fraud detection are becoming increasingly accessible to insurers. Embedding AI capabilities will reduce effort and create higher quality client interactions.
 Digital platforms / open APIs	Grouping enterprise capabilities in a single technology architecture will enable insurers to bring consolidated offerings from multiple entities to clients in a single, seamless experience. Digital platforms can also be configured to consolidate processes and streamline tasks to put the client at the centre of insurers' operations.
 Digital advice channels	Insurers are facing increased pressure to grow their digital distribution channels to drive meaningful relationships, and provide fit for purpose advice. Digital advice channels are supported by tools such as chatbots and data-driven next best actions to create more meaningful interactions.
 IoT integration	Improved data gathering and application integration with technology such as wearables and telematics will support near real-time data & information gathering, helping insurers to increase client tracking accuracy, prevent risks and claims, and provide performance-based rewards to clients.

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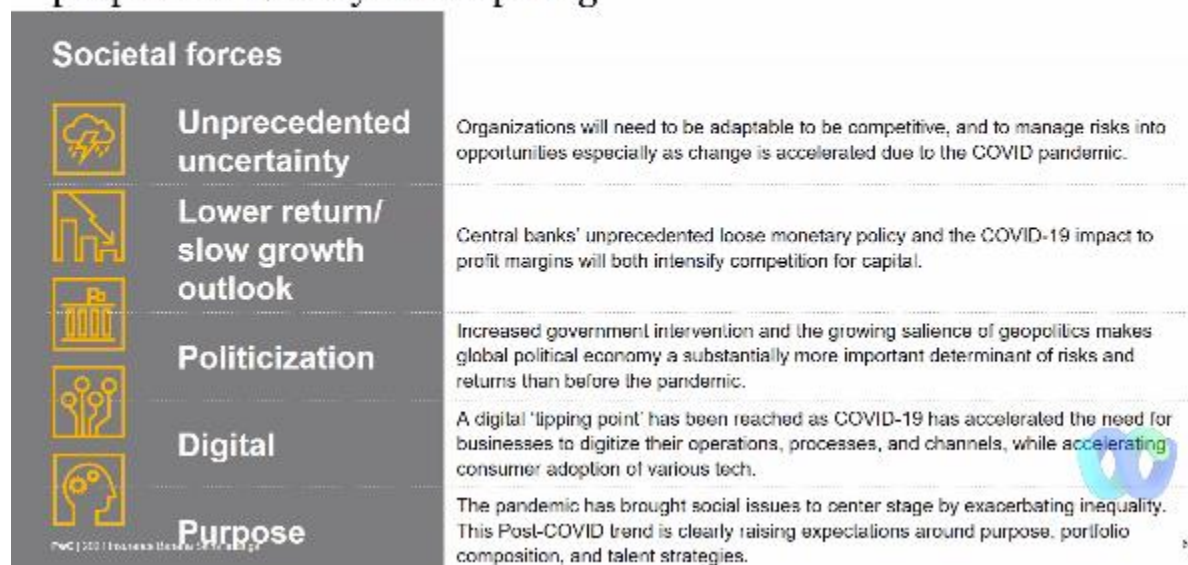
The legacy of the pandemic will be behavioural changes that improve productivity and quality of life. Medium and long-term growth is not expected to be damaged, but there will be a legacy of higher public debt and sustained low interest rates. There will be a future emphasis on digitization.

Working from home has been shown to improve productivity especially in service industries. The pandemic will leave behind stronger future productivity growth in advanced economies due to acceleration of artificial intelligence, machine learning, cloud computing, and automation.

There is a lot of pressure for business to be more socially responsible; Canada has lots of room to improve. Canadian life and health insurers are also behind industry generally in technology and digitization, and they will have to move away from their legacy systems (see Illustration 14).

### ***Illustration 15: Emerging Societal Forces in Insurance***

Looking ahead, dealing with uncertainty, resilience and leading with purpose will be key to competing



Turning to societal forces, the speakers that that several are impacting insurance and uncertainty and resilience will become more important (see Illustration 15).

A global survey found that life insurance executives felt that regulation was the second top risk in 2021, up from fourth in 2019 (see Illustration 16).

### Illustration 16: Top Global Risks in Life Insurance

#### Top global risks

Top 5 risks 2021	Change from 2019	Top 5 risks 2019
1. Crime	+2	Technology
2. Regulation	-2	Crime
3. Technology	+2	Change management
4. Climate change	+5	Regulation
5. Interest rates		Investment performance

Regulation is especially at the top of risks for life insurance (see Illustration 17).

### Illustration 17: Issues Related to Regulation for the Life Insurance Industry

#### Regulation


**Risk ranking:**  
#4 Canada #2 Global

While regulation is less of a concern for Canadian carriers than their global counterparts, the changing regulatory landscape remains top of mind.

**Drivers**

- Increased costs associated with compliance burdens
- Negative impact of regulation on product innovation and competition
- Perception around regulatory regimes becoming more rule-based and less tolerant
- Perceptions around level of trust between regulators and their industry counterparts

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“The expense burden of regulation is beginning to outweigh critical customer service functions in the business, so it results in limiting investment in innovation & customer experience due to funds being absorbed through regulatory & compliance team costs.”

 - Quote from a Chief Financial Officer of a UK Insurer

To review a video of the presentation, go to:

<https://limra-1.wistia.com/medias/xoup6z4o1t?wvideo=xoup6z4o1t>

*Jennifer McGarrity Vice President, Strategy and Enablement, RBC Insurance on “Stronger Today: What the Pandemic Has Taught Us.”*

Ms. McGarrity notes that RBC Insurance has 2600 employees, and offers a wide range of services. For the past two years, she said, everyone has been working from home. Key lessons learned are:

- culture is a powerful differentiator;
- you need to foster a strong and healthy culture;
- the need to be *purpose-driven*;
- People want to be part of something bigger, to be doing something that matters;
- Employees need to feel that it is *safe to speak-up*;
- the pandemic has actually increased interactivity and dialogue, collaboration as well as the development of new technologies to communicate;
- leadership style has become more casual and authentic;
- the importance of cultivating a culture of curiosity;
- a commitment to continually improving.

Ms. McGarrity said that it is also critical to ensure that clients are always at the centre, and that everything begins and ends with client experience. She added that 89% of Canadians agreed that mental health support is more important than ever.

Other important requirements for employees are to be “a master of change”; to accelerate digital investments; and continue to learn to pivot and move faster than ever thought possible. Data is a key enabler, including for the movement of documents—over the past year alone, RBC has reduced 1 million pieces of paper.

Ms. McGarrity added that innovation is an *always on* capability, and must be integrated into every part of the organization. It is also necessary to build capability to advance change, and with change comes opportunity. She said “*Sustainable success comes from embedding change as a capability throughout the organization.*”

She added that the employee experience is key, and it is critical to attract and retain a diverse workforce, and to invest to enable your employees to grow and succeed. It was noted that how we work matters more than where we work, and that future-proofing for sustainable success requires a strong purpose-driven commitment and aptitude for change.

To review a video of the presentation, go to:

[STRONGER TODAY WHAT THE PANDEMIC HAS TAUGHT US - limra-1 \(wistia.com\)](#)

## **Canadian Association of Financial Institutions in Insurance (CAFII)**

*CAFII Holds Webinar on “Principles-Based Regulation (PBR); The Emergence of Rule-Making Authority; and How They Work Together: A Complementary, Harmonious Fit Or “Dynamic Tension” For Canada’s Insurance Regulators.”*

On 3 May, 2022 CAFII held a well-attended webinar on “Principles-Based Regulation (PBR); The Emergence of Rule-Making Authority; and How They Work Together: A Complementary, Harmonious Fit Or “Dynamic Tension” For Canada’s Insurance Regulators.” Two leading Canadian experts participated in the panel discussion: Dr. Cristie Ford who is a full tenured Professor at the Peter A. Allard School of Law, University of British Columbia; and Stuart Carruthers who is a partner at Stikeman Elliott and a member of their Insurance & Reinsurance, Financial Products & Services, and Mergers & Acquisitions Groups, and a lawyer with whom CAFII has worked in the past.

Over 100 people registered for the webinar, including over 45 regulators and policy-makers, including 14 registrants from FSRA. In total, the following regulators registered for the event:

- The Government of the North-West Territories;
- The British Columbia Financial Services Authority, or BCFSa;
- The British Columbia Ministry of Finance;
- The Insurance Council of BC;
- The Government of Alberta;
- The Alberta Ministry of Finance ;
- The Alberta Insurance Council;
- The Financial and Consumer Affairs Authority of Saskatchewan, or FCAA;
- The Insurance Councils of Saskatchewan ;
- The Financial Services Regulatory Authority of Ontario, or FSRA ;
- The Ontario Ministry of Finance ;
- The Autorité des marchés financiers, or the AMF ;
- The New Brunswick Financial and Consumer Services Commission, or FCNB;
- The Canadian Insurance Services Regulatory Organizations, or CISRO; and
- The Office of the Superintendent of Financial Institutions, or OSFI.



Professor Ford began the webinar by stating that principles-based regulation (PBR) could be viewed as a “changed approach” to regulation, and she identified four characteristics of such an approach. The first was that more of the regulatory rules would be at a higher level of generality to allow for flexibility. An example of this would be not to say “do not drive over 50 kilometres and hour” (which is a rule) but rather to say “you should drive in a manner that is prudent and reasonable” (which is a principle). Furthermore, when a new requirement comes about, the first approach should not be to develop a new rule, but rather to see if existing rules can cover that situation.

Second, principles-based regulation makes sense in an environment where there is more change or complexity, and where one set of rules will not cover everything. In this sort of environment, regulators can struggle to get the rules right and to get the information they need to build rules that are effective and able to adopt to constantly changing circumstances. In a principles-based regulatory environment, on the other hand, the regulator sets out the overall context, and industry fills in the details.

The third feature is that principles-based regulation works most effectively where it is outcome-oriented and data-driven. This involves ongoing consultation and dialogue with industry to ensure that the principles are understood and being met. Fourth, cooperation is critical to the success of this model, but there has to be an enforcement capability that regulators can use if they need to. Overall this model is more effective in many cases than developing a rule, to which industry may try to find a loophole, which the regulator then tries to close. Principles-based regulation is more about industry and regulators working together towards a common objective. Professor Ford said that the development of the FSRA Unfair or Deceptive Acts or Practices (UDAP) rule is an example of principles-based regulation, in that the rule is only 8-pages long and is based on broad, open concepts.

Stuart Carruthers commented on PCR and its relation to the fair treatment of customers (FTC) and said that FTC was the logical outcome of a principles-based regulatory regime. This regime has its source in developments that begin in the United Kingdom coming out of the global financial crisis. A critical source of insurance principles is the work done around insurance core principles (ICPs) by the IAIS (International Association of Insurance Supervisors), in particular ICP-19, which establishes core insurance market conduct principles. This principle looks at a product across its entire life-cycle.



Christie Ford said that PBR and enforcement capability are not at odds, but rather they are complimentary. Rules can have benefits as they can produce certainty and clarity, but they can also be restrictive and arbitrary. The challenge for the regulator is to get the balance right. The key here is proper implementation of the mix of tools the regulator has at its disposal. Dialogue with industry is necessary to fill in the areas of vagueness.

Stuart Carruthers said that the benefit of rules-based authority is to give regulators the ability to respond to developments more quickly. Principles-based regulation should allow for a more efficient system, letting industry apply expectations in a way that makes sense for their organization, while allowing regulators to focus on a risk-based approach that emphasizes the largest regulatory issues they need to look at. A drawback of PBR is that it can lead to more ambiguity, which in turn can lead to more work and a requirement for more resources. For smaller firms with fewer resources in particular, rules-based approaches can be easier to deal with.

Cristie Ford said that PBR does require a mental shift in terms of the approach taken to regulation. PBR is an ongoing, evolving regulatory approach that requires confidence and transparency. Regulators may need to provide support for smaller firms that have fewer resources. Christie Ford added said while PBR can produce more innovation, not all innovation is necessarily good—and the financial products that led to the financial crises is an example of that. Stuart Carruthers felt that a PBR-regime fosters more innovation because it is more flexible and adapts better to change.

Stuart Carruthers felt that Canada does not have a PBR-regime throughout the country, with different provinces at different stages down this path, but that there is a general trend toward principles-based regulation. On the issue of the Canadian insurance industry having 17 regulators and therefore a need for harmonization, Stuart Carruthers mentioned CCIR and CISRO as an example of an effort to coordinate activity. But there are also siloes where different provinces are going in different directions. More provinces are providing their regulators with rule-making authorities, and there is a tendency for regulators with rule-making authority to use it.

Cristie Ford said that rule-making authority for regulators is better than relying on the legislature to shift rules where necessary, which is a very time-consuming process. But that does not mean rules should be developed unless they are absolutely necessary, and unless existing rules cannot manage the outcomes the regulator is seeking. Stuart Carruthers said that some of the work that FSRA is doing is the high-water mark in Canada around principles-based regulation.

Stuart Carruthers said that a rules-based approach leads to compliance departments being like referees; PBR leads to compliance departments being more like coaches. On the issue of how to demonstrate a FTC culture, Cristie Ford said it was difficult to measure but ongoing dialogue and transparency can help show that the regulated industry is doing the right thing.

Stuart Carruthers said that Canada was a world leader in PBR and Canadian regulators have better relationships with their regulated entities than is the case in many other jurisdictions. Canada does not suffer from the problems other jurisdictions have where the regulator is focused on fines for revenue-generation, and where regulatory leaders are politically-appointed and use those positions as a stepping stone to political careers.

The video of the webinar can be found on the CAFII website here:

<https://www.cafii.com/research/?video=4373>

*CAFII Holds Webinar on Deloitte Research Project on Best Practices in the Digitization of Credit Protection Insurance (June 2, 2022)*

Deloitte Partner Melissa Carruthers and her colleague Marc Lewis presented to regulators, policy-makers, and government officials on 2 June, 2022 the high-level findings of their CAFII-commissioned research study on the best practices in the digitization of credit protection insurance. There was excellent representation from regulators and policy-makers with the following registering for the webinar:

- The Alberta Insurance Council;
- The Autorité des marchés financiers, or the AMF, in Quebec;
- The Insurance Council of BC;
- The British Columbia Financial Services Authority, BCFSa;
- The BC Ministry of Finance;
- The Government of Alberta;
- The Canadian Council of Insurance Regulators, CCIR;
- The Government of Yukon;
- The Nova Scotia Office of the Superintendent of Insurance;
- The Nova Scotia Department of Finance & Treasury Board;
- The Ontario Ministry of Finance; and
- The Financial Services Regulatory Authority of Ontario, FSRA.

The webinar covered the background on the purpose of the research, noting that it intended to identify best practices for CPI firms to adopt digitization, and drew on the March 2021 Pollara research study on the preferences of Canadians around digitization. It noted that industry has experienced an accelerated shift towards digital purchasing and servicing following the events of COVID-19, however the insurance industry has also been historically slow at transforming its traditional business models to be more customer centric.

The presenters noted that the methodology for the research included interviews with CAFII members along with Deloitte's own digitization models and knowledge. The key findings were that:

- Digitizing CPI is a strategic priority for Canadian financial institutions;
- Relative to other insurance industries, Canadian CPI has unique challenges with regards to its digitization, accentuated by the multiple stakeholders involved;
- The CPI digital experience offered is highly dependent upon the lending journey (i.e., mortgages, lines of credit);
- The regulatory environment surrounding CPI can be perceived difficult to navigate digitally, especially for national organizations offering CPI across provinces;
- Several CPI distributors and underwriters have taken a leadership position by relatively investing more in digital over the past years;
- Adoption from representatives as well as clients in digital experiences continues to be an inhibitor to realizing the benefits of digital investments;
- Successful digitization of CPI extends beyond client-facing experiences, and includes back / mid-office operations;
- Digital experiences enabled by automation across the value chain with partners (e.g., underwriting, claims) were the most cited friction points;
- Collaboration across Distributors, Underwriter and Regulators will be key to delivering "Best-in-Class" experiences.

It was noted that the factors driving a move towards digitization in CPI were heightened customer expectations; an increasingly competitive landscape; pressure on back-office operational efficiency; and the availability and ability to activate data. Deloitte spent time explaining their ideal digital model and how to move from expectations to actually delivering, noting that the key attributes of successful digital insurers were:

- an articulated strategy and digital ambition;
- user centric digital experiences;
- being hyper focused on operational efficiency;
- sophisticated data, analytics and insights;
- scalable technology architecture;
- and digital talent and culture.

Deloitte also noted that there are unique challenges to digitization in CPI, including the evolving and regional regulatory environment; group underwriting in CPI; the strong ties of the product to lending; the multiple stakeholders; and eligibility practices.

The video of the webinar can be found on the CAFII website here:

<https://www.cafii.com/research/?video=4389>

The CAFII website Research section also includes a copy of the executive summary of the research.

## Provincial/Territorial

### Quebec

#### **Autorité des marchés financiers (AMF)**

*The Autorité des marchés financiers (AMF) Announces its Annual Rendez-Vous to Take Place in Quebec on Tuesday, 22 November, 2022*

The Autorité des marchés financiers (AMF) has announced that its annual rendez-vous will take place in Quebec on 22 November, 2022. No further details have been announced, but typically there are presentations at this event by AMF executives including AMF CEO Louis Morisset ; a speech over lunch by the Quebec Minister of Finance ; and other executive presentations and panelists from outside the AMF, with strong industry attendance.

There is an EOC meeting on the same date and CAFII will seek to change the date of that meeting to allow attendance at the meeting.

The invitation details can be found here :

[À mettre à votre agenda : Le RDV avec l'Autorité sera le mardi 22 novembre 2022 \(dialoginsight.com\)](https://dialoginsight.com)

## Yukon

### Government of Yukon

*Yukon Launches a Consultation with Industry on Developing an Online Licensing Portal*

CAFII has met with Yukon regulatory staff, at their request, around the intention to develop an online licensing portal for insurance executives. In the meeting with Spring Huston, Licensing Online Project Lead, and Bradley Rowett, Manager, Strategic Policy and Programs, CAFII offered to hold a meeting with CAFII licensing subject matter experts to provide feedback and advice. That meeting is now scheduled for June 29, 2022 from 1-2pm (EST).

## British Columbia

### British Columbia Financial Services Authority

*BCFSA Announces that Chris Carter, Vice-President, Financial Institutions and Mortgage Broker Market Conduct, is Leaving the Regulator*

In a June 8, 2022 email Blair Morrison announces that Chris Carter, Vice-President, Financial Institutions and Mortgage Broker Market Conduct, will be moving to Australia and leaving the BCFSA effective June 20, 2022. Mr. Morrison would be taking over his responsibilities for the time being. In the announcement, Mr. Morrison says:

*He has advanced BC's interests on the national stage through his membership with the Canadian Council of Insurance Regulators and the Mortgage Brokers Regulators' Council of Canada. Chris has also been instrumental on the anti-money laundering file, representing BCFSA on the Counter Illicit Finance Alliance of BC, and supporting various independent reviews and the Cullen Commission process. He built strong relationships through open dialogue with industry.*

## Ontario

### Financial Services Regulatory Authority of Ontario (FSRA)

*CAFII Attends 9 June, 2022 FSRA In-Person Event at FSRA's New Offices on Sheppard Avenue, and Hears Important Comments from Judith Robertson (FCAC Commissioner) and Huston Loke (FSRA Executive Vice President, Market Conduct)*

Keith Martin and Brendan Wycks attended an in-person celebration on 9 June, 2022 which mostly consisted of FSRA staff and Board members. The event was a celebration the inaugural board of FSRA (Bryan Davies, Kathryn Bouey, Judith Robertson, and Richard Nesbitt), in particular the inaugural Board Chair Bryan Davies; the celebration of the third year since the launch of FSRA; and to welcome people to FSRA's new offices on Sheppard Avenue. FSRA CEO

Mark White noted the importance of a new attitude to work space in his opening comments, adding that this was why he did not have an office.

In a side-bar conversation that Keith Martin and Brendan Wycks were part of, Bryan Davies queried Judith Robertson about the FCAC releasing a mystery shopping survey done in 2019 which the media reported on, which stated that vulnerable populations were more likely to be sold inappropriate products. Brendan Wycks asked if the timing was in conjunction with the impending 30 June, 2022 coming into force of new regulatory requirements on the Banks, and Ms. Robertson said no, that was a coincidence. She said that the survey being released was important because it “changed the conversation with the banks”—they tended to speak about their excellent net promoter scores, but it was not enough, she said, for customers to say employees are nice. “Nice people does not mean the banks are compliant.”

Ms. Robertson also commented on the need for focus in the Ministry of Finance, commenting that Deputy Minister Michael Sabia had an enormous amount on his plate. She said that Honourable Randy Boissonnault, Minister of Tourism and Associate Minister of Finance, would add focus to the issues the ministry deals with by emphasizing open banking<sup>1</sup>.

Bryan Davies, in his comments, said that the US equivalent to the FCAC, the Consumer Financial Protection Bureau (CFPB) had moved from being eviscerated during the Trump presidency to becoming a problem for the US banking sector by being too aggressive, especially around banks’ desire to increase scale.

Keith Martin spoke in person to Huston Loke, Executive Vice President of FSRA, and they discussed the FSRA Sectoral Advisory Committee on Life and Health Insurance meeting held on 6 June, 2022 (virtually), at which FSRA noted that there were many critical and problematic issues identified in the MGA sector. Mr. Loke asked Keith Martin what he felt about what had been presented and how members of the SAQ would have felt about FSRA’s report. Keith Martin said that he found the revelations very important and interesting, and that it was notable that the non-licensed CPI space represented the gold standard in terms of oversight, monitoring, controls, training and industry compliance with regulatory expectations. Mr. Loke said that he appreciated that point and that over the years in his interactions with CAFII he had been exposed to many CPI executives, and that “your guys are an example of doing things right—your leadership walks the talk.”

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<sup>1</sup> An important press release on these matters can be found here: <https://www.canada.ca/en/department-finance/news/2022/03/government-moves-forward-with-open-banking-and-names-a-lead.html>



### *Meeting of the FSRA Sectoral Advisory Committee on Life and Health Insurance on 6 June 2022*

At a meeting of the FSRA Sectoral Advisory Committee held virtually on 6 June, 2022, on which Keith Martin represents CAFII, FSRA managers – led by Swati Agrawal, Director, Market Conduct, Life and Health Insurance – reported on their investigations of the MGA space, which found that behaviours among three MGAs in particular were very problematic. These three MGAs had seen large increases among non-licensed employees in recent years, with these individuals required to bring in family and friends for presentations. A total of 30,000 unlicensed recruits had been brought into these MGAs.

The top earners in these MGAs earn little or no commission from the actual sales of life insurance, and instead earn money from those who are below them in the organization (there was a visual representation of this revenue model in the form of a pyramid). Non-licensed individuals are involved in the sales process, and often vulnerable individuals are sold complex products like permanent insurance with a cash top up. There is “false and misleading training” and the risk of “real customer harm.” FSRA said they were concluding their investigation phase and would be looking at enforcement options, and that insurers whose products are being sold by these MGAs are ultimately responsible and accountable for what these intermediaries are doing.

### *CAFII Invites FSRA CEO Mark White to be the Keynote Speaker for its 13 September, 2022 Annual Members and Associates Luncheon*

CAFII spoke to Mark White, CEO of the Financial Services Regulatory Authority of Ontario, at a 9 June, 2022 in-person event at FSRA’s offices, and invited him to be the keynote speaker at CAFII’s Annual Members and Associates Luncheon on 13 September, 2022 at St. James Cathedral Event Centre. In a formal letter of invitation subsequently sent to Mr. White, he was invited to speak on any of the following topics:

- how FSRA is making principles-based regulation (PBR) work and how it fits with rule-making authority and enforcement powers;
- how FSRA is making consumer views/input a “by-design” element of its priorities;
- how FSRA strives to find the right balance between Fair Treatment of Customers and fostering industry innovation (Innovation Office and other mechanisms);
- the role FSRA sees for itself in harmonization initiatives, at the CCIR and CISRO national co-ordinating body tables;
- how FSRA plans to play a role on the international stage – through its membership involvement in the International Association of Insurance Supervisors (IAIS) – and how IAIS insights will be brought home to inform regulatory initiatives in Ontario and Canada (through CCIR and CISRO);

- how FSRA is deploying technology (reg-tech) to enhance its consumer protection initiatives;
- how FSRA has designed its return-to-office around a hybrid work model; and how it has configured its new office space to be collaborative and team-building; and
- how FSRA plans to maintain and continue to “walk the talk” on its commitment to fulsome, meaningful consultation with industry stakeholders.

#### *FSRA Releases Report That Indicates that it Has Improved Its Service Standards*

FSRA released a June, 2022 eblast in which it states that it has improved its service standards. FSRA states that “Fourth-quarter performance results are in and FSRA has improved its service standards, overall, by over 10% and exceeded service targets for most of its key standards,” including 90.3% of Insurance Agent licenses issued within 10 days from receipt of a complete application. The eblast also states that

*FSRA uses the performance data to evaluate the efficiency and effectiveness of its resourcing, business processes and public service year-round. This holistic, data-oriented approach helps to ensure constant improvement of its public service.*

*The service standards measure operational and regulatory activities that FSRA provides to industry and consumer stakeholders, such as licence renewals, regulatory applications, complaints resolution and annual information returns. FSRA continues to monitor the standards and targets on a regular basis and will propose changes based on its regulatory activities in the current market, resources and stakeholder needs.*

The full report can be found here: [Q4 Service Standards Scorecard](#).

## **Nova Scotia**

### **Nova Scotia Department of Finance and Treasury Board**

*David McCarron is the New Nova Scotia Superintendent of Insurance*

CAFII has learned that David McCarron is the new Nova Scotia Superintendent of Insurance, within the Nova Scotia Department of Finance and Treasury Board (Financial Institutions Division). CAFII will attempt to meet Mr. McCarron at the first available opportunity. There was no release of Mr. McCarron’s new responsibilities and his biography is not available on the internet or on Nova Scotia government websites. Jennifer Calder, the Deputy Superintendent of Insurance, continues to be the Nova Scotia representative with the CCIR.

## International Developments, Research, and Thought Leadership

### Insurance Business Canada

*IBM Study Finds that Insurance CEOs Are Committed to Being A “Force for Good,” Including Commitments to ESG and Sustainability*

A 20 June, 2022 article in Insurance Business Canada states that sustainability is on top of CEOs' minds now more than ever, according to IBM's latest global study, surveying 3,000 company leaders, including 150 insurance leaders in 40 countries.

Around half (48%) of CEOs surveyed cited the issue as one of their top challenges this year. Similarly, 44% of insurance CEOs identified sustainability as a major priority, and 83% expect sustainability investments to improve business results in the next five years. Insurance CEOs are also engaging their chief financial officers on sustainability at a higher rate of 55%, compared to their business peers at 47%, as it becomes increasingly clear that environmental, social and governance (ESG) frameworks are no longer optional.

“Investors and entities have become increasingly interested in ESG. There are some ESG-specific funds now that will only invest in those companies. And you can debate whether those funds are doing the right thing or not, but you cannot debate that it has a huge financial impact on companies around the world,” IBM's global general manager for insurance, Mark McLaughlin told Insurance Business.

The 2016 Paris agreement was a watershed moment for climate action, triggering a global surge in corporate and government policies to protect the environment. The pandemic also exposed glaring social inequalities around class, gender, race, and sexual orientation. Stakeholders are pushing on the pedals for ESG engines to run, and insurers can no longer sit in the back seat.

Another factor spurring insurers into embracing ESG is public perception. McLaughlin said the industry is among the biggest spenders in terms of branding, with some organizations shelling out billions to boost their image. “If insurers are not perceived as environmentally conscious, if they are not perceived as on board with social justice trends, if they are not perceived as having good governance over those issues, their brand is at risk. I think this is the biggest driver for insurers aside from the investment issue,” he said.

But far from ESG becoming a vanity project, for the insurance industry, its unique position in the sustainability movement should also be intrinsically motivating. McLaughlin explained: “Insurers are in a position where we manage risk for a living, and environmental and social justice concerns are big risk drivers too. We can not only make our own firms more sustainable, more environmentally conscious, more socially conscious, but we can ensure through our insurance products that we can get all the other industries on board.”

There are still significant barriers inhibiting CEOs from weaving sustainability into their agenda, including lack of clarity on how ESG policies can affect their bottom line. Across the IBM study, CEOs said their biggest fear is unclear return on investments. But McLaughlin pointed out that this shouldn't be an issue for insurance CEOs.

“In insurance, that's actually an easier conversation [to have], because if there is risk in these areas, we are positioned to build products and services that might help. You help companies avoid or reduce those risks and make some money while you're doing that.”

For insurers, integrating ESG within the core business and operations means pivoting their underwriting, investing and risk management strategies, and developing tailored ESG products and services. But slow adoption processes and dated technology are dragging that transformation, McLaughlin said.

“I don't know that I've ever come across a person in insurance who has said: ‘I'd like to roll out my products more deliberately,’” he noted with a chuckle. “They want to move faster. The limiter tends to be the underlying technology, and the speed with which it can build new products that can address sustainability concerns.”

Regulators are another piece in the sustainability puzzle for insurers. According to the IBM study, regulatory concerns are the top external factor, cited by 58% of insurance CEOs, that will impact their enterprise over the next 2-3 years. How can CEOs address regulatory pressures on top of stakeholder demands? The answer to that, McLaughlin said, is to lean in and collaborate.

“When regulators in the United States [tell insurance companies]: ‘Hey, we want some evidence that you are managing climate impact in your portfolio,’ the result of that will inevitably be that the industry will attempt to make poor environmental practices more expensive from a risk standpoint. Because you run the risk of investor revolts, litigation, environmentally-based lawsuits, or environmental regulatory changes,” McLaughlin explained. “Those businesses that are not building ESG are in fact riskier. If the industry prices that risk appropriately, it will encourage not just insurance, but all industries to be more responsible.”

Therein lies the opportunity for insurers to partner with regulators and stakeholders to drive down bad practices through a combination of management and financial incentives. McLaughlin said the conversation should strive for compromise: “We have figure out how to work with politicians to manage those changes in ways that encourage sustainability, while not being completely oblivious to the fact that if you raise insurance rates 30%, you price out a lot of the market.”

ESG considerations, amid an already complex economic environment, can seem like a minefield of risk. But insurers are uniquely positioned to be a force for good, McLaughlin told Insurance Business. “Our industry's biggest opportunity is managing our investments to encourage sustainable practice. There is no other industry that can work with these companies to help them improve their environmental practice, to encourage that reduction of environmental impact through risk premiums and products,” he stressed.

“A third of CEOs in our industry are already trying to drive those sorts of products with business partners. I think that number is going to be double in a couple of years.”

The full article can be found here:

[How insurers can become a 'force for good' | Insurance Business Canada \(insurancebusinessmag.com\)](https://www.insurancebusinessmag.com/How-insurers-can-become-a-force-for-good)

## Wealth Professional

*BMO Chief Talent Officer Karen Collins Says Industry Is In The Biggest War For Talent “Most of Us Have Ever Seen”*

Noelle Boughton reports in Wealth Professional that industry is in the biggest war for talent ever. Karen Collins, the chief talent officer at BMO Financial Group, states that a strong brand with a defined purpose and values plus flexible work arrangements can still attract the best talent:

*“That’s been helping us compete in what I would say has been, for the last little while, probably the biggest war for talent that most of us have ever seen,” she said. “It’s been a challenging time.”*

*She said one important learning, post-pandemic, is acknowledging that “it’s not a one-size-fits-all model”. During the pandemic, BMO had 15,000 people working from the office and 30,000 working from home, but it’s still offering flexibility. While young parents or those working in a more rural location may be opting to work from home, others are engaging a hybrid model. She also noted that while*

*millennials want more flexibility, BMO's older staff is returning to work and in-person contact, and said staff attraction and retention now is about more than jobs.*

*"When you think about the commoditized nature of jobs in the world now, particularly given that many people can work anywhere, the talent's really in the driver's seat. But what we have, being a big bank, is not only the jobs people want, but a culture where people feel they can do more than just have a career. We want to help our customers build a financial future, but it goes beyond that."*

*"So, our employees can contribute to their community. They can spend time with their families. They can think about a net-zero world, an inclusive society, a sustainable future, and a thriving economy. As head of talent at BMO, I'm particularly proud that we have a special recipe that makes people really feel supported by our culture."*

The article also reports that BMO has also been taking other measures. It recently scaled up its talent acquisition team and started making offers quickly before others could scoop up candidates. It has announced a pay increase for its lower-graded employees and is increasing its online learning so staff can keep their professional credentials fresh as well as develop new skills, especially in technology.

The full article can be found here:

['This is probably the biggest war for talent most of us have seen' | Wealth Professional](#)

## **Globe and Mail**

*Zoom CIO predicts Hybrid Work Will Last Due to Young Employees' Emphasis on Work-Life Balance*

In an interview with the Globe and Mail ahead of an appearance at Running Remote, a Montreal conference on remote and hybrid work, Mr. Mosley, Zoom CIO, said that there was a general consensus among Zoom clients that the era of working from the office five days a week was over.

"Younger workers are prioritizing their life over work and over compensation. A lot of people have said that those water cooler conversations we used to enjoy at the office, whilst intellectually interesting, are a complete waste of time," he said.



The continued success of Zoom as a business is contingent upon the dominance of remote and hybrid work. The company's revenue exploded during the first year of the pandemic, as employees, businesses and students adapted to working from home and began relying on videoconferencing technology. Zoom's annual revenue soared 560 per cent to more than \$4-billion between the end of 2019 and the end of 2021.

But the company's most recent revenue and profit forecasts, in February, signalled some turbulence ahead due to fewer new users on its core Meetings platform, as well as competition from other videoconferencing giants such as Cisco's Webex and Microsoft's Teams platform. In fact, Zoom's market value peaked in October, 2020, at US\$159-billion, and since then the company has lost more than three-quarters of its value, partly due to the slow unwinding of the tech bubble and investor trepidation about an eventual return to the office.

When asked about these challenges, Mr. Moseley said Zoom has always been a first mover in the world of videoconferencing and any innovations the company makes to its platform tend to be immediately replicated by competitors. Most recently, in an attempt to make its platform more user-friendly, Zoom launched Smart Gallery, a feature that creates individual video feeds of employees gathered in the same room to give remote participants a clearer view of each person.

"One of the biggest challenges with the hybrid model is how do you maintain that equality between the people who are in the office and people who aren't. This Smart Gallery feature makes you feel like every participant in the call or meeting is equal," Mr. Moseley said.

As a proponent of remote and hybrid work, he said it would have been a privilege to spend a greater part of his working years away from the office and with his children.

But whether or not employers are going to permanently embrace hybrid and remote work remains to be seen and could directly affect Zoom's growth. A Deloitte report released Wednesday showed that the majority of Gen Z and millennial workers (75 per cent and 76 per cent, respectively) prefer hybrid work to just working remotely, but less than half currently have the option to do so.

Currently, according to the report, 51 per cent of Gen Z workers in Canada and 43 per cent of millennials work in a fixed location such as an office, but 57 per cent and 51 per cent of those age groups would prefer a hybrid work arrangement.

Younger workers, the report said, tend to value flexible work because it helps them save money and gives them more free time with friends and family.

For employers, however, one of the benefits of a permanent hybrid work model is cost. Research by flexible workspace company IWG found that, in Canada, hybrid work could save organizations an average of \$13,000 per employee each year. **IWG's modelling suggests, for example, that a major Canadian bank with 89,000 employees could save \$1.1-billion a year.**

### Investment Executive

#### *Health and Fitness Monitoring Technology is Not Being Used by Insurance Firms to Drive Underwriting Decision*

Greg Meckbach of Investment Executive reports that health and fitness monitoring technology is one way of engaging with life insurance clients, but insurers aren't yet making actuarial decisions based on the data — which some clients may be reluctant to share.

Whether the device is a Fitbit, Galaxy Watch Active, mobile app or another device, some tech-savvy life and health insurers are encouraging clients to share wellness data, such as physical activity and what they eat.

A case in point is Foresters Financial. The Toronto-based insurer launched a mobile app — dubbed Foresters Go — in Canada in 2021 and in Britain in May 2022. Foresters tracks and scores participating clients on their physical activity, “mindfulness” (measured through pulse and breathing rate, for example), nutrition, and sleep.

“It gives an opportunity for insurance advisors to offer some additional value beyond the death benefit for their clients,” said Juanpaolo Mercado, vice-president of sales, Asian markets and Western Canada, with Canada Protection Plan, a Foresters subsidiary.

Insurance advisors can “strengthen their own value proposition by educating consumers on how this turns their life insurance into a broader benefit-driven device,” Mercado said. That, in turn, “forges a stronger client relationship.”

Life and health insurers' use of wearables is similar in concept to auto insurers that use telematics, said Jonathan Weir, a partner with KPMG Canada LLP. But unlike usage-based auto insurance — in which driving behaviour is one factor in pricing — there's no indication that life insurers are using wearable health monitors to make underwriting decisions.

Foresters Go, for example, is used solely as a member benefit, said Nicole Gourley, global chief membership officer with Foresters Financial. Data from the platform isn't leveraged for underwriting or distribution.

While health monitoring technology gives carriers "additional data points," said Michael Adams, associate director of life/health insurance ratings with A.M. Best Co. Inc., the industry doesn't have enough data yet to make underwriting decisions.

Jamie Tucker, head of North American life insurance with Fitch Ratings Inc., agreed. "Perhaps over time, as the data builds up, it'll allow insurers to make more sound actuarial conclusions as they look at their experience with [policyholders using wearables] versus those not wearing or using this technology," Tucker said.

Brad Ellis, head of North American health insurance with Fitch Ratings, said there also may be issues with the data's accuracy. "There's outright fraud on the part of the policyholder in some instances," he said. "I've heard that there are actually apps that come along and simulate steps."

For now, insurers are using wearables to engage clients and encourage healthier habits. An example of the concept is Manulife Financial Corp.'s Vitality program, said Paul Jones, senior manager with KPMG Canada: "This is a space that I think the other large insurers in Canada are definitely exploring."

The role which life insurance agents can play includes explaining how clients can earn rewards through these types of programs, Tucker said. In other words, life agents can add value by discussing the pros and cons.

"I think the major 'con' would just be someone who has concerns around privacy and not understanding how this data will be used," Tucker said.

Clients would have to trust insurers to keep their data secure from a third party with whom the client doesn't want to share their data, Jones said.

"That's significant for insurers because the traditional relationship between policyholders and insurers isn't always really strong in terms of perception," Jones cautioned. "There's a common perception out there that insurers aren't going to act in the best interest of the consumer." Weir said health data is normally shared with a third-party technology firm that hosts the information in the cloud.

That third-party tech firm “ultimately makes some calculations and computations and shares a small subset of information or insight based on my raw data with my insurance carrier — and maybe my broker,” Weir said.

Some data shows that older clients are less willing to share data with insurers than their younger counterparts, Jones said.

“Consumers’ willingness to share their data is, in aggregate, increasing. But there are strings attached. They’re becoming more sophisticated. Consumers are realizing that their data has value and are expecting to see that value returned to them in their pocket, so to speak,” Jones said. Ellis said there is not enough accurate data out there to calculate user uptake for wearables.

*The full article can be found here:*

[https://www.investmentexecutive.com/newspaper /insurance-guide/step-up-customer-engagement-with-wearables/?utm\\_source=newsletter&utm\\_medium=nl&utm\\_content=investmentexecutive&utm\\_campaign=INT-EN&hash=6d73923380f292a40dc042b455f0fde3](https://www.investmentexecutive.com/newspaper /insurance-guide/step-up-customer-engagement-with-wearables/?utm_source=newsletter&utm_medium=nl&utm_content=investmentexecutive&utm_campaign=INT-EN&hash=6d73923380f292a40dc042b455f0fde3)

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**Regulatory Update – CAFII Executive Operations Committee, September 16, 2022**

Prepared By Brendan Wycks, CAFII Co-Executive Director

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## Federal/National

### Canadian Council of Insurance Regulators (CCIR)

#### Harry James Succeeds Chris Carter As BC Representative On CCIR

A Summer 2022 update to the CCIR website indicates that BCFSa staff executive Harry James has succeeded Chris Carter as the BC Financial Services Authority (BCFSa)'s representative on the national Council, on an acting/interim basis.

Mr. James' current title at BCFSa is Director, Regulation Advisory Services, Brokers Policy & Stakeholder Engagement.

Chris Carter, former Superintendent of Real Estate at BCFSa, departed from the Authority's employ in the spring of 2022 to take on a new position in Australia.

#### CCIR Adjusts Plans For Stakeholder Feedback On 2023-25 Strategic Plan

On September 16/22, CAFII received the following message from Peter Burston, Director, National Regulatory Coordination at the Financial Services Regulatory Authority of Ontario (FSRA):

*Brendan and Keith,*

*As outlined in the email below, CCIR had expected to be able to hold an in-person Stakeholder Dialogue on October 20<sup>th</sup>. Due to unforeseen circumstances, CCIR will shifting to a virtual engagement in early November. We currently have some times on hold with CCIR Members on November 4<sup>th</sup>. Raseema Alam, CCIR Policy Manager, will be in touch to schedule time with CAFII.*

*Our intent is to share a confidential copy of the draft plan in advance of the meeting. To ensure stakeholders have an appropriate opportunity to provide feedback, CCIR will be inviting stakeholders to provide written comments after the virtual engagement with CCIR.*

*Recognizing our efforts to coordinate our in-person meeting schedule with CAFII, I want to assure you that CCIR Members will still be attending meetings in Toronto in October according to our previously communicated schedule.*

*If you have any questions or concerns, please do not hesitate to reach out to me directly.*

*Thanks,*

*Peter*

**Peter Burston**

*Director, National Regulatory Coordination  
Financial Services Regulatory Authority (FSRA)*



**From:** Tony Toy <Tony.Toy@fsrao.ca>  
**Sent:** Tuesday, August 9, 2022 4:08 PM  
**To:** 'Keith Martin' <Keith.Martin@cafii.com>; 'Brendan Wycks' <brendan.wycks@cafii.com>  
**Cc:** 'Robert Bradley' <rbradley@gov.pe.ca>  
**Subject:** CCIR Stakeholder Dialogue 2022

Hi Brendan and Keith,

The Canadian Council of Insurance Regulators (CCIR) is inviting the Canadian Association of Financial Institutions in Insurance (CAFII) to this year's in-person Stakeholder Dialogue. Please hold the morning of October 20.

CCIR's current strategic plan will end on March 31, 2023. As a key stakeholder, CAFII is invited to provide feedback on the initial draft of the 2023-26 Strategic Plan. It is anticipated that CCIR will share a confidential advance copy closer to the meeting date. Additional details to be provided.

If there are any questions, please do not hesitate to contact me directly.

Thank you.

**Tony Toy**  
Policy Manager  
Canadian Council of Insurance Regulators  
National Regulatory Coordination Branch  
Financial Services Regulatory Authority (FSRA)

## Canadian Life and Health Insurance Association (CLHIA)

### CLHIA's Annual Statistics Show Record Amount Of Benefits Paid Out In 2021

On September 15/22, Investment Executive published the following article on CLHIA's *Canadian Life and Health Insurance Facts, 2022 Edition* which was published on the Association's website on that same day.

[Insurers pay record amount of benefits in 2021 | Investment Executive](#)

Reflecting the second year of the COVID-19 pandemic, Canada's life and health insurers paid more benefits to more people than ever before in 2021.

Specifically, insurers paid over \$113 billion in life and health benefits last year, up 17% from 2020 and nearly \$10 billion above pre-pandemic levels, the Canadian Life and Health Insurance Association (CLHIA) said in its [annual statistics report](#) published on Thursday, September 15.

In the report, CLHIA CEO Stephen Frank described 2021 as "a year of recovery."

*“Insurers have been proud partners in this, helping employers and their employees get back on their feet by providing workplace benefits that are flexible and relevant to attract and keep top talent and help people plan for retirement,” Frank said in the report.*

*Over half (\$58 billion) of the benefits paid represented annuity claims. The record amount compared to about \$46 billion in [the previous year](#), an increase of 26%.*

*Health insurance benefits totalled nearly \$41 billion — also a record and up by about \$4 billion from the previous year.*

*Life insurance benefits were similar to the previous year, at \$14 billion. That figure included \$580 million in claims related to mental health — up by 75% since 2019 and up by 45% since 2020, the report said.*

*Total premiums collected by insurers in 2021 rose to \$139 billion, up from \$123 billion or 13% compared to the previous year.*

*The increase was led by premiums for annuities and segregated funds, up about 21%, the report said.*

## **Provincial/Territorial**

### **British Columbia BC Ministry of Finance**

#### **BC Launches Public Consultation On Restricted Insurance Agent Licensing Regime**

In late June 2022, the BC Ministry of Finance published the following announcement on its website:

*The Ministry of Finance is now giving consideration to bringing into force sections of Bill 37, the Financial Institutions Amendment Act, 2019, that will implement the framework for a restricted insurance agent licence in B.C. Restricted insurance agent licences are corporate-level licences, in that they will authorize a corporate licensee (e.g., businesses that are sole proprietors, corporations, partnerships, etc.), through its employees and agents in B.C., to sell insurance. They will generally authorize the sale of insurance where it is sold incidentally to the licensee’s ordinary business.*

*The Ministry of Finance is seeking feedback from the insurance industry and other interested parties regarding the introduction of a restricted insurance agent licence in B.C. The [consultation paper](#) contains more details about the proposed restricted insurance agent licence and the public consultation.*

*The scope of this consultation is limited to the regulations required to introduce a restricted insurance agent licence in B.C. Changes to the Financial Institutions Act or other legislation are out of scope and will not be considered at this time. Some of the topics raised in this consultation may be included in Insurance Council rules or in both regulations and rules. The Insurance Council will seek feedback regarding proposed rules separately.*

*Any submissions provided in response to this consultation may be shared with the Insurance Council and the BC Financial Services Authority (BCFSA). If certain comments should not be shared with other parties, please clearly indicate that in the submission or covering letter. Please note that all submissions received are subject to the Freedom of Information and Protection of Privacy Act and, even where confidentiality is requested, this legislation may require the Ministry to make information available to those requesting such access.*

*Written submissions will be accepted by email to [fiareview@gov.bc.ca](mailto:fiareview@gov.bc.ca) on or before October 3, 2022. Submissions received after this date may not be considered.*

*Ministry staff will be reviewing the submissions and may follow up with stakeholders for further information or details as needed. In addition, should you wish to meet with Ministry of Finance staff to discuss the contents of your written comments or submission, please indicate that when submitting your written comments and provide the appropriate contact information.*

And, on August 29/22, law firm Stikeman Elliott published the following analysis of the above-noted BC Ministry of Finance development:

*British Columbia Conducts Consultation on Restricted Licence Regime for Incidental Sellers of Insurance*  
*By Stuart S. Carruthers and Andrew S. Cunningham, Stikeman Elliott*  
<https://www.stikeman.com/en-ca/kh/insurance-law/british-columbia-conducts-consultation-on-restricted-licence-regime>

*British Columbia's Ministry of Finance is conducting a consultation on the adoption of its proposed restricted insurance agent licensing regime for incidental sellers of insurance. The proposal is similar to what is already in place in the other three western provinces (and, soon, in New Brunswick) but B.C. is signalling that it may consider including additional industries and additional flexibility in its regime. B.C. businesses that see opportunities in this area should therefore consider submitting comments, which are due on October 3, 2022.*

*The licensing of restricted insurance agents is provided for in s. 174.1 of B.C.'s **Financial Institutions Amendment Act, 2019**, which will be proclaimed in force once details of the restricted licence regime have been finalized. As described in the **consultation paper**, the B.C. consultation is focused on the regulations and rules that will accompany the legislation, and particularly on the following issues:*

- *The **classes of restricted licensees** (i.e. the types of business that will be eligible for restricted licenses);*
- *The **classes of insurance** that can be sold under a restricted licence; and*
- *How this new regime **will affect existing exemptions** under the Insurance Licensing Exemptions Regulation.*

*Some of the topics raised in the consultation may be included in rules of the Insurance Council of BC or in both regulations and rules. The Insurance Council will be separately consulting regarding proposed rules.*

### *Classes of Restricted Licensees*

*The B.C. Ministry of Finance is proposing a “restricted licence” regime under which certain **classes of business** may be granted insurance agent licences that are restricted to classes of insurance that are “incidental to the licensee’s ordinary business.”*

*Under the similar regimes in place in Alberta, Saskatchewan, and Manitoba (and planned for New Brunswick), the classes of business for which restricted insurance licences can be issued include:*

- *Deposit-taking institutions – credit protection, travel and life insurance;*
- *Transportation companies – travel and cargo insurance;*
- *Travel agencies – travel insurance;*
- *Auto, RV, watercraft and other vehicular and equipment dealerships – credit protection, equipment warranty, and guaranteed asset protection insurance;*
- *Sales finance companies and mortgage brokers – credit protection insurance;*
- *Customs brokers and freight forwarders – cargo insurance;*
- *Funeral services businesses – funeral insurance;*
- *Car (and other vehicle) rental agencies – rented vehicle insurance; and*
- *Portable electronics sellers – portable electronics insurance.*

*While recognizing the importance of consistency among the provinces, the Ministry of Finance is not ruling out the possibility of excluding some of the above, or potentially of adding some or all of the following:*

- *Storage companies – personal property policies;*
- *Event companies and ticket sellers – event cancellation policies;*
- *Leasing companies (personal property and office furniture) – damage protection and product warranty policies;*
- *Leasing companies (equipment, vehicles, heavy machinery) – vehicle or product warranty policies;*
- *Educational institutions – travel medical policies for out-of-province students; and*
- *Tour operators and public carriers (airlines, bus companies, ferry companies) – trip interruption or cancellation policies.*

*The B.C. regime could end up differing from those of the other provinces in another important respect: the Ministry of Finance has stated that it is willing to consider the possibility of granting restricted licences to B.C. licensees to sell classes of insurance that are **not incidental** to their businesses. For this to happen, the Ministry would need to be convinced of the benefit to consumers.*

### *Future of Existing ILER Exemptions*

*The Ministry of Finance is proposing that some existing exemptions under the **Insurance Licensing Exemptions Regulation** (“ILER”) be partially or wholly repealed. If this occurs, companies that have had ILER exemptions for any of the following might need to obtain one of the new restricted licences:*

- *Product warranty insurance;*
- *Credit insurance (sold by credit institutions, mortgage brokers and others);*
- *Vehicle warranty insurance (sold by motor vehicle dealers);*
- *Travel insurance (sold by travel agents or transportation companies); and*
- *Funeral services insurance (sold by funeral directors).*

*An example scenario for a **partial repeal** would be keeping an exemption for products under a certain value but requiring a restricted licence for coverage above that threshold.*

### *Classes of Insurance*

*The Ministry of Finance is proposing to prescribe (permit) certain **classes of insurance** under the restricted licensing regime (in addition to the **classes of licensee** discussed above).*

*In so doing, they would be following the lead of the other provinces, but the Ministry of Finance is clear that it may not prescribe exactly the same classes of insurance. Moreover, some classes that are currently exempt under ILER could potentially be permitted under the restricted licence regime.*

*In addition to the above, the Ministry is considering including the following insurance classes in the restricted licensing regime:*

- *Personal effects property insurance (storage companies);*
- *Purchase protection insurance (retailers, credit card companies);*
- *Marine craft rental insurance (marine craft rental companies);*
- *Damage protection insurance (personal property and office furniture leasing companies); and*
- *Event cancellation insurance (event and ticket sales companies).*

### *Consultation Questions*

*The Ministry of Finance is looking for input from interested parties, including (but not restricted to) industry views on questions such as the following:*

- *Which businesses should and should not be prescribed as potential licensees?*
- *Which classes of insurance should and should not be prescribed?*
- *Which ILER exemptions, if any, should be repealed in favour of offering one of the new restricted insurance agent licences (and should the repeal be full or partial)?*
- *When (if ever) should exceptions be made to the general expectation that restricted licensees will be restricted to classes of insurance that are incidental to their ordinary business?*
- *Should there be any licence exemptions for low-value products?*
- *Should there be a maximum value for insurance policies (or of certain types of insurance policy) sold by restricted insurance agent licensees?*
- *Would a deferred sales model be advisable for any class of restricted agent (i.e., a model in which insurance could not be offered until a certain number of days after the primary purchase)?; and*

- Which rules should apply to the conduct of a restricted licensee's insurance business (e.g. with respect to disclosure, cooling off periods, commissions and fees, etc.)?

Please see the **consultation paper** for the complete list of questions on which comment is sought.

#### Next Steps

As noted above, the public consultation is ongoing, with **comments due on or before October 3, 2022**. The open and flexible approach of the Ministry of Finance indicates that industry submissions could have a significant impact on the eventual shape of the restricted licensing regime.

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#### Insurance Council of BC

##### Insurance Council Provides Update Re Insurance Licences Limited To Specific Products

On July 14/22, the Insurance Council of BC published the following notice on its website:

*Dear Insurance Council of BC partners and stakeholders:*

*The following update provides information regarding BC insurance licences limited to the sale or adjusting of one or more specific products.*

#### **Background**

*In March 2021, the Insurance Council of BC ceased issuing individual and agency/firm insurance licences limited to the sale or adjusting of specific products following a legal review of the licensing process involved. Licence holders were advised at that time and information was made available to stakeholders.*



## What's New

*The BC Ministry of Finance is proposing to introduce a new restricted licence framework that would allow corporate entities to apply for a restricted licence that permits employees to sell specific insurance products under the corporate licence. The Insurance Council is working with government to develop a licensing process that would support its implementation.*

*The ministry is holding public consultation on the regulations that would govern the proposed restricted licence until October 3, 2022.*

*Once government regulations and a process for the restricted licence are in place, the Insurance Council will accept applications for this licence. Until then, no new individual or corporate insurance licences limited to the sale or adjusting of specific products are being issued.*

*Current limited licence holders can still continue to carry out activities within the scope of their licence. However, additions or changes will not be made to these existing licences, nor will they be reinstated if cancelled. Continuation of existing limited licences will be discussed as part of the development of the proposed restricted licence.*

*Insurance licensure continues to be available through our regular process of licensing. Those wishing to conduct general insurance, life and/or accident & sickness insurance, or insurance adjusting will need to apply for the corresponding licence and meet standard qualification requirements.*

*Updates will be provided on our website as more information about the new restricted licence becomes available.*

*For more information about insurance licensure, contact our Licensing Team at [licensing@insurancecouncilofbc.com](mailto:licensing@insurancecouncilofbc.com) or 604-695-2007.*

## Ontario

### Financial Services Regulatory Authority of Ontario (FSRA)

#### FSRA Says That It Continues To Improve And Is Meeting Or Exceeding Service Standards

On June 20/22, FSRA issued the following announcement on its website:

*Fourth-quarter performance results are in and FSRA has improved its service standards, overall, by over 10% and exceeded service targets for most of its key standards. Highlights of the recent progress include:*

- **100%** of public inquiries received response within 24 hours
- **90.9%** of Pension wind-up applications for Defined Benefit Plan reviewed and a decision was made within 120 days
- **100%** of Credit Union regulatory applications processed within 30 days
- **90.3%** of Insurance Agent licences issued within 10 days from receipt of a complete application

*FSRA uses the performance data to evaluate the efficiency and effectiveness of its resourcing, business processes and public service year-round. This holistic, data-oriented approach helps to ensure constant improvement of its public service.*

*The service standards measure operational and regulatory activities that FSRA provides to industry and consumer stakeholders, such as licence renewals, regulatory applications, complaints resolution and annual information returns. FSRA continues to monitor the standards and targets on a regular basis and will propose changes based on its regulatory activities in the current market, resources and stakeholder needs.*

*The final Q4 Service Standards Scorecard is now available on the FSRA website.*

## **Québec**

### **Autorité des marchés financiers (AMF)**

#### AMF Publishes New Consumer Advisory Information On Car Dealerships And Insurance

During the summer of 2022, the AMF published on its website a detailed new section of consumer advisory information on car dealerships and insurance (<https://lautorite.qc.ca/grand-public/assurance/assurance-auto/concessionnaires-dautomobiles-et-assurance-ce-quil-faut-savoir>), including the following excerpts:

*You cannot be required to purchase life and disability insurance covering your loan or replacement insurance. However, the financing company may require, because of your credit history, that your loan be insured so that it can be repaid in the event of death or disability. Even then, it is up to you to choose your insurance product and your insurer.*

*If you are offered life and disability insurance to cover your loan, check to see if you are already covered by similar insurance, for example at work. This way you will avoid paying twice for insurance.*

*Check to see if your condition could prevent you from benefiting from coverage. For example, are you over the eligible age? Do you have a history of illness? Does your employment status meet the terms of the contract?*

*Take the time to read the explanatory document that must be given to you to find out if the cover can be useful to you.*

*A call to the AMF's information center can help you fully understand your rights and responsibilities and those of the dealer with respect to the insurance product offer.*

*You'll probably get a better price if you shop around. The cost of insurance is on average higher with a car dealership than with a broker or insurer.*

*If you choose to include the cost of insurance in your loan, you will pay interest on the cost of insurance, in addition to the interest on your car loan.*

*So take the time to read the explanatory document that describes the insurance product and that the dealer must give you and compare it to the coverage and prices offered elsewhere.*

*If you're borrowing money to buy your car, the car dealership or lending institution may offer life, health, and job loss insurance as part of your loan. This insurance will repay part or all of your loan:*

- *If you die;*
- *If you have a disability that prevents you from working;*
- *If you lose your job.*

*As a general rule, this insurance is not compulsory.*

*Sometimes the company that lends you the money to buy your vehicle requires you to have such insurance. If so, you are not obligated to accept the insurance offered to you. You have several options to choose from! Here they are :*

**Option 1: Demonstrate that you already have insurance**

*You may already be covered by insurance, for example the group insurance of your job. Check if this insurance is sufficient.*

**Option 2: Purchase insurance from the insurer of your choice**

*Before buying your vehicle, you can ask a financial security advisor about the cost of insurance equivalent to that required by the lender.*

**Option 3: Accept the offer from the company lending you the money**

*An employee of a car dealership or a lending institution can sell life, health and job loss insurance on a loan without holding a certificate from the Autorité des marchés financiers. However, he is obliged to:*

- *Provide you with an explanatory document;*
- *Inform you of the guarantees offered;*
- *Specify the exclusions (what is not covered by the insurance);*
- *Tell you what commission he receives if it exceeds 30% of the cost of insurance;*
- *Advise you on how to file a claim;*
- *Explain your recourse if the insurer denies your claim.*

#### AMF Publishes New Consumer Advisory Information On Travel Insurance

During the summer of 2022, the AMF published on its website a detailed new section of consumer advisory information on travel insurance (<https://lautorite.gc.ca/grand-public/assurance/assurance-voyage>) titled "Travel Insurance: Practical Guide," including the following excerpts:

*The media occasionally tell the horror stories of people who have experienced problems while traveling... without having travel insurance. Sometimes it is even necessary that their families and friends come to help them, for example by paying the cost of medical care or for the return plane ticket.*

*This can happen even on a few hours excursion in the United States! Traveling without travel insurance can have serious financial consequences.*

#### *What Is Covered*

*The risks covered by travel insurance vary from one insurance to another. Here are the main protections offered:*

- *Emergency medical care insurance;*
- *Trip cancellation and interruption insurance;*
- *Accidental death or dismemberment insurance;*
- *Baggage insurance.*

*Find out about the protections offered by your insurance.*

#### *Some essential information about travel insurance*

- *Find out about travel insurance as soon as you plan to travel outside Quebec.*
- *Sometimes your group insurance at work or your credit card insurance already offers certain travel insurance protections. Ask about this so you don't buy the same coverage twice.*
- *You can buy travel insurance from an insurance representative, an insurer, travel agencies and some **financial institutions**.*
- *Take the time to read your contract. Ask your insurer questions to fully understand it.*
- *Also remember to take out insurance for the rental car if you rent one while traveling outside Quebec. For a rental in Canada or the United States, this insurance may already be included in an endorsement to your automobile insurance policy.*

- You **must** contact your insurer **before leaving** on your trip if you have any health problems. You must also contact your insurer as soon as you change your medication.

## New Brunswick

### Financial and Consumer Services Commission of New Brunswick (FCNB)

#### FCNB Adopts CISRO's Principles Of Conduct For Insurance Intermediaries

On June 16/22, FCNB published the following announcement on its website:

*On 6 April 2022, the Canadian Insurance Services Regulatory Organizations (CISRO) published the Principles of Conduct for Insurance Intermediaries (the Principles). The full document can be found at **Canadian Insurance Services Regulatory Organizations (CISRO) Principles of Conduct for Insurance Intermediaries (cisro-ocra.com)** together with a Questions and Answers document: **2472 (cisro-ocra.com)**. The Insurance Division of the Financial and Consumer Services Commission (FCNB) actively participated in the development of the Principles.*

*The Principles complement and supplement the Guidance: **Conduct of Insurance Business and Fair Treatment of Customers (cisro-ocra.com)** jointly published by CISRO and the Canadian Council of Insurance Regulators (CCIR). The Principles reflect minimum regulatory conduct standards that are common across Canada regarding the fair treatment of customers. They also reflect requirements found in the Insurance Act or related regulations, or are reflective of accepted industry practices.*

*Intermediaries should conduct their business, following the relevant Principles that apply in the circumstances, while ensuring compliance with all applicable laws, regulations, rules, or regulatory codes within all jurisdictions where they carry on business. Any more stringent requirements, rules or standards of conduct take priority over the Principles. The Principles will also be a resource for customers to better understand the behaviour that they should expect when dealing with an insurance intermediary. Intermediaries should share the Principles with their customers.*

*It is the expectation of the Insurance Division of FCNB that insurance intermediaries will adopt the Principles and ensure that measures are in place to abide by them. These expectations involve the licensee's conduct at all stages of the lifecycle of the product (from design, to sales, to claims process, to the end of the lifetime of the policy). The Insurance Division of FCNB will consider compliance with the Principles in determining suitability to hold a licence and in all future market conduct reviews.*

*CISRO is a forum of Canadian regulatory authorities that are dedicated to consistent qualifications and conduct of business standards for insurance intermediaries.*

*For any questions on the Principles, contact the Insurance Division of FCNB at 866-933- 2222 or by email at **info@fcnb.ca**.*

May 31, 2022

Mr. Mark White, CEO; and  
Financial Services Regulatory Authority of Ontario  
25 Sheppard Avenue West, Suite 100  
Toronto, Ontario  
M2N 6S6  
[mark.white@fsrao.ca](mailto:mark.white@fsrao.ca); and  
[fern.karsh@fsrao.ca](mailto:fern.karsh@fsrao.ca)

**Re: CAFII Feedback Submission on FSRA's Use of Retained Revenues under Regulation "Money Retained Outside the Consolidated Fund" Guidance**

Dear Mr. White:

The Canadian Association of Financial Institutions in Insurance (CAFII) thanks the Financial Services Regulatory Authority of Ontario (FSRA) for the opportunity to review and provide feedback on FSRA's ***Use of Retained Revenues under Regulation "Money Retained Outside the Consolidated Fund" Guidance***.

Our response submission will be brief. We largely agree with both the intent and the operational specifics set out in the Guidance. We have just two feedback comments of strategic importance to offer, along with several other operational and housekeeping feedback comments.

In CAFII's view, it is appropriate for FSRA to retain revenues from administrative monetary penalties (AMPs); and that FSRA's deployment of those retained revenues to fund research or educational initiatives which are intended to "enhance financial literacy, financial awareness, knowledge of rights and obligations or the informed decision making of consumers..." is unquestionably in the public interest and therefore entirely appropriate.

Our first feedback comment of strategic significance arises from the following pivotal observation in the Guidance: "The total amount of AMPs imposed and collected can vary dramatically year to year."

For that very reason, FSRA's planning for annual research can be adversely affected if a key source of its funding, i.e. AMPs, is highly variable and unpredictable. Given that unavoidable reality, we agree with and support the approach outlined that "As part of the planning process, the Consumer office will choose the percentage of funds retained for in-year requests. The percentage could be zero"; and we also agree with and support the flexibility-rooted provisions that

- *Per the Regulation, FSRA may choose to hold-over all or part of the funds from one fiscal year to the next; and*
- *Where the cost of a selected initiative(s) exceeds available Retained Revenues, the initiative may be supplemented with funds from other approved sources.*



Considering those background factors in totality, CAFII's recommendation to FSRA is that, in the interests of achieving funding predictability and stability for worthwhile research and educational initiatives,

- the Guidance should be amended to assign such Retained Revenues to an ongoing, rolling, multi-year pool of funds – one conceptually similar to an endowment; and
- that a portion of the rolling, multi-year pool of funds be drawn annually for research and educational initiatives, in accordance with the related evaluation and assessment criteria and governance processes itemized in the Guidance.

That approach would have the benefit of 'smoothing out' the funds available annually for research and education initiatives and, at the same time, would alleviate much of the uncertainty and 'drag' that unpredictability around funding levels can create.

Our second feedback comment of strategic significance arises from the critically important Clauses 3.5 and 3.6. CAFII strongly supports the requirement that FSRA make all reasonable efforts to use Retained Revenues in relation to the regulated sector that the money came from or proportionately across multiple regulated sectors (Clause 3.5), along with the related accountability reporting requirements (Clause 3.6).

That being the case, we recommend that FSRA amend the Guidance to include a requirement that the Authority provide an annual accountability and transparency report to the industry – broken down by sector – on its implementation of the ***Use of Retained Revenues under Regulation "Money Retained Outside the Consolidated Fund" Guidance***.

#### **Operational and Housekeeping Feedback**

- CAFII wishes to inquire as to why, if the Guidance became effective on August 3, 2021 – and it has already been a *fait accompli* for nearly a year -- a related consultation with affected industry stakeholders is only occurring in May 2022?;
- Clause 2.1: requires a comma after the word "entities" for clarity and to avoid reader confusion;
- Clause 3.6: the word "be" is missing immediately prior to the words "fulfilled/advanced";
- Clause 4.1.2: there is an unnecessary comma in front of the word "seek" which causes the reader confusion; and
- Clause 4.4.1: there is a typo in the final sentence of this clause, which can be corrected as follows: "The CEO will ~~approval~~ **approve** all project funding."

CAFII thanks FSRA again for the opportunity to provide our Association's feedback on the Authority's ***Use of Retained Revenues under Regulation "Money Retained Outside the Consolidated Fund" Guidance***. We also convey our appreciation for FSRA's continuing to "walk the talk" on its commitment to open and transparent communication and consultation. Should you require further information from CAFII or wish to meet with representatives from our Association on this or any other matter at any time, please contact Keith Martin, CAFII Co-Executive Director, at [keith.martin@cafii.com](mailto:keith.martin@cafii.com) or 647-460-7725.

Sincerely,



Rob Dobbins  
Board Secretary and Chair, Executive Operations Committee

#### **About CAFII**

CAFII is a not-for-profit industry Association dedicated to the development of an open and flexible insurance marketplace. Our Association was established in 1997 to create a voice for financial institutions involved in selling insurance through a variety of distribution channels. Our members provide insurance through client contact centres, agents and brokers, travel agents, direct mail, branches of financial institutions, and the internet.

CAFII believes consumers are best served when they have meaningful choice in the purchase of insurance products and services. Our members offer credit protection, travel, life, health, and property and casualty insurance across Canada. In particular, credit protection insurance and travel insurance are the product lines of primary focus for CAFII as our members' common ground.

CAFII's diverse membership enables our Association to take a broad view of the regulatory regime governing the insurance marketplace. We work with government and regulators (primarily provincial/territorial) to develop a legislative and regulatory framework for the insurance sector which helps ensure that Canadian consumers have access to insurance products that suit their needs. Our aim is to ensure that appropriate standards are in place for the distribution and marketing of all insurance products and services.

CAFII's members include the insurance arms of Canada's major financial institutions – BMO Insurance; CIBC Insurance; Desjardins Insurance; National Bank Insurance; RBC Insurance; Scotiabank Financial; and TD Insurance – along with major industry players Assurant; Canada Life Assurance; Canadian Premier Life Insurance Company; Canadian Tire Bank; CUMIS Services Incorporated; Manulife (The Manufacturers Life Insurance Company); Sun Life; and Valeyo.

September 9, 2022

Marilee Peters  
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BC Financial Services Authority  
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Dear Ms. Peters:

CAFII thanks BCFSa for the opportunity to provide feedback on the Authority's draft *Insurer Code of Market Conduct and Supplemental Guideline*.

CAFII supports the important fair treatment of customers outcomes which BCFSa is seeking to achieve with this initiative.

We have divided our Association's feedback into two sections: *High Level/Strategic Feedback*; followed by *Specific Content Feedback and Input Comments*.

**High Level/Strategic Feedback**

CAFII members, which are mainly the insurance arms of Schedule I Canadian banks and their insurer/underwriter partners, operate across the country in the life and health insurance sector; and, as such, they are provincially/territorially regulated. However, as federally regulated financial institutions (FRFIs), banks, some credit unions, and many insurers are also subject to federal regulation, including by the Financial Consumer Agency of Canada (FCAC) and the Office of the Superintendent of Financial Institutions (OSFI).

Due to the fact that our Association's members are subject to both federal and provincial/territorial regulation (some 17 regulatory authorities in total, across the country), CAFII constantly requests of regulators that they harmonize their expectations of regulated entities to the maximum extent possible.

Given the paramount importance of regulatory harmonization to our Association, we are disappointed that BCFSa is contemplating issuing its own unique Insurer Code for the province of British Columbia when there already exists a nationally harmonized, well-established, widely accepted and complied with, and effective Guidance/Code that comprehensively covers the same territory, i.e. the CCIR/CISRO *Guidance: Conduct of Insurance Business and Fair Treatment of Customers*. Through its membership and leadership participation in CCIR, BC FICOM, BCFSa's predecessor, was a party to the development and issuance of the CCIR/CISRO Guidance in 2018, and BC FICOM/BCFSa has been involved in related, nationally co-ordinated implementation and regulatory compliance monitoring of it since that time.

CAFII views BCFSAs' draft *Insurer Code of Market Conduct and Supplemental Guideline* to be an example of the above-noted concerns that significantly impact upon our Members' resource allocation decisions and their ability to optimize their fair treatment of customers focus.

Too often in our view, regulators in different provinces introduce regulatory requirements which have the exact same intent as existing requirements in another province or federally – or in this case, as existing Guidance already harmonized at a national co-ordinating body level – but yet which differ slightly in the details of how those expectations are defined, or are to be implemented and/or reported on by regulated entities.

In such cases, our Members and other regulated entities are compelled to allocate significant resources to deciphering and adjusting to the nuanced differences from jurisdiction to jurisdiction. This time-consuming and costly exception management process diverts resources away from the essential fair treatment of customers aspects of regulators' expectations.

CAFII believes that the shared objective of fair treatment of customers is undermined when regulatory authorities create market conduct expectations for industry that differ in subtle and nuanced ways from one to another, rather than harmonizing around one uniform set of expectations.

In that same connection, while we understand that Section 94.1 of BC's *Financial Institutions Amendment Act, 2019* establishes a requirement for insurers to adopt and comply with a Code of Market Conduct ("the Code") established by BCFSAs, we do not believe that legislative provision precludes BCFSAs from simply stipulating that "the Code" in BC is the CCIR/CISRO *Guidance: Conduct of Insurance Business and Fair Treatment of Customers*, just as many other provincial/territorial jurisdictions across the country have done.

CAFII acknowledges that BCFSAs' draft *Insurer Code of Market Conduct and Supplemental Guideline* includes three "Additional Principles" – on Incentives management and remuneration structure; Online sales of insurance products; and Policy decisions and renewals – which are either not covered in or only partially covered in the CCIR/CISRO *Guidance: Conduct of Insurance Business and Fair Treatment of Customers*. We also appreciate that BCFSAs view these three new Principles as necessary supplements to the existing CCIR/CISRO *Guidance*; and therefore, regards their inclusion as further justification for the Authority's issuance of its own unique Insurer Code for the province of British Columbia.

CAFII has a contrary point of view on this matter. Our Association would much prefer to see BCFSAs – if it firmly believes that these Additional Principles are desirable new elements that are missing from the existing CCIR/CISRO *Guidance* – work with the joint CCIR/CISRO Fair Treatment of Customers Working Group to have those new Principles incorporated into a revised/updated version of the *Guidance: Conduct of Insurance Business and Fair Treatment of Customers*.

In concluding these High Level/Strategic feedback comments, CAFII encourages BCFSAs to reconsider its initial decision to proceed down the path of issuing its own unique Insurer Code of Market Conduct for the province of British Columbia, and instead to give serious consideration to the following alternative approach:

- adopt the CCIR/CISRO *Guidance: Conduct of Insurance Business and Fair Treatment of Customers* as “the Code” in BC and stipulate that it is such; and
- play a leadership role in support of national harmonization, by working with the other jurisdictions at the CCIR/CISRO joint national co-ordinating body table to get the new Principles incorporated into a revised/updated version of the nationally harmonized *Guidance: Conduct of Insurance Business and Fair Treatment of Customers*.

### **Specific Content Feedback and Input Comments**

In the event that BCFSa is not prepared to adopt the CCIR/CISRO *Guidance: Conduct of Insurance Business and Fair Treatment of Customers* as “the Code,” CAFII offers the following specific content feedback and input comments on the draft *Insurer Code of Market Conduct and Supplemental Guideline*.

CAFII strongly recommends that BCFSa embed the “Alignment Between The Code And CCIR’s FTC Guidance” table found on page 4 of the Authority’s related Discussion Paper as a prominent and integral component of the *Insurer Code of Market Conduct and Supplemental Guideline* document itself.

CAFII recognizes that the draft Code is intended to be principles-based, and that the Supplemental Guideline is intended to provide clarifying detail around the expectations set out in the draft Code. We also acknowledge that regulated entities and industry Associations sometimes request additional detail around the expectations articulated in such a Code, while at the same time emphasizing the importance of regulators not being overly prescriptive. There is a delicate balance to be found in this and no magic formula for doing so, so we appreciate BCFSa’s obvious efforts to find the ‘right balance’ between those two somewhat conflicting objectives.

That said, CAFII does believe that there are sections of the draft *Insurer Code of Market Conduct and Supplemental Guideline* that are worded in ways that tip the balance in favour of prescriptive regulation. There are also sections that are unnecessarily long and detailed, and which take on a tenor of conduct ‘check lists.’ Such a check lists approach can, in our view, give rise to the unintended consequence of encouraging regulated entities to focus on being able to tick all the boxes on prescriptive lists, rather than on what we believe should be the higher, ultimate objective of fair treatment of customers, i.e. embedding a business culture of FTC into every aspect of an organization’s business activity.

Some examples of Supplemental Guideline sections that we view as at risk of being regarded as performative ‘checklists’ are Product Design (2.1); Product Promotion (2.2); Arrangements with Intermediaries (2.8); Claims Handling (3.4); and Complaint Handling (3.5).

In that connection, CAFII encourages BCFSa to use the verbs “could” or “may” rather than “should”; to label certain sections of the Supplemental Guideline as providing “an example of BCFSa expectations” as opposed to appearing to set out ‘Rules’; and to generally make it clear that the Supplementary Guideline is being offered to assist industry participants in interpreting the Code. In that same vein, we caution against use of the phrase “including but not limited to” which gives rise to an industry perception of ‘open-ended and undefined expectations.’

The Supplemental Guideline, in many places, attempts to define what is 'fair,' which is a prescriptive orientation that leads to check lists, whereas its objective, in our view, should be to create expectations that will lead to regulated entities not being 'unfair' to consumers, which is a principles-based orientation that moves the industry collectively towards a vision of always being 'fair.' The principles-based orientation of establishing expectations around what is 'unfair' is geared more towards fostering a vision and a business culture of FTC outcomes, rather than towards defining or providing a check list of what constitutes 'fairness' behaviour.

We also believe that *Section 1: Business Culture* of the Supplemental Guideline creates some confusion around the proper roles of senior management versus the board of directors. To aid in minimizing such confusion, we recommend use of the term 'responsibility' rather than 'accountability' to clarify what senior management and the Board are each responsible for (both are accountable for more than what they are responsible for).

As well, it is unclear in Section 1 who the term 'insurer' is referring to — is it staff, or the company more generally? For example, who is the 'insurer' that is responsible for ensuring that "the board of directors and senior management are aware of the importance of FTC"? Would it not be that the board and senior management are responsible for ensuring that other parts of the organization are aware of this, i.e. this section is awkwardly worded, such that the meaning it conveys is actually the reverse of what is true in practice and what is intended.

CAFII also believes that the reference in sub-section 1.2 to the board monitoring changes in the business culture should actually apply to senior management, not the board. Boards are responsible for setting the organization's strategic direction, and for receiving and assessing the results of performance and other monitoring activities to guide them in their deliberations. It is actually senior management and their staff that perform the monitoring activity that then feeds into the board.

In *Section 1.5: Communication with BCFSa*, CAFII believes that the expectation "Promptly advise BCFSa if the insurer is likely to experience an operational incident that could jeopardize the interests or rights of customers and the insurer's reputation" is vague and problematic. How is an organization to assess a future event and report on it when it has not yet occurred? We believe this might be better stated in the past tense as "... an insurer has experienced an operational risk ..."



Further with respect to section 1.5, CAFII regards this section as an example of FTC expectations in a Code of Market Conduct being used as a catch-all wedge to shoehorn-in new regulatory expectations from an altogether different, non-FTC area. We have separately provided our views to BCFSa around operational incidents reporting requirements. Operational incidents reporting requires a framework, one that includes definitions of ‘operational incident’, ‘jeopardize’, etc. We believe that to introduce operational incidents reporting requirements under the auspices of an FTC-focused Code of Insurer Conduct, without further clarity on expectations and intended outcomes, is inappropriate. We view the same as being true of the statement in *Section 2.9: Protection of Personal Information* that “This includes informing BCFSa and any persons affected, including customers, in the event of a material information security incident,” which also underscores the need for a comprehensive Operational Incidents Reporting Framework.

With respect to *Section 3.1: Advice*, CAFII points out that credit protection insurance (CPI) and travel insurance are Authorized Insurance Products under the federal Bank Act and the Insurance Business (Banks and Bank Holding Companies) Regulations; and, as such, they are regulated at both the federal and provincial levels. Authorized Insurance Products can be offered by banks’ non-licensed representatives as part of a bank’s consumer lending processes, within strict parameters. However, because these bank representatives do not hold an insurance licence, they cannot conduct a comprehensive needs analysis on a consumer who may be interested in an offered Authorized Insurance Product, nor can they offer advice or recommendations or engage in any activities that are restricted to insurance licensees. Therefore, in our view, Section 3.1 of the draft BCFSa Code does not apply to the Authorized Insurance Products which CAFII Members and some other industry players offer to British Columbians. We therefore recommend that BCFSa modify the language in this section to qualify references to advice “as applicable.”

With respect to Section 3.2, we recommend replacing “free look period” with “review period” because several other provincial and federal insurance regulators have indicated to our Association that they regard “review period” as the more accurate and consumer-friendly term. CAFII therefore removed “free look period” from its lexicon several years ago.

With respect to *Section 3.5: Complaint Handling*, while all CAFII Members have robust, FTC-oriented complaint handling procedures in place and are very used to carrying out rigorous, multi-step processes, we believe that this section risks mandating, in all cases, a complex process that is not required to treat customers fairly. We view this as an example of prescriptive ‘over-engineering,’ rather than a more principles-oriented statement of the expectation of fair treatment of customers, and leaving the detailed operational implementation to organizations that deal with customer complaints regularly as a core part of their businesses.

In the Definitions section at the conclusion of the Supplemental Guideline, we recommend that, for harmonization purposes, BCFSa instead use the definition of Complaint that has been well established, widely accepted, and used effectively across the country, for some years now, in CCIR's Annual Statement on Market Conduct (ASMC), as opposed to introducing a new and different definition that is unique to BC.

### **Conclusion**

As a key industry stakeholder Association, CAFII very much appreciates the opportunity to review and provide feedback on BCFSa's draft *Insurer Code of Market Conduct and Supplemental Guideline*. Fair treatment of customers is a critically important, foundational, culture-based principle for CAFII Members, and we thank the Authority, in advance, for giving our Association's carefully-considered feedback your thorough and unhurried consideration.

Should you require further information from CAFII or wish to meet with representatives from our Association on this or any other matter at any time, please contact Keith Martin, CAFII Co-Executive Director, at [keith.martin@cafii.com](mailto:keith.martin@cafii.com) or 647.460.7725.

Sincerely,



Rob Dobbins  
Board Secretary and Chair, Executive Operations Committee

## **About CAFII**

CAFII is a not-for-profit industry Association dedicated to the development of an open and flexible insurance marketplace. Our Association was established in 1997 to create a voice for financial institutions involved in selling insurance through a variety of distribution channels. Our members provide insurance through client contact centres, agents and brokers, travel agents, direct mail, branches of financial institutions, and the internet.

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October 3, 2022

Kari Toovey, Director, Financial Institutions  
Financial and Corporate Sector Policy Branch  
Ministry of Finance  
[fiarview@gov.bc.ca](mailto:fiarview@gov.bc.ca) and [kari.toovey@gov.bc.ca](mailto:kari.toovey@gov.bc.ca)

Dear Ms. Toovey:

CAFII thanks the BC Ministry of Finance for the opportunity to offer our Association's feedback comments in response to your *Consultation Regarding Restricted Insurance Licences*.

Below, we have divided our submission into two main sections: (i) *High Level/Strategic Feedback*, on issues related to BC's overall development and implementation of a Restricted Insurance Agent (RIA) licensing regime (pages 1 to 4); and (ii) *Specific Feedback Arising From Issues and Questions Raised In The Consultation Paper* (pages 4 to 8). In that latter section, we have decided not to comment on certain issues which are out-of-scope for our Association, such as those related to product warranty insurance.

#### **High Level/Strategic Feedback**

While CAFII believes that BC's current system of insurance retailing and licensing exemptions is working well, our members support the province's decision to introduce an RIA licensing regime.

In addition to the Ministry's own current consultation which is limited to the Regulations required to introduce an RIA licensing regime in the province, an ensuing thorough consultation with industry stakeholders by the Insurance Council of BC -- around the Rules that it will need to introduce regarding initial licensee qualifications, ongoing licence requirements, licensee conduct, fees, licence cancellation provisions, and remuneration of licensees, etc. to govern its oversight responsibilities with respect to the RIA regime -- will be just as critically important to ensuring that the regime is structured in a manner that produces the results which the Ministry, the Council, BCFSa, and the industry seek.

CAFII also requests that industry stakeholders such as our Association be consulted on the proposed definitions for the classes of insurance eligible for RIA licensing, in order that we may help ensure that they are aligned with the definitions of Authorized Insurance Products set out in the federal *Bank Act* and *Insurance Business (Banks and Bank Holding Companies) Regulations*.

If carefully designed and implemented, an RIA regime can be an effective tool for managing the sale of certain insurance products, including the two product lines which bring CAFII members together in common cause within this Association: credit protection insurance (CPI) and travel insurance.

We strongly encourage harmonization, to the maximum degree possible, of the Regulations that will govern BC's new RIA regime with those that already exist in the predecessor RIA regimes in Alberta, Saskatchewan, Manitoba, and, soon, New Brunswick. That is a critical requirement for the industry, the absence of which would compel regulated entities to dedicate significant resources to inefficient 'exception management.'

We also support alignment with international regulatory best practices, such as those set out in the International Association of Insurance Supervisors' (IAIS) Insurance Core Principles (ICPs).

As the Canadian insurance industry Association that is perhaps most directly relevant to RIA licensing regimes, CAFII was directly and centrally involved – from an industry expertise and advisory perspective – in the establishment of the existing RIA regimes in Alberta in 2000; in Saskatchewan in 2010; and in Manitoba in 2015. As our members are prominent RIA licensees in each of those jurisdictions, we have also closely monitored and evaluated the evolution, growth, and relative success of each of those three regimes.

We therefore take this opportunity to highlight those features which our Association views as optimal best practices in an RIA regime.

#### **Embed Authorization for Third Party/Outsourced Contractors Within An RIA Licence**

Third parties contracted by a restricted licensee (such as a third party administrator) – where the licensee is a federally or provincially regulated financial institution – should be considered authorized under the financial institution (FI)'s RIA licence.

It is critically important to include contractors of such RIA licensees as parties authorized under the RIA licensee's licence because most such FIs outsource certain business activities, functions, and processes to meet the challenges of technology innovation, increased specialization, cost control pressures, and heightened competition. The RIA regime should not require an FI's contractor to hold a separate/independent licence, but rather it should require the FI to take ultimate responsibility for outsourced activities.

Further, federally regulated entities are subject to OSFI's outsourcing Guideline B-10 (currently in the process of being updated) which sets standards for an FI's monitoring and oversight of their contractors and requires them to take ultimate responsibility for outsourced activities. Including contractors under the authority granted to FIs holding an RIA licence would recognize the application of OSFI's outsourcing guideline and be appropriate with respect to the continued distribution of RIA regime-authorized insurance products by national FIs in BC.

#### **Council Oversight Of RIA Regime**

We are uncertain at this time as to whether BC plans to utilize industry appointees to assist the Insurance Council in carrying out its oversight of the new RIA regime. Each of the other three Western provinces taps into industry expertise, to some degree, to assist the Council in governing and adjudicating matters related to their RIA regime, and CAFII strongly encourages BC to follow suit.

In that connection, Insurance Councils in Canada have been designed on the basis of 'peer regulation and proportional representation,' administrative law principles which are intended to preclude conflicts of interest and ensure that Council representatives have appropriate knowledge and direct experience in the business they are being called to advise upon with respect to regulation.

Given the unique nature of RIA Regime-authorized insurance products and of alternate, direct-to-consumer distribution channels, impartial adjudication and successful oversight of those products requires expertise from individuals who come from various business models in the marketplace; and it also relies upon effective management of competitive sensitivities relative to the matters before a Council at a given point in time.

Ensuring that an Insurance Council has representation from all categories of market participants on a proportional basis helps to ensure that an impartial, fair, and informed approach is taken in Council deliberations with respect to oversight of all regulated entities. More specifically, the principles of impartiality and fairness indicate that the Insurance Council of BC should be structured and operated in a 'channel neutral' manner. That is to say, the Council should be designed and populated such that the interests of all distribution channels are well-served and the representatives of any particular channel are not in a position to make decisions which could negatively impact consumers' access to products offered by competing distribution channels.

Based on the above-noted considerations, CAFII recommends that -- in conjunction with designing and introducing a new RIA regime -- the BC Ministry of Finance should undertake a review of the Insurance Council of BC's structure and governance to ensure that they are in harmony with the principles of peer regulation; and that they ensure proportional representation and impartiality/fairness for all distribution channels, given the Council's new oversight responsibility for an RIA regime.

**Need For An Industry Voice To Advise Insurance Council of BC On Operating/Maintaining An RIA Regime Efficiently And Effectively**

Particularly because some adjudication/disciplinary issues are technical in nature and best understood by industry practitioners who have direct experience and expertise in the field, we believe that a Restricted Insurance Agent Advisory Group would provide the Insurance Council of BC with a valuable mechanism for consultation and advice. Such an Advisory Group -- called a Restricted Insurance Agent Advisory Committee (RIAAC) -- has been developed by the Insurance Councils of Saskatchewan, in consultation with industry stakeholders (CAFII and CLHIA), and was launched in 2021.

CAFII strongly believes that the Insurance Council of BC would benefit immeasurably from an industry Advisory Group akin to the one recently launched in Saskatchewan.

**Two Other Key Optimal Features**

CAFII highlights the following two features as being central to an optimal RIA regime which can have ongoing success, and be recognized as striking the "right balance" between achieving consumer protection through appropriately detailed and rigorous licensing, while not burdening businesses with overly restrictive requirements or red tape:

- ensure sufficient clarity as to which insurance products may be offered under each RIA licence category (see previous comment re consulting industry stakeholders on proposed definitions for the classes of insurance eligible for RIA licensing); and



- implement, as a central component, an online licensing/registration portal and digital platform, with timely electronic reminders and notifications of licence renewal dates, compliance requirements, etc.

### **Need for Reasonable Lead Time to Prepare For New Licensure Regime**

When provinces are finalizing new regulatory changes, and especially when a new licensure regime is being launched, CAFII always requests that lead time of 12 to 18 months be provided to allow for our members' implementation of the required changes.

These changes inevitably become major projects within our member organizations and it takes time to ensure that the necessary systems changes are made, forms revised, staff trained, and consumers notified of how the changes will affect them.

### **Specific Feedback Arising From Issues and Questions Raised In The Consultation Paper**

#### **Classes of Licensees and Classes of Insurance**

CAFII supports a full repeal of the Insurance Licensing Exemptions Regulation (ILER), as we view that step as critical in establishing an efficient and effective RIA regime, one which is not bogged down by confusion caused by legacy holdovers from a former regime.

CAFII is pleased that the Ministry of Finance "recognizes that other provinces already offer restricted insurance agent licences to certain businesses and that prescribing the same or similar classes of eligible licensees will promote consistency and simplicity which can be beneficial to both the insurance sector and consumers in BC."

However, we note that the Ministry follows up that reassuring comment with an assertion that it is willing to take a divergent, BC-unique approach whenever it sees reason to do so. CAFII urges the Ministry to reconsider its willingness to take an unharmonized 'go it alone' approach. That's because the cumulative effect of jurisdictions each having differences, subtle or otherwise, in their regulations and licensing approaches, while all seeking the same consumer protection objectives, is an undermining of the achievement of those very objectives due to the addition of confusion, expense, and inefficiencies to the licensing and regulatory compliance processes faced by regulated entities. We encourage the Ministry to take CAFII members' lived experience concerns to heart; to promote harmonization not just in principle, but in practice, and to harmonize the BC RIA regime to the maximum extent possible with those already in place in Alberta, Saskatchewan, Manitoba, and, soon, in New Brunswick.

With respect to Classes of Insurance, CAFII again strongly encourages BC to harmonize to the maximum degree possible with the classes prescribed under the existing RIA regimes in Alberta, Saskatchewan, Manitoba, and, soon, in New Brunswick.

### **Incidental Sale of Insurance**

CAFII recommends that BC give full and serious consideration to harmonizing with the approach utilized by Alberta and Saskatchewan by introducing an RIA regime which does not rely on defining an “incidental seller of insurance.” Such an approach would give your province maximum flexibility to include, at a later date, other existing insurance products which are suitable for a restricted licensing regime, without having to go back and re-open a definition that is codified in legislation or a regulation. It would also make it easier for BC to add new types of insurance products which may be introduced to the market in the future to the restricted licensing regime.

In that connection, CAFII strongly recommends that BC abandon use of the term “incidental sale of insurance” in establishing its RIA regime. Our Association views that term as a negative term that is not an accurate descriptor, nor is it in common usage within the industry. Nearly all of the types of insurance that are offered under an RIA corporate licence – in particular, CPI and travel insurance – are not just inconsequential, add-on insurance protection that is offered in conjunction with the sale of another product. Rather, they constitute insurance that is critical to a consumer’s needs, provides meaningful choice in the marketplace, and provides protection against catastrophic financial loss.

### **Careful Wording Requested With Respect To Addition to Bill 37 of Section 174 (2): “A restricted insurance agent licence authorizes the licensee, through the licensee’s employees and agents in British Columbia, to act or offer to act as an insurance agent in respect of one or more prescribed classes of insurance that are specified in the licence.”**

Some of CAFII’s members either operate their own contact centres or contract with third party contact centres that may be physically located outside of British Columbia. While any contact centre customer service representative (CSR) who deals with residents of British Columbia will have been thoroughly trained in BC-specific regulations and rules relating to the products offered (and would thereby be operating under the corporate RIA licence), we encourage the Ministry to word the Regulation that addresses Section 174(2) very carefully (specifically with respect to “through the licensee’s employees and agents in British Columbia”) in order to make it abundantly clear that this clause does not restrict the ability of an RIA licensee to offer products to BC residents via CSRs who are situated in contact centres physically located outside the province. Deletion of the words “in British Columbia” would resolve the problem which CAFII perceives.

### **Comments on Amendment to Bill 37 to Amend Section 225.1 (2) by adding: “(iii) restricting post-claim underwriting by those licensees, employees and agents, and ....”**

CAFII disagrees with the assumptions and misunderstandings underlying this statement because they do not accurately reflect the CPI and travel insurance products offered by our members.

Underwriting refers to determining the risk involved in offering coverage to a potential insured, and then determining the premium or “price” required to assume or “underwrite” that risk.

At the time of offering the insurance coverage at the appropriate premium/price, there is a trade-off between the amount of information gathered, and the simplicity, efficiency, and consumer-friendliness of the underwriting process.

As part of the process that the consumer goes through in applying for coverage, CPI attempts to simplify things by asking only limited health-related questions and avoiding, where possible, the taking of para-medical bodily fluid samples.

This process of “simplified underwriting” is now commonplace throughout the entire life and health insurance marketplace. It is not unique to CPI, and is deployed by all major term life insurance underwriters.

At the time of a claim, the insured’s responses to the questions asked at the time of application need to be verified. This is not “post-claims underwriting,” but rather a claims verification process that all insurers employ for all types of life and health insurance coverage. Before paying out a claim, all insurers go through a process of confirming that no material misrepresentations were made in response to the health questions asked at the time of application; that the claim is not the result of a pre-existing medical condition that was excluded at the time of application; and that eligibility is met.

“Post-claims underwriting” is a term that does not line up with the marketplace reality: a reality in which CPI insurers are the very same insurers that underwrite term life and other forms of non-CPI life and health insurance coverage.

### **Consumer Disclosure Requirements**

The consultation document contains three sections that pertain to consumer disclosures. CAFII members take consumer disclosures and transparency very seriously, and they have in place rigorous disclosure practices to ensure that consumers fully understand the insurance coverage which they are applying to obtain, including cost, features, benefits, limitations, and exclusions. CAFII members also comply fully with CLHIA Guidelines G5 (Travel Insurance), G7 (Creditor Insurance), and G9 (Direct Marketing), as applicable.

CAFII recommends that the Ministry of Finance should strive not to be overly prescriptive, and try not to anticipate and fix a problem that does not currently exist. We strongly encourage BC to align with the consumer disclosure expectations that exist in the Alberta, Saskatchewan, Manitoba, and New Brunswick RIA regimes; to remain principles-based; and not to impose additional regulatory burden through new, unharmonized disclosure requirements that would not bring clear additional benefit to consumers.

### **“Should there be any requirements for warranty cancellations and premium refunds?”**

While product warranty insurance is out-of-scope for CAFII, our Association is comfortable with the requirements that are in place for premium refunds in the existing RIA regimes. Our members offer the right to cancel the CPI insurance coverage offered in the RIA regimes in Alberta, Saskatchewan, and Manitoba and receive a full refund during a ‘review period,’ which typically lasts a minimum of 20 days from the onset of coverage.

**Should any classes of insurance products sold by a restricted insurance agent licensee be subject to a cooling off period or include a right of rescission?**

As per above, CAFII members already provide a 'review period' with a full premium refund provided if the coverage is terminated within 20 days of its onset; and thereafter, consumers can always cancel the coverage at any time and avoid future premium payments.

CAFII notes that there is one important exception to the above-noted right of rescission with a full premium refund, which applies in the case of travel insurance. If, for example, a person obtains travel insurance starting on March 1, then immediately takes a trip on March 2 which lasts through March 10, and then (not having incurred any claims during that trip) cancels the insurance after their return from the trip, having such a scenario fall within the scope of the review-period-with-full-premium-refund would undermine a fundamental principle of insurance and would not be appropriate.

Insurance covers and mitigates against a risk; and in the example provided above, a risk has been covered and a premium earned — even though no claim was made.

**"...should the licensee be required to facilitate contact with the insurer providing the policy if the customer has a question the licensee is unable to answer?"**

With respect to CPI, in accordance with CLHIA Guideline G7 (Creditor Insurance), CAFII concurs that RIA licensees should be required to provide applicants with a statement which addresses, among other things, (i) who is eligible to apply for the insurance; and (ii) the name of the insurer and instructions on how to contact the insurer to obtain further information or clarification.

**"Should there be any restrictions on how a restricted insurance agent holds themselves out...?"**

CAFII recommends that the Ministry of Finance should avoid imposing restrictions upon regulated entities that have a strong commitment to the fair treatment of customers, and which operate in a competitive environment where their brands and reputations are of paramount importance.

**Should any restricted insurance agent licensees be limited in the commissions or fees they may charge?**

CAFII believes that dealing with expectations around commissions or fees is best approached on a nationally harmonized basis through the joint *CCIR/CISRO Guidance: Conduct of Insurance Business and Fair Treatment of Customers*. That Guidance references compensation issues in its section 6.2 on Conflicts of Interest; and there is also ongoing CCIR/CISRO joint work to update, modernize, and enhance the Guidance document with additional commentary on incentives management issues.

In addition, CAFII again strongly recommends harmonization with the existing RIA regimes on this important matter. Under the existing Western Canada RIA licensure regimes, if the licensee, or a qualified entity acting on its behalf, receives compensation, inducements, or other benefits from the insurer, only the fact that compensation will be received must be disclosed to the consumer. Requiring licensees to disclose the simple fact that they will receive compensation, rather than imposing limits on the amount of the compensation paid, is, in our view, a proven RIA regime best practice.

**Is a deferred sales model appropriate for any restricted insurance agent licences? For example an insurance product could not be marketed until a set number of days after the primary purchase is made or contract agreed to.**

CAFII and its members have serious reservations about consideration being given to the implementation of a deferred sales model for any RIA regime products because the result would be contrary to the policy objectives that underlie RIA licensure frameworks.

RIA regimes can make insurance more accessible to consumers at the place where and at the time when they are obtaining credit, a mortgage, a service, or an item which they are looking to insure. In contrast, CAFII believes that a deferred sales model would make it more difficult for people to get insurance and could lead to further under-insurance among Canadians. RIA regimes should make access to insurance easier, not more difficult.

Thinking about one's death, disability, critical illness, or loss of employment is not something people enjoy doing; and obtaining related life and health insurance coverage is not a subject people seek to discuss. That social reality helps explain why Canadians generally are so vastly under-insured or uninsured<sup>1</sup>.

Because all life and health insurance is typically "sold; not bought," unless an offer of CPI is presented to the consumer – conveniently, accessibly, and optionally – at the time that he/she/they is taking on a new debt obligation, such as a mortgage or line of credit, that consumer is much less likely to apply for the insurance coverage at a later point in time. The linking of optional life, disability, critical illness, and loss of employment insurance to the taking on of a new mortgage or other debt obligation provides consumers with a simple, accessible, and affordable way to obtain insurance protection that they otherwise would not go out of their way to secure.

A deferred sales model would not give rise to any incremental consumer protection benefits and instead would do consumers a disservice by limiting choice and access.

CAFII and its members believe that sufficient customer protection already exists under the CCIR/CISRO *Guidance: Conduct of Insurance Business and Fair Treatment of Customers*. In addition, the 20-day minimum 'review period' provided to all CPI insureds provides a period during which they can cancel their insurance and obtain a full refund, if they so wish.

**Conclusion**

As a key industry stakeholder Association, CAFII very much appreciates the opportunity to review and provide feedback on the BC Ministry of Finance's *Consultation Regarding Restricted Insurance Licences*. We thank the Ministry, in advance, for giving our Association's feedback your thorough consideration.

<sup>1</sup> LIMRA Canadian Life Insurance Ownership Study — 2019 Person-Level Report finds that 50% of Canadians do not have life insurance, and that this coverage gap disproportionately affects lower-income Canadians.

Should you require further information from CAFII or wish to meet with representatives from our Association on this or any other matter at any time, please contact Keith Martin, CAFII Co-Executive Director, at [keith.martin@cafii.com](mailto:keith.martin@cafii.com) or 647-460-7725.

Sincerely,



Rob Dobbins  
Board Secretary and Chair, Executive Operations Committee

### About CAFII

CAFII is a not-for-profit industry Association dedicated to the development of an open and flexible insurance marketplace. Our Association was established in 1997 to create a voice for financial institutions involved in selling insurance through a variety of distribution channels. Our members provide insurance through client contact centres, agents and brokers, travel agents, direct mail, branches of financial institutions, and the internet.

CAFII believes consumers are best served when they have meaningful choice in the purchase of insurance products and services. Our members offer credit protection, travel, life, health, and property and casualty insurance across Canada. In particular, credit protection insurance and travel insurance are the product lines of primary focus for CAFII as our members' common ground.

CAFII's diverse membership enables our Association to take a broad view of the regulatory regime governing the insurance marketplace. We work with government and regulators (primarily provincial/territorial) to develop a legislative and regulatory framework for the insurance sector which helps ensure that Canadian consumers have access to insurance products that suit their needs. Our aim is to ensure that appropriate standards are in place for the distribution and marketing of all insurance products and services.

CAFII's members include the insurance arms of Canada's major financial institutions – BMO Insurance; CIBC Insurance; Desjardins Insurance; National Bank Insurance; RBC Insurance; ScotiaLife Financial; and TD Insurance – along with major industry players Assurant; Canada Life Assurance; Canadian Premier Life Insurance Company; Canadian Tire Bank; CUMIS Services Incorporated; Manulife (The Manufacturers Life Insurance Company); Sun Life; and Valeyo.



## CAFIL Consultations/Submissions Timetable, 2022-23

Regulatory Issue	Deliverable	Deadline	Accountable
Financial Consumer Agency of Canada (FCAC)	<ul style="list-style-type: none"> <li>CAFIL submission on “Proposed Guideline on Appropriate Products and Services For Banks and Authorized Foreign Banks”</li> <li>CAFIL meets virtually with FCAC staff executives to present highlights of submission on “Proposed Guideline on Appropriate Products and Services For Banks and Authorized Foreign Banks”</li> <li>FCAC virtual meeting with K. Martin and B. Wycks to present its decisions on elements in CAFIL’s submission on “Proposed Guideline”</li> <li>FCAC releases final version of “Guideline on Appropriate Products and Services For Banks and Authorized Foreign Banks”</li> </ul>	<ul style="list-style-type: none"> <li>January 6/22</li> <li>January 15/22</li> <li>February 17/22</li> <li>February 24/22</li> </ul>	<ul style="list-style-type: none"> <li>Mkt Conduct &amp; Licensing Committee; Co-EDs to monitor</li> </ul>
BC Ministry of Finance 10-Year Review of FIA (Public Consultation Paper issued June/15)	<ul style="list-style-type: none"> <li>Revised Financial Institutions Act (FIA) tabled in the legislature</li> <li>Ministry releases consultation paper on introducing a Restricted Insurance Agent licensing regime in BC (October 3/22 submission deadline)</li> <li><b>CAFIL submission on BC RIA licensing regime consultation paper</b></li> </ul>	<ul style="list-style-type: none"> <li>October 21/19</li> <li>June 30/22</li> <li><b>October 3/22</b></li> </ul>	<ul style="list-style-type: none"> <li>Mkt Conduct &amp; Licensing Committee; Co-EDs to monitor</li> </ul>
British Columbia Financial Services Authority (BCFSA)	<ul style="list-style-type: none"> <li>CAFIL meeting with BCFSA re “Discussion Paper: Information Security Incident Reporting”</li> <li>CAFIL written submission on BCFSA’s Information Security Incident Discussion Paper (overhauled based on insights from February 24/22 meeting)</li> <li><u>CAFIL submission on BCFSA’s “Draft Insurer Code of Conduct”</u></li> </ul>	<ul style="list-style-type: none"> <li>February 24/22</li> <li>March 1/22</li> <li><u>September 9/22</u></li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>
Quebec Bill 141 and Related Regulations (including Regulation Respecting Alternative Distribution Methods, RADM)	<ul style="list-style-type: none"> <li>CAFIL submission on Draft Regulation Respecting Complaint Processing</li> <li>CAFIL makes submission to AMF on wording modifications needed to Fact Sheet and Notice of Rescission to make them fit credit card-embedded insurance benefits</li> <li>CAFIL submission on AMF draft Incentive Management Guideline</li> </ul>	<ul style="list-style-type: none"> <li>December 8/21</li> <li>January 17/22</li> <li>February 18/22</li> </ul>	<ul style="list-style-type: none"> <li>Mkt Conduct &amp; Licensing Committee; Co-Eds to monitor</li> </ul>
CCIR/CISRO Guidance: Conduct of Insurance Business and Fair Treatment of Customers	<ul style="list-style-type: none"> <li><i>CCIR/CISRO FTC Working Group accepts proposal in CAFIL’s July 2/20 letter</i></li> <li>CAFIL submission on CCIR/CISRO Draft “Incentives Management Guidance”</li> <li>CAFIL submission on CCIR/CISRO proposed “Incentives Management Guidance”</li> </ul>	<ul style="list-style-type: none"> <li>August 31/20</li> <li>September 17/21</li> <li><b>April 4/22</b></li> </ul>	<ul style="list-style-type: none"> <li>Mkt Conduct &amp; Licensing Cttee; Co-Eds to monitor</li> </ul>
FCNB Insurance Act Rewrite and Introduction of RIA Regime	<ul style="list-style-type: none"> <li>CAFIL responds to David Weir follow-up questions re legislative constraints which prevent bank branch employees from being individually licensed to sell travel insurance</li> <li>FCNB Releases “Proposed Rule INS-001: Insurance Intermediaries Licensing and Obligations” for consultation, with February 7/22 submission deadline</li> <li>CAFIL submission on FCNB’s “Insurance Act Rewrite: Questions For Industry, Dec. ‘21”</li> <li>CAFIL submission on Proposed Rule INS-001: Insurance Intermediaries Licensing and Obligations</li> <li>CAFIL submission on Proposed Rule INS-002: Insurance Fees</li> <li>CAFIL submission on FCNB legislative change proposals re Life Insurance and Accident &amp; Sickness Insurance sections of Insurance Act (informal sounding board consultation)</li> <li>FCNB releases final versions of Rule INS-001 and Rule INS-002 (“in force” date TBA, pending Ministerial approval)</li> </ul>	<ul style="list-style-type: none"> <li>May 19/21</li> <li>November 2021</li> <li>January 31/22</li> <li>February 7/22</li> <li>February 18/22</li> <li>May 20/22</li> <li>July 4/22</li> </ul>	<ul style="list-style-type: none"> <li>Mkt Conduct &amp; Licensing Cttee; Co-Eds to monitor</li> </ul>
Financial Services Regulatory Authority of Ontario (FSRA) Regulatory Consultations	<ul style="list-style-type: none"> <li>CAFIL responds to FSRA consultation on “Enforcement Proceedings and Investigations”</li> <li>CAFIL responds to FSRA consultation on Proposed 2022-23 Statement of Priorities</li> <li>CAFIL responds to FSRA “Information Guidance on Complaints Resolution” consultation</li> <li>CAFIL submission on FSRA’s “Principles-Based Regulation” consultation document</li> <li>CAFIL submission on FSRA’s “Principles of Conduct for Insurance Intermediaries”</li> <li>CAFIL submission on FSRA’s “Use of Retained Revenues Guidance”</li> <li>FSRA provides feedback on CAFIL’s submission on “Use of Retained Revenues Guidance”</li> </ul>	<ul style="list-style-type: none"> <li>Sept 24/21</li> <li>October 29/21</li> <li>February 15/22</li> <li>April 29/22</li> <li>May 3/22</li> <li>May 31/22</li> <li>Sept 9/22</li> </ul>	<ul style="list-style-type: none"> <li>Mkt Conduct &amp; Licensing Cttee; Co-EDs to monitor</li> </ul>

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

**Agenda Item 2(i)**  
**October 11/22 Board Meeting**

**CAFII Insurance Regulator and Policy-Maker Meetings/Interactions**  
**From July 23/22 To September 16/22**

<b><u>Date</u></b>	<b><u>Event/Occasion/Issue</u></b>	<b><u>Who</u></b>
July 28/22 and September 7-8/22	Email exchange with FSRA's National Regulatory Co-ordination Branch with respect to "Regulators Week" during the week of October 17-21/22; and opportunity for CAFII to host its 25 <sup>th</sup> Anniversary Celebration on one of the evenings in that week in order to attract attendance from insurance regulators and policy-makers from Canada	Brendan Wycks had extensive email exchanges on July 28/22 and September 7-8/22 with Donna Soloway, Executive Assistant/Project Manager, National Regulatory Co-ordination, Financial Services Regulatory Authority of Ontario (FSRA), the net result of which has allowed CAFII to move forward confidently in scheduling its 25 <sup>th</sup> Anniversary Celebration for Wednesday, October 19/22 from 4:30 to 7:30 p.m. at BMO's Corporate Event Space, 68 <sup>th</sup> Floor, First Canadian Place, in Toronto.
July 28/22	Congratulations and best wishes email exchange between CAFII's Co-Executive Directors and Ron Fullan, outgoing Executive Director of the Insurance Councils of Saskatchewan (ICS) and former Chair of the Canadian Insurance Services Regulatory Organisations (CISRO)	Brendan Wycks and Keith Martin sent Ron Fullan separate congratulations and best wishes emails on his imminent retirement (last day July 29/22) as Executive Director of ICS. They also invited Ron to attend CAFII's 25 <sup>th</sup> Anniversary Celebration event in Toronto in October 2022, which he graciously accepted.

August 9/22 and September 16/22	Email exchange with FSRA's National Regulatory Co-ordination Branch with respect to a Thursday, October 20/22 in-person CAFII Stakeholder Meeting with CCIR to provide feedback on the Council's in-development 2023-25 Strategic Plan (which will be shared confidentially 10 days to 2 weeks prior to October 20)	Brendan Wycks had a CCIR-initiated email exchange with (and a follow-up phone call from) Tony Toy, CCIR Policy Manager, on August 9/22 on this matter; followed by a follow-up email from Peter Burston, Director, National Regulatory Co-ordination, on September 16/22 on the same matter, which indicated that CCIR had changed its plans and would now be conducting the Stakeholder Meetings related to its 2023-25 Strategic Plan virtually only on a TBD date in November 2022.
August 22-23/22	Email exchange with April Stadnek, recently appointed Executive Director of the Insurance Councils of Saskatchewan (ICS)	Brendan Wycks emailed April Stadnek to advise that CAFII had secured a meeting room within BMO's Corporate Event Space on the 68 <sup>th</sup> floor of First Canadian Place, Toronto as a location for the in-person meeting of the Saskatchewan Restricted Insurance Agent Advisory Committee (RIAAC) scheduled to take place from 2:00 to 4:00 p.m. on Wednesday, October 19/22. This is in the same venue where CAFII's 25 <sup>th</sup> Anniversary Celebration event will take place from 4:30 to 7:30 p.m. on that same day. Ms. Stadnek replied with a gracious thank you for CAFII's securing the above-noted meeting room booking.

August 25/22	Virtual meeting(s) with Dan Miles, Director of Corporate Communications, Financial Services Regulatory Authority of Ontario (FSRA)	Brendan Wycks met with Dan Miles to review/discuss first draft of questions list for September 13/22 CAFII Annual Members and Associates Luncheon with Mark White, CEO of FSRA, as guest presenter in a fireside chat with Keith Martin. B. Wycks thereafter sent a revised list of questions to D. Miles, based on the August 25 discussion. Questions list was ultimately finalized on September 12/22 via a further virtual meeting between K. Martin, B. Wycks, and D. Miles on September 8/22 and an iterative email exchange.
September 6/22	Invitation to CAFII to participate, as a key stakeholder, in a qualitative research interview with an independent agency on general perceptions about the Alberta Insurance Council (AIC) and insurance regulation as a whole	Brendan Wycks received an outreach email from Kelly Wegert, Executive Assistant, AIC, on behalf of Brent Rathgeber, Chief Operating Office and General Counsel, AIC, inviting CAFII to participate in a half hour qualitative research interview with Alberta-based Berlin Communications, an independent agency, on general perceptions of AIC and insurance regulation as a whole. That interview will take place on September 19/22.
September 9/22	FSRA-requested virtual meeting with CAFII to provide feedback on how FSRA heard/received and will be accommodating/acting upon May 31/22 CAFII submission on <u>Use of Retained Revenues under Regulation Money Retained Outside the Consolidated Fund Guidance</u>	Brendan Wycks and Keith Martin had a half hour virtual meeting with Fern Karsh, Senior Policy and Technical Lead, and Stuart Wilkinson, Acting Director of the Consumer Office, at FSRA.

September 13/22	CAFII 2022 Annual Members and Associates Luncheon	CAFII staged a very successful Luncheon event and also made the most of the opportunity to play gracious host to and build a stronger relationship with the following FSRA staff executives as complimentary guests: - Mark White, CEO - Jordan Solway, EVP, Legal and Enforcement - Stephen Power, EVP, Corporate Services - Erica Hiemstra, Head, Insurance Conduct; - Swati Agrawal, Director, Market Conduct – Life and Health Insurance - Dan Miles, Director of Corporate Communications
September 15/22	CAFII virtual meeting with three AMF staff executives, at the AMF's request, after CAFII had reached to Mario Beaudoin and Charlene Boucher for an update on where things stand on a promised AMF burden reduction initiative related to distributors having to report to the AMF and then keep up-to-date all of their Quebec branch locations	Keith Martin and Brendan Wycks met virtually with AMF staff executives Mario Beaudoin, Charlene Boucher, and Christian Beaulieu, for an update meeting that covered the following four-item AMF agenda: Proposed Wording Modifications to Notice of Rescission and Fact Sheet to Accommodate Credit Card-Embedded Insurance Benefits; Overview of 2021 Annual Disclosure Results and Next Steps; Imminent AMF CAFII Member-Focused Survey of Industry on Debtor Life, Health, and Employment (DLHE) Insurance Products; and Distributors' Disclosure of Their Quebec Branches.

**CAFII 2022 Schedule of Meetings and Events (Approved By Board of Directors on October 5/21;  
But Subsequently Adjusted/Amended)**

**Assumes Restart of In-Person Meetings in June 2022 for Board; and September 2022 for EOC**

**EOC Meetings:** *To be held for 2 hours or 1.5 hours, in alternating months*

- **Tuesday, January 18, 2022** (2:00–4:00 p.m. via MS Teams)
- **Tuesday, February 15, 2022** (2:00–3:30 p.m. via MS Teams)  
*(Family Day Stat Holiday in Ontario: Monday, February 21)*
- **Tuesday, March 22, 2022** (2:00–4:00 p.m. via MS Teams)  
*(Quebec Spring Break: March 7 – March 11. Ontario March Break: March 14 – March 18. Purim: March 17 – March 18)*
- **Tuesday, April 26, 2022** (2:00–3:30 p.m. via MS Teams)  
*(Good Friday: Friday, April 15. Easter Monday: Monday, April 18)*
- **Tuesday, May 17, 2022** (2:00–4:00 p.m. via MS Teams)  
*(Victoria Day Stat Holiday: Monday, May 23)*
- **Tuesday, June 28, 2022** (2:00–3:30 p.m. via MS Teams)  
*(St. Jean Baptiste Day in Quebec: Friday, June 24. Canada Day: Friday, July 1)*
- **Tuesday, July 26, 2022**, tentative summer meeting (2:00–3:30 p.m. via MS Teams)
- ~~**Tuesday, August 16, 2022**, tentative summer meeting (2:00–3:30 p.m. via MS Teams)~~  
*(Civic Stat Holiday: Monday, August 1)*
- **Tuesday, September 20, 2022** (2:00–4:00 p.m. in-person)  
*(Labour Day: Monday, September 5. Rosh Hashanah: September 26 & 27. National Day for Truth and Reconciliation: Friday, September 30)*
- **Tuesday, October 25, 2022** (2:00–3:30 p.m. via MS Teams)  
*(Yom Kippur: October 4 – October 5. Thanksgiving Stat Holiday: Monday, October 10. Diwali: Monday, October 24)*
- ~~**Tuesday, November 22, Thursday, November 24, 2022** (2:00–4:00 p.m. in-person)~~  
*(Remembrance Day: Friday, November 11)*
- **EOC Annual Appreciation Dinner: Proposed for Tuesday, May 17, September 20, 2022** at 5:30 p.m. at a downtown Toronto restaurant, immediately following a 3:00 to 5:00 p.m. EOC meeting, if public health restrictions allow.

**Board Meetings:**

- **Tuesday, April 12, 2022** (2:00–4:00 p.m. via MS Teams)  
*(Good Friday: Friday, April 15. Easter Monday: Monday, April 18)*
- ~~**Tuesday, June 7, 2022** (2:20–5:00 p.m., preceded by 2022 Annual Meeting of Members; and followed by CAFII 25<sup>th</sup> Anniversary Celebration at same or nearby downtown Toronto venue). HOST: BMO Insurance, 68<sup>th</sup> Floor Event Space, First Canadian Place, Toronto~~
- **Tuesday, October 11, 2022** (2:20–4:00 p.m., immediately following liaison lunch and Industry Issues Dialogue with AMF staff executives) HOST: Desjardins Insurance in Levis/Quebec City (This is the day immediately following Thanksgiving Monday; however, Tuesday, October 4, 2022 is Yom Kippur)
- **Tuesday, December 6, 2022** (3:00–5:00 p.m.; followed by Holiday Season/Year-End Reception).  
HOST: CIBC Insurance



**2022 Annual Members and Associates Luncheon:**

- *Confirmed Date: Tuesday, September 13, 2022 from 11:45 a.m. EST to 2:15 p.m. EDT at St. James Cathedral Centre Event Venue , 65 Church St., Toronto*

**CAFII 25<sup>th</sup> Anniversary Celebration:**

- *Tentative Date: Wednesday, October 19, 2022 (alternate date: Thursday, October 20, 2022), hosted by BMO Insurance at BMO Corporate Event Space, 68<sup>th</sup> Floor, First Canadian Place, Toronto*

**2021 Board meetings Hosted by:**

*None, due to COVID-19 pandemic situation*

**2020 Board meetings Hosted by:**

*None, due to COVID-19 pandemic situation*

**2019 Board meetings Hosted by:**

*CUMIS (National Club), Manulife Financial, National Bank Insurance, TD Insurance*

**2018 Board Meetings Hosted by:**

*CAFII; ScotiaLife Financial; BMO Insurance; The Canada Life Assurance*

**2017 Board Meetings Hosted by:**

*TD Insurance; CAFII; Desjardins; CIBC Insurance*

**2016 Board Meetings Hosted by:**

*CUMIS Group; Assurant Solutions; RBC Insurance; BMO Insurance*

**Recent Years' Annual Members and Associates Luncheons****2021 Annual Members and Associates Virtual Luncheon Webinar**

*Date: Tuesday, November 9, 2021 from 1:00 p.m. – 2:30 p.m. EDT*

*Topic: "The Changing Regulatory Environment – Challenges, Risks and Opportunities"*

*Panelists: Jill McCutcheon, Partner, Torys LLP; Stuart Carruthers, Partner, Stikeman Elliott LLP; Marc Duquette, Partner, Norton Rose Fulbright Corporation. Panel Moderator: Keith Martin, CAFII,*

*Venue: Virtual-Only Webinar*

**2020 Annual Members and Associates Virtual Luncheon Webinar**

*Date: Wednesday, October 21, 2020 from 12 Noon to 1:00 p.m. EDT*

*Topic: "Setting the Bar Higher: How the Financial Consumer Protection Framework Sets a New Standard for Fairness and Transparency"*

*Speaker: Frank Lofranco, Deputy Commissioner, Supervision and Enforcement, Financial Consumer Agency of Canada (Remarks actually delivered by Teresa Frick, Director, FCAC who was subbed in for Frank Lofranco at the last minute)*

*Venue: Virtual-Only Webinar*

**2019 Annual Members and Associates Luncheon**

*Date: Tuesday, February 19, 2019 from 11:45 a.m. to 2:15 p.m.*

*Topic: "The Changing Regulatory Environment – Challenges, Risks and Opportunities"*

*Panelists: Stuart Carruthers, Partner, Stikeman Elliott LLP; Koker Christensen, Partner, Fasken; Jill McCutcheon, Partner, Torys LLP. Panel Moderator: Nicole Benson, CEO, Canadian Premier Life/Valeyo*

*Venue: Arcadian Loft, 401 Bay St., Simpson Tower, 8<sup>th</sup> Floor, Toronto, ON*

**2018 Annual Members and Associates Luncheon**

*Topic: "Leading For Success in A Volatile World"*

*Speaker: Richard Nesbitt, CEO, the Global Risk Institute*

*Venue: Arcadian Loft, 401 Bay St., Simpson Tower, 8<sup>th</sup> Floor, Toronto, ON*

## **Briefing Note**

**CAFII Board Meeting 11 October, 2022 Agenda Item 3(a)**

**Governance Matters: Welcome to and Self-introduction by New CAFII Director Wayne Hewitt, Scotia Insurance**

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### **Purpose of this Agenda Item – Update**

To welcome Wayne Hewitt, the new CAFII Board member from Scotia Insurance, and invite him to introduce himself.

### **Background Information**

Wayne Hewitt will be the new CAFII Board member from Scotia Insurance.

### **Recommendation / Direction Sought -- Update**

Update only.

### **Attachments Included with this Agenda Item**

1 attachment.

**CAFII BOARD OF DIRECTORS RESOLUTION ON A CAFII DIRECTOR APPOINTMENT**

**TO BE VOTED UPON VIA ELECTRONIC MEANS, OUTSIDE OF A BOARD MEETING**

**(AS PERMITTED BY ARTICLE 5.14 OF CAFII BY-LAW No. 1)**

**CAFII BOARD OF DIRECTORS' VOTE ON A DULY AUTHORIZED RESOLUTION: VIA ELECTRONIC MEANS,  
OUTSIDE OF A BOARD MEETING**

*I support the Resolution below moved by Peter McCarthy, CAFII Director from Bank of Montreal, BMO Insurance; and seconded by Paul Cosgrove, CAFII Director from Assurant Canada,*

**THAT** Wayne Hewitt, Senior Vice President, Insurance Canada at Scotia Insurance (formerly ScotiaLife Financial), be appointed to the CAFII Board of Directors as the Director from Scotia Insurance, effective October 6, 2022.

**CAFII Director's Name and Member Company Affiliation:**

\_\_\_ **In Favour**

\_\_\_ **Opposed**

\_\_\_ **Abstain**

**Background Context/Rationale:** in July 2022, Scotia Insurance informed CAFII that Zack Fuerstenberg, its current Director on the CAFII Board of Directors, had left the company's employ. Subsequently, in September 2022, Scotia Insurance informed CAFII that it wished to nominate Wayne Hewitt, Senior Vice President, Insurance Canada at Scotia Insurance (see Appendix A for Capsule Biography), for appointment as its new Director on the CAFII Board of Directors; and that it was amenable to having that appointment occur via Article 5.14 of the Association's By-Law: *Voting By Electronic Means, Outside Of A Board Meeting* so that Mr. Hewitt's appointment could be effected prior to the CAFII Board's next meeting on Tuesday, October 11/22.

(The foregoing Resolution was moved and seconded pursuant to Article 5.14 of the Canadian Association of Financial Institutions in Insurance By-Law No. 1: *Voting By Electronic Means, Outside Of A Board Meeting*:

*At the discretion of the board chair – or in his/her absence, the board vice-chair – and in lieu of 5.13, a resolution in writing may be proposed to the directors via electronic means, outside of a properly constituted board meeting, for approval via electronic means. Where this option is exercised, a simple affirmative vote response by a director shall suffice and be as valid as if it had been cast at a board meeting. A two-thirds majority vote of all directors entitled to vote shall be required for approval of the resolution -- absent any vote against the resolution by a director entitled to vote, the occurrence of which shall void the voting on the resolution by electronic means, outside of a board meeting. Voting by electronic means outside of a board meeting shall be reserved for matters of particular time-sensitivity and urgency. A copy of every such resolution in writing proposed to directors for voting by electronic means, outside of a board meeting shall be kept with the minutes of the proceedings of the board or committee of directors.)*



### **Wayne Hewitt Capsule Biography**

#### **About**

Proven empathetic and highly respected leader with strong execution capabilities. Known for his deep operational and process knowledge, strong customer focus, a collaborative approach to building strong partnerships, a passion for building and nurturing high performing teams, and his future forward business vision. A seasoned banker with a strong work ethic, and broad, extensive banking experience, particularly in Corporate & Commercial Banking, Risk Management, Client Relationship Management and Internal Audit and Controls. I have worked successfully in banking in more than one bank, more than one country, and more than one business line. Improving Spanish language capability. And lots of heart.

#### **Experience**

- 



Senior Vice President, Insurance Canada, Scotia Insurance: Sep 2022 – Present: Leader of Scotiabank's Insurance business in Canada

- 



[Vice President, Business Operations & Credit Controls, Commercial Banking](#)

[Sep 2019 - Sep 2022; 3 yrs, 1 mo, Toronto, Ontario](#)

[Vice President, Internal Audit, Operations; Apr 2018 - Sep 2019 · 1 yr., 6 mos, Toronto, Ontario](#)

As VP Operations Audit, I am responsible for planning and executing Internal Audit program covering Operations departments and processes in Scotiabank's Canadian Banking and International Banking divisions.

[Vice President - Internal Audit, Caribbean; May 2014 - Apr 2018 · 4 yrs; Toronto, Ontario, Canada](#)

As Vice President, Caribbean Audit, I am responsible for planning and executing the Internal Audit program for the 20 countries in the English & Spanish Caribbean in which Scotiabank has a presence. As Vice President, Caribbean Audit, I am responsible for planning and executing the Internal Audit program for the 20 countries in the English & Spanish Caribbean in which Scotiabank has a presence.



Resident Vice President

Citi, Jun 1993 - Jun 2003; · 10 yrs, 1 mo, Jamaica

## **Briefing Note**

### **CAFII Board Meeting 11 October, 2022—Agenda Item 3(b) Governance Matters: CAFII Board Vice-Chair Position**

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#### ***Purpose of this Agenda Item – Update***

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This is an update only.

#### ***Background Information***

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The Board Chair will update the Board on recent developments with respect to the Board Vice-Chair position for the Association's 2022-23 governance year.

#### ***Recommendation / Direction Sought – Update***

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This is an update only.

#### ***Attachments Included with this Agenda Item***

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No attachments.



## **Briefing Note**

**CAFII Board Meeting 11 October, 2022—Agenda Item 3(c)**

**Governance Matters: EOC-Endorsed Recommendations for Revisions to CAFII Alerts Weekly Digest**

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### **Purpose of this Agenda Item – Discussion/Approval**

To update the Board on a recommended approach going forward for the CAFII Alerts Weekly Digest, which has been discussed and endorsed by the EOC; and to seek the Board's approval of the proposed new approach.

### **Background Information**

The EOC has endorsed a revised approach for the CAFII Alerts Weekly Digest, and the Board is being asked to approve this new approach.

### **Recommendation / Direction Sought – Discussion/Approval**

This is a request for approval.

### **Attachments Included with this Agenda Item**

1 attachment.

**Agenda Item 3(c)**  
**October 11/22 Board Meeting**

**Recommendations for Revisions to CAFII Alerts Weekly Digest,**  
**Based On June/July 2022 EOC Member Input Survey**  
**Prepared by Brendan Wycks, Co-Executive Director**

**Part 1**

**Editorial Guidelines**

- A. Proposed Revised Content Categories For CAFII Alerts Weekly Digest:
- Government/Regulatory Developments (in particular, credit protection insurance and travel insurance as product lines of primary focus; five articles maximum)
  - Other CAFII Member-Relevant News (five articles maximum)
  - Upcoming CAFII Member-Relevant Webinars and Events

If the above-proposed Content Categories are approved as new Editorial Guidelines for the Weekly Digest, the following current Content Categories will no longer be utilized:

- News About CAFII Members and Their Parent Companies (subsumed within “Other CAFII Member-Relevant News”)
- Diversity, Equity, and Inclusion News (subsumed within “Other CAFII Member-Relevant News”)
- Research/Thought Leadership/Technology/Digitization News (subsumed within “Other CAFII Member-Relevant News”)

- B. No Opinion Pieces. Scope to be limited to news reporting articles only.

**Part 2**

**Operational Process Changes/Enhancements**

- A. If CAFII’s Co-Executive Directors question whether an article is acceptable for inclusion; engage the Media Advocacy Committee (or an adhoc Committee of 2-3 volunteer EOC members) for a Review/”Sanity Check”. This is a consulting engagement and not a regular/recurring review and approval of the Weekly Digest. The editorial guidelines and more limited scope should largely address any inappropriate articles.

- B. CAFII Alerts Weekly Digest Disclaimer Statement To Be Updated, As Follows:

*The CAFII Alerts Weekly Digest is intended to provide a curated compendium of news on insurance, regulatory, and industry/business/societal topics of relevance to CAFII Members – drawn from domestic and international industry trade press and mainstream media – to aid in Members’ awareness of recently published media content in those areas.*

- C. Transition/Implementation Date: once changes to overhaul and enhance the Weekly Digest are approved by the EOC (assuming at September 20/22 EOC meeting) and by the CAFII Board (assuming at October 11/22 Board meeting), the changes can be implemented immediately, with the next edition of the Weekly Digest (e.g. based on above assumptions, with the edition of Friday, October 14/22.)

## **Briefing Note**

### **CAFII Board Meeting 11 October, 2022—Agenda Item 3(d)**

#### **Governance Matters: Recommended CAFII 2023 Schedule of Meetings and Events, Including Feedback Question Re Optimal Timing of 2023 Annual Members and Associates Luncheon**

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#### **Purpose of this Agenda Item – Discussion/Approval**

To update the Board and obtain its approval of the Recommended CAFII 2023 Schedule of Meetings and Events.

#### **Background Information**

With in-person meetings re-emerging, CAFII had to hold some events typically held early in the year in the winter —such as the Annual Members and Associates Luncheon—in the fall in 2022, as there was a decision not to hold these in-person events earlier in the year due to the pandemic. However, this means that in 2022 there has been a stacking of events in the latter part of the year.

In regular years, for example, the Annual Members and Associates Luncheon would be held in February or March; and as part of its approval discussion around the Recommended CAFII 2023 Schedule of Meetings and Events, the Board will be asked if it would like to return to that schedule in 2023 and beyond.

#### **Recommendation / Direction Sought – Discussion/Approval**

This is a request for approval.

#### **Attachments Included with this Agenda Item**

1 attachment.

**Agenda Item 3(d)**

**October 11/22 Board Meeting**

**Proposed Schedule of CAFII 2023 Meetings and Events**

**EOC Meetings:** *To be held virtual-only and in-person/virtual-hybrid, in alternating months*

- **Tuesday, January 17, 2023** (2:00–4:00 p.m. MS Teams virtual-only meeting)
- **Tuesday, February 14, 2023** (2:00–4:00 p.m. in-person/virtual-hybrid meeting)  
*(Family Day Stat Holiday in Ontario: Monday, February 20)*
- **Tuesday, March 21, 2023** (2:00–3:30 p.m. MS Teams virtual-only meeting)  
*(Quebec Spring Break: March 6 – March 10. Ontario March Break: March 13 – March 17)*
- **Tuesday, April 25, 2023** (2:00–4:00 p.m. in-person/virtual-hybrid meeting)  
*(Passover: Wednesday, April 5 – Thursday, April 13. Good Friday: Friday, April 7. Easter Monday: Monday, April 10)*
- **Tuesday, May 16, 2023** (2:00–3:30 p.m. MS Teams virtual-only meeting)  
*(Victoria Day Stat Holiday: Monday, May 22)*
- **Tuesday, June 20, 2023** (2:00–4:00 p.m. in-person/virtual-hybrid meeting)
- **Tuesday, July 18, 2023** tentative summer meeting (2:00–3:30 p.m. MS Teams virtual-only meeting)
- **Tuesday, August 15, 2023** tentative summer meeting (2:00–3:30 p.m. MS Teams virtual-only meeting)  
*(Civic Stat Holiday: Monday, August 7)*
- **Tuesday, September 19, 2023** (3:00–5:00 p.m. in-person/virtual-hybrid meeting, followed by EOC Annual Appreciation Dinner)  
*(Labour Day: Monday, September 4. Rosh Hashanah: September 15 – 17. Yom Kippur: September 24 – 25. National Day for Truth and Reconciliation: Saturday, September 30)*
- **Tuesday, October 24, 2023** (2:00–3:30 p.m. MS Teams virtual-only meeting)  
*(Thanksgiving Stat Holiday: Monday, October 9)*
- **Tuesday, November 14, 2023** (2:00–4:00 p.m. in-person/virtual-hybrid meeting)  
*(Remembrance Day: Saturday, November 11. Diwali: Sunday, November 12)*

**Board Meetings:**

- **Tuesday, April 4, 2023** (3:00–5:00 p.m. in- person/virtual-hybrid meeting, followed by ensuing Reception)  
*(Passover: Wednesday, April 5 – Thursday, April 13. Good Friday: Friday, April 7. Easter Monday: Monday, April 10)*  
**HOST: Canadian Tire Bank (at private venue rental in downtown Toronto)**
- **Tuesday, June 6, 2023** (2:30–5:00 p.m. in- person/virtual-hybrid meeting, preceded by 2023 Annual Meeting of Members and followed by ensuing Reception).  
**HOST: Assurant (at private venue rental in downtown Toronto)**
- **Tuesday, October 10, 2023** (2:20–4:00 p.m. in- person/virtual-hybrid meeting, immediately following liaison lunch and Industry Issues Dialogue with AMF staff executives)  
**HOST: RBC Insurance (Montreal); Alternate: BMO Insurance (Montreal)**
- **Tuesday, December 5, 2023** (3:00–5:00 p.m. in- person/virtual-hybrid meeting, followed by Holiday Season/Year-End Reception)  
**HOST: Scotiabank Financial; Alternate: RBC Insurance**

**2023 Annual Members and Associates Luncheon:**

- *Tentative Date: Tuesday, May 9, 2023 from 11:45 a.m. EST to 2:15 p.m. EST at a TBD location*

**2023 EOC Annual Appreciation Dinner:**

- *Tentative Date: Tuesday, Sept 19, 2023 at 5:30 p.m. at a TBD location*

**Webinars:**

- January 25 or 26, 2023
- March 29 or 30, 2023
- April 26 or 27, 2023
- September 26 or 27, 2023
- October 25 or 26, 2023
- November 22 or 23, 2023

**2022 Board meetings Hosted by:**

TD Insurance, Desjardins Insurance, CIBC Insurance

**2021 Board meetings Hosted by:**

None, due to COVID-19 pandemic situation

**2020 Board meetings Hosted by:**

None, due to COVID-19 pandemic situation

**2019 Board meetings Hosted by:**

CUMIS (National Club), Manulife Financial, National Bank Insurance, TD Insurance

**2018 Board Meetings Hosted by:**

CAFII; ScotiaLife Financial; BMO Insurance; The Canada Life Assurance

**2017 Board Meetings Hosted by:**

TD Insurance; CAFII; Desjardins Insurance; CIBC Insurance

## **Recent Years' Annual Members and Associates Luncheons**

### **2022 Annual Members and Associates Luncheon**

**Date:** Tuesday, November 9, 2021 from 1:00 p.m. – 2:30 p.m. EDT

**Topic:** “With Authority: Executing On A Bold Vision for A New Kind of Financial Services Regulator in Ontario; and Laying the Groundwork for Its Long-Term Success”

**Speaker:** Mark White, CEO, FSRA

**Venue:** St. James Cathedral Centre Event Venue, 65 Church St., Toronto, Ontario

### **2021 Annual Members and Associates Virtual Luncheon Webinar**

**Date:** Tuesday, November 9, 2021 from 1:00 p.m. – 2:30 p.m. EDT

**Topic:** “The Changing Regulatory Environment – Challenges, Risks and Opportunities”

**Panelists:** Jill McCutcheon, Partner, Torys LLP; Stuart Carruthers, Partner, Stikeman Elliott LLP; Marc Duquette, Partner, Norton Rose Fulbright Corporation. Panel Moderator: Keith Martin, CAFII

**Venue:** Virtual-Only Webinar

### **2020 Annual Members and Associates Virtual Luncheon Webinar**

**Date:** Wednesday, October 21, 2020 from 12 Noon to 1:00 p.m. EDT

**Topic:** “Setting the Bar Higher: How the Financial Consumer Protection Framework Sets a New Standard for Fairness and Transparency”

**Speakers:** Frank Lofranco, Deputy Commissioner, Supervision and Enforcement, Financial Consumer Agency of Canada (Remarks actually delivered by Teresa Frick, Director, FCAC who was subbed in for Frank Lofranco at the last minute)

**Venue:** Virtual-Only Webinar

### **2019 Annual Members and Associates Luncheon**

**Date:** Tuesday, February 19, 2019 from 11:45 a.m. to 2:15 p.m.

**Topic:** “The Changing Regulatory Environment – Challenges, Risks and Opportunities”

**Panelists:** Stuart Carruthers, Partner, Stikeman Elliott LLP; Koker Christensen, Partner, Fasken; Jill McCutcheon, Partner, Torys LLP. Panel Moderator: Nicole Benson, CEO, Canadian Premier Life/Valeyo

**Venue:** Arcadian Loft, 401 Bay St., Simpson Tower, 8<sup>th</sup> Floor, Toronto, ON



## **Briefing Note**

**CAFII Board Meeting 11 October, 2022—Agenda Item 3(e)**

**Governance Matters: Plans for CAFII 25<sup>th</sup> Anniversary Celebration Event on October 19/22**

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### **Purpose of this Agenda Item – Update**

To update the Board on the Association's 25<sup>th</sup> Anniversary Celebration plans.

### **Background Information**

Plans are well-advanced for the CAFII 25<sup>th</sup> Anniversary Celebration to be held on 19 October, 2022 from 4:30 to 7:30 p.m. at BMO's Corporate Events Venue on the 68<sup>th</sup> floor of First Canadian Place in Toronto.

### **Recommendation / Direction Sought – Update**

This is an update only.

### **Attachments Included with this Agenda Item**

1 attachment.

**Agenda Item 3(e)**  
**October 11/22 Board Meeting**

***Please join us at CAFII's 25th Anniversary Celebration Event!***

You are cordially invited to attend CAFII's 25th Anniversary Celebration Event on Wednesday, October 19, 2022 in Toronto.

On this special occasion, CAFII will pause to celebrate its milestone Silver Anniversary while also toasting the future, with all of its possibilities and expectations for continued success for the Association.

This networking and appetizers-and-beverages event will take place in the Hart Room of BMO's corporate event venue on the 68<sup>th</sup> floor of First Canadian Place in downtown Toronto.

Join us for an early evening celebration of 25 years of CAFII success in its communications and relationship-building with key stakeholders across Canada; and in its dedication to fostering an open and flexible marketplace and meaningful choice for consumers in securing life and health insurance and travel insurance protection and peace of mind.



**When:** Wednesday, October 19, 2022 from 4:30 to 7:30 p.m.

**Location:** BMO Corporate Event Venue, Hart Room, 68th Floor, First Canadian Place  
100 King St W, Toronto, ON M5X 1A3

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***25th Anniversary Celebration: Event Overview***

**4:30 to 5:25** Cocktails and Conversation

*Networking and socializing, with beer, wine, soft drinks, snacks and hors d'oeuvres available*

**5:25 to 5:45** Welcome and 25th Anniversary Reflections (Brief Formal Remarks)

**5:45 to 7:30** Reception Continues  
*Networking and socializing continues*

**Note:** Brief curator-guided small group tours of BMO's art collection on the 68<sup>th</sup> floor at First Canadian Place will be available between 4:30 and 5:25 p.m.; and 5:45 and 7:30 p.m. If you are interested in a tour of the art collection, please indicate so using the Register Here form (link below).

*Background music (classical and pops) performed by a violin and cello duo from the Royal Conservatory of Music!*

**Registration is required to attend. Please RSVP to this invitation using the Register Here link below by 4:00 p.m. on Thursday, October 13, 2022.**

If you have any questions, please contact Meighan Pears at [events@cafii.com](mailto:events@cafii.com)

[Register Here](#)

Sincerely,

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## **Briefing Note**

**CAFII Board Meeting 11 October, 2022—Agenda Item 4(a)**

**Financial Management Matters: CAFII Financial Statements as at August 31/2022**

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### **Purpose of this Agenda Item – Update/Approval**

To update the Board and request its approval of CAFII's monthly financial statements as at 31 August, 2022.

### **Background Information**

This is an update on the CAFII's monthly financial statements as at 31 August, 2022, with a request for approval.

### **Recommendation / Direction Sought –Update/Approval**

Update and approval requested.

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### **Attachments Included with this Agenda Item**

1 attachment.

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# CAFII

411 Richmond Street E, Suite 200  
Toronto, ON M5A 3S5

## Statement of Operations As at August 31th, 2022

	Current Month	Budget Aug-22	Variance to Monthly Budget	Current YTD	Budget '22 YTD	Variance Budget to YTD	Budget 2022
<b>Revenue</b>							
Membership Dues	\$83,038	\$83,038	\$0	\$664,301	\$664,301	\$0	\$996,452
Interest Revenue	\$139	\$21	\$118	\$400	\$167	\$233	\$250
<b>TOTAL REVENUE</b>	<b>83,176</b>	<b>\$83,058</b>	<b>118</b>	<b>\$664,701</b>	<b>\$664,468</b>	<b>\$233</b>	<b>\$996,702</b>
<b>Expenses</b>							
Management Fees	\$41,507	\$42,241	\$734	\$341,706	\$337,925	(\$3,780)	\$510,518
Legal and consulting costs	\$0	\$7,533	\$7,533	\$0	\$60,267	\$60,267	\$90,400
Audit Fees	\$1,305	\$1,246	(\$59)	\$9,967	\$9,967	\$0	\$14,950
Insurance	\$526	\$539	\$13	\$4,173	\$4,311	\$138	\$6,466
Website Ongoing Maintenance	\$310	\$626	\$317	\$5,418	\$5,009	(\$409)	\$7,513
Telephone/Fax/Internet	\$1,268	\$501	(\$767)	\$3,158	\$4,011	\$853	\$6,016
Postage/Courier	\$111	\$13	\$2	\$60	\$105	\$46	\$158
Office Expenses	\$691	\$437	(\$253)	\$6,083	\$3,500	(\$2,583)	\$5,250
Bank Charges	\$176	\$60	(\$115)	\$448	\$481	\$33	\$721
Miscellaneous Expense	\$183	\$44	(\$139)	\$183	\$350	\$166	\$524
Depreciation Computer/Office Equipment	\$60	\$0	(\$60)	\$477	\$0	(\$477)	\$0
Budget for Co-Executive Directors' New Office Equipment	\$0	\$753	\$753	\$0	\$6,027	\$6,027	\$9,040
<b>Board/EOC/AGM</b>							
Annual Members Luncheon	\$0	\$1,255	\$1,255	\$0	\$10,043	\$10,043	\$15,065
Board Hosting (External)	\$0	\$1,875	\$1,875	\$0	\$15,000	\$15,000	\$22,500
Board/EOC Meeting Expenses	\$609	\$2,421	\$1,812	\$759	\$19,370	\$18,611	\$29,055
Industry Events	\$281	\$283	\$1	\$281	\$2,260	\$1,979	\$3,390
EOC Annual Appreciation Dinner	\$0	\$442	\$442	\$0	\$3,537	\$3,537	\$5,305
Speaker fees & travel	\$0	\$283	\$283	\$0	\$2,260	\$2,260	\$3,390
Gifts	\$0	\$100	\$100	\$0	\$800	\$800	\$1,200
Networking Events & Reception Events	\$295	\$424	\$129	\$295	\$3,390	\$3,095	\$5,085
CAFII 25th Anniversary Celebration	\$0	\$3,296	\$3,296	\$0	\$26,367	\$26,367	\$39,550
<b>Total Board/EOC/AGM</b>	<b>\$1,186</b>	<b>\$10,378</b>	<b>\$9,193</b>	<b>\$1,336</b>	<b>\$83,027</b>	<b>\$81,691</b>	<b>\$124,540</b>
Provincial Regulatory Visits and Relationship-Building	\$0	\$1,695	\$1,695	\$629	\$13,560	\$12,931	\$20,340
Federal Regulatory Visits and Relationship-Building	\$0	\$471	\$471	\$0	\$3,767	\$3,767	\$5,650
Research/Studies	\$29,098	\$5,650	(\$23,448)	\$43,929	\$45,200	\$1,271	\$67,800
Website SEO and Enhancements	\$0	\$3,767	\$3,767	\$0	\$30,133	\$30,133	\$45,200
Regulatory Model(s)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Federal Financial Reform	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CAFII Benchmarking Study/RSM Canada	\$16,950	\$5,650	(\$11,300)	\$33,900	\$45,200	\$11,300	\$67,800
FCAC Presentation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Media Outreach	\$156	\$612	\$456	\$2,164	\$4,897	\$2,733	\$7,345
Media Consultant Retainer	\$2,543	\$2,543	\$0	\$27,161	\$20,340	(\$6,821)	\$30,510
Marketing Collateral	\$0	\$141	\$141	\$195	\$1,130	\$935	\$1,695
Contingency For Possible Resumption Of In-Person Meetings/Events, Etc. i62021	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL EXPENSE</b>	<b>\$95,967</b>	<b>\$84,901</b>	<b>(\$11,067)</b>	<b>\$480,985</b>	<b>\$679,205</b>	<b>\$198,220</b>	<b>\$1,022,437</b>
<b>NET INCOME</b>	<b>(\$12,791)</b>	<b>(\$1,842)</b>	<b>- 10,949</b>	<b>\$183,716</b>	<b>(\$14,737)</b>	<b>\$ 198,453</b>	<b>(\$25,735)</b>
proof	-	-	0	-	-	-	3,630

### Explanatory Notes:

- 1 - Amortization of office equipment based on 4 year straight line depreciation
- 2 - Management fees includes Managing Matters and Executive Director
- 3 - Website includes hosting cafi.com, subscription and website improvements.

# CAFII

411 Richmond Street E, Suite 200  
Toronto, ON M5A 3S5

## Balance Sheet

As at August 31th, 2022

	CAFII Operations			CCBPI Project			Combined		
	31-Aug 2022	31-Jul 2022	31-Dec 2021	31-Aug 2022	31-Jul 2022	31-Dec 2021	31-Aug 2022	31-Jul 2022	31-Dec 2021
<b>ASSETS</b>									
<b>Current Assets</b>									
Bank Balance	\$857,709	\$675,392	\$480,291	\$0	\$0	\$0	\$857,709	\$675,392	\$480,291
Savings Account	\$102,915	\$102,776	\$102,514	\$12,151	\$12,151	\$12,151	\$115,066	\$114,927	\$114,665
Accounts Receivable	\$120,465	\$351,794	\$0	\$0	\$0	\$0	\$120,465	\$351,794	\$0
Prepaid Expenses	\$30,400	\$19,625	\$5,513	\$0	\$0	\$0	\$30,400	\$19,625	\$5,513
Computer/Office Equipment	\$10,878	\$10,878	\$10,878	\$0	\$0	\$0	\$10,878	\$10,878	\$10,878
Accumulated Depreciation -Comp/Equip	(\$8,491)	(\$8,431)	(\$8,014)	\$0	\$0	\$0	(\$8,491)	(\$8,431)	(\$8,014)
<b>Total Current Assets</b>	<b>\$1,113,875</b>	<b>\$1,152,034</b>	<b>\$591,182</b>	<b>\$12,151</b>	<b>\$12,151</b>	<b>\$12,151</b>	<b>\$1,126,026</b>	<b>\$1,164,186</b>	<b>\$603,333</b>
<b>TOTAL ASSETS</b>	<b>\$1,113,875</b>	<b>\$1,152,034</b>	<b>\$591,182</b>	<b>\$12,151</b>	<b>\$12,151</b>	<b>\$12,151</b>	<b>\$1,126,026</b>	<b>\$1,164,186</b>	<b>\$603,333</b>
<b>LIABILITIES</b>									
<b>Current Liabilities</b>									
Accrued Liabilities	\$8,543	\$7,238	\$58,732	\$0	\$0	\$0	\$8,543	\$7,238	\$58,732
Credit Card	\$98	\$674	\$1,224	\$0	\$0	\$0	\$98	\$674	\$1,224
Account Payable	\$83,466	\$26,526	\$25,327	\$0	\$0	\$0	\$83,466	\$26,526	\$25,327
Deferred Revenue	\$332,152	\$415,189	\$0	\$12,151	\$12,151	\$12,151	\$344,303	\$427,341	\$12,151
<b>Total Current liabilities</b>	<b>\$424,259</b>	<b>\$449,627</b>	<b>\$85,282</b>	<b>\$12,151</b>	<b>\$12,151</b>	<b>\$12,151</b>	<b>\$436,410</b>	<b>\$461,778</b>	<b>\$97,433</b>
<b>TOTAL LIABILITIES</b>	<b>\$424,259</b>	<b>\$449,627</b>	<b>\$85,282</b>	<b>\$12,151</b>	<b>\$12,151</b>	<b>\$12,151</b>	<b>\$436,410</b>	<b>\$461,778</b>	<b>\$97,433</b>
<b>UNRESTRICTED NET ASSETS</b>									
Unrestricted Net Assets, beginning of year	\$505,900	\$505,900	\$383,859	\$0	\$0	\$0	\$505,900	\$505,900	\$383,859
Excess of revenue over expenses	\$183,716	\$196,507	\$122,041	\$0	\$0	\$0	\$183,716	\$196,507	\$122,041
<b>Total Unrestricted Net Assets</b>	<b>\$689,616</b>	<b>\$702,407</b>	<b>\$505,900</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$689,616</b>	<b>\$702,407</b>	<b>\$505,900</b>
<b>TOTAL LIABILITIES AND UNRESTRICTED NET ASSETS</b>	<b>\$1,113,875</b>	<b>\$1,152,034</b>	<b>\$591,182</b>	<b>\$12,151</b>	<b>\$12,151</b>	<b>\$12,151</b>	<b>\$1,126,026</b>	<b>\$1,164,185</b>	<b>\$603,333</b>
	- 0	- 0		0			-		
<b>Financial Reserves Targets as per 2022 Budget:</b>									
Minimum 3 months (25%) of Annual Operating Expenses=			\$ 255,609	-	907.44				
Maximum 6 months (50%) of Annual Operating Expenses=			\$ 511,218	-	1,814.88				
<b>Current Level of Financial Reserves (total unrestricted net assets):</b>			<b>\$689,616</b>						
<b>Current Level of Financials Reserve (%):</b>			<b>67%</b>		0.00				



## CAFII

411 Richmond Street E, Suite 200  
Toronto, ON M5A 3S5

### Membership Fees

			<u>Feb-22</u>			<u>Jul-22</u>			
			<u>Billed</u>	<u>Received</u>		<u>Billed</u>	<u>Received</u>		
BMO Bank of Montreal	2022 Upper Tier Member	\$	38,555	\$	38,555	\$	38,555		
CIBC Insurance	2022 Upper Tier Member	\$	38,555	\$	38,555	\$	38,555		
RBC Insurance	2022 Upper Tier Member	\$	38,555	\$	38,555	\$	38,555	\$	38,555
ScotiaLife Financial	2022 Upper Tier Member	\$	38,555	\$	38,555	\$	38,555	\$	38,555
TD Insurance	2022 Upper Tier Member	\$	38,555	\$	38,555	\$	38,555	\$	38,555
Desjardins Financial Security Life Assurance Company	2022 Upper Tier Member	\$	38,555	\$	38,555	\$	38,555		
National Bank Life Insurance Company	2022 Upper Tier Member	\$	38,555	\$	38,555	\$	38,555	\$	38,555
Manulife Financial	2022 Upper Tier Member	\$	38,555	\$	38,555	\$	38,555	\$	38,555
The Canada Life Assurance Company	2022 Upper Tier Member	\$	38,555	\$	38,555	\$	38,555	\$	38,555
Sun Life Financial	2022 Upper Tier Member	\$	38,555	\$	38,555	\$	38,555	\$	38,555
Assurant Solutions	2022 Lower Tier Member	\$	19,278	\$	19,278	\$	19,277	\$	19,277
Canadian Premier Life Insurance Company	2022 Lower Tier Member	\$	19,278	\$	19,278	\$	19,277	\$	19,277
Cumis Group Ltd/Co-operators Life Insurance Co.	2022 Lower Tier Member	\$	19,278	\$	19,278	\$	19,277	\$	19,277
Valeyo	2022 Lower Tier Member	\$	19,278	\$	19,278	\$	19,277	\$	19,277
Canadian Tire Bank	2022 Initiation Members (Lower Tier)	\$	23,133	\$	23,133				
Norton Rose Fulbright Canada	Associate	\$	4,800	\$	4,800				
RSM Canada	Associate	\$	4,800	\$	4,800				
Willis Towers Watson	Associate	\$	4,800	\$	4,800				
KPMG MSLP	Associate	\$	4,800	\$	4,800				
Optima Communications	Associate	\$	4,800	\$	4,800				
RGA Life Reinsurance Company of Canada	Associate	\$	4,800	\$	4,800				
Torys LLP	Associate	\$	4,800	\$	4,800				
Dog and Pony Studios	Associate	\$	4,800	\$	-				
Stikeman Elliott LLP	Associate	\$	4,800	\$	4,800				
RSA	Associate	\$	4,800	\$	4,800				
<b>Feb Invoices</b>			<b>\$533,795</b>	<b>\$528,995</b>		<b>\$462,658</b>	<b>\$346,993</b>		
<b>July Invoices</b>			<b>\$462,658</b>						
<b>Total Membership Fees</b>			<b>\$996,453</b>						
Total amount to realocate monthly Jan-Dec. 2022			<b>\$83,038</b>						

## **Briefing Note**

### **CAFII Board Meeting 7 June 2022—Agenda Item 4(b)**

#### **Financial Management Matters: Forecast for CAFII 2022 Fiscal Year as at August 31/22**

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#### **Purpose of this Agenda Item – Update**

This is an update only.

#### **Background Information**

This is an update on the CAFII financial forecast for the 2022 fiscal year-end as at 31 August, 2022.

#### **Recommendation / Direction Sought –Update**

This is an update only.

#### **Attachments Included with this Agenda Item**

1 attachment.

2022 CAFII Budget

Reference Only										
	2018 Actuals	2019 Actuals	2020 Actuals	2021 Actuals	CAFII 2022 Operating Budget Pre Tax	CAFII 2022 Operating Budget HST	CAFII 2022 Operating Budget	2022 YTD August 2022	2022 Forecast	Comment/Rationale
<b>Revenue</b>										
Membership Dues	\$695,545	\$734,664	\$884,721	\$955,970	\$996,452	\$0	\$996,452	\$664,301	\$996,452	See breakdown in Member Dues Revenue Tab (includes one new Member at Lower Tier Dues as CPL and Valeyo intend to become two separate CAFII Members)
Annual Members' Luncheon "Additional Seats" Revenue	\$0	\$195	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Interest	\$0	\$982	\$399	\$236	\$250	\$0	\$250	\$400	\$250	Same as budget
<b>TOTAL REVENUE</b>	<b>\$ 695,545</b>	<b>\$ 735,841</b>	<b>\$ 885,120</b>	<b>\$ 956,206</b>	<b>\$ 996,702</b>	<b>\$ -</b>	<b>\$ 996,702</b>	<b>\$ 664,701</b>	<b>\$ 996,702</b>	
<b>EXPENSE</b>										
Management Fees	\$460,299	\$465,134	\$476,844	\$486,711	\$451,786	\$58,732	\$510,518	\$341,706	\$510,518	Same as budget
Legal and consulting costs associated with regulatory submissions and initiatives	\$563	\$0	\$28,975	\$74,221	\$80,000	\$10,400	\$90,400	\$0	\$50,000	Same as budget
Audit Fees	\$14,432	\$14,799	\$16,743	\$13,234	\$13,230	\$1,720	\$14,950	\$9,967	\$14,950	Same as budget
Insurance	\$5,258	\$5,338	\$5,385	\$5,877	\$5,722	\$744	\$6,466	\$4,173	\$6,466	Same as budget
Website Ongoing Maintenance	\$6,461	\$10,022	\$5,765	\$6,958	\$6,649	\$864	\$7,513	\$5,418	\$7,513	Same as budget
Telephone/Fax/Internet	\$5,939	\$6,494	\$5,808	\$6,799	\$5,324	\$692	\$6,016	\$3,158	\$6,016	Same as budget
Postage/Courier	\$458	\$159	\$53	\$0	\$140	\$18	\$158	\$60	\$158	Same as budget
Office Expenses	\$2,423	\$2,025	\$2,158	\$2,694	\$4,646	\$604	\$5,250	\$6,083	\$5,250	Same as budget
Bank Charges	\$23	\$112	\$236	\$662	\$638	\$83	\$721	\$448	\$721	Same as budget
Depreciation Computer/Office Equipment	\$1,136	\$1,136	\$1,136	\$1,136	\$464	\$60	\$524	\$477	\$524	Same as budget
Miscellaneous Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$183	\$0	
Budget for Co-Executive Directors' New Office Equipment					\$8,000	\$1,040	\$9,040	\$0	\$9,040	Same as budget
<b>Board/EOC/AGM</b>										
Annual Members' Luncheon	\$10,503	\$12,052	\$0	\$0	\$13,332	\$1,733	\$15,065	\$0	\$15,065	Not budgeted for in Recommended Option. However, expenses for possible occurrence in 2021 provided for in Contingency line item below
Board Hosting (External)	\$19,515	\$14,001	\$0	\$0	\$19,912	\$2,588	\$22,500	\$0	\$22,500	Not budgeted for in Recommended Option. However, expenses for possible occurrence in 2021 provided for in Contingency Expense line item at bottom.
Board/EOC Meeting Expenses	\$20,715	\$35,419	\$4,676	\$0	\$25,712	\$3,343	\$29,055	\$759	\$29,055	Not budgeted for in Recommended Option. However, expenses for possible occurrence in 2021 provided for in Contingency Expense line item at bottom.
Industry Events	\$1,270	\$0	\$0	\$0	\$3,000	\$390	\$3,390	\$281	\$3,390	Not budgeted for in Recommended Option. However, expenses for possible occurrence in 2021 provided for in Contingency Expense line item at bottom.
EOC Annual Appreciation Dinner	\$763	\$2,193	\$4,244	\$4,695	\$610	\$5,305	\$0	\$5,305	\$0	Not budgeted for in Recommended Option. However, expenses for possible occurrence in 2021 provided for in Contingency Expense line item at bottom.
Speaker fees & travel	\$191	\$1,189	\$0	\$0	\$3,000	\$390	\$3,390	\$0	\$3,390	Not budgeted for in Recommended Option. However, expenses for possible occurrence in 2021 provided for in Contingency Expense line item at bottom.
Gifts	\$0	\$200	\$0	\$0	\$1,062	\$138	\$1,200	\$0	\$1,200	Same as 2020 Budget
Networking Events	\$0	\$0	\$0	\$0	\$4,500	\$585	\$5,085	\$295	\$5,085	Not budgeted for in Recommended Option. However, expenses for possible occurrence in 2021 provided for in Contingency Expense line item at bottom.
CAFII Reception Events	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Not budgeted for in Recommended Option. However, expenses for possible occurrence in 2021 provided for in Contingency Expense line item at bottom.
CAFII 25th Anniversary Celebration	\$0	\$0	\$0	\$0	\$35,000	\$4,550	\$39,550	\$0	\$39,550	This line item is a placeholder. But this expense will actually occur in 2022, CAFII's "silver anniversary" year
<b>Total Board/EOC/AGM</b>	<b>\$52,957</b>	<b>\$65,053</b>	<b>\$8,920</b>	<b>\$1,822</b>	<b>\$110,213</b>	<b>\$14,328</b>	<b>\$124,540</b>	<b>\$1,336</b>	<b>\$124,540</b>	Includes Annual Members' Luncheon (\$15,065); Board Hosting External (\$22,500); Board/EOC Meeting Expenses (\$29,055); Industry Events (\$3,390); EOC Annual Appreciation Dinner (\$5,305); Speaker fees & travel ( \$3,390); Gifts ( \$1,200);Networking Events( \$3,955); CAFII 25th Anniversary Celebration ( \$39,550). These events will occur in May & June & Sept.,2022.
Provincial Regulatory Visits and Relationship-Building	\$11,230	\$16,833	\$983	\$0	\$18,000	\$2,340	\$20,340	\$629	\$7,500	Same as budget
Federal Regulatory Visits and Relationship-Building	\$0	\$442	\$540	\$0	\$5,000	\$650	\$5,650	\$0	\$5,650	Same as budget
Research/Studies	\$77,345	\$5,368	\$28,646	\$75,473	\$60,000	\$7,800	\$67,800	\$43,929	\$67,800	Same as budget
Website SEO and Enhancements	\$21,702	\$40,914	\$31,144	\$50,737	\$40,000	\$5,200	\$45,200	\$0	\$45,200	Same as budget
Regulatory Model(s)	\$6,490	\$7,555	\$0	\$0	\$0	\$0	\$0	\$0	\$0	Same as budget
CAFII Benchmarking Study/RSM Canada	\$0	\$0	\$68,365	\$67,800	\$60,000	\$7,800	\$67,800	\$33,900	\$67,800	Same as budget
FCAC Presentation	\$0	\$0	\$20,905	\$0	\$0	\$0	\$0	\$0	\$0	Same as budget
Media Outreach	\$6,883	\$5,683	\$350	\$9,543	\$6,500	\$845	\$7,345	\$2,164	\$7,345	Same as budget
Media Consultant Retainer	\$31,639	\$27,120	\$27,685	\$29,792	\$27,000	\$3,510	\$30,510	\$27,161	\$30,510	Same as budget
Marketing Collateral	\$557	\$1,629	\$845	\$717	\$1,500	\$195	\$1,695	\$195	\$1,695	Same as budget
Tactical Communications Strategy	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Contingency For Possible Resumption Of In-Person Meetings/Events, Etc. in 2021	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
<b>TOTAL EXPENSE</b>	<b>\$ 705,793</b>	<b>\$ 675,816</b>	<b>\$ 731,485</b>	<b>\$ 834,165</b>	<b>\$ 904,811</b>	<b>\$ 117,625</b>	<b>\$ 1,022,437</b>	<b>\$ 480,985</b>	<b>\$ 969,197</b>	
<b>Excess of Revenue over Expenses</b>	<b>(\$10,248)</b>	<b>\$60,025</b>	<b>\$153,636</b>	<b>\$122,041</b>			<b>(\$25,735)</b>	<b>\$183,716</b>	<b>\$27,505</b>	
<b>Total Equity (beginning of year)</b>	<b>\$180,447</b>	<b>\$170,198</b>	<b>\$230,223</b>	<b>\$383,859</b>			<b>\$505,900</b>	<b>\$505,900</b>	<b>\$505,900</b>	
<b>Total equity (end of year)</b>	<b>\$170,198</b>	<b>\$230,223</b>	<b>\$383,859</b>	<b>\$505,900</b>			<b>\$480,165</b>	<b>\$689,616</b>	<b>\$533,405</b>	

**Explanatory Notes:**  
(1) Assumes Two Co-Executive Directors, one @ 5 days per week; one @ 4.5 days per week; plus Managing Matters Admin support  
(2) Amortization of office equipment based on 4 year straight line depreciation  
(3) \$90,400 Legal Expense for Marc Dequette/Norton Rose Fulbright to complete legal opinion re: AMF Spousal Coverage Issue. Alternative for paying for legal opinion is to use the remaining funds from the CCPBI Special Project Fund

Actual/Forecasted Financial Reserves						
	2018 Actuals	2019 Actuals	2020 Actuals	2021 Actuals	2022 Operating Budget	2022 Forecast
Minimum 3 months (25%) of Annual Operating Expenses =	\$176,448	\$168,954	\$182,871	\$208,541	\$255,609	\$242,299
Maximum 6 months (50%) of Annual Operating Expenses =	\$352,897	\$337,908	\$365,742	\$417,083	\$511,218	\$484,598
Actual/Forecasted Level of Financial Reserves:	\$170,198	\$230,223	\$383,859	\$505,900	\$480,165	\$533,405
Actual/Forecasted Level of Financial Reserves %:	24%	34%	52%	61%	47%	55%

### 2019 Operational Budget - Member Dues Breakdown

#### 2018 Member Dues Breakdown

Upper Tier Member	73,438.00	5	367,190.00
DFS	55,079.00	1	55,079.00
Lower Tier Member	36,719.00	4	146,876.00
Initiation Members	44,000.00	2	88,000.00
Associate	4,800.00	8	38,400.00
			695,545.00

#### 2019 (Base) Member Dues Breakdown

Upper Tier Member	73,438.00	6	440,628.00
Lower Tier Member	36,719.00	4	146,876.00
Initiation Members	44,000.00	3	132,000.00
Associate	4,800.00	8	38,400.00
			757,904.00

### 2019 Operational Budget - Member Dues Breakdown - Revised

#### 2019 Member Dues Breakdown

Upper Tier Member	73,438	6	440,628.00
National Bank	55,079	1	55,079.00
Lower Tier Member	36,719	3	110,157.00
Initiation Members	44,000	2	88,000.00
Associate	4,800	8.5	40,800.00
			734,664.00

### 2020 Operational Budget - Member Dues Breakdown - 5% Dues Increase

#### 2020 Member Dues Breakdown

Upper Tier Member	77,110	9	693,989.10
Lower Tier Member	38,555	3	115,664.85
Initiation Members (Upper Tier)	46,266	1	46,265.94
Initiation Members (Lower Tier)	23,133	0	0.00
Associate	4,800	11	52,800.00
			908,719.89

### 2020 Operational Budget - Member Dues Breakdown - 5% Dues Increase

#### 2020 Member Dues Breakdown

Upper Tier Member	77,110	9	693,989.10
Lower Tier Member	38,555	3	115,664.85
Initiation Members (Upper Tier)	46,266	1	46,265.94
Initiation Members (Lower Tier)	23,133	0	0.00
Associate	4,800	6	28,800.00
			884,719.89

#### 2020 Upper Tier Member

BMO Bank of Montreal  
CIBC Insurance  
RBC Insurance  
ScotiLife Financial  
TD Insurance  
Desjardins Financial Security Life Assurance Company  
National Bank Life Insurance Company  
Manulife Financial  
The Canada Life Assurance Company

#### 2020 Lower Tier Member

Assurant Solutions  
Canadian Premier Life Insurance Company  
Cumis Group Ltd/Co-operators Life Insurance Co.

#### 2020 Initiation Members (Upper Tier)

Sun Life Financial

#### 2020 Associate

RSM Canada  
Willis Towers Watson  
KPMG MSLP  
Optima Communications  
RGA Life Reinsurance Company of Canada  
Torys LLP  
\*TBC  
\*TBC

\*Associate Candidates - Stikeman Elliott, Norton Rose, Deloitte, Dog and Pony - To be confirmed

Did not renew in 2020

PWC  
Munich Reinsurance Company Canada Branch (Life)  
RankHigher.ca

### 2021 Operational Budget - Member Dues Breakdown - No Dues Increase

#### 2021 Member Dues Breakdown

Upper Tier Member	77,110	9	693,989.10
Lower Tier Member	38,555	4	154,219.80
Initiation Members (Upper Tier)	46,266	1	46,265.94
Initiation Members (Lower Tier)	23,133	0	0.00
Associate	4,800	5	24,000.00
			918,474.84

#### 2021 Upper Tier Member

BMO Bank of Montreal  
CIBC Insurance  
RBC Insurance  
ScotiLife Financial  
TD Insurance  
Desjardins Financial Security Life Assurance Company  
National Bank Life Insurance Company  
Manulife Financial  
The Canada Life Assurance Company

#### 2021 Lower Tier Member

Assurant Solutions  
Canadian Premier Life Insurance Company  
Valeyo  
Cumis Group Ltd/Co-operators Life Insurance Co.

#### 2021 Initiation Members (Upper Tier)

Sun Life Financial 2 Year

#### 2021 Associate

RSM Canada  
Willis Towers Watson  
KPMG MSLP  
Optima Communications  
RGA Life Reinsurance Company of Canada  
Torys LLP

### 2021 Forecast

#### 2021 Member Dues Breakdown

Upper Tier Member	77,110	9	693,989.10
Lower Tier Member	38,555	4	154,219.80
Initiation Members (Upper Tier)	46,266	1	46,265.94
Initiation Members (Lower Tier)	13,494	1	13,494.00
Associate	4,800	10	48,000.00
			955,968.84

#### 2021 Upper Tier Member

BMO Bank of Montreal  
CIBC Insurance  
RBC Insurance  
ScotiLife Financial  
TD Insurance  
Desjardins Financial Security Life Assurance Company  
National Bank Life Insurance Company  
Manulife Financial  
The Canada Life Assurance Company

#### 2021 Lower Tier Member

Assurant Solutions  
Canadian Premier Life Insurance Company  
Valeyo  
Cumis Group Ltd/Co-operators Life Insurance Co.

#### 2021 Initiation Members (Upper Tier)

Sun Life Financial 2 Year

#### 2021 Associate

RSM Canada  
Willis Towers Watson  
KPMG MSLP  
Optima Communications  
RGA Life Reinsurance Company of Canada  
Torys LLP  
Dog and Pony Studios  
Stikeman Elliott LLP  
RSA  
Norton Rose Fulbright Canada

#### Initiation Members (Lower Tier)

Canadian Tire Bank CTB is joining CAFII in early June, we will be adding them to the 2022 forecast. Canadian Tire Bank 2nd Year

### 2022 Operational Budget - Member Dues Breakdown - No Dues Increase

#### 2022 Member Dues Breakdown

Upper Tier Member	77,110	10	771,099.00
Lower Tier Member	38,555	4	154,219.80
Initiation Members (Upper Tier)	46,266	0	0.00
Initiation Members (Lower Tier)	23,133	1	23,132.97
Associate	4,800	10	48,000.00
			996,451.77

#### 2022 Upper Tier Member

BMO Bank of Montreal  
CIBC Insurance  
RBC Insurance  
ScotiLife Financial  
TD Insurance  
Desjardins Financial Security Life Assurance Company  
National Bank Life Insurance Company  
Manulife Financial  
The Canada Life Assurance Company  
Sun Life Financial

#### 2022 Lower Tier Member

Assurant Solutions  
Canadian Premier Life Insurance Company  
Valeyo  
Cumis Group Ltd/Co-operators Life Insurance Co.

#### 2022 Initiation Members (Upper Tier)

Sun Life Financial

#### 2022 Associate

RSM Canada  
Willis Towers Watson  
KPMG MSLP  
Optima Communications  
RGA Life Reinsurance Company of Canada  
Torys LLP  
Dog and Pony Studios  
Stikeman Elliott LLP  
RSA  
Norton Rose Fulbright Canada

## **Briefing Note**

**CAFII Board Meeting 11 October, 2022—Agenda Item 4(c)**

**Financial Management Matters: EOC-Endorsed Recommendation, Supported by CAFII Treasurer, That CAFII Member Dues Be Consolidated Into One Invoice/Payment Starting In 2023**

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### **Purpose of this Agenda Item – Discussion/Approval**

This is a request for approval.

### **Background Information**

CAFII has traditionally issued two invoices per year for member dues, but this can involve significant management and volunteer time to “track down” payments on the invoices. To simplify matters, and to reduce duplicating the effort to get the invoices settled, CAFII management has made a recommendation—which the Association’s Treasurer supports and which the EOC has endorsed—to request that the Board approve issuing one single Member Dues Invoice each year for the full year Dues amount, in February or early March, starting in 2023.

### **Recommendation / Direction Sought –Discussion/Approval**

This is a request for approval.

### **Attachments Included with this Agenda Item**

No attachments (this Briefing Note only).

## **Briefing Note**

**CAFII Board Meeting 11 October, 2022—Agenda Item 4(d)**

**Financial Management Matters: Critical Path For Development of 2023 CAFII Operating Budget; and  
Budget Development Considerations Under Current Economic and CAFII Financial Position  
Circumstances**

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### **Purpose of this Agenda Item – Update/Discussion**

This is an update and discussion item.

### **Background Information**

CAFII is engaging with Treasurer Donald Hinnecke and other volunteer leaders on the development of the Association's 2023 operating budget.

This will be an opportunity to outline the Critical Path for obtaining member input for the development of next year's operating budget and, subsequently, Board approval of that budget.

### **Recommendation / Direction Sought –Update/Discussion**

This is an update and discussion item.

### **Attachments Included with this Agenda Item**

1 attachment.



## Critical Path for Development and Approval of 2023 CAFII Operating Budget

Task	Responsible	Timing/Deadline
Reach out to CAFII Committee Chairs and Vice-Chairs, on behalf of Co-Executive Directors, with request for input submissions on individual portfolio 2023 Operating Budget spending requests, along with related rationale, by October 4/22	Ricky Nason (new CAFII Controller)	September 23/22
Provide input submissions on individual portfolio 2023 Operating Budget spending requests, along with related rationale, to Controller R. Nason (with c.c. to D. Hinnecke, B. Wycks, and K. Martin)	Committee Chairs and Vice-Chairs	October 4/22
Prepare Draft 1 of 2023 Operating Budget, in consultation with B. Wycks and K. Martin	R. Nason	October 7/22
Meet virtually to review and amend, as necessary, Draft 1 of 2023 Operating Budget	D. Hinnecke, B. Wycks, K. Martin, R. Nason	October 12/22
Prepare Draft 2 of 2023 Operating Budget, with oversight from B. Wycks and K. Martin	R. Nason	October 18/22
Meet virtually to review, amend, and finalize Draft 2 of 2023 Operating Budget for inclusion in October 25/22 EOC Meeting Materials Package	D. Hinnecke, B. Wycks, K. Martin, R. Nason	October 20/22
Post Draft 3 of 2023 Operating Budget for October 25/22 EOC Meeting and incorporate it into consolidated package of meeting materials	J. Becker, B. Wycks, K. Martin	October 21/22
Review and provide feedback on Draft 3 of 2023 Operating Budget, in October 25/22 EOC meeting and thereafter by November 4/22	EOC Members	November 4/22
Send Draft 4 of 2023 Operating Budget, which includes EOC feedback, to Committee Chairs and Vice-Chairs, on behalf of B. Wycks and K. Martin, with request for review and feedback by November 14/22	R. Nason	November 7/22
Provide feedback on Draft 4 of 2023 Operating Budget to Controller R. Nason (with c.c. to D. Hinnecke, B. Wycks, and K. Martin)	Committee Chairs and Vice-Chairs	November 14/22
Prepare Draft 5 of 2023 Operating Budget, if necessary, for posting for November 24/22 EOC Meeting	R. Nason	November 15/22
Meet virtually to review, amend, and finalize Draft 5 of 2023 Operating Budget for inclusion in November 24/22 EOC Meeting Materials Package	D. Hinnecke, B. Wycks, K. Martin, R. Nason	November 16 or 17/22
Post Draft 5 of 2023 Operating Budget for November 24/22 EOC Meeting and incorporate it into consolidated package of meeting materials	J. Becker, B. Wycks, K. Martin	November 18/22
Review and endorse Draft 5 of 2023 Operating Budget, in November 24/22 EOC meeting, for presentation to the Board for approval at its December 6/22 meeting	EOC Members	November 24/22
Post Draft 5 of 2023 Operating Budget for December 6/22 Board of Directors Meeting and incorporate it into consolidated package of meeting materials	J. Becker, B. Wycks, K. Martin	November 29/22
Present Draft 5 of 2023 Operating Budget to Board of Directors with rationale/case for approval	D. Hinnecke	December 6/22
Review, discuss, and approve Draft 5 of 2023 Operating Budget (must be in open Board meeting so the approval decision can be minuted)	Board of Directors	December 6/22

## **Briefing Note**

**CAFII Board Meeting 11 October, 2022—Agenda Item 5(a)  
Strategy Setting and Implementation; and Regulatory Matters: Debrief Discussion on Just-Completed  
'Industry Issues Dialogue' with AMF Staff Executives, Particularly Re Issue of RADM's Applicability to  
Credit Card-Embedded Insurance Benefits**

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### **Purpose of this Agenda Item – Discussion**

This is a discussion item.

### **Background Information**

CAFII will have just completed its presentation and dialogue with the AMF – ie the Tuesday, October 11/22 Industry Issues Dialogue -- and this will be an opportunity for Board feedback on that session, and to discuss the Association's next steps on AMF regulatory issues.

### **Recommendation / Direction Sought – Discussion**

This is a discussion item.

### **Attachments Included with this Agenda Item**

Three (3) attachments.

**Agenda Item 5(a)(1)****October 11/22 Board Meeting****Background**

CAFII met with Mario Beaudoin and Charlene Boucher on January 19, 2022 (***see Appendix A***) to discuss a variety of issues, one of which related to an October 2021 submission by CAFII on *AMF Opportunities To Reduce Industry Regulatory Burden* in which, among many points, CAFII said that the requirement in Quebec's Distribution without a Representative (DWR) regime – upon the introduction of a new product -- to list all branches and agencies where the product was being offered was burdensome and time-consuming. At that January 19, 2022 meeting, Mr. Beaudoin made the following comment:

*He understood from CAFII's October 2021 written submission on AMF Opportunities To Reduce Industry Regulatory Burden that the requirement for regulated entities to list all distributors (for example, all branches of a bank offering credit protection insurance or offering credit cards with embedded insurance benefits; or all travel agencies offering a particular travel insurance product) was onerous.*

*As a result, the AMF was currently engaged in an internal "data base overhaul and related technology upgrade exercise," the net result of which will be that regulated entities will soon be able to add or update an 'all distributors list' via a simple email instruction exchange with an AMF staff member; and the Autorite will then be able to look after the addition or update for the regulated entity.*

*The AMF will be reaching out to CAFII members and other industry players directly about this; and this burden reduction initiative will be phased in gradually over time, with a group of firms becoming beneficiaries of it in each of several successive phases.*

However, because CAFII members had not been approached on this matter since that January 19/22 commitment by Mr. Beaudoin, CAFII reached out to him in early September and asked for an update on this matter.

Mr. Beaudoin responded quickly saying that the timing of our update request was ideal, and that he would like to set up a meeting to discuss this and other matters. A meeting was subsequently set up from 12 to 1:00 pm on 15 September, 2022 with the following comments and a three topic agenda proposed by Mr. Beaudoin (agenda was modified slightly by Mr. Beaudoin in the 15 September meeting itself):

*Bonjour Brendan et Keith,*

*Thank you for your replies. It will be a pleasure to discuss on the 15th of September. I will introduce you to our new Senior Director Christian Beaulieu who overlooks my Direction as well as the Directions in charge of the inscription of representatives and the one in charge of qualifications. During our meeting, we will follow up with you about:*

- 1. Resiliation notice and information sheet (CAFII translation: Notice of Rescission and Fact Sheet; and their application to credit card-embedded insurance benefits)*
- 2. Overview of annual disclosure results for 2021 and next steps*

### 3. *Disclosure of distributors' branches*

*Best regards,  
Mario*

#### **Participants at the 15 September, 2022 Meeting**

##### **From the AMF**

- Mario Beaudoin, Directeur des pratiques de distribution alternatives en assurance (Director of Alternative Distribution Practices in Insurance)—*reports to new boss Christian Beaulieu who, in turn, reports to the Eric Jacob, Superintendent, Client Services and Distribution Oversight*
- Charlène Boucher, Analyst on Mario Beaudoin's team
- Christian Beaulieu, new boss to Mario Beaudoin—Directeur principal des opérations d'encadrement de la distribution (Senior Director, Operations and Distribution)

##### **From CAFII**

- Keith Martin, CAFII
- Brendan Wycks, CAFII

#### **Key Takeaways**

##### **Fact Sheet and Notice of Rescission and Their Application to Credit Card-Embedded Insurance Benefits**

The meeting began with Mr. Beaudoin introducing Christian Beaulieu, Mr. Beaudoin's new boss (formerly Louise Gauthier, Senior Director of Distribution Framework Policies) and a new Senior Director who reports to Eric Jacob, Superintendent, Client Services and Distribution Oversight.

Mr. Beaudoin said that "Mr. Beaulieu will be keeping an eye on me" and smiled. Mr. Beaudoin explained that Senior Director oversight of his portfolio of activities was previously divided between Louise Gauthier and Antoine Bedard, but now Mr. Beaulieu had joined the group of Senior Directors who report to Mr. Jacob and would be his sole boss.

Mr. Beaulieu's background is in the contract negotiation (procurement/purchasing and vendor management) area of business, including at the AMF, but in his new role he would be focusing on other things including DWR/alternative distribution practices, certification, and the related exam process. Mr. Beaulieu was primarily a passive observer/listener during the meeting, but in his self-introduction at the beginning he said that he was learning this part of the business and that Mr. Beaudoin "was an excellent teacher." He said he would be among the small group of AMF staff executives attending the 11 October, 2022 CAFII and AMF informal liaison lunch and Industry Issues Dialogue meeting in Montreal.

Mario Beaudoin then addressed the issue of distribution of the Fact Sheet and Notice of Rescission to holders of credit cards with embedded insurance benefits. However, he did not speak at all about the wording modifications to those two documents proposed by CAFII in January 2022, which recommended adding an asterisk (\*) to the sections of those two documents which made inaccurate statements with respect to credit card-embedded insurance benefits, such the *ability to cancel the insurance at no cost* by qualifying those words with the following added statement:

***\* This does not apply to insurance included with your credit card. You can decide not to use the insurance or contact the card issuer to obtain a different credit card with other insurance or no insurance—it's your choice.***

Instead, Mr. Beaudoin reiterated previously-advanced arguments that the Fact Sheet “could not be modified” and that its distribution was required to conform with the Regulation respecting Alternative Distribution Methods (RADM).

He then asked his Analyst Charlène Boucher to screen-share some counter-proposed wording modifications to the Fact Sheet and Notice of Rescission from the AMF.

Ms. Boucher began by saying that “with imagination” this issue could be easily resolved, by simply adding to the Fact Sheet—and to the Notice of Rescission—that any consumer who did not want the insurance embedded in their credit card could simply inform the card distributor of that desire, and the distributor could then “write an email to the insurer telling them the consumer did not want the insurance, and to exempt them from that.” Specifically, the AMF counter-proposed wording to be added to the ‘insurance section’ of the Fact Sheet (where the insurer can add some messages) would read as follows:

*Credit card and debit card insurance*

*Although your credit card provides an insurance, you have the option to cancel this insurance. Be aware, however, that there is a possibility that you will not be reimbursed and that this would deprive you of the coverage offered by the insurer.*

*Note that the distributor does not receive any remuneration for offering this product.*

*or*

*Note that the distributor receives a remuneration of (\$X or X% of the insurance premium) for offering this product.*

*or*

*Note that the distributor receives a remuneration of less than 30% of the insurance premium for offering this product.*

Keith Martin quickly said that the wording modifications and related underlying ‘exception management’ process being proposed by the AMF as a solution would be even more problematic for CAFII members and the industry generally than the original wording in the Fact Sheet and Notice of Rescission. Essentially, the exception management/sidebar process being proposed for credit card-embedded insurance benefits would be extraordinarily difficult, if not impossible, to implement. This would not be something which CAFII members would be able to do, and the complexity of such an exception management process was far more difficult than seemed to be appreciated.

CAFII’s Co-Executive Directors also noted that the AMF’s proposed solution seemed to move the Autorité squarely into the realm of ‘product design’ and regulatory over-reach. It was also noted that while some industry players might be willing to try to apply the AMF’s proposed solution, there would almost certainly be others that would view it as far too complex and choose to cease offering credit card-embedded insurance benefits to Quebecers.

What was clear from this exchange is that either the AMF does not understand the basic elements of how credit card-embedded insurance benefits work, or it is deliberately proposing solutions that cannot realistically be adopted, in order to imply that CAFII and its members are not willing to co-operate in finding a workable solution.

Keith Martin queried why if the section of the Fact Sheet reserved for insurer can have language added to it, why can't the wording modifications proposed by CAFII (and by THIA) in January 2022 not be added there?

Further, since the AMF has previously indicated that the Notice of Rescission can indeed be modified, why can't the wording modifications proposed by CAFII (and by THIA) in January 2022 not be added to the Notice of Rescission?

Another concerning AMF assertion made in this meeting – which CAFII will need to address in the very near future -- is Mr. Beaudoin's statement that he would like to find a solution to this issue before CAFII members implement their approved Action Plans for bringing credit card-embedded insurance benefits into conformity with the RADM – which, in most cases, will occur by the end of calendar year 2022, which Mr. Beaudoin said was strongly-to-be-desired so that members would not need to go back and modify their approach after they have implemented their current Action Plans. It appears that Mr. Beaudoin does not understand that if the current Action Plans, which for nearly all members do not involve distribution of the Fact Sheet and Notice of Rescission, are changed and these documents do need to be distributed to holders of credit cards with embedded insurance benefits, it is not possible to make that happen within the same time frame; and CAFII members would have to provide the AMF with a new, achievable project timeline for the distribution of those two documents to card holders.

Mr. Beaudoin said that other, non-CAFII member distributors/insurers of credit cards with embedded insurance benefits had been distributing the Fact Sheet and Notice of Rescission to card holders during 2022, and there had been no complaints or issues raised by them or their card holders.

Keith Martin said that CAFII members would, in principle, continue to be very uncomfortable distributing documents that they considered to inaccurate and misleading for consumers.

Mr. Beaudoin concluding discussion of this issue by stating that there were many other more important issues for his team to focus on at the present time; that this was not a priority for the AMF at all; and that they would not enforce or apply penalties upon any distributor who was not distributing the Fact Sheet and Notice of Rescission to holders of credit cards with embedded insurance benefits. He agreed to take another look at the Fact Sheet and Notice of Rescission wording modifications proposed by CAFII (and by THIA) in January 2022, and also suggested that CAFII and the AMF meet again soon to discuss this issue further.

### **2021 Distribution Without a Representative Profile CAFII**

Mario Beaudoin then shifted to a Powerpoint presentation titled *2021 Distribution Without a Representative Profile CAFII*. The findings in this presentation were based on analysis of three years of data from an AMF-exclusive annual disclosure survey of DWR regime participants, and included a comparison of the performance on certain metrics of CAFII members versus non-CAFII members. Where the AMF had found that the data provided by survey respondents did not make sense, or had changed more than expected from year to year, or deviated from general industry norms, the AMF had gone back to those respondents and asked them to review their data. On that basis, Mr. Beaudoin said that he has a very high degree of confidence in the data and the resulting analytical findings.

Mr. Beaudoin said that the AMF found that CAFII members represented 68% of the Distribution without a Representative (DWR) marketplace in Quebec in 2021.

<u>Highlights</u>		
	<u>CAFII MEMBERS</u>	<u>OVERALL MARKET</u>
Amount of written premium	\$1,19B	\$1,75B
Amount paid out in compensation/benefits (following a claim)	\$429M	\$524M
Average claims denial rate for all products offered	13%	14%
Number of claims processed	98,000	140,000
Number of active insurers	11	39
Number of products offered	227	584

Mr. Beaudoin then used a new AMF-coined aggregated insurance category acronym which CAFII had not heard before, the “Debtor Life, Health, and Employment (DLHE) insurance products. He said that CAFII members had a 13% claims denial rate in this sector of the industry, versus 14% for the overall market.

One slide in this Powerpoint presentation said that “Although the volume of business underwritten in this market segment by the insurer members of CAFII is still quite minimal, the AMF wished to reiterate its concerns about the high claims denial and remuneration rates for these products, which are mainly distributed through automobile dealerships.”

Mr. Beaudoin then focused on “claims denial rates of the DLHE insurance products” and he shared a four quadrants graph in which one axis was “claims denial rate” and the other axis was “return of premium to insureds” (an inverse form of the loss ratio). Each insurer’s submitted data from the AMF annual disclosure survey was plotted on this graph, in one of the four quadrants—Zone 1 was low claims denial rate and high return of premium, and was “a good place to be”; Zone 2 was low claims denial rate and a low return of premium; Zone 3 was a high claims denial rate and a high return of premium, in which several CAFII members were situated, Mr. Beaudoin indicated; and Zone 4 was a high claims denial rate and a low return of premium to insureds, which was a problematic zone that the AMF wanted to better understand (most CAFII and industry members were in this zone, Mr. Beaudoin asserted).

Mr. Beaudoin then had to rush through some slides in the DWR Powerpoint on travel insurance, which he said were sometimes difficult to interpret because of all the issues that the industry has had to deal with in recent years. One slide in this section indicated that CAFII members had a 14% average claims denial rate, versus 17% for the overall market. Mr. Beaudoin emphasized a finding that “Products involving the payment of a specific premium (travel agencies, banks and credit unions) had a 17% claims denial rate, while “Products included when signing up for a credit card (built-in)” had a 41% claims denial rate.



**Information Letter and Survey That Will Be Going Out To All Underwriters of All Debtor Life, Health, and Employment (DLHE) Insurance Products Within The Next Several Weeks**

Mr. Beaudoin said that as a next step, each insurer that had been included in the DLHE statistical analysis survey would receive a transmittal letter with the overall statistical findings, along their own performance relative to industry norms; and, in addition, a special letter and short survey would be sent to those insurers identified as underperforming (Zone 4, for example) with a request for an explanation as to why their results fall within an undesirable Zone in the analysis; and what was their plan for addressing this matter going forward. Mr. Beaudoin said he expected to require affected insurers to provide their response within three months of receiving the AMF letter and survey package.

**Distribution Notification for New DWR Products to be Changed to Head Office Only**

Finally, Mr. Beaudoin said that he had some good news to share with CAFII; and then reported that because our Association members had indicated that the requirement for them to provide a list of all distribution locations (branches, agencies) for new products in the DWR regime was time-consuming and burdensome, the AMF had identified an internal technological solution such that, in the very near future (this change to be announced before the end of 2022), the introduction of new DWR insurance products (not just embedded products) would only require the head office location to be listed on a go-forward basis.

**Recommended Next Steps**

- Given that on October 11, 2022 CAFII and the AMF are meeting for an “Industry Issues Dialogue” and under the agreed-upon ‘Shared Agenda Approach,’ each side will make one or two presentations on topics of mutual interest:
  - based on the outcomes of the September 15, 2022 meeting with the AMF and the ensuing/follow-up discussion at the 20 September CAFII EOC meeting, CAFII should make one presentation to the AMF staff executives on 11 October titled something like  
 “Removing The Barriers to Doing DWR Insurance Business in Quebec,” which would be comprised of two or three sub-sections including
    - “A Primer on Credit Card-Embedded Insurance Benefits”; and
    - “Why Does CAFII Always Request 12 to 18 Months Transition Time for Its Members to Implement Changes Resulting from New or Amended Insurance Legislation and Regulations?”
- CAFII recommends **not** following up re a further meeting with Mario Beaudoin on the Fact Sheet and Notice of Rescission until after the 11 October, 2022 meeting with his AMF staff executive superiors; and
- CAFII recommends asking Mario Beaudoin, shortly after 11 October, to present the AMF findings around “2021 DWR Market Profile CAFII” in a webinar for CAFII members only.

**Highlights Summary of CAFII Meeting with Mario Beaudoin and Charlène Boucher, AMF, on 19 January, 2022**

Keith Martin and Brendan Wycks met with Mario Beaudoin and Charlène Boucher on 19 January, 2022 from 3:00 to 4:00 pm EST.

The meeting was extremely cordial and Mr. Beaudoin and Ms. Boucher were open, engaged, and friendly.

Following are the highlights of the meeting:

**Action Plans For Bringing Credit Card-Embedded Insurance Benefits Into Compliance With Regulation Respecting Alternative Distribution Methods (RADM):** Mario Beaudoin reported that Action Plans had been received from many CAFII members and other industry players in mid-December, and they were generally of a good quality. “We are generally happy with the Action Plans and there are just a few ‘points of vigilance’ that we need to follow-up on with a small number of players. Most of what we’ve received is in line with our expectations,” he said.

Mr. Beaudoin advised that 186 (“just shy of 200”) credit card-embedded insurance benefits had been ‘disclosed’ to the AMF via the Action Plans. In comparison, in the prior industry disclosure to the AMF on insurance products distributed without a representative, 450 such products were disclosed. Mr. Beaudoin said he was impressed by how many credit card-embedded insurance products there are in the marketplace.

**Combining of Different Classes/Types of Insurance Benefits Into A Single Product Summary Is Not Acceptable:** Ms. Boucher had shared a report with Mr. Beaudoin prior to the meeting with CAFII, which indicated that two industry players had submitted an Action Plan in which they had combined quite different classes/types of embedded insurance benefits into a single Product Summary. That approach is not acceptable to the AMF, Mr. Beaudoin emphasized, because it will not serve consumers well.

Mr. Beaudoin elaborated that including all travel insurance embedded benefits (health; trip cancellation; trip interruption; baggage loss, etc.) was fine, but warranty-type embedded insurance benefits and rental vehicle-related embedded insurance benefits cannot be grouped into the same Product Summary as embedded travel insurance benefits. Warranty-type embedded insurance benefits and rental vehicle-related embedded insurance benefits are distinct classes/types of insurance that must be separated into their own Product Summary, he asserted.

Ms. Boucher advised that she would be following up with the two firms that had made this *faux pas* in their Action Plan submissions; and requiring them to decouple the distinct types of embedded insurance benefits into separate Product Summaries and to resubmit to the AMF in February.

**Asking The Customer for Consent to Provide The Product Summary Later Does Not Remove The Requirement To Provide Pre-Sale Disclosure:** Mr. Beaudoin said that some of the Action Plans submitted make reference to the firm’s intention in certain situations -- for example, in a call centre sale of insurance -- to ask the customer for consent to send him/her/them the Product Summary later, subsequent to that sales call.

Mr. Beaudoin said that while that approach was acceptable under the RADM, it did not remove the disclosure obligation to disclose to the consumer “pre-sale” what is in the offer of insurance. He emphasized that the whole point behind the Product Summary, as a key component of RADM compliance, is that it is intended to provide “pre-contract disclosure”; and once a customer is actually insured, he/she/they should consult the insurance contract or certificate of insurance, rather than the Product Summary.

As such, RADM compliance is not achieved if the key information about the insurance is not provided to the customer until after the offer is accepted. If the customer does not receive the actual Product Summary pre-sale, then they still need to have the insurance described to them in adequate detail before the sale is actually confirmed, including key information such as coverage features, limitations, and exclusions.

**Particular Concern In The Case Of Credit Cards Secured ‘Over The Internet’ and Actively ‘Delivering’ The Product Summary Versus Just Making It Available:**

Mr. Beaudoin said that some companies that permit consumers to apply for and secure a credit card over the internet included in their Action Plans a reference to “making the Product Summary available.” However, the RADM compliance requires “delivery” of the Product Summary to the consumer, for the purpose of drawing directly to his/her/their attention key information such as coverage features, limitations, and exclusions.

Mr. Beaudoin elaborated on this point, stating that simply telling/directing the consumer as to where to find the Product Summary is not good enough. What’s required is direct and active, not passive, delivery of the Product Summary; and the onus should not be placed on the customer to find it. And even when a sale is completed in person, the Product Summary cannot just be handed over to the customer and left at that, it must be described and explained as well. This is not a legal disclosure; it is a way to help the customer make the right decision, Mr. Beaudoin stressed.

In that connection, Mr. Beaudoin expressed the AMF’s concern about some companies’ Action Plan-stated intention to merely provide an internet customer with a link/URL to the Product Summary on the insurer’s website, opining that “the information posted at internet links often quite rapidly becomes outdated and incorrect.”

However, in response to a question from Brendan Wycks, Mr. Beaudoin indicated that the AMF would be open to further discussion/negotiation about the use of internet links to fulfil the Product Summary disclosure obligation, if the link was to a PDF and there was a commitment on the regulated entity’s part to constantly monitor the link and the related PDF to ensure that they are always functional and up-to-date.

**Action Plans ‘Conditional’ Upon The AMF’s Modification of Fact Sheet and Notice of Rescission By A Certain Date Are A Concern:** Mr. Beaudoin said that some of the Action Plans submitted state that the commitments and related dates set out therein are conditional upon the AMF confirming its position on the applicability/wording of the Fact Sheet and Notice of Rescission by a certain date, such as 31 March, 2022.

However, he emphasized that whatever the outcome of the review of the Fact Sheet and Notice of Rescission turns out to be, a company is still expected to meet all of the other commitments in its Action Plan; and he was dismissive of any conditions of this nature being included in an Action Plan.

**A 31 December, 2022 Target Date For Full Action Plan Implementation Is Prolonged, But Yet Acceptable To The AMF:** Mr. Beaudoin said that the AMF would accept the 31 December, 2022 target date for full implementation that was specified in many Action Plans, but that he was surprised by how long it would take to implement the changes necessary to become compliant with the RADM. CAFII explained that in many member companies, there are often hundreds of projects competing for resources, and that the changes necessary to bring credit card-embedded insurance benefits into compliance with the RADM would not be simple to implement; and they would impact training, communication, processes, and IT. Mr. Beaudoin responded that that was a valid point and he understood the challenges.

#### **Additional/Tangential Points of Discussion**

**AMF Initiative To Reduce Regulatory Burden Upon The Industry: Attempt to Simplify Disclosure of All Distributors:** Mr. Beaudoin said that he understood from CAFII's October 2021 written submission on *AMF Opportunities To Reduce Industry Regulatory Burden* that the requirement for regulated entities to list all distributors (for example, all branches of a bank offering credit protection insurance or offering credit cards with embedded insurance benefits; or all travel agencies offering a particular travel insurance product) was onerous.

As a result, the AMF was currently engaged in an internal "data base overhaul and related technology upgrade exercise," the net result of which will be that regulated entities will soon be able to add or update an 'all distributors list' via a simple email instruction exchange with an AMF staff member; and the Autorite will then be able to look after the addition or update for the regulated entity.

The AMF will be reaching out to CAFII members and other industry players directly about this; and this burden reduction initiative will be phased in gradually over time, with a group of firms becoming beneficiaries of it in each of several successive phases.

**Proposal for Regular Meetings with CAFII:** Mr. Beaudoin said that he felt that more regular communication and dialogue meetings between the AMF and CAFII would be mutually beneficial, as they would help to avoid any communication gaps or miscommunications.

In discussion with CAFII's Co-Executive Directors, Mr. Beaudoin and Ms. Boucher concurred with their recommendation that a quarterly frequency for such meetings would be ideal to begin with, at least for the first year or two, after which the frequency could be re-evaluated.

**Next Steps:** Ms. Boucher will capture all of the above-noted industry-level feedback points on the Action Plans in a draft letter; send that draft letter to Keith Martin and Brendan Wycks by February 4/22 for review and feedback; and, after receiving their feedback, send out a revised/final draft of the letter to all affected industry contacts in early February.

***Read Only Agenda Item 5(a)(2)  
October 11/22 Board Meeting***

**From:** Beaudoin Mario <Mario.Beaudoin@lautorite.qc.ca>  
**Sent:** September-15-22 5:29 PM  
**To:** Brendan Wycks <brendan.wycks@cafii.com>; Keith Martin <Keith.Martin@cafii.com>  
**Cc:** Boucher Charlene <Charlene.Boucher@lautorite.qc.ca>; Beaulieu Christian  
<Christian.Beaulieu@lautorite.qc.ca>  
**Subject:** CAFII - Fact Sheet/Rescission notice

Bonjour,

Here are the changes we proposed for the Fact sheet and the Notice of rescission and discussed in our meeting today. These changes cannot be applied to credit card balance insurance products, which are debtor life, health and employment insurance products.

- Fact sheet  
Mention that could be added in the section for the insurer

**Credit card and debit card insurance**

Although your credit card provides an insurance, you have the option to cancel this insurance. Be aware, however, that there is a possibility that you will not be reimbursed and that this would deprive you of the coverage offered by the insurer.

Note that the distributor does not receive any remuneration for offering this product.

or

Note that the distributor receives a remuneration of (\$X or X% of the insurance premium) for offering this product.

or

Note that the distributor receives a remuneration of less than 30% of the insurance premium for offering this product.

- Notice of rescission  
Mention that could be added at the end of the Notice of rescission

**Credit card and debit card insurance**

Although your credit card provides an insurance, you have the option to cancel this insurance. Be aware, however, that there is a possibility that you will not be reimbursed and that this would deprive you of the coverage offered by the insurer.

As explained in the meeting, we are seeking your feedback on our proposal, while considering the legal limitations we are confronted with. We will not be discussing that point with the industry in the meantime.

We also remain available to complete the presentation of the market data and discuss or clarify the surveillance initiative that will come later with regards to the rates of claim denied.

Best regards,

Mario Beaudoin  
Directeur des pratiques de distribution alternatives en assurance  
**Autorité des marchés financiers**  
2640, boul. Laurier, 4<sup>e</sup> étage  
Québec (Québec) G1V 5C1  
Téléphone : 418 525-0337, poste 2801  
Sans frais : 1 877 525-0337, poste 2801  
[www.lautorite.qc.ca](http://www.lautorite.qc.ca)



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***Agenda Item 5(a)(3)***  
***October 11/22 CAFII Board Meeting***

**CAFII and AMF “Industry Issues Dialogue”**  
**Tuesday, October 11, 2022; 1:10 to 2:15 p.m. EDT In-Person/Virtual Meeting**  
**Immediately Following Informal Liaison Lunch from 12 Noon to 1.05pm**  
**Agenda (Shared Agenda Approach)**

- 1:05 to 1:10 p.m.: Welcome and Introductions (facilitated/moderated by CAFII Co-Executive Director Brendan Wycks)
- 1:10 to 1:28 p.m.: CAFII Presentation (time usually assigned to two mini-presentations instead combined into one single presentation) on “How Can We Work Together To Remove Or Reduce Barriers To Doing DWR Insurance Business In Quebec?,” including
  - “A Primer on Credit Card-Embedded Insurance Benefits”; and
  - “Why Are Longer Timeframes Generally Required for Implementation of New Legislative or Regulatory Requirements?”
- 1:28 to 1:36 p.m.: Q&A/Dialogue on CAFII Presentation
- 1:36 to 1:45 p.m.: AMF Presentation #1 on TBA
- 1:45 to 1:53 p.m.: Q&A/Dialogue on AMF Presentation #1
- 1:53 to 2:02 p.m.: AMF Presentation #2 on TBA
- 2:02 to 2:10 p.m.: Q&A/Dialogue on AMF Presentation #2
- 2:10 to 2:15 p.m.: Wrap-Up; Next Steps (if any); and Adjournment

**Expected AMF Attendees:**

Éric Jacob, Superintendent, Client Services and Distribution Oversight (in-person)  
Louise Gauthier, Senior Director of Distribution Framework Policies (in-person)  
Christian Beaulieu, Senior Director, Operations and Distribution (in-person)  
Mario Beaudoin, Director of Alternative Distribution Practices in Insurance (in-person)  
Patrick Déry, Superintendent, Solvency (virtual attendance)  
Nathalie Sirois, Senior Director of Insurer Supervision (virtual attendance)  
Julien Reid, Senior Director, Regulation of Financial Institutions and Deposit Insurance (virtual attendance)  
Christine Vachon, Director, Legal Affairs (virtual attendance)



## **Briefing Note**

**CAFII Board Meeting 11 October, 2022—Agenda Item 5(b)  
Strategy Setting and Implementation; and Regulatory Matters: Insights Gained from CAFII  
Participation in September 19/22 Alberta Insurance Council Stakeholder Feedback Interview With  
Independent Agency Berlin Communications**

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### **Purpose of this Agenda Item – Update**

This is an update item.

### **Background Information**

CAFII met with an agency (Berlin Communications) that is obtaining feedback from industry stakeholders on the Alberta Insurance Council. Of particular interest is sharing some insights about how the Government of Alberta is once again examining a proposal to merge Alberta Insurance Council into the Alberta government itself, as opposed to it remaining a quasi-independent, arms length organization.

### **Recommendation / Direction Sought – Update**

This is an update item only.

### **Attachments Included with this Agenda Item**

1 attachment.

**Agenda Item 5(b)**  
**October 11/22 Board Meeting**

**From:** Brendan Wycks

**Sent:** September-15-22 10:35 AM

**To:** CAFII EOC and Market Conduct & Licensing Committee Members and Member Company Licensing Experts

**Cc:** Keith Martin <Keith.Martin@cafii.com>; Jake Becker <jake.becker@cafii.com>

**Subject:** Request For CAFII Member Representative Informal Feedback/Perceptions Re Alberta Insurance Council (AIC): Input Requested By Monday, September 19/22 At 12 Noon EDT

**CAFII EOC and Market Conduct & Licensing Committee Members and Member Company Licensing Experts:**

See below, beneath my signature block, for the context for this outreach request from Keith Martin and me for informal feedback/input/perceptions re the Alberta Insurance Council (AIC).

We appreciate that the AIC's senior management (Joanne Abram, CEO; and Brent Rathgeber, Chief Operating Officer & General Counsel) have designated CAFII as a key industry stakeholder, so we have accepted the invitation to have a confidential half-hour feedback discussion with Alberta-based Berlin Communications, an independent "integrated communications agency firmly embedded in Alberta's government, media and public policy landscapes."

That discussion will take place on Monday, September 19/22 from 1:00 to 1:30 p.m. EDT.

Therefore, we ask that if your Member company has any perceptions, perspectives, etc. about the AIC which you would like to share with us for inclusion in CAFII's confidential/anonymous input to Berlin Communications, **please send us that input via email by Monday, September 19/22 at 12 Noon EDT.**

Thanks, in advance, for any AIC-related feedback/input/perceptions you may wish to share,

**Brendan Wycks, BA, MBA, CAE**

Co-Executive Director

Canadian Association of Financial Institutions in Insurance

[Brendan.wycks@cafii.com](mailto:Brendan.wycks@cafii.com)

T: 647.218.8243

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

**From:** Kelly Wegert <[kwegert@abcouncil.ab.ca](mailto:kwegert@abcouncil.ab.ca)>  
**Sent:** September-06-22 4:48 PM  
**To:** Brendan Wycks <[brendan.wycks@cafii.com](mailto:brendan.wycks@cafii.com)>  
**Cc:** Heather Roy <[hroy@brln.ca](mailto:hroy@brln.ca)>  
**Subject:** Berlin Communications Introduction to Stakeholders

*On Behalf of Brent Rathgeber*

Dear Brendan Wycks

I am reaching out to see if you could help out our organization. We are in the process of gathering consumer research to understand how the general public perceives the AIC and insurance regulation as a whole. We have identified **Canadian Association of Financial Institutions in Insurance (CAFII)** as an important stakeholder in this matter and we would love to set up a 30-minute interview with you to ask your opinion and point of view on the matter. Your response will be kept strictly confidential. It is purely for our own research and insight.

I have cc'ed Heather Roy from Berlin Communications, who will be helping AIC coordinate this interview. Please let us know if this is something that you, or a team member, would be interested in participating in.

Sincerely,



**Brent Rathgeber QC**  
**Chief Operating Officer &**  
**General Counsel**  
**Alberta Insurance Council**  
2700 Manulife Place  
10180 101<sup>st</sup> Street  
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## **Briefing Note**

**CAFII Board Meeting 11 October, 2022—Agenda Item 5(c)**

**Strategy Setting and Implementation; and Regulatory Matters: Plans for November 4/22 CAFII Virtual Stakeholder Session with CCIR on Its Draft 2023-25 Strategic Plan**

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### **Purpose of this Agenda Item – Update**

This is an update item.

### **Background Information**

On November 4/22, the CCIR will be holding brief, 40 minute virtual meetings with a small group of selected industry stakeholders so that they can provide feedback on the Council's Draft 2023-25 Strategic Plan. CAFII has been invited to engage with CCIR on this matter, and this will be an update on that meeting and our plans for it.

### **Recommendation / Direction Sought – Update**

This is an update item only.

### **Attachments Included with this Agenda Item**

1 attachment.

***Read Only Agenda Item 5(c)  
October 11/22 Board Meeting***

**From:** Peter Burston <Peter.Burston@fsrao.ca>  
**Sent:** September-16-22 12:46 PM  
**To:** Brendan Wycks <brendan.wycks@cafii.com>; Keith Martin <Keith.Martin@cafii.com>  
**Cc:** Raseema Alam <Raseema.Alam@fsrao.ca>; Samantha Saunders <Samantha.Saunders@fsrao.ca>; Donna Soloway <Donna.Soloway@fsrao.ca>  
**Subject:** CCIR Stakeholder Dialogue 2022 | Update  
**Importance:** High

Brendan and Keith,

As outlined in the email below, CCIR had expected to be able to hold an in-person Stakeholder Dialogue on October 20<sup>th</sup>. Due to unforeseen circumstances, CCIR will shifting to a virtual engagement in early November. We currently have some times on hold with CCIR Members on November 4<sup>th</sup>. Raseema Alam, CCIR Policy Manager, will be in touch to schedule time with CAFII.

Our intent is to share a confidential copy of the draft plan in advance of the meeting. To ensure stakeholders have an appropriate opportunity to provide feedback, CCIR will be inviting stakeholders to provide written comments after the virtual engagement with CCIR.

Recognizing our efforts to coordinate our in-person meeting schedule with CAFII, I want to assure you that CCIR Members will still be attending meetings in Toronto in October according to our previously communicated schedule.

If you have any questions or concerns, please do not hesitate to reach out to me directly.

Thanks,

Peter

**Peter Burston**  
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**From:** Tony Toy <[Tony.Toy@fsrao.ca](mailto:Tony.Toy@fsrao.ca)>  
**Sent:** Tuesday, August 9, 2022 4:08 PM  
**To:** 'Keith Martin' <[Keith.Martin@cafii.com](mailto:Keith.Martin@cafii.com)>; 'Brendan Wycks' <[brendan.wycks@cafii.com](mailto:brendan.wycks@cafii.com)>  
**Cc:** 'Robert Bradley' <[rabadley@gov.pe.ca](mailto:rabadley@gov.pe.ca)>  
**Subject:** CCIR Stakeholder Dialogue 2022

Hi Brendan and Keith,

The Canadian Council of Insurance Regulators (CCIR) is inviting the Canadian Association of Financial Institutions in Insurance (CAFII) to this year's in-person Stakeholder Dialogue. Please hold the morning of October 20.

CCIR's current strategic plan will end on March 31, 2023. As a key stakeholder, CAFII is invited to provide feedback on the initial draft of the 2023-26 Strategic Plan. It is anticipated that CCIR will share a confidential advance copy closer to the meeting date. Additional details to be provided.

If there are any questions, please do not hesitate to contact me directly.

Thank you.

**Tony Toy**  
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Canadian Council of Insurance Regulators  
National Regulatory Coordination Branch  
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## **Briefing Note**

### **CAFII Board Meeting 11 October, 2022—Agenda Item 5(d) Strategy Setting and Implementation; and Regulatory Matters: EOC-Endorsed Proposal Re CAFII's Return to Insurance Regulator and Policy-Maker Visits Tours in 2023**

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#### **Purpose of this Agenda Item – Discussion/Approval**

This is an opportunity to discuss a proposal from CAFII management that has been endorsed by the EOC, and a request for Board approval of that proposal.

#### **Background Information**

CAFII's Board-approved Strategic Plan mandates that CAFII should visit provincial insurance regulators and policy-makers in-person in their own local offices no less than once every 18 months, an initiative which we have not been able to fulfil over the past two years due to the pandemic. CAFII is now ready to re-engage in these tours -- with the next one, based on the previous schedule, being slated for Atlantic Canada in the Spring of 2023.

However, given the greater size and impact of Western Canada provincial regulators and policy-makers, CAFII management has recommended, and the EOC has endorsed, that the next tour should instead be to the four Western Canada provinces. The rationale for this recommendation will be shared and the Board will be asked to approve this recommendation.

#### **Recommendation / Direction Sought – Discussion/Approval**

This is a discussion and request for approval item.

#### **Attachments Included with this Agenda Item**

No attachments.



***Read Only Agenda Item 5(d)  
October 11/22 Board Meeting***

**From:** Keith Martin <Keith.Martin@cafii.com>

**Sent:** July-05-22 11:14 AM

**To:** Brendan Wycks <brendan.wycks@cafii.com>; Jake Becker <jake.becker@cafii.com>

**Subject:** Proposal Re CAFII's Return To Insurance Regulator and Policy-Maker Visits Tours In 2023

Hi, Brendan.

We can discuss this before the July 26 EOC meeting, but if you are comfortable and concur with this, I would like to recommend to the EOC that while the next planned Regulatory visits tour in the usual cycle would see us traveling to the four Atlantic Canada provinces, given the time that has passed since our last visit anywhere (Western Canada tour in October 2019), it is actually to the four Western Canada provinces that we should go again first, given how much more important they are in terms of size and activity.

Therefore, I would recommend that we go to the West in the spring of 2023, and to Atlantic Canada in the fall of 2023.

## **Briefing Note**

**CAFII Board Meeting 11 October, 2022—Agenda Item 5(e)  
Strategy Setting and Implementation; and Regulatory Matters: Recent Operatic Agency Deliverables  
Re CAFII Website Videos; and Enhancements to FAQs on CAFII Website**

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### **Purpose of this Agenda Item – Update**

This is an update item.

### **Background Information**

This will be an update on the continued enhancements being made to the CAFII website with our website consultants Operatic Agency, including a new video on the recent Deloitte Canada “Digitization of CPI” research results, and new FAQs.

### **Recommendation / Direction Sought – Update**

This is an update only.

### **Attachments Included with this Agenda Item**

No attachments.

## **Briefing Note**

**CAFII Board Meeting 11 October, 2022—Agenda Item 5(f)  
Strategy Setting and Implementation; and Regulatory Matters: Execution of EOC-Approved CAFII 2022  
Tracking Study Research on Consumers' Satisfaction with CPI, with Pollara Strategic Insights**

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### **Purpose of this Agenda Item – Update**

This is an update item.

### **Background Information**

CAFII's 2022 research project is an update to a tracking survey on consumers' satisfaction levels with Credit Protection Insurance products. The updated questionnaire has been finalized and is ready to go to field. This will be an update on this research initiative, including some new questions included in the questionnaire which are intended to attract media interest, along with the intention to release the research in 2023 so as to give it additional shelf life.

### **Recommendation / Direction Sought – Update**

This is an update item only.

### **Attachments Included with this Agenda Item**

1 attachment.

## CAFII – Consumer Opinions of Credit Protection Insurance Research – Wave 2 Draft Survey

- A. Please select the province in which you live:
- a. Newfoundland & Labrador
  - b. Nova Scotia
  - c. Prince Edward Island
  - d. New Brunswick
  - e. Quebec
  - f. Ontario
  - g. Manitoba
  - h. Saskatchewan
  - i. Alberta
  - j. British Columbia
  - k. Northwest Territories
  - l. Yukon
  - m. Nunavut
  - n. Currently live outside Canada [TERMINATE]

### [RECODE INTO REGIONS]

Atlantic Canada

Quebec

Ontario

Prairies

Alberta

BC and Territories

- B. Please enter your year of birth:  
**[ENTER]** **[TERMINATE IF UNDER 18]**
- C. Please select your gender:
- Woman
  - Man
  - Another gender identity
  - Don't know/Unsure

### Definitions

**SHOW ON SEPARATE PAGE. RESPONDENTS MUST CLICK NEXT TO CONTINUE WITH SURVEY.**

Today we are going to ask you about Credit Protection Insurance for Mortgages and Home Equity Lines of Credit. Below are some definitions of what we will be referring to in the survey. Throughout the survey, if you would like a reminder of these definitions, hover over the name of the insurance product and to see the relevant definition.

**Credit Protection Insurance for mortgages** - is optional insurance used to pay out the balance on your mortgage in the event of death or diagnosis of a critical illness, or make/postpone debt payments on your behalf in the event of disability or job loss (depending on the coverage you have chosen). It is offered by banks and credit unions across Canada.

**Note:** Credit Protection Insurance is NOT the same insurance that is required by the Canada Mortgage and Housing Corporation (CMHC) on homes that were purchased with less than a 20% down payment, which will pay back the lender if the home owner needed to default on their mortgage.

**Credit Protection Insurance for Home Equity Line of Credit** - is optional insurance used to pay out the balance of your Home Equity Line of Credit in the event of death or diagnosis of a critical illness, or make/postpone payments on your behalf in the event of disability or job loss (depending on the coverage you have chosen). It is offered by banks and credit unions across Canada.

**DO NOT SHOW GREY DEFINITION ON DEFINITION PAGE – JUST FOR SURVEY QUESTION USE**

**Credit Protection Insurance for Mortgage or Home Equity Line of Credit** - is optional insurance used to pay out the balance of your mortgage or Home Equity Line of Credit in the event of death or diagnosis of a critical illness, or make/postpone payments on your behalf in the event of disability or job loss (depending on the coverage you have chosen). It is offered by banks and credit unions across Canada.

1. Do you have now, or have you ever had the following:

GRID COLUMNS

Have now

Had in the past but not now

Never had

Don't know

GRID ROWS (RANDOMIZE)

A mortgage

A Home Equity Line of Credit (HELOC)

2. **IF HAVE MORTGAGE IN Q1 ASK:** Do you currently have Credit Protection Insurance for your mortgage?  
Yes  
No  
Don't know

IF NO OR DON'T KNOW, SKIP TO Q5

3. And what does the Credit Protection Insurance cover you for? Please select all that apply.

Life – pays out your insured balance in the event of death

Disability – payments for your mortgage will be made on your behalf until you are able to return to work or until you reach a designated maximum benefit (e.g. 24 months)

Critical Illness – pays out your insured balance if you are diagnosed with a covered critical illness

Job Loss – on involuntary unemployment, provides payment protection by making specific debt payments on your behalf, for a time-limited period

Other

Don't know

4. When did you purchase or arrange for the Credit Protection Insurance for your mortgage?

DROP DOWN BOX THAT SHOWS LESS THAN ONE YEAR, ONE YEAR INCREMENTS FROM ONE TO 25 AND MORE THAN 25 YEARS AGO. INCLUDE SEPARATE DON'T KNOW AND PREFER NOT TO ANSWER CATEGORIES

5. IF HAVE LINE OF CREDIT IN Q1 ASK: Do you currently have Credit Protection Insurance for your Home Equity Line of Credit?

Yes

No

Don't know

IF NO OR DON'T KNOW, SKIP TO Q8

6. And what does the Credit Protection Insurance cover you for? Please select all that apply.

Life – pays out your insured balance in the event of death

Disability – payments for your Home Equity Line of Credit will be made on your behalf until you are able to return to work or until you reach a designated maximum benefit (e.g. 24 months)

Critical Illness – pays out your insured balance if you are diagnosed with a covered critical illness

Job Loss – on involuntary unemployment, provides payment protection by making specific debt payments on your behalf, for a time-limited period

Other

Don't know

7. When did you purchase or arrange for your Credit Protection Insurance for your Home Equity Line of Credit?

DROP DOWN BOX THAT SHOWS LESS THAN ONE YEAR, ONE YEAR INCREMENTS FROM ONE TO 25 AND MORE THAN 25 YEARS AGO. INCLUDE SEPARATE DON'T KNOW AND PREFER NOT TO ANSWER CATEGORIES

8. **ASK EVERYONE:** Have you ever submitted a claim for Credit Protection Insurance for your mortgage or Home Equity Line of Credit? A claim is made in the event the insured person had died, or had been diagnosed with a critical illness, became disabled or lost your/their job? Please select all that apply

Mortgage  
Home Equity Line of Credit  
Both  
None of the above

**IF DO NOT HAVE MORTGAGE OR HOME EQUITY LINE OF CREDIT AND NEVER MADE A CLAIM ON MORTGAGE OR LINE OF CREDIT PROTECTION INSURANCE, TERMINATE.**

**QUOTAS:** **NON-HOLDERS:** HAVE A MORTGAGE/LINE OF CREDIT, BUT NOT MORTGAGE/LINE OF CREDIT PROTECTION INSURANCE  
**CURRENT HOLDERS:** HAVE MORTGAGE/HOME EQUITY LINE OF CREDIT PROTECTION INSURANCE  
**CLAIMANTS:** HAVE MADE A CREDIT PROTECTION INSURANCE CLAIM (ON MORTGAGE/HOME EQUITY LINE OF CREDIT)

IF HOLDER OF MORTGAGE INSURANCE – GO TO SECTION A: MORTGAGE CREDIT PROTECTION INSURANCE HOLDERS

IF HOLDERS OF HELOC INSURANCE – GO TO SECTION B: HELOC CREDIT PROTECTION INSURANCE HOLDERS

IF HOLDER OF BOTH MORTGAGE AND HELOC – RANDOMLY SELECT ONE OF SECTION A OR B FOR PARTICIPANT TO ANSWER

IF NON-HOLDER GO TO SECTION C – NON-HOLDER

## **SECTION A: MORTGAGE CREDIT PROTECTION INSURANCE HOLDERS**

A1. For the next few questions, please consider the Credit Protection Insurance you have on your mortgage. Thinking of this insurance, in general, how confident are you that in the event of a claim ...

GRID COLUMNS

Very confident  
Somewhat confident  
Not very confident  
Not at all confident  
Don't know

GRID ROWS (RANDOMIZE)

Information needed to submit your claim would be clearly communicated to you  
The quality of service you expect would be provided  
The claim would be paid as expected  
The claim would be paid in a timely manner



Credit Protection Insurance Survey Wave 2 - CAFII

A2. To what extent do you agree or disagree with each of the following statements about the Credit Protection Insurance for your mortgage?

GRID COLUMNS

Strongly agree  
Somewhat agree  
Somewhat disagree  
Strongly disagree  
Don't know

GRID ROWS (RANDOMIZE)

Credit Protection Insurance is an affordable insurance option  
Credit Protection Insurance effectively protects me and/or my family in case of certain unexpected events  
Credit Protection Insurance provides good value for the money  
Credit Protection Insurance is a convenient way to protect me and/or my family in case of certain unexpected events  
Without Credit Protection Insurance, I do not know what would happen to me and/or my family in the case of certain unexpected events

A3. Thinking back to when you got your mortgage, did the financial institution inform you about the availability of Credit Protection Insurance?

Yes  
No  
Don't know/Can't recall

[IF YES IN QA3 ASK QA4A AND A4B, IF NO, DK/CANT RECALL SKIP TO A5]

A4A: How did the financial institution inform you of this insurance? Please select all that apply

The representative I was working with told me about it  
It was included in the paperwork options  
I was given the choice to opt in or out of this insurance  
I saw the information on their website  
Other  
Don't remember

A4B. Did the financial institution inform you about each of the following factors related to the available Credit Protection Insurance?

GRID COLUMNS

Yes

No

Don't know/Can't recall

GRID ROWS (RANDOMIZE)

I was told the coverage options that were available to me (e.g. life, disability, critical illness, job loss)

I was told the premiums/costs of the coverage options available (e.g. life, disability, critical illness, job loss)

I was informed **about** the advantages of having Credit Protection Insurance as a way to protect me and/or my family in case of certain unexpected events

I was told about the review period that was available with the Credit Protection Insurance, during which I could cancel at no cost

A5A. Which of the following best describes your impression of the Credit Protection Insurance for your mortgage?

I thought the insurance was optional

I thought the insurance was mandatory

Not sure

A5B. Aside from obtaining information from your financial institution, did you discuss or do additional research on the Credit Protection Insurance options that were available?

Yes – Discussed options with the co-borrower on the mortgage

Yes – Discussed options with friends and/or family members

Yes - Researched options online

Yes – Talked to representatives of other financial institutions or mortgage brokers

Other (specify)

No other research

Don't know/Can't recall

A7. How confident are you that you know how much of your mortgage will be paid with each of the types of coverage that you have? Please indicate your level of confidence for each. **SHOW EACH CHOOSEN IN Q3**

GRID COLUMNS

Life

Critical illness

Disability

Job loss

**GRID ROWS**

Very confident  
Somewhat confident  
Not very confident  
Not at all confident  
Don't know

A8. To what extent do you agree or disagree with each of the following statements about the documents which outline your Credit Protection Insurance for your mortgage.

**GRID COLUMNS**

Strongly agree  
Somewhat agree  
Somewhat disagree  
Strongly disagree  
Have not read documentation

**GRID ROWS (RANDOMIZE)**

The Credit Protection Insurance documents for my mortgage are easy to understand  
The Credit Protection Insurance documents for my mortgage make it easy to find the information I am looking for

A9. When you were considering Credit Protection Insurance for your mortgage, how important were the following factors:

**GRID COLUMNS**

Very important  
Somewhat Important  
Not very important  
Not at all important

**GRID ROWS (RANDOMIZE)**

Price  
Benefit payment amount of coverage  
Coverage for pre-existing conditions (i.e. health conditions that I had when purchasing the insurance)  
Convenience of obtaining this insurance at the same time as obtaining my mortgage  
Ease of overall purchase process  
Benefits and features of the coverage  
Ability to buy online  
Being able to speak to someone to answer my questions  
Ease of qualifying for the coverage  
Fewer age restrictions  
No medical testing (such as blood or urine tests)  
Other (please explain) [\[ANCHOR\]](#)

A10A. The following questions are in regard to your experience purchasing your Credit Protection Insurance for your mortgage. From whom did you purchase your credit protection insurance?

- From a financial institution – Bank or credit union
- From a mortgage broker
- Don't know

Commented [LM1]: Are there any other options?

A10B How did you *complete* the purchase of your Credit Protection Insurance? [RANDOMIZE]

- By phone
- The process was initiated online, including mobile (e.g., smartphone, tablet), but finished in another way (in person, over the phone, etc.) FI
- The whole process was completed online FI
- In-Person at the branch
- Through a representative that came to my house
- Other [ANCHOR]

A11. Overall, how would you rate your level of satisfaction with the *purchase experience*, when you purchased your Credit Protection Insurance for your mortgage?

- Very satisfied
- Somewhat satisfied
- Somewhat dissatisfied
- Very dissatisfied
- Don't recall

A12. More specifically, how satisfied were you with the following elements of the purchase process?

GRID COLUMNS

- Very satisfied
- Somewhat satisfied
- Somewhat dissatisfied
- Very dissatisfied
- Don't recall
- Not applicable

GRID ROWS (RANDOMIZE)

- Availability of comprehensive information to help me make an informed decision
- Coverage details -- what was and was not covered were written in a clear and easy to understand language
- Coverage details -- what was and was not covered were explained well by a representative of the financial institution
- Responsiveness of the representative (e.g., answering questions in a timely manner)
- Quality of responses to my questions (e.g., comprehensive, easy to understand, etc.)
- Value for the money
- Ease of purchase
- The trial period that allowed me to cancel the purchase within a period of time at no cost

A13. If you were obtaining credit protection insurance now, how would you like to apply for the insurance? Please choose only one answer

- In person at a branch
- Through the financial institution's representative coming to my home
- By talking to the financial institution's representative over the phone
- Video conferencing with the financial institution's representative
- Through email with the financial institution's representative
- Online through the financial institution's website or web-based platform
- Using the financial institution's mobile app
- Other
- Don't know

A14. If you needed to submit a claim on your credit protection insurance now, how would you prefer to do this? Please choose only one answer

- In person at a branch
- Through the representative coming to my home
- By talking to the financial representative over the phone
- Video conferencing with the financial representative
- Through email with the financial representative
- Online through the financial institution's website
- Using the financial institution's mobile app
- Other
- Don't know

A15. To what extent do you agree or disagree with the following statements about conducting financial transactions since the start of the COVID-19 pandemic?

GRID ROWS RANDOMIZE

- The pandemic has changed the way I want to conduct financial transactions in the future.
- I look forward to going back to a branch to conduct my financial transactions in-person.
- Since the pandemic, I am more comfortable conducting financial transactions online.
- I prefer the convenience of conducting financial transactions online.

GRID COLUMNS

- Strongly agree
- Somewhat agree
- Somewhat disagree
- Strongly disagree
- Don't know

## SECTION B: HELOC INSURANCE HOLDERS

B1. For the next few questions, please consider the Credit Protection Insurance you have on your Home Equity Line of Credit. Thinking of this insurance, in general, how confident are you that in the event of a claim...

GRID COLUMNS

Very confident  
Somewhat confident  
Not very confident  
Not at all confident  
Don't know

GRID ROWS (RANDOMIZE)

Information needed to submit your claim would be clearly communicated to you  
The quality of service you expect would be provided  
The claim would be paid as expected  
The claim would be paid in a timely manner

B2. To what extent do you agree or disagree with each of the following statements about the Credit Protection Insurance for your Home Equity Line of Credit?

GRID COLUMNS

Strongly agree  
Somewhat agree  
Somewhat disagree  
Strongly disagree  
Don't know

GRID ROWS (RANDOMIZE)

Credit Protection Insurance is an affordable insurance option  
Credit Protection Insurance effectively protects me and/or my family in case of certain unexpected events  
Credit Protection Insurance provides good value for the money  
Credit Protection Insurance is a convenient way to protect me and/or my family in case of certain unexpected events  
Without Credit Protection Insurance, I do not know what would happen to me and/or my family in the case of certain unexpected events

B3. Thinking back to when you got your Home Equity Line of Credit, did the financial institution inform you about the availability of Credit Protection Insurance?

Yes  
No  
Don't know/Can't recall

[IF YES IN B3 ASK QB4A AND QB4B. IF NO/DK SKIP TO B5]

B4A: How did the financial institution inform you of this insurance? Please select all that apply

- The representative I was working with told me about it
- It was included in the paperwork options
- I was given the choice to opt in or out of this insurance
- I saw the information on their website
- Other
- Don't remember

B4B. Did the financial institution inform you about each of the following factors related to the available Credit Protection Insurance?

GRID COLUMNS

- Yes
- No
- Don't know/Can't recall

GRID ROWS (RANDOMIZE)

- I was told the coverage options that were available to me (e.g. life, disability, critical illness, job loss)
- I was told the premiums/costs of the coverage options available (e.g. life, disability, critical illness, job loss)
- I was told about the advantages of having Credit Protection Insurance as a way to protect me and/or my family in case of certain unexpected events
- I was told about the review period that was available with the Credit Protection Insurance, during which I could cancel at no cost

B5A. Which of the following best describes your impression of the Credit Protection Insurance for your Home Equity Line of Credit?

- I thought the insurance was optional
- I thought the insurance was mandatory
- Not sure

B5B. Aside from obtaining information for your financial institution, did you discuss or do additional research on the Credit Protection Insurance options that were available?

- Yes – Discussed options with the co-borrower on the Home Equity Line of Credit
- Yes – Discussed options with friends and/or family members
- Yes - Researched options online
- Yes – Talked to representatives of other financial institutions or mortgage brokers
- Other (specify) \_\_\_\_\_
- No other research
- Don't know/Can't recall



Credit Protection Insurance Survey Wave 2 - CAFII

B7. How confident are you that you know how much of your Home Equity Line of Credit will be paid with each of the types of coverage that you have? Please indicate your level of confidence for each. **SHOW EACH CHOSEN IN Q6**

**GRID COLUMNS**

Life  
Critical illness  
Disability  
Job loss

**GRID ROWS**

Very confident  
Somewhat confident  
Not very confident  
Not at all confident  
Don't know

B8. To what extent would you agree or disagree with each of the following statements about the documents which outline your Credit Protection Insurance for your Home Equity Line of Credit.

**GRID COLUMNS**

Strongly agree  
Somewhat agree  
Somewhat disagree  
Strongly disagree  
Have not read documentation

**GRID ROWS (RANDOMIZE)**

The Credit Protection Insurance documents for my Home Equity Line of Credit are easy to understand  
The Credit Protection Insurance documents for my Home Equity Line of Credit make it easy find the information I am looking for

B9. When you were considering Credit Protection Insurance for your Home Equity Line of Credit, how important were the following factors:

**GRID COLUMNS**

Very important  
Somewhat Important  
Not very important  
Not at all important

**GRID ROWS (RANDOMIZE)**

Price  
Benefit payment amount of coverage  
Coverage for pre-existing conditions (that is health conditions that I had when you purchased the insurance)  
The convenience of obtaining this insurance at the same time as obtaining my mortgage  
Ease of overall purchase process  
Benefits and features of the coverage

Credit Protection Insurance Survey Wave 2 - CAFII

Ability to buy online  
Being able to speak to someone to answer my questions  
The ease of qualifying for the coverage  
Fewer age restrictions  
No medical testing (such as blood or urine tests)  
Other (please explain) [ANCHOR]

B10A. The following questions are in regard to your experience purchasing your Credit Protection Insurance for your Home Equity Line of Credit. From whom did you purchase your credit protection insurance?

From a financial institution – Bank or credit union  
From a mortgage broker  
Don't know

A10B How did you *complete* the purchase of your Credit Protection Insurance? [RANDOMIZE]

By phone  
The process was initiated online, including mobile (e.g., smartphone, tablet), but finished in another way (in person, over the phone, etc.) FI  
The whole process was completed online FI  
In-Person at the branch  
Through a representative that came to my house  
Other [ANCHOR]

B11. Overall, how would you rate your level of satisfaction with the *purchase experience*, when you purchased your Credit Protection Insurance for your Home Equity Line of Credit?

Very satisfied  
Somewhat satisfied  
Somewhat dissatisfied  
Very dissatisfied  
Don't recall

B12. More specifically, how satisfied were you with the following elements of the purchase process?

GRID COLUMNS  
Very satisfied  
Somewhat satisfied  
Somewhat dissatisfied  
Very dissatisfied  
Don't recall  
Not applicable

GRID ROWS (RANDOMIZE)  
Availability of comprehensive information to help me make an informed decision  
Coverage details -- what was and was not covered were written in a clear and easy to understand language  
Coverage details -- what was and was not covered were explained well by a representative of the financial institution

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Responsiveness of the representative (e.g., answering questions in a timely manner)  
Quality of responses to my questions (e.g., comprehensive, easy to understand, etc.)  
Value for the money  
Ease of purchase  
The trial period that allowed me to cancel the purchase within a period of time at no cost

A13. If you were obtaining credit protection insurance now, how would you like to apply for the insurance? Please choose only one answer

In person at a branch  
Through the financial institution's representative coming to my home  
By talking to the financial institution's representative over the phone  
Video conferencing with the financial institution's representative  
Through email with the financial institution's representative  
Online through the financial institution's website or web-based platform  
Using the financial institution's mobile app  
Other  
Don't know

B14. If you needed to submit a claim on your credit protection insurance now, how would you prefer to do this? Please choose only one answer

In person at a branch  
Through the representative coming to my home  
By talking to the financial representative over the phone  
Video conferencing with the financial representative  
Through email with the financial representative  
Online through the financial institution's website  
Using the financial institution's mobile app  
Other  
Don't know

B15. To what extent do you agree or disagree with the following statements about conducting financial transactions?

GRID ROWS RANDOMIZE

The pandemic has changed the way I want to conduct financial transactions in the future.  
Since the pandemic, I look forward to going back to a branch to conduct my financial transactions in-person.  
Since the pandemic, I am more comfortable conducting financial transactions online.  
I prefer the convenience of conducting financial transactions online.

GRID COLUMNS

Strongly agree  
Somewhat agree  
Somewhat disagree  
Strongly disagree  
Don't know

**SECTION C: NON-HOLDERS**

C1. While you do not currently hold Credit Protection Insurance on your mortgage or Home Equity Line of Credit, we would like to understand your thoughts about these products. To what extent do you agree or disagree with each of the following statements about Credit Protection Insurance?

GRID COLUMNS

Strongly agree  
Somewhat agree  
Somewhat disagree  
Strongly disagree  
Don't know

GRID ROWS (RANDOMIZE)

Credit Protection Insurance is an affordable insurance option  
Credit Protection Insurance effectively protects those who hold it, in case of certain unexpected events  
Credit Protection Insurance provides good value for the money  
Credit Protection Insurance is a convenient way to protect me and/or my family, in case of certain unexpected events

C2. Thinking back to when you got your mortgage or Home Equity Line of Credit, did the financial institution inform you about the availability of Credit Protection Insurance?

Yes  
No  
Don't know/Can't recall

[IF YES IN QC2 ASK QC3A ANAD C3B, IF NO, DK/CANT RECALL SKIP TO C4]

Credit Protection Insurance Survey Wave 2 - CAFII

C3A: How were you informed about this insurance? Please select all that apply

- The representative I was working with told me about it
- It was included in the paperwork options
- I saw the information on their website
- Other
- Don't remember

C3B. Did the financial institution inform you about each of the following factors of the available Credit Protection Insurance?

GRID COLUMNS

- Yes
- No
- Don't know/Can't recall

GRID ROWS (RANDOMIZE)

- I was told the coverage options that were available to me (e.g. life, disability, critical illness, job loss)
- I was told the premiums/costs of the coverage options available (e.g. life, disability, critical illness, job loss)
- I was informed about the advantages of having Credit Protection Insurance as a way to protect me and/or my family in case of certain unexpected events
- I was told about the review period that was available with the Credit Protection Insurance, during which I could cancel at no cost

C4B. Aside from obtaining information for your financial institution, did you discuss or do additional research on the Credit Protection Insurance options that were available?

- Yes – Discussed options with the co-borrower on the mortgage
- Yes – Discussed options with friends and/or family members
- Yes - Researched options online
- Yes – Talked to representatives of other financial institutions or mortgage brokers
- Other (specify) \_\_\_\_\_
- No other research
- Don't know/Can't recall

Credit Protection Insurance Survey Wave 2 - CAFII

C5. You mentioned that you have had a mortgage or Home Equity Line of Credit but did not have Credit Protection Insurance. Why did you choose not to have Credit Protection Insurance on these debts? Please select all that apply. If there is another reason that is not listed, please add it in the box below. [RANDOMIZE]

- Did not know about this insurance
- It was too expensive/the premiums were too high
- I could not afford the premium
- It was not good value for the money
- I was advised not to get it
- Had other types of insurance to cover it
- Felt that other types of insurance would provide a better value for the money
- Did not feel the need to have insurance
- Was going to get it later but didn't get
- Other Specify
- Don't know/Can't recall

C6. IF ADVISED NOT TO GET IT CHOSEN IN QC5 ASK: Who advised you not to get the Credit Protection Insurance? Please check all that apply. [RANDOMIZE]

- A friend or family member
- Mortgage broker
- Financial institution representative
- Accountant
- Realtor
- Lawyer
- Life insurance agent or broker
- Other (Specify)
- Don't know/Can't recall

C7. Do you have a different type of insurance policy, that is not Credit Protection Insurance, that would protect you and/or your loved ones if you were to experience any of the following unplanned events?

- GRID COLUMNS
- Yes, have another policy
  - No, do not have another policy
  - Don't know

- GRID ROWS (RANDOMIZE)
- If I were to die
  - If I were to become disabled
  - If I were to be diagnosed with a critical illness
  - If I were to lose my job

C8. When you obtained your mortgage or Home Equity Line of Credit, did you consider buying term life insurance, instead of Credit Protect Insurance, specifically to cover that debt in the case of death?

- Yes, I purchased term life insurance instead of Credit Protection Insurance
- Yes, I considered term life insurance but did not purchase the policy
- No, I did not consider term life insurance
- Don't know

C9. Has the COVID-19 pandemic changed how you feel about obtaining credit protection insurance for your mortgage or line of credit?

- Am much more likely to obtain creditor protection insurance
- Am somewhat more likely to obtain creditor protection insurance
- Am somewhat less likely to obtain creditor protection insurance
- Am much less likely to obtain creditor protection insurance
- The pandemic has not changed my likelihood to obtain credit protection insurance
- Don't know

C10. To what extent do you agree or disagree with the following statements about conducting financial transactions?

GRID ROWS RANDOMIZE

- The pandemic has changed the way I want to conduct financial transactions in the future.
- Since the pandemic, I look forward to going to a branch to conduct my financial transactions in-person.
- Since the pandemic, I am more comfortable conducting financial transactions online.
- I prefer the convenience of conducting financial transactions online.

GRID COLUMNS

- Strongly agree
- Somewhat agree
- Somewhat disagree
- Strongly disagree



**SECTION D: CLAIMS – CLAIMANTS CONTINUE, NON-CLAIMANTS SKIP TO DEMOGRAPHICS**

D1. You mentioned that you have made a claim on your Credit Protection Insurance. When was the last claim you had made?

- In the past year
- One to less than two years ago
- Two to less than three years ago
- Three to less than four years ago
- Four to less than five years ago
- Five years ago or more

D2. What type of claim was made?

- Life Insurance
- Disability
- Critical illness
- Job loss

D3. What was the result of your claim submission?

- It was paid
- It was denied
- The claim is still being processed **[SKIP TO D10]**

D4. Thinking back about the entire claim experience, from the initial contact to the final outcome, how would you rate your satisfaction with the overall experience?

- Very satisfied
- Somewhat satisfied
- Somewhat dissatisfied
- Very dissatisfied
- Don't recall

D5. And how satisfied were you with each of the following factors involved in this claim?

GRID COLUMNS

- Very satisfied
- Somewhat satisfied
- Somewhat dissatisfied
- Very dissatisfied
- Don't recall
- Not applicable

GRID ROWS (RANDOMIZE)

- Ease starting the claim process
- Empathy and understanding the representative showed me ~~when I called~~
- Knowledge of the representatives ~~I spoke with~~
- Clarity and completeness of the representative's responses to my questions

Credit Protection Insurance Survey Wave 2 - CAFII

Explanation I received about the steps involved in a claims process  
Explanation I was given as to how long it would take to process my claim  
Ease of understanding and completing the claim forms  
Number of claim forms that I had to submit was reasonable  
Documentation required in support of the claim (e.g. Doctor's report, death certificate) was reasonable  
Explanation of how the claim payment was determined  
Timeliness in which the claim was paid

D6. How would you rate the clarity of explanation your insurer gave you about **[IF D3=a]** your claim payment? **[IF D3=b]** the claim denial?

Very good  
Good  
Poor  
Very poor  
Don't recall

D7. Would you say that the claim payment met, exceeded, or fell short of your expectations?

Met  
Exceeded  
Fell short  
Don't recall

D8. Overall, would you say that the claim experience met, exceeded, or fell short of your expectations?

Met  
Exceeded  
Fell short  
Don't recall

D9. Did you make a complaint about your claim at any point during or after the claim process?

Yes  
No

D10. **[ASK IF ANSWERED 'Yes' AT D9]** How did you make this complaint? Please select all that apply (RANDOMIZE)

Made an initial complaint to the financial institution I was dealing with  
Made a complaint to the insurance company  
Followed up with a supervisor or manager at the financial institution  
Followed up with a supervisor or manager at the insurance company  
Escalated the complaint to a regulator  
Escalated the complaint to the financial institution complaints department  
Escalated the complaint to the insurance company complaints department  
Escalated the complaint with a third-party ombudsman  
Posted my complaint about the financial institution on social media  
Posted my complaint about the insurance company on social media  
Complained to family or friends  
Other (Specify)  
Prefer not to say

D11. **[ASK IF ANSWERED 'Yes' AT D9]** What was the **major** reason(s) for your complaint? Please select all that apply. **[RANDOMIZE]**

- The length of time it took to process the claim
- Lack of clarity about what was required
- Lack of updates during the process
- Difficult to contact/unresponsive insurer representatives (e.g., calls/emails not returned)
- Conflicting information from different claims representatives
- Insurance wording unclear/ambiguous
- Lack of professionalism and courtesy of representatives
- Not happy with claim being denied
- Other **[SPECIFY]**

D12. **[ASK IF ANSWERED 'Yes' AT D9]** Were you satisfied with how the complaint was handled?

- Very satisfied
- Somewhat Satisfied
- Somewhat dissatisfied
- Very dissatisfied
- Don't know

**ASK EVERYONE**

***Now, a few questions on a different topic.***

E1. With inflation and the current state of the economy, do you plan to cut back on any of the following expenses? Please check all that apply.

- Eating out
- Groceries – buying less to stick within your budget
- Fashion/Clothes
- Holidays and travel
- Entertainment
- Other
- Do not plan to cut back on expenses

E2. With rising inflation, economic uncertainty and the possibility of a housing market correction, how do you feel about obtaining credit protection insurance for your mortgage or line of credit?

- Am much more likely to consider creditor protection insurance
- Am somewhat more likely to consider creditor protection insurance
- Am somewhat less likely to consider creditor protection insurance
- Am much less likely to consider creditor protection insurance
- No change to my likelihood to consider credit protection insurance
- Don't know

***You are almost done. There are just have a few questions left to help us better analyze and understand responses to this survey.***

**SECTION Z DEMOGRAPHICS**

Z1. Which of the following income brackets best represents your annual household income before taxes?

- Less than \$75,000
- \$75,000 to less than \$120,000
- \$120,000 to less than \$250,000
- \$250,000 or more
- Prefer not to answer

Z2. Do you have children in any of the following age groups? Please select all that apply.

- Under 18 years
- 18 years or older
- Do not have children **[EXCLUSIVE]**
- Prefer not to answer **[EXCLUSIVE]**

Z3. Which of the following best describes your employment status?

- Employed (full-time, part-time, self-employed)
- Full-time student
- Retired
- Other

Z4. How long have you been a resident of Canada?

- Born in Canada
- Less than 2 years
- 2 to less than 5 years
- 5 to less than 10 years
- 10 to less than 20 years
- More than 20 years

**You have reached the end of this survey. Thank you for your responses and your time.**

## **Briefing Note**

**CAFII Board Meeting 11 October, 2022—Agenda Item 5(g)  
Strategy Setting and Implementation; and Regulatory Matters: Insights Gained from September 13/22  
CAFII 2022 Annual Members and Associates Luncheon, with Mark White, CEO of FSRA, as Guest  
Presenter**

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### **Purpose of this Agenda Item – Update**

This is an update item.

### **Background Information**

CAFII's held its 2022 Annual Members and Associates Luncheon on 13 September, 2022 at the St. James Cathedral Event Venue in Toronto, with FSRA CEO Mark White as the guest presenter. This will be an update on that luncheon and feedback on it that has been received from member representatives.

### **Recommendation / Direction Sought – Update**

This is an update item only.

### **Attachments Included with this Agenda Item**

1 attachment.

**Agenda Item 5(g)**  
**October 11/22 Board Meeting**



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

Hello Brendan,

***You're Invited!***

You are cordially invited to attend CAFII's **2022 Annual Members and Associates Luncheon** on Tuesday September 13, 2022 at St. James Cathedral Centre Event Venue in Toronto.



***CAFII 2022 Annual Members and Associates Luncheon***

This *by-personal-invitation-only* CAFII event will take place at St. James Cathedral Centre Event Venue, 65 Church St. in downtown Toronto (short walk from the King TTC station).

Join us for a benefits-packed 2.5 hours of networking with fellow CAFII Member, Associate, and FSRA staff executive guest representatives; a delicious buffet lunch; and a Fireside Chat presentation by Financial Services Regulatory Authority of Ontario (FSRA) CEO Mark White, moderated by CAFII Co-Executive Director Keith Martin.

***With Authority: Executing On A Bold Vision for A New Kind of Financial Services Regulator in Ontario; and Laying the Groundwork for Its Long-Term Success***



**Mark White, FSRA  
CEO**

Please [click here](#) for capsule biography.

In this fireside chat, CAFII Co-Executive Director Keith Martin will have a conversation with FSRA CEO Mark White about how FSRA has – for more than three years now – executed on a bold vision for new financial services regulation in Ontario.

The Financial Services Regulatory Authority regulates insurance and all non-securities financial services in Ontario – it has put principles, policies, frameworks, and practices in place to balance its consumer protection mandate with other important objects such as ensuring public confidence and strong, sustainable and innovative financial services.

Their discussion will address the following, including FSRA's foundational precepts and future plans related to:

- how FSRA is making principles-based regulation (PBR) work by using its rule-making authority, guidance framework and discretion;
- driving improved consumer outcomes through supervision and enforcement;
- how FSRA is making consumer views and input a “by design” element of its priorities; and
- how thorough and recurring consultation with industry stakeholders – and their resulting input and support – have been instrumental to FSRA's early success, and will remain critically important.

The presentation will conclude with a Q&A session with audience members.



**When:** Tuesday, September 13, 2022 from 11:45 am to 2:15 pm

**Location:** St James Cathedral Centre Event Venue, 65 Church St, Toronto, ON M5C 2E9

***CAFII 2022 Annual Members and Associates Luncheon: Event Overview***

**11:45 a.m. to 12:15 p.m.:** Arrival & Pre-Lunch Networking

*Check in at Registration; Network with CAFII Member and Associate representatives and FSRA staff executives before lunch*

**12:15 to 1:00 p.m.:** Buffet Lunch and At-Table Conversation/Networking

**1:00 to 1:10 p.m.:** Coffee/Tea and Dessert (Placed On Tables); and At-Table Conversation/Networking continues

**1:10 to 1:15 p.m.:** Welcome Remarks and Introduction of VIP Guests and Guest Presenter

**1:15 to 2:00 p.m.:** Fireside Chat Presentation with FSRA CEO Mark White, concluding with Q&A Session with Audience Members

**2:00 to 2:15 p.m.:** Post-Event Networking

**2:15 p.m.:** Event concludes

Please register below by 5:00 p.m. on Tuesday, September 6, 2022.

If you have any questions, please contact Meighan Pears at [events@cafii.com](mailto:events@cafii.com).

[Please Click Here To Register](#)

## **Briefing Note**

**CAFII Board Meeting 11 October, 2022—Agenda Item 5(h)**

**Strategy Setting and Implementation; and Regulatory Matters: Insights Gained from CAFII/CLHIA/THIA  
Biweekly Meetings Re Impact of COVID-19 on Travel and the Travel Insurance Industry**

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### **Purpose of this Agenda Item – Update**

This is an update item.

### **Background Information**

CAFII continues to hold biweekly meetings on travel insurance and related 'industry alignment' issues with THIA and CLHIA. This will be an update on some of the insights gained from recent meetings of this group.

### **Recommendation / Direction Sought – Update**

This is an update item only.

### **Attachments Included with this Agenda Item**

No attachments.

## **Briefing Note**

**CAFII Board Meeting 11 October, 2022—Agenda Item 6(a)**

**Read Only Items: CAFII Decision Not To Make A Response Submission on OSFI Consultation on  
Updated Guideline B-10: Third Party Risk Management**

---

### **Purpose of this Agenda Item – Read Only Item**

This is a Read Only item.

### **Background Information**

CAFII decided not to make a submission response to the OSFI consultation on an update to Guideline B-10: Third Party Risk Management, as it was felt that this was better handled at a “corporate level” by CLHIA and CBA. However, CAFII will continue to keep a monitoring brief on this file and will keep the EOC and Board advised of any CAFII-relevant developments.

### **Recommendation / Direction Sought – Read Only Item**

This is a Read Only item.

### **Attachments Included with this Agenda Item**

1 attachment.

***Read Only Agenda Item 6(a)  
October 11/22 Board Meeting***

**From:** Brendan Wycks

**Sent:** August-22-22 11:55 AM

**To:** CAFII Executive Operations Committee and Market Conduct & Licensing Committee Members:

**Cc:** Keith Martin <Keith.Martin@cafii.com>; Jake Becker <jake.becker@cafii.com>; 'sharon.apt@td.com' <sharon.apt@td.com>; 'Suzie Blanchard' <Suzanne\_blanchard@manulife.ca>

**Subject:** Recommendation From CAFII Management That CAFII Not Make A Written Submission To OSFI On Revised Guideline B-10: Third-Party Risk Management; Feedback Requested By Wednesday, September 7/22 At 12 Noon

**CAFII Executive Operations Committee and Market Conduct & Licensing Committee Members:**

With respect to OSFI's current consultation on its *Revised Guideline B-10: Third Party Risk Management*, based on insights (summarized in attached PDF) gained from

- two meetings of the Market Conduct & Licensing Committee on this consultation opportunity over the summer (June 27/22 and July 18/22);
- a June 30/22 meeting with the Canadian Life and Health Insurance Association's Devika Prashad, Vice-President and Chief Actuary, and Sarah Hobbs, Director, Policy, the two CLHIA staff executives responsible for its submission on this OSFI consultation;
- a July 13/22 meeting with three OSFI staff executives responsible for this consultation; and
- an August 8/22 meeting (see email exchange below) with Marina Mandal, the Canadian Bankers Association's Vice-President, Engagement and Integration, who is responsible for CBA's submission on this OSFI consultation,

**Keith Martin and I recommend that CAFII should not make a written submission to OSFI on its current B-10 consultation; and instead our Association should defer to CBA and CLHIA and support those Associations' written submissions.**

The rationale for this recommendation is this:

- typically, CAFII -- which is focused exclusively on credit protection insurance, travel insurance, and direct-to-consumer distribution channels -- emphasizes issues specific to those areas alone in its response submissions to regulatory consultations; and there does not appear to be anything unique about those areas with respect to OSFI's *Revised Guideline B-10: Third-Party Risk Management*, such that a CAFII written submission would provide feedback that would not be addressed by the Canadian Bankers Association (CBA) and/or the Canadian Life and Health Insurance Association (CLHIA) in their respective submissions to OSFI; and

- there is also a risk of expanding the scope of CAFII's submission to address issues that might be considered 'bank-wide' issues, including the potential for taking a different approach than the CBA might take.

**Therefore, we ask that you consider this recommendation from the two Co-Executive Directors, as CAFII management; socialize it, as necessary, within your member company; and respond to us by Wednesday, September 7/22 at 12 Noon EDT with an indication as to whether your Member company supports this recommendation or, alternatively, would prefer to see CAFII make its own submission in response to this OSFI consultation. (We would appreciate one consolidated response per Member company.)**

(In mid-July, OSFI extended the deadline for submissions in response to its Revised Guideline B-10 consultation document, from July 27/22 to September 30/22.)

Thanks and best regards,

**Brendan Wycks, BA, MBA, CAE**

Co-Executive Director

Canadian Association of Financial Institutions in Insurance

[Brendan.wycks@cafii.com](mailto:Brendan.wycks@cafii.com)

T: 647.218.8243

Alternate T: 647.361.9465

[www.cafii.com](http://www.cafii.com)

**Approval/Affirmative Responses Received From:**

Assurant Canada

CIBC Insurance

ScotiaLife Financial

Valeyo

**From:** "Mandal, Marina" <[MMandal@cba.ca](mailto:MMandal@cba.ca)>

**Date:** August 8, 2022 at 3:06:12 PM EDT

**To:** Brendan Wycks <[brendan.wycks@cafii.com](mailto:brendan.wycks@cafii.com)>

**Cc:** "Barnes, Alana" <[ABarnes@cba.ca](mailto:ABarnes@cba.ca)>, Keith Martin <[keith.martin@cafii.com](mailto:keith.martin@cafii.com)>

**Subject:** RE: CAFII Summary Document On OSFI's Consultation On Its Third-Party Risk Management Expectations As Set Out In Its Revised Guideline B-10

Hi Brendan,

Thanks to both you and Keith for your time this morning and for sending the CAFII summary document.

Please feel free to reach out as well with any questions.

Hope you both enjoy the rest of the summer,  
Marina



Marina Mandal  
VP, Engagement & Integration  
416.888.8654  
(She/Her)

**From:** Brendan Wycks  
**Sent:** August-08-22 1:51 PM  
**To:** Mandal, Marina <[MMandal@cba.ca](mailto:MMandal@cba.ca)>  
**Cc:** Barnes, Alana <[ABarnes@cba.ca](mailto:ABarnes@cba.ca)>; Keith Martin <[Keith.Martin@cafii.com](mailto:Keith.Martin@cafii.com)>  
**Subject:** CAFII Summary Document On OSFI's Consultation On Its Third-Party Risk Management Expectations As Set Out In Its Revised Guideline B-10

Hi, Marina.

Thank you for meeting with Keith Martin and me this morning and sharing with us the high points of CBA's well-advanced/near final draft submission to OSFI on its Revised Draft Guideline B-10: Third Party Risk Management.

It was a pleasure to meet you virtually and to exchange information on our respective Associations' views on this matter.

As promised, attached is a CAFII summary document which captures the highlights of our members' concerns about Revised Draft Guideline B-10, including the essence of a virtual meeting which Keith and I had on July 13 with three OSFI staff executives to raise those concerns, ask some questions, and get some clarifications.

Based on our discussion with you this morning, Keith and I feel very assured that CBA's well-advanced/near final draft submission largely reflects the content and tenor of what would be included in a CAFII written feedback submission.

Therefore, we will now reiterate our previously communicated recommendation to our CAFII Executive Operations Committee (EOC) that our Association should **not** make a written submission to OSFI on its current B-10 consultation; and instead CAFII should defer to CBA and CLHIA and support those Associations' written submissions.

That said, you might find some content in the attached CAFII document which may help to strengthen/augment/buttreass your CBA written submission.

Don't hesitate to reach out to us if there is anything therein that you need clarification on or would like to engage further with us about.

Best regards,

**Brendan Wycks, BA, MBA, CAE**

Co-Executive Director

Canadian Association of Financial Institutions in Insurance

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## **Briefing Note**

**CAFII Board Meeting 11 October, 2022—Agenda Item 6(b)**

**Read Only Items: Recent Change At RSM Canada Re Staff Executive Leadership Involvement in CAFII's Quarterly Benchmarking Study**

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### **Purpose of this Agenda Item – Read Only Item**

This is a Read Only item.

### **Background Information**

CAFII's key contact at RSM Canada, which conducts the CAFII Quarterly CPI Benchmarking Study, has been Matthew Haymes up until early September 2022.

However, Mr. Haymes has recently changed positions at RSM Canada and moved to the Cayman Islands; and, as such, CAFII was informed of new key contacts on the benchmarking study, as Mr. Haymes cannot be the key contact given that RSM Canada has data integrity requirements of not hosting confidential information on servers that are not located in Canada.

### **Recommendation / Direction Sought – Read Only Item**

This is a Read Only item.

### **Attachments Included with this Agenda Item**

No attachments (this Briefing Note only).

## **Briefing Note**

**CAFII Board Meeting 11 October, 2022—Agenda Item 6(c)**

**Read Only Items: FSRA-Provided Powerpoint Deck Update For October 3/22 Meeting of Stakeholder Advisory Committee (SAC) for the Life and Health Insurance Sector**

---

### **Purpose of this Agenda Item – *Read Only Item***

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This is an Read Only item.

### **Background Information**

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Keith Martin represents CAFII on the FSRA Stakeholder Advisory Committee (SAC) for the Life and Health Insurance Sector. That Committee held a meeting on 3 October, 2022 (virtual), for which FSRA provided a Powerpoint deck, attached, on some of its current initiatives, including its plans to continue reviewing closely the MGA distribution channel. The FSRA presenters at this session were:

Mark White, CEO;

Huston Loke, Executive Vice President, Market Conduct;

Robert Prior, Senior Manager, Market Conduct – Life & Health Insurance Agents;

Tim Mifflin, Senior Manager, Policy;

Erica Hiemstra, Head Market Conduct; and

Swati Agrawal, Director, Market Conduct - Life & Health Insurance.

### **Recommendation / Direction Sought – *Read Only Item***

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This is a Read Only item.

### **Attachments Included with this Agenda Item**

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1 attachment.

# 2023-24 FSRA Life & Health SAC

Monday, October 3rd, 2022

# FSRA

Financial Services Regulatory  
Authority of Ontario



Ontario



## Agenda

1. Process Overview
2. FSRA 2023-24+ Priorities
3. Life & Health Insurance Environmental Scan
4. 7.1 Enhance market conduct oversight to protect consumer
5. Market Conduct updates
6. Sector view financial summary
7. Sector 2023-2024 Plan
8. Fall 2022 – Consultation on FSRA Fee Rule
9. Appendix A: Strategic Framework
10. Appendix B: FY2022-2023 FSRA Priorities
11. Appendix C: FY2023-2024 FSRA-wide Priorities

## Process Overview

### FSRA 2023-2024 Priorities and Financial Plan



- ☐ **September 29** – Board approval of SOP and financial plan for consultation
- ☐ **October 5** – Public Comment Period Opens
- ☐ **November 4** – Public Comment Period Closes

### Stakeholder Advisory Committees

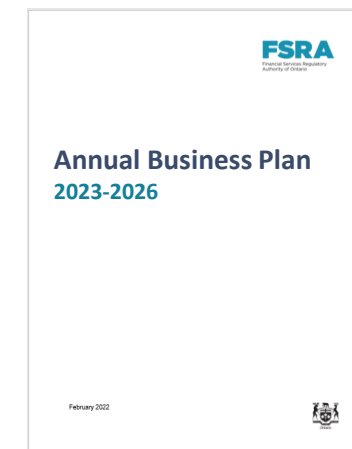


- Property and Casualty (P&C), Auto Insurance
- Financial Advisors/Planners
- Pensions
- Life and Health Insurance
- Health Service Providers
- Mortgage Brokering
- Credit Unions
- FSRA-wide



- ☐ **October 3 to October 14**– FSRA Management Meeting with SAC
- ☐ **Week of November 15** – Updated SOP and financial plan input to ABP

### FSRA 2023-2026 Annual Business Plan (ABP)











- ☐ **December 16** – Approval by FSRA Board of ABP
- ☐ **December 16** – Submission of proposed ABP to Ministry of Finance
- ☐ **February 28** – Deadline to submit ABP to Minister of Finance

# FSRA 2023-24+ Priorities













## Strategic Pillars

-  Protect the public interest to enhance trust and confidence in the sectors we regulate
-  Operate effectively to be a high-performing regulator
-  Transform our regulatory processes to make evidence-based and risk-based decisions
-  Attract talent and evolve our culture to achieve the mission and vision of the organization

### FSRA-Wide

-  1. Strengthen the consumer focus
-  2. Modernize systems and processes
-  3. Enable innovation
-  4. Enhance FSRA's talent management framework and strategy

### 5. Property & Casualty (Auto) Insurance

-  5.1 Execute strategy for reforming the regulation of auto insurance rates and underwriting
-  5.2 Develop recommendations and act on reforms of the auto insurance system
-  5.3 Ensure the fair treatment of property and casualty consumers
-  5.4 Achieve supervisory excellence for the Ontario-Incorporated insurance companies and reciprocals sector







### 6. Credit Unions

-  6.1 Achieve supervisory excellence for Ontario's credit union sector
-  6.2 Enhance financial stability structures

### 7. Life & Health Insurance

-  7.1 Enhance market conduct oversight to protect consumers




### 8. Mortgage Brokering

-  8.1 Promote high standards of governance and business conduct
-  8.2 Enhance professional competence of licensed individuals

### 9. Pensions

-  9.1 Assess systemic and high priority risks in Ontario's pension sector
-  9.2 Support the development of target benefit regulation

### 10. Financial Planners & Advisors

-  10.1 Ensure the effectiveness of the title protection framework for financial planners/financial advisors

### Legend

Modified / New Title

New Priority

### Economic Outlook

- Inflation and affordability loom large over all of FSRA's regulated sectors.
- The Ontario economy has entered a period of prolonged economic uncertainty.

### Technological Advancement and Innovation

- The pandemic has altered how technology is used in Ontario's financial services and pensions sectors.
- Consumer use of digital services is increasing, either out of choice or necessity.
- Regulated entities and individuals use technological developments to increase efficiency, reduce costs and minimize consumer harm.

### Emerging Issues and Trends

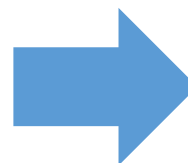
- Ontario's most vulnerable consumers are increasingly facing more pressures. The current economic climate may result in more affordability and suitability issues, which can lead to issues relating to fraud and misconduct.
- Consumers need advice in connection with increasingly complex financial services products.
- Climate change and cyber/technology risks continue to be closely monitored by FSRA.



## 7.1 Enhance market conduct oversight to protect consumers

### Key Deliverables

- a) Publish, for consultation, proposed changes to the framework for agencies with a contractual responsibility to screen, train, and/or monitor individuals under their supervision who sell life and health insurance products.
- b) Implement a FSRA Rule that will ban deferred sales charges for new segregated fund contracts, prevent insurers from amending existing contracts to make deferred sales charges more onerous for customers, and require disclosure regarding further deferred sales charge deposits to existing contracts.
- c) Work with regulators across Canada to enhance standards related to segregated funds, in particular:
  - Finalize national guidance on total cost reporting disclosure requirements for segregated fund contracts.
  - Consult on national guidance about the design, distribution, issuance, sale, and administration of individual variable insurance contracts.
  - Consult on national guidance relating to upfront compensation paid for the sale of segregated funds.



### Outcomes

- i. Stakeholders have clarity and increased understanding of FSRA's regulatory requirements with respect to the role of insurers and MGAs in the distribution channel for Life and Health products.
- ii. Segregated fund customers are treated fairly and better informed, as:
  - The use of deferred sales charges in segregated fund sales will be banned.
  - Industry has a clear understanding of regulatory requirements regarding the information consumers will receive about the total cost of their segregated fund contracts.
  - Industry has a clear understanding of regulatory requirements with respect to the sale and administration of segregated fund contracts.

### Pillars

-  Operate effectively to be a high-performing regulator
-  Protect the public interest to enhance trust and confidence in the sectors we regulate
-  Transform our regulatory processes to make evidence-based and risk-based decisions



## Market Conduct Updates

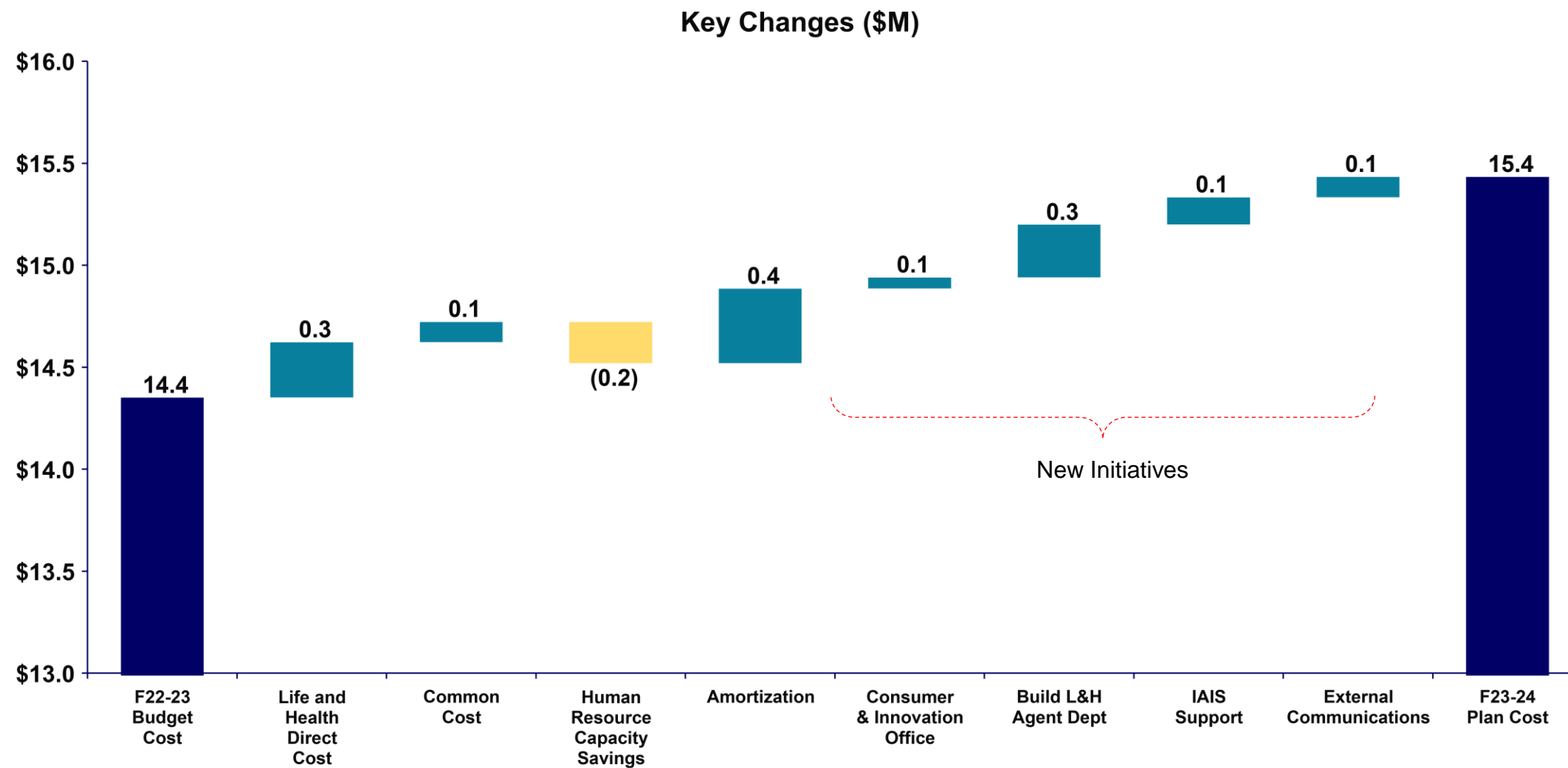
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- L&H MGAs
- Segregated Funds
- LARF 3rd edition
- International regulatory developments

## Sector View Summary: Proposed F2023-2024 Plan of \$119.2M

Sector (\$000's)	Insurance								Pensions (Fixed and Variable)	Credit Unions (Variable)	Mortgage Brokers (Fixed)	Loans & Trusts (Variable)	Financial Planner & Financial Advisor	Total
Subsector	Auto Products	Health Service Providers (Fixed)	P&C Conduct	P&C Prudential	Total Auto/HSP/ P&C	Life & Health Conduct (Variable)	Life & Health Conduct (Fixed)	Total Life & Health						
Activity Fees		3,600	1,200		4,800		6,600	6,600					200	11,600
Fee Assessment	15,700		9,200	3,000	27,900	7,800		7,800	25,200	17,800		100	800	79,600
Licensing Fees											17,800			17,800
<b>FY2023-2024 Proposed Revenue</b>	<b>15,700</b>	<b>3,600</b>	<b>10,400</b>	<b>3,000</b>	<b>32,700</b>	<b>7,800</b>	<b>6,600</b>	<b>14,400</b>	<b>25,200</b>	<b>17,800</b>	<b>17,800</b>	<b>100</b>	<b>1,000</b>	<b>109,000</b>
Direct Cost	10,100	2,000	6,700	1,900	20,700	5,100	3,800	8,900	16,200	11,700	9,800	100	600	68,000
Common Cost	7,700	1,600	5,100	1,500	15,900	3,800	2,800	6,600	12,300	8,500	7,400	-	500	51,200
<b>FY2023-2024 Proposed Cost</b>	<b>17,800</b>	<b>3,600</b>	<b>11,800</b>	<b>3,400</b>	<b>36,600</b>	<b>8,900</b>	<b>6,600</b>	<b>15,500</b>	<b>28,500</b>	<b>20,200</b>	<b>17,200</b>	<b>100</b>	<b>1,100</b>	<b>119,200</b>
Expected Fixed Fee Over Contribution to Common Costs	(100)	-	(100)	-	(200)	(100)	-	(100)	(200)	(100)	600	-	-	-
Recovery Over/(Under)	(2,000)	-	(1,300)	(400)	(3,700)	(1,000)	-	(1,000)	(3,100)	(2,300)	-	-	(100)	(10,200)
<b>Funding from Cumulative Surplus</b>	<b>2,000</b>	<b>-</b>	<b>1,300</b>	<b>400</b>	<b>3,700</b>	<b>1,000</b>	<b>-</b>	<b>1,000</b>	<b>3,100</b>	<b>2,300</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>10,200</b>
<b>FY2022-2023 Budget Revenue</b>	<b>16,282</b>	<b>3,799</b>	<b>10,023</b>	<b>1,967</b>	<b>32,071</b>	<b>7,118</b>	<b>6,638</b>	<b>13,756</b>	<b>25,021</b>	<b>17,109</b>	<b>16,986</b>	<b>126</b>	<b>963</b>	<b>106,033</b>
<b>Revenue Variance</b>	<b>(582)</b>	<b>(199)</b>	<b>377</b>	<b>1,033</b>	<b>629</b>	<b>682</b>	<b>(38)</b>	<b>644</b>	<b>179</b>	<b>691</b>	<b>814</b>	<b>(26)</b>	<b>37</b>	<b>2,967</b>
<b>Increase/(Decrease)</b>	<b>-3.6%</b>	<b>-5.2%</b>	<b>3.8%</b>	<b>52.5%</b>	<b>2.0%</b>	<b>9.6%</b>	<b>-0.6%</b>	<b>4.7%</b>	<b>0.7%</b>	<b>4.0%</b>	<b>4.8%</b>	<b>-20.6%</b>	<b>3.8%</b>	<b>2.8%</b>
<b>FY2022-2023 Cost</b>	<b>17,629</b>	<b>3,799</b>	<b>10,861</b>	<b>2,132</b>	<b>34,421</b>	<b>7,713</b>	<b>6,638</b>	<b>14,351</b>	<b>27,114</b>	<b>18,624</b>	<b>15,343</b>	<b>136</b>	<b>1,044</b>	<b>111,033</b>
<b>Cost Variance</b>	<b>171</b>	<b>(199)</b>	<b>939</b>	<b>1,268</b>	<b>2,179</b>	<b>1,187</b>	<b>(38)</b>	<b>1,149</b>	<b>1,386</b>	<b>1,576</b>	<b>1,857</b>	<b>(36)</b>	<b>56</b>	<b>8,167</b>
<b>Increase/(Decrease)</b>	<b>1.0%</b>	<b>-5.2%</b>	<b>8.6%</b>	<b>59.5%</b>	<b>6.3%</b>	<b>15.4%</b>	<b>-0.6%</b>	<b>8.0%</b>	<b>5.1%</b>	<b>8.5%</b>	<b>12.1%</b>	<b>-26.7%</b>	<b>5.4%</b>	<b>7.4%</b>

## F2023-2024 Plan: Life and Health



## Fee Rule Update

- FSRA is undertaking a review to evaluate the relevance and the resilience of the current fee structures across all sectors ensuring that the fees are aligned to the Fee Rule Vision and Principles
- FSRA is seeking to obtain MoF preclearance for public consultation in November
- The proposed changes are expected to come into effect either in October 2023 or February 2024, depending on whether one or two public consultations is required

### Fee Rule Proposal Summary

- Fee structures and fees in the Insurance sectors (Auto Product, P&C Conduct, Health Service Providers), Financial Planners and Financial Advisors and in Loan and Trust were found to be appropriate and require no change
- The following changes are proposed for Life & Health Conduct, P&C Prudential, Pensions, Credit Unions, and Mortgage Brokering

Sector	Proposed Changes
<b>L&amp;H Conduct</b>	Increase Individual Agent's licence fee No change for Variable Assessment
<b>P&amp;C Prudential</b>	Substitute Direct Written Premiums with Required Capital as the Variable Assessment driver
<b>Pensions</b>	Adjust the tiers of the Assessment Distribution Table No change for Fixed Fees
<b>Credit Unions</b>	Update Activity and Application Fees No change to Variable Assessment
<b>Mortgage Brokering</b>	Increase licence fees for Mortgage Administrators, Brokers, Brokerages and Agents Level 2 No change to the current fee for Agents Level 1

- We propose new fees for use of the Innovation Office's Test and Learn Environments
- We recommend replacing the absolute amount of the Contingency Reserve with a variable amount for Operating Reserve at 5% of the Total Operating Budget



## Fee Rule Update - L&H Conduct Changes

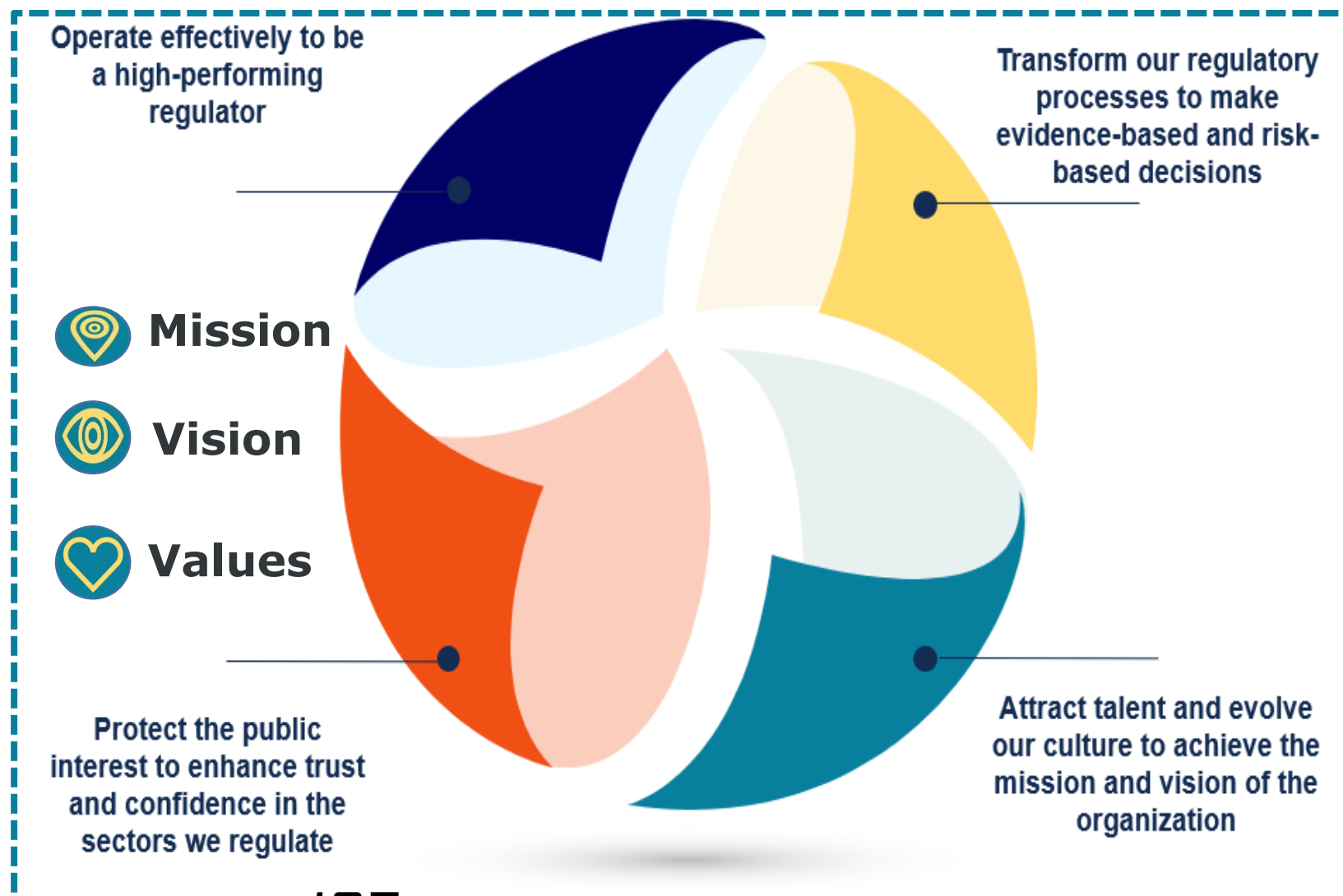
- **Recommendation:**
  - **Keep Direct Written Premiums as the driver for the Assessment**
  - **Increase L&H Individual Agent license fee from \$150 to \$170 (every 2 years)**
  - **Keep all other Activity and License fees unchanged**
- The current fee rule consists of variable assessment fees and fixed activity and license fees
- The assessment fee is based on Direct Written Premiums (DWP), a measure of the revenue for insurance companies
  - DWP continues to be a reliable and stable metric in all insurance sub-sectors
- The supervisory and licensing efforts at FSRA for L&H agents have expanded and changed significantly over the years
  - Overall, the cost of regulating the sector has gone up over that last few years
  - With agent fees remaining the same, the variable assessment of the insurance companies has increased disproportionately with the efforts allocated
- The proposed increase in the L&H Individual Agent license fees would result in \$0.7M increase in fixed fee revenue (based on the F22-23 Budget)
  - The increase would likely be offset by a decrease in the variable assessment



# Appendix A: Strategic Framework

## FRSA's Strategic Framework

- Developed and implemented the in 2021/22.
- Defines the high-level strategic objectives of the organization
- Reflects FSRA's legislative objectives
- Encompasses the organization's Vision, Mission, and Values
- Consists of FSRA's 4 Pillars. The Pillars are elements of the Framework that must be in place for FSRA to achieve its mission
- Priorities support the pillars and articulate what FSRA will focus on over the next 3 years







## **Appendix B: FY2022-2023 FSRA Priorities**

# FSRA 2022-23+ Priorities

## Cross-Sectoral Priorities

### Regulatory Efficiency and Effectiveness

1. Strengthen the consumer focus

2. Enable innovation

3. Modernize systems and processes

## Sector-Specific: Targeted High-Impact Priorities

### Property & Casualty (Auto) Insurance

- 4.1 Implement a new strategy for reforming the regulation of auto insurance rates and underwriting
- 4.2 Develop recommendations and act on reforms of the auto insurance system
- 4.3 Ensure the Fair Treatment of P&C/Auto Consumers
- 4.4 Implement insurance prudential supervision

### Credit Unions

- 5.1 Implement new credit union legislative framework
- 5.2 Enhance financial stability structures
- 5.3 Implement Risk Based Supervision

### Life & Health Insurance

- 6.1 Enhance market conduct oversight to protect consumers

### Mortgage Brokering

- 7.1 Implement recommendations from the review of the Mortgage Brokerages, Lenders and Administrators Act, 2006 (MBLAA)
- 7.2 Promote high standards of governance and a strong compliance culture

### Pensions

- 8.1 Enabling plan beneficiaries
- 8.2 Protection of pension benefits in Ontario's pension sector

### Financial Planners & Advisors

- 9.1 Operationalize the title protection framework for Financial Planners/Financial Advisors

### Legend

In Progress

Completed

Operate effectively to be a high-performing regulator

Transform our regulatory processes to make evidence-based and risk-based decisions

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Attract talent and evolve our culture to achieve the mission and vision of the organization

Protect the public interest to enhance trust and confidence in the sectors we regulate

\*Priorities have not been mapped to the Talent pillar, specifically. As part of all FSRA activities, including items not identified as priorities, we seek to attract talent and evolve our culture to meet our organizational objectives.



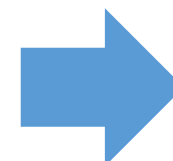
## **Appendix C: FY2023-2024 FSRA- wide Priorities**

200

# 1. Strengthen the consumer focus

## Key Deliverables


- a) Deliver and promote research, data insights and analysis into trends, processes, and issues that impact consumers in FSRA's regulated sectors and identify opportunities for practical application of findings in policy and oversight. For example:
  - Publish research related to outcomes for vulnerable consumers in sectors regulated by FSRA, and act on opportunities to improve those outcomes through targeted policy initiatives or supervisory action.
  - Work with insurance regulators across Canada to evaluate the sector's external dispute resolution framework.
  - Use FSRA's consumer disclosure framework in a policy initiative to generate greater consumer awareness of FSRA through disclosure.
- b) Implement existing FSRA guidance by building processes to use revenues retained outside of the Consolidated Revenue Fund under the Financial Services Regulatory Authority of Ontario Act, 2016 for educational, research and knowledge or information enhancement initiatives.'
- c) Enhance FSRA's ability to access the broader community, including community Diversity Equity and Inclusion (DEI) perspectives, to increase consumer sector engagement in public policy, and to better enable collaboration.
- d) Stay on the forefront of relevant developments in leading consumer protection practices of other regulators and examine areas for their potential application



## Outcomes

- i. Enhanced protection of consumer rights and interests, with an emphasis on vulnerable consumers.
- ii. Empower consumers through initiatives and thought leadership in consumer awareness and behavioural insights.
- iii. Strengthen Consumer Advisory Panel engagement, and create more consumer outreach, engagement, and opportunities for partnership in the community

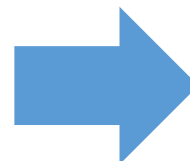
## Pillar

-  Protect the public interest to enhance trust and confidence in the sectors we regulate
-  Transform our regulatory processes to make evidence-based and risk-based decisions

## 2. Modernize systems and processes

### Key Deliverables



- a) Implement technology solutions to enable simplified and fully digitized operations, including a 360-degree view of regulated entities (customer information system), case management, content management and data analytics tools, with enhanced client portals.
- b) Implement advanced online/web-based information sharing on FSRA portals.
- c) Extend digital document processing and digital signature capabilities to support streamlined processing of all paper-based channels.
- d) Enable data analytics for each of the regulated sectors to empower FSRA policy and supervisory activities. Across the sectors, we will enhance infrastructure and establish new data interfaces (both new data sources and improved data exchanges) and implement advanced analytics and reporting systems to enable more efficient decision-making across all sectors.



### Outcomes

- i. Improved regulatory oversight through greater access to data and analytics tools across all sectors.
- ii. Improved relationships with stakeholders through enhanced relationship- and case- management capabilities, and improved tracking and operational processing capabilities.
- iii. Improved and, where possible, customized user experience with the FSRA online portal.
- iv. Improved turnaround time for licensing, filing and registration processes.
- v. Improved access to information for consumers.

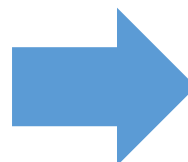
### Pillars

-  Operate effectively to be a high-performing regulator
-  Transform our regulatory processes to make evidence-based and risk-based decisions

## 3. Enable innovation

### Key Deliverables


- a) Use data and knowledge gained from the pilot TLE to refine FSRA's use of TLEs. FSRA will scale the TLE model to include more TLEs across FSRA's regulated sectors.
- b) Build the Innovation Office into a centre of expertise and champion of innovation. FSRA will continue to convene industry leaders for knowledge-sharing on key issues. FSRA will also advocate for consumer-centred 'responsible innovation' in FSRA's regulated sectors.
- c) Launch FSRA's Innovation Advisory Council. The council will be a venue for critiquing and shaping FSRA's approach.
- d) Improve FSRA's use of its regulatory toolkit. FSRA will use the toolkit to implement concepts outlined in prior discretionary powers projects for the MBLAA and Insurance Act. FSRA will also conduct further similar analysis of discretionary powers across remaining FSRA regulated sectors.
- e) Develop stronger ties with peer regulators and key stakeholders. FSRA will help create an innovation 'community of practice' to compare regulatory approaches and address mutual challenges.



### Outcomes

- i. Use FSRA's TLEs and regulatory toolkit to establish Ontario as an attractive market for testing new financial services.
- ii. Improve FSRA's knowledge of innovation trends and champion reasonable innovation through engagement with stakeholders.
- iii. Expand connections with peer regulators, innovators, consumer groups, industry groups, and sector stakeholders.
- iv. Improve FSRA's use of its regulatory toolkit through the discretionary powers project.
- v. Ensure FSRA supports innovation while maintaining a strong focus on consumer safety.

### Pillars

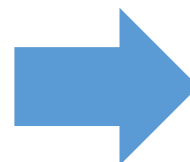
-  Transform our regulatory processes to make evidence-based and risk-based decisions
-  Operate effectively to be a high-performing regulator
-  Protect the public interest to enhance trust and confidence in the sectors we regulate

## 4. Enhance FSRA's talent management framework and strategy

### Key Deliverables

A refreshed talent management framework and strategy that includes:

- a) A review of FSRA's compensation structure and recruitment strategy to ensure competitiveness
- b) Core and leadership capabilities articulated and embedded into leadership development, recognition, succession planning and high potential development programs and plans.
- c) A review of the changes within FSRA and the nature of regulation to be abreast of the changing future of work – ensuring the right process, people, and systems are in place to thrive and achieve FSRA's vision.



### Outcomes

- i. Attraction, recruitment, training, development, and retention of talent with expertise, skills, and knowledge to ensure we have the right people in the right place at the right time.
- ii. A culture that exemplifies FSRA's values and behaviours.
- iii. Talent that is supported to effectively and efficiently deliver on FSRA's strategic priorities and regulatory operational requirements.
- iv. A culture that is inclusive, equitable and diverse, where staff are actively empowered to lead, held accountable, supported, and recognized for outcomes.

### Pillar



Attract talent and evolve our culture to achieve the mission and vision of the organization

## **Briefing Note**

**CAFII Board Meeting 11 October, 2022—Agenda Item 6(d)**  
**Read Only Items: THIA Innovation Summit on October 19/22**

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### **Purpose of this Agenda Item – *Read Only Item***

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This is a Read Only item.

### **Background Information**

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CAFII management plans to attend an upcoming THIA Innovation Summit on 19 October, 2022, for part of the day prior to departing for CAFII's 25<sup>th</sup> Anniversary Celebration and an immediately preceding Saskatchewan Restricted Insurance Agent Advisory Committee (RIAAC) meeting being held in Toronto at the same location as CAFII's anniversary event.

### **Recommendation / Direction Sought – *Read Only Item***

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This is a Read Only item.

### **Attachments Included with this Agenda Item**

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1 attachment.



**Read Only Agenda Item 6(d)  
October 11/22 Board Meeting**

**From:** Travel Health Insurance Association <info@thiaonline.com>

**Sent:** September-09-22 2:10 PM

**Subject:** THIA Innovation Summit - SOLD OUT



THIA's Innovation Summit taking place this October 19th at Cookhouse Labs in Toronto is sold out! We look forward to seeing all of our attendees next month and to an exciting day of insights, futurecasting and innovation. If you were looking forward to attending but had not yet purchased your ticket, we will maintain a short waitlist in the event of last-minute cancellations. To join the waitlist, please email Jo-Anne at [info@thiaonline.com](mailto:info@thiaonline.com).

To inquire about sponsoring the sold-out THIA Innovation Summit, please contact Ryan Lee at [ryan.lee@globalexcel.com](mailto:ryan.lee@globalexcel.com) or 647-317-5730 ext. 3268. Summit sponsorship is an opportunity to get your brand and message in front of some of the travel health insurance industry's most engaged members. THIA sponsors are recognized for their commitment across the travel insurance industry and, at THIA's Innovation Summit, you can align your brand with the next wave of industry developments and leadership.

## **Briefing Note**

**CAFII Board Meeting 11 October, 2022—Agenda Item 6(e)**

**Read Only Items: AMF Rendez-Vous Mini-Conference in Montreal on November 22/22**

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### **Purpose of this Agenda Item – Read Only Item**

This is a Read Only item.

### **Background Information**

CAFII management plans to attend in-person the 2022 edition of the AMF's annual half-day Rendez-Vous Mini-Conference in Montreal on 22 November. AMF CEO Louis Morisset usually speaks at this event, along with the Quebec Minister of Finance.

### **Recommendation/Direction Sought – Read Only Item**

This is a Read Only item.

### **Attachments Included with this Agenda Item**

1 attachment.

***Read Only Agenda Item 6(e)  
October 11/22 Board Meeting***



La prochaine édition du Rendez-vous avec l'Autorité, la rencontre annuelle des professionnels de l'industrie des produits et services financiers, aura lieu le mardi 22 novembre 2022.

Réservez dès maintenant cette date à votre agenda!

Des détails suivront à propos de la programmation et de l'inscription.

**Nous vous souhaitons un bel été!**

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[View in your browser](#)



The next edition of the Rendez-vous avec l'AMF, the annual meeting of professionals in the financial products and services industry, will take place on Tuesday, November 22, 2022.

Save this date now in your diary!

Details will follow about programming and registration.

**We wish you a great summer!**

