

CAFII Board of Directors Meeting

Date: Tuesday, October 4, 2016
Location: RBC Insurance
1 Place Ville Marie, 41st Floor,
Montreal, QC

Chair: P. McCarthy
Time: 2:30 – 4:00 p.m.
Dial-in: 416-764-8662 or 1.888-884-4534
Participant code: 4532491#
Moderator code: 5829171#

Agenda

Item	Presenter	Document	Action
1. Call to Order and Welcome <i>2:30 p.m.</i> 1.1. Approval of Agenda 1.2. Appreciation Resolution 1.3. Debrief on Liaison Lunch and Industry Issues Dialogue with AMF Staff Executives	P. McCarthy	✓	Approval Approval Discussion
2. Consent Items <i>2:45 p.m.</i> 2.1. Draft Board Meeting Minutes, June 7, 2016 2.2. Summary of Board & EOC Action Items 2.3. Balanced Scorecard 2.4. Regulatory Update 2.5. Regulator and Policy-Maker Visit Plan 2.6. Committee Reports Addressing CAFII Priorities	P. McCarthy	✓ ✓ ✓ ✓ ✓ ✓	Approval Receipt Receipt Receipt Receipt Receipt
3. Financial <i>2:45 p.m.</i> 3.1. Financial Statements as at August 31, 2016 3.2. Quarterly Financial Reporting -- September 2016 3.3. Appointment of CAFII Cheque Signing Authorities	R. Rajaram R. Rajaram B. Wycks	✓ ✓ ✓	Approval Approval Approval
4. <i>2:55 p.m.</i> 4.1 Regulatory Consultations/Submissions Timetable 4.1.1 BC 'Effecting' of CGI Issue 4.1.2 Proposal to CAFII Board Re Engagement of Specialized Legal Counsel Re Quebec Omnibus Bill on Insurance/Distribution Act Overhaul 4.1.3 CCIR Review of Travel Health Insurance 4.2 Alberta Decision on CI Sold Under a RIA Certificate	E. Fang/B. Wycks R. Beckford/ I. Choquette/B. Wycks S. Manson/B. Wycks B. Wycks/E. Fang	✓ ✓	Update Approval Update Update
5. In-Camera Session <i>3:10 p.m.</i>	P. McCarthy		Discussion
6. Other Business <i>3:50 p.m.</i> 6.1. CCIR Annual Stakeholder Meetings: December 12-13/16 6.2. CAFII 20 th Anniversary Celebration in 2017	B. Wycks B. Wycks	✓	Update Update

Next Board Meeting: Tuesday, November 29, 2016 hosted by BMO Insurance at First Canadian Place,
100 King St W, 40th Floor, Toronto, ON M5X 1A9

CAFII Board Meeting Minutes
Tuesday, June 7, 2016
Location: St. Andrew's Club & Conference Centre
150 King Street West, 27th Floor, L1 Room, Toronto

Present:	Nicole Benson Joane Bourdeau Linda Fiset Chris Knight Chris Lobbezoo Peter McCarthy Kelly Tryon Robert Zanussi	Canadian Premier Life Insurance Co. National Bank Insurance Co. Desjardins Financial Security TD Insurance (<i>for part</i>) RBC Insurance BMO Insurance <i>Chair</i> The CUMIS Group (<i>by teleconference</i>) Assurant Solutions
EOC Present:	Rose Beckford Charles Blaquiere Greg Grant John Lewsen Sue Manson Raja Rajaram	ScotiaLife Financial Canadian Premier Life Insurance Co. CIBC Insurance <i>Secretary</i> BMO Insurance CIBC Insurance CIBC Insurance <i>Treasurer (by teleconference, for part)</i>
Also Present:	Emily Cloutier Zack Fuerstenberg David Moorcroft Brendan Wycks	T•O Corporate Services <i>Recording Secretary</i> ScotiaLife Financial (<i>observer for Bob Grant</i>) Stretegy2Communications (<i>for part</i>) CAFII <i>Executive Director</i>
Regrets:	Nick Bilodeau Bob Grant Todd Lawrence Carol Allen Jason Beauchamp Isabelle Choquette Eleanore Fang Katherine Geisler Moira Gill Charles MacLean Diane Quigley Jérôme Savard Andrea Stuska Ana Vu	AMEX ScotiaLife Financial CIBC Insurance Assurant Solutions BMO Insurance Desjardins Financial Security TD Insurance CIBC Insurance TD Insurance RBC Insurance The CUMIS Group Desjardins Financial Security TD Insurance BMO Insurance

1. Call to Order

The meeting was called to order at 2:42 p.m. P. McCarthy acted as Chair; G. Grant acted as Secretary; and E. Cloutier acted as Recording Secretary.

1.1 CAFII Competition Guidelines

P. McCarthy reminded members that the Competition Guidelines provided in the package were first adopted on April 3, 2008 and last updated October 7, 2014. The practice of reviewing the guidelines annually, at the beginning of the first Board meeting after the Annual Meeting of Members, was adopted to ensure that the Board's deliberations adhere to the guidelines, which were briefly summarized.

1.2. Approval of Agenda

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

The Meeting Agenda be and is approved with the following amendment: *Deletion of 3.2 Quarterly Financial Reporting – June 2016.*

1.3. Election of 2016-2017 CAFII Officers

Prior to announcing the proposed slate of Officers for 2016-17, P. McCarthy advised Directors that TD Insurance had recently informed him that it would be in a position to nominate a new Secretary & EOC Chair for appointment at the Board's October 2016 meeting. On behalf of all members of the Association, he thanked Greg Grant and CIBC Insurance for his service as EOC Chair over the last two years and on his willingness to stay on in the role of Secretary & EOC Chair until October.

On motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

The following slate of Officers be and is hereby appointed by the Board for a one year period or, in the case of the Secretary & EOC Chair, until the October 2016 Board meeting:

Chair:	Peter McCarthy, Bank of Montreal, BMO Insurance
Vice-Chair:	Joane Bourdeau, National Bank Life Insurance Company
Secretary & EOC Chair:	Greg Grant, CIBC Insurance
Treasurer:	Raja Rajaram, CIBC Insurance

2. Consent Items

2.1 Draft Board Meeting Minutes, April 12 2016

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

The following Consent Items be and are approved or received for the record, as indicated in the Action column beside each agenda item:

- Summary of Board & EOC Action Items
- Balanced Scorecard
- Regulatory Update

- Regulator and Policy-Maker Visit Plan

IT WAS FURTHER RESOLVED that:

The Minutes of the meeting of the Board held on April 12, 2016 be and are adopted in the form presented, and that a copy of these minutes be signed and placed in the Minute Book of the Corporation.

3. Financial Statements as at May 31, 2016

Treasurer R. Rajaram reported on the financial statements as at May 31, 2016. He noted that the Statement of Operations is showing a year-to-date surplus of just under \$33,000 at this time. However, it is expected that significant spending over the remainder of the year, in particular in the line item area of Media Outreach, will move the Association towards our budgeted deficit of \$71,000 for 2016.

With respect to the Balance Sheet, there is a healthy bank balance of approximately \$363,000; and we currently have unrestricted net assets of just under \$392,000 which amounts to 77% of the Association's annual operating expenses. However, with the healthy spending on projects expected over the balance of the year, we anticipate that the reserves will move closer to the 58% of annual operating expenses that has been forecasted to the end of this fiscal year.

With respect to membership dues payments, the CAFII office is following up with one member, National Bank Insurance, which remains outstanding on the first instalment of its 2016 dues; and with three Associates that have not yet paid their 2016 dues.

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

The CAFII financial statements as at May 31, 2016 be and are approved in the form presented.

4. Regulatory Consultations/Submissions Timetable:

4.1 BC 10-Year Review of Financial Institutions Act

B. Wycks reported that in a liaison meeting with CAFII on May 4/16, C. Rogers, CEO of BC's FICOM and Superintendent of Insurance, Ms. Rogers said that she doesn't expect the Ministry of Finance's Policy Paper arising from the province's 10-Year Review of its Financial Institutions Act and Credit Unions Incorporation Act to be published until after the next provincial election on May 9, 2017. As well, she doesn't believe that any policy positions with respect to FIA review have yet been formed in the minds of Ministry staff or Government officials.

4.2 BC "Effecting" of CGI Issue

B. Wycks reported that in mid-April, CAFII held a conference call with FICOM officials to discuss the Association's March 15/16 follow-up letter requesting clarification on certain points in the Commission's Information Bulletin of September 2015 on the Effecting of Creditor's Group Insurance in BC. FICOM provided clarification and comfort to CAFII on points raised related to existing certificates of insurance; and there was a discussion on the issue of auto dealers being the creditor for "a moment-in-time" meaning, therefore, that the creditor *is* involved in effecting the contract. However, FICOM expressed skepticism about this argument and asked CAFII to provide FICOM with some proof that this concept is valid.

With respect to the mortgage broker market, L. Byrnes, CLHIA's Vice-President, Distribution and Pensions, informed CAFII that, since January when CLHIA had managed to elevate this issue to the level of Superintendent of Insurance C. Rogers, there had been no further progress made with FICOM on this issue.

At a May 4 lunch meeting with CAFII in Halifax, C. Rogers said that FICOM views its CGI Information Bulletin as having now moved fully from the realm of "Policy" into the realm of "Enforcement." Her message underlying this statement seemed to be that FICOM is not sympathetic toward nor interested in the industry's arguments about the impact of the Bulletin on auto dealers and mortgage brokers who distribute CGI; and that it will now be forging ahead to enforce the Bulletin's provisions, as they currently stand, by the March 31, 2017 implementation deadline.

In Board discussion of this matter, it was noted that based on comments from both CLHIA and FICOM officials, FICOM seems to have resolved to shut down the mortgage broker channel for CGI as they view mortgage brokers as being poorly trained and inadequately monitored.

G. Grant added that based on a more recent May 31/16 call with E. Hiemstra, the CLHIA's Director on this issue, CAFII is now faced with a dilemma as to how or even if it should proceed with a follow-up response to FICOM regarding the auto dealers being the creditor for a moment-in-time. CHLIA believes that this is a well-established concept, one which FICOM and other insurance regulators across the country have accepted implicitly, if not officially, for a number of years. Ms. Hiemstra expressed a concern that by pursuing this issue, if FICOM rejects the arguments put forward, the industry's well-established position would not only be lost in BC but could also be in jeopardy in other provinces. One option discussed on May 31 was for CAFII to back away gracefully from further interaction with FICOM and defer to the CUMIS Group to follow-up independently with FICOM on it.

K. Tryon provided a further update on this matter, noting that the CUMIS Group had decided to instruct its internal legal counsel to review the auto dealers are creditors for a moment-in-time issue and advise the company's management accordingly. The CUMIS Group had an earlier favourable legal opinion on this matter from J. McCutcheon of Borden Ladner Gervais and would be contacting her again to update the opinion.

In further Board discussion of this matter, R. Zanussi, Director from Assurant Solutions, advised that his company underwrites creditor's group insurance offered to British Columbians through auto dealers so this issue was also important to them.

In concluding discussion on this matter, the Board agreed that

- because the creditor for a moment-in-time issue affects more than one member of the Association, CAFII will remain engaged in this matter and will engage J. McCutcheon to provide CAFII with legal advice regarding next steps on this issue.

Action: Engage J. McCutcheon of Borden Ladner Gervais to provide legal advice to CAFII on the Association's next steps in dealing with BC FICOM on the auto dealers are creditors for a moment-in-time issue [Greg; June 30/16].

4.1.3 Quebec Review of Distribution Act

B. Wycks reported that the industry is in a holding pattern on the matter of Quebec's review of its Distribution Act, waiting on the Ministry of Finance to introduce legislation. In an April 28/16 appearance before the legislature's Committee on Public Finance, Minister of Finance Carlos Leitão said his Ministry may introduce a financial omnibus bill this Fall but his comments were couched in words that appeared to suggest this timing is more hopeful than real.

4.1.4. CCIR Review of Travel Health Insurance

B. Wycks reported that on May 4/16, C. Rogers, CCIR Vice-Chair, advised CAFII that because the industry had demonstrated significant movement in terms of proposed reforms to travel health insurance, the Council then decided at its April 7-8/16 meeting that the Paper (which was slated for release in the spring) would be revised to reflect the latest industry input and released in the summer instead.

4.1.5 Saskatchewan Bill 177 Regulations

B. Wycks reported that in mid-April, Jan Seibel, Legal Counsel with Saskatchewan's Financial Consumer Affairs Authority and lead on the province's Insurance Act rewrite file, advised CAFII that the FCAA now planned to conduct its consultation with the industry on the Regulations in two parts. First, they will ask for comments on "some of the more complex issues that arose in the new Act, in particular viatical regulation, TPAs, and employee benefit plans." The FCAA hopes to have something out on this to the industry by late June. Thereafter, the FCAA is targeting having actual draft Regulations ready for dissemination to the industry, as Part II of the consultation, by late summer or early fall.

4.2 Alberta Decision on CI sold Under a Restricted Certificate of Authority

G. Grant advised that subsequent to the May 16/16 email communication from J. McCutcheon to W. Martinson, internal legal counsel at the Alberta Insurance Council, which was included in the Board meeting materials, they had connected by phone and had a cordial and positive conversation.

In that conversation, W. Martinson seemed unaware that the critical illness insurance products being sold incidentally in Alberta by deposit-taking institutions are generally simple products covering three or four major illnesses and are part of a bundle with other forms of creditor's group insurance. He also seemed unaware of the relevant definitions in both federal and provincial legislation regarding disability insurance. Mr. Martinson suggested that a written submission to the Insurance Council should be prepared and he promised to speak to J. Abram, CEO of the Council; find out when would be a good time for that submission to be brought forward and presented to the Council; and communicate the answer back to J. McCutcheon.

In concluding discussion on this matter, G. Grant advised that by the time of the next EOC meeting on June 21, CAFII should have a clearer sense of the timing for making a submission to the Alberta Insurance Council. A teleconference meeting or in-person meeting with W. Martinson, possibly with J. Abram in attendance also, would likely be arranged in conjunction with the Association's written submission.

5. Committee Reports Addressing CAFII Priorities:

5.1 Media Advocacy

a. Media Strategy Proposal

P. McCarthy welcomed D. Moorcroft as a visitor to the Board meeting, and invited him to highlight the "Media Strategy & Implementation Plan for CAFII" that was before the Board for consideration.

D. Moorcroft provided an overview of the proposed plan, focusing on its four key deliverables:

- Key Deliverable #1: Make CAFII's website more appealing to consumers and the media, and increase traffic to it.
- Key Deliverable #2: Enhance the external communications capability of CAFII.
- Key Deliverable #3: Develop and deliver the necessary protocols and training to help designated CAFII excel in the communication aspects of their mandates.
- Key Deliverable #4: Implement an outreach program to financial institution member public relations teams to increase their awareness of CAFII and its new website capabilities.

Mr. Moorcroft also outlined how his company, Strategy2Communications, would deliver on the plan; and the costs associated with doing so. He noted that \$11,730 of the overall \$51,730 cost for one year was related to redesigning the CAFII website to make it more consumer education-focused and thereby more attractive to consumers and the media; and that the other \$40,000 was the cost of implementing the media relations and consumer education strategy, with himself serving as the Association's media spokesperson for the first year.

In Board discussion of the Media Strategy & Implementation Plan with D. Moorcroft, questions were posed and addressed related to using CAFII-commissioned research as content for the website and with media; overhauling the Association's website and using search engine optimization to drive traffic to it; and the process and timelines by which having a more consumer-friendly website and driving traffic to it will translate into a position of readiness for CAFII to interact with the media.

Discussion of the Media Strategy & Implementation Plan concluded with the Board's unanimous approval of the plan, as presented.

5.2 Market Conduct Committee

R. Beckford, Chair of the Market Conduct Committee, advised that her committee had recently overseen the preparation of a CAFII submission of FSCO's Draft 2016 Statement of Priorities. In addition, CAFII was currently awaiting CCIR's release of a revised version of its Harmonized Annual Statement on Market Conduct, which it had committed to release for an industry consultation period of about 45 days.

5.3 Licensing Efficiency Issues Committee

On behalf of M. Gill, Chair of the Licensing Committee, B. Wycks reported that CAFII was currently in a holding pattern with respect to New Brunswick's final position paper on reforming the licensing framework for other-than-life agents and brokers. Even though the last round of consultation with the industry was completed in January, due to resource constraints within the FCNB, the Commission's final positions on the licensing framework modernizations were not yet ready for submission to the government.

5.4 Research and Education Committee

S. Manson reported that the Research and Education Committee's travel insurance experts group was continuing to work on "terms and conditions" and "policy layout." The travel insurance experts were meeting regularly, with a view to completing as much of its mandate as possible by the end of June. When complete, the recommendations will be handed off the CLHIA travel insurance committee.

6. Other Business

6.1 CAFII Meeting and Events Calendar

B. Wycks noted the following details with respect to the two remaining CAFII Board meetings in 2016:

- a Board Meeting will be hosted by RBC Insurance at 1 Place Ville Marie, 41st Floor, Montreal, October 4/16. Immediately prior to this meeting, Board and EOC members will have a liaison lunch and industry issues dialogue session with Louis Morisset, CEO, and other staff executives from the AMF at the same location; and
- a Board meeting and CAFII Year-End Reception will take place on Tuesday, November 29/16, hosted by BMO Insurance at First Canadian Place.

6.2 Presentation and Regulator Attendees at June 7 CAFII Reception

B. Wycks advised that the following Regulator and Policy-Maker guests would be in attendance at that evening's CAFII Speaker Reception Event:

- Sean Jacobs, CCIR Secretariat
- Anatol Monid, FSCO
- Allan Amos, FSCO
- Michael Weisman, Ontario Ministry of Finance
- Stuart Wilkinson, Ontario Ministry of Finance
- David McLean, Ontario Ministry of Finance
- Amanda Lloyd, Ontario Ministry of Finance
- Terence Yim, Ontario Ministry of Finance

7. *In Camera* Discussion

The Board of Directors met *in camera* from 4:10 to 4:55 p.m. Following this, the meeting was ended and EOC and Board Members continued to the CAFII Presentation and Reception.

8. Termination

There being no further business to discuss, the meeting was terminated at 4:55 pm. The next CAFII Board of Directors meeting will be held on October 4, 2016, hosted by RBC Insurance at 1 Place Ville Marie, 41st Floor, Montreal.

Date

Chair

Recording Secretary

Summary of CAFII Board and EOC Action Items					
	Source	Action Item	Responsible	Deadline	Status 29-Sep-16
		Alberta Regulatory Issues			
		Atlantic Canada Regulatory Issues			
1	EOC May 24, 2016	• Update CAFII presentation on "Seven Point Guide to the Creditor Insurance Regulatory Regime," for possible use as an educational communication to New Brunswick and/or other insurance regulators	Diane	30-Jun-16	In progress
		BC Ministry of Finance & FICOM Regulatory Issues			
2	Board June 7, 2016	• Engage J. McCutcheon to provide legal advice to CAFII on the Association's next steps in dealing with BC FICOM on the auto dealers are creditors for-a-moment-in-time issue	Greg	30-Jun-16	In progress
3	EOC Apr 26, 2016	• Conduct further research and provide additional information on auto dealers are creditors for a moment-in-time argument, to enable further CAFII discussion with FICOM.	Diane	31-May-16	In progress
4	EOC Feb 16, 2016	• Investigate opportunities to engage with BC Ministry of Finance to provide information and find out more about what will be included in the Policy Paper to be released in late 2016.	Brendan	30-Apr-16	In progress
		Manitoba Financial Institutions Regulatory Branch & Insurance Council of Manitoba Issues			
5	EOC September 20, 2016	• Contact Erin Pearson, Executive Director of the Insurance Council of Manitoba, to seek clarification on what amendments to Regulation 389/7 the Council's ISI Committee has proposed to the Government re incorporating "other organizations" and "other types of insurance" into the prescribed regulatory framework.	Brendan	23-Sep-16	Complete
		Ontario Ministry of Finance & FSCO Regulatory Issues			
6	EOC September 20, 2016	• Poll likely Licencing Committee/EOC members for availability to attend a round table meeting with FSCO (at its invitation) around life insurance agent compliance, particularly re E & O Insurance, during week of Oct 3-7/16. If none of FSCO's proposed date/time options that week work for at least several CAFII members, propose an alternate option in the following week to FSCO.	Brendan	28-Sep-16	Complete
		Quebec Ministry of Finance & AMF Regulatory Issues			
7	EOC September 20, 2016	• Add a question re highlights of AMF's new Operational Risk Management Guideline to agenda for Industry Issues Dialogue with the AMF staff executives in Montreal on Oct 4/16.	Brendan	27-Sep-16	Complete
8		• With approval of the EOC, proceed in bringing to the Board on Oct 4/16 a proposal to engage Sylvie Bourdeau, Fasken Martineau Du Moulin, as specialised legal counsel with respect to expected overhaul of Quebec's Insurance Act and/or	Rose, Isabelle, Brendan	4-Oct-16	In progress
9	EOC July 19, 2016	• Bring forward a proposal to the October 4/16 to Board of Directors Meeting recommending engagement of specialized legal counsel with respect to expected overhaul of Quebec's Insurance Act and/or Distribution Act.	Rose, Isabelle	23-Sep-16	In progress
		CCIR			
		Annual Statement on Market Conduct			
10	EOC September 20, 2016	• Contact E. Hiemstra, CLHIA, and inquire as to what she may know about a possible attestation being added to CCIR's Annual Statement on Market Conduct (Life & Health)	Brendan	21-Sep-16	Complete
11		• Contact M. Boyle, CCIR Policy Manager, re whether an attestation will be added to the Annual Statement on Market Conduct (Life & Health); and, if so, convey CAFII's opposition to attestation wording that contains reference to laws, Acts, and Regulations	Brendan	21-Sep-16	Complete
		Regulator and Policy-Maker Visit Plan			
12	EOC June 21, 2016	• Update and circulate CAFII's Lobbyist Registration Regime Matrix to EOC members	Brendan	30-Jul-16	In progress

CAFII - 2016 Executive Director Balanced Scorecard					
	H = High Priority; M = Medium; L = Low				
Priority	Objectives	Measures	Timing	Status As At September 12/16	Outcome
	Regulatory and Advocacy (60% of ED and EOC focus/time)				
#1	Overall: Draft and deliver highly quality regulatory submissions and follow-up with regulators and policy-makers, as appropriate.	Overall: Regulatory submissions are well-written, impactful, and produced on time; consultation issues are reviewed with relevant CAFII committee and input and feedback incorporated into draft submission; Board and EOC have sufficient time to review and provide input, which is given due and equitable consideration and included where appropriate; submissions reflect consultation with allied industry Associations where appropriate. ED monitors, gathers intelligence, and reports on key regulatory developments; any hot button issues dealt with in timely, appropriate manner.	Ongoing		
H	British Columbia Consultation on 10-Year Review of Financial Institutions Act (FIA)	ED monitors progress/status through regular contact with Ministry of Finance. Follow-up educational material on CGI, alternate distribution, and travel insurance prepared and sent to Ministry. CAFII communicates with and influences Ministry thinking following release of Public Report on Input Received In Response To Initial Public Consultation Paper, as appropriate. Ministry's subsequent Policy Paper takes CAFII's positions into account	Q1 thru Q4 2016	Awaiting Ministry's release of Policy Paper on proposals for change (expected Q1 or Q2 2017)	On March 24/16, Ministry of Finance released Public Report on input received in response to Initial Consultation Paper; and all stakeholder submissions published on its website
H	BC FICOM's 'effecting' of creditor's group insurance issue	ED monitors progress/status through regular contact with Chris Carter, FICOM. FICOM takes CAFII's issues and positions into account in clarifying Information Bulletin on CGI	Q1 thru Q4 2016	FICOM expecting CAFII to provide further information in support of auto dealers are creditors for a "moment-in-time" argument. <u>CAFII obtaining legal opinion to buttress a submission on this matter.</u>	Favourable clarification on major issue received from FICOM via April 14/16 teleconference and April 20/16 response letter from H. James.
H	Quebec Ministry of Finance consultation on "Report on the Application of the Act respecting the Distribution of Financial Products and Services" (Bill 188)	ED makes recommendation to EOC and Board Chair re meeting with Ministry officials to communicate CAFII position on online distribution of insurance; prepares project plan and secures EOC Chair approval; executes project plan. Ministry takes CAFII's positions into account in final decisions on modernizing Distribution Act	Q1 thru Q4 2016	Recommendation made and approved. Project plan prepared and approved. Plan executed through to written meeting request and follow-up phone calls. Favourable, reassuring position conveyed by Ministry official in Feb. 25/16 call. Awaiting Ministry's release of omnibus Bill on modernizing Quebec's financial services sector, incl. Distribution Act (expected Fall 2016). <u>CAFII securing specialized legal counsel to be optimally prepared to make authoritative submission on this matter.</u>	CAFII received verbal assurance from Ministry official on Feb. 25/16 that Quebec will be implementing measures to support online distribution of insurance without need for involvement of a licensed advisor
H	CCIR Annual Statement on Market Conduct	ED monitors progress/status through regular contact with Martin Boyle, CCIR. CAFII continues to communicate its views to CCIR as plans for Annual Statement evolve; CCIR takes CAFII's views into account in final design of Annual Statement and related implementation plan	Q1 thru Q4 2016	<u>CAFII made strong submission on Draft 3 of Annual Statement on August 26/16. Awaiting CCIR's release of final draft and related implementation timeline.</u>	CAFII staged May 19/16 webinar for members with Laurie Balfour, CCIR ICPIC Chair.
H	Ontario government review of FSCO mandate	ED monitors progress/status through regular contact with David McLean, Ministry of Finance. CAFII responds quickly to Expert Panel's final recommendations; communicates its positions to Minister of Finance, as appropriate. Minister takes CAFII's views into account in final decisions on FSCO's future mandate	Q1 thru Q4 2016	<u>Awaiting Government's response to Expert Panel's final recommendations released in late June 2016.</u>	
H	CCIR Review of Travel Health Insurance	ED monitors progress/status through regular contact with Sean Jacobs, CCIR and Joan Weir, CLHIA. ED supports work of CAFII internal group on travel insurance. CAFII in a position of readiness to make regulatory submission or otherwise make its views known, as distributors of travel insurance, should need arise. CAFII communicates views on TIWG Issues/Discussion Paper in timely, persuasive, effective manner. CCIR takes CAFII's views into account in final decisions on travel insurance regulatory reforms	Q1 2016 thru Q4 2016	<u>CAFII preparing response to CCIR TIWG's Issues Paper on Travel Health Insurance for September 30/16 deadline.</u>	<u>CAFII held productive stakeholder meeting with CCIR TIWG on Issues Paper on August 10/16. On May 4/16, C. Rogers advised CAFII that because the industry had demonstrated significant movement in terms of reforms, at its April 7-8/16 meeting the Council decided that the Paper (which was slated for release in the spring) would be revised to reflect the latest industry input and released in the summer instead.</u>
H	Bill 177, The Insurance Act (Saskatchewan)	ED monitors progress/status through regular contact with Jan Seibel, FCAA. CAFII communicates views on draft Regulations in timely, persuasive, effective manner. FCAA takes CAFII's views into account in final Regulations	Q1 thru Q4 2016	Awaiting release of draft Regulations by Saskatchewan and ensuing industry consultation period.	On April 18/16, J. Seibel advised that FCAA plans to conduct consultation on Regulations in two parts: Part 1 - "more complex issues"; Part 2 - actual draft Regulations.
M	Financial Consumer Agency of Canada "Compliance Framework"	CAFII communicates views on questions/issues in consultation document in timely, persuasive, effective manner. FCAC takes CAFII's views into account in final decisions	Q2 thru Q4 2016	Awaiting release of FCAC consultation document re review of its Compliance Framework (expected Q2 2016)	
M	AMF's Distribution Guide template initiative	ED monitors progress/status through regular contact with AMF. CAFII communicates views on draft Distribution Guide Regulation in timely, persuasive, effective manner. AMF takes CAFII's views into account in final Distribution Guide template and related Regulation	Q1 thru Q4 2016	Awaiting reactivation of this initiative via AMF's circulation of a draft Regulation on the Distribution Guide for industry consultation	
M	New Brunswick's "Modernizing the Insurance Licensing Framework" for Other-than-Life Agents and Brokers	ED monitors progress/status through regular contact with David Weir, FCNB. FCNB takes CAFII's views into account in final positions on new licensing framework	Q1 thru Q4 2016	Awaiting release of FCNB's final recommendations to Government re change proposals, especially re implications for life agents' licensing framework	
M	New Brunswick's "Online Insurance Licensing System"	ED monitors progress/status through regular contact with David Weir, FCNB. FCNB takes CAFII's views into account in functionality and features decisions for Phase 2 of online licensing system, especially administrator rights for applicant's insurer sponsor	Q1 thru Q4 2016	Watch/monitoring for changes and enhancements to system, based on CAFII feedback provided to FCNB on February 19/16	
M	Secure Insurance Council representation for CAFII members as Restricted Insurance Agents in Saskatchewan	CAFII communicates and engages with Ron Fullan, ICS Executive Director, in a timely, persuasive, effective manner. CAFII's proposed model for a Restricted Insurance Agent Advisory Committee is adopted in Saskatchewan	Q1 thru Q4 2016	CAFII submission pending re proposed Terms of Reference for RIA Advisory Committee, to augment Concept Proposal sent in October 2014	
#2 H	Develop and execute on Regulator and Policy-Maker Visit Plan in support of CAFII positions on legislative and regulatory issues	CAFII investments in regulator and policy-maker visits are appropriately scheduled; well-organized and executed, including briefing/preparation of CAFII participants	Ongoing	Liaison lunch and Industry Issues Dialogue with AMF staff executives secured for October 4/16; May 4/16 meetings secured and executed with Carolyn Rogers, CEO, BC FICOM, and CCIR Vice-Chair; and with Atlantic Canada regulators; April 12/16 liaison lunch with CCIR Policy Managers secured and executed; joint CAFII/CLHIA stakeholder meeting with CCIR Travel Insurance Working Group secured and executed on March 16/16	

	H = High Priority; M = Medium; L = Low				
Priority	Objectives	Measures	Timing	Status As At September 12/16	Outcome
#3 H	Maintain ongoing monitoring of and liaison/communications with regulators, policy-makers, allied Associations, and other industry stakeholders for relationship-building and intelligence gathering	EOC and Board members are kept well-informed of hot button, urgent, time-sensitive issues through CAFII "Alerts"	Ongoing	Two productive, intelligence-gathering teleconferences secured with AIC staff executives on July 12/16 and September 12/16 re Selling of CI Benefits Under A Restricted Certificate Of Authority issue. CAFII interactions and communications with AIC management on this issue, including July 22/16 formal submission, appear to have been persuasive in support of an outcome favourable to CAFII members.	
Media and Communications (20% of ED and EOC focus/time)					
#1 H	Move CAFII into a position of readiness and confidence to respond to media opportunities re Creditor's Group Insurance and Alternate Distribution	Successful execution of Communications Plan tactics within specified timelines	Q2 thru Q4 2016	Contractual terms with media consultant finalized.	CAFII Board approved Media Strategy at its June 7 meeting
#2 H	Monitor media coverage re CGI, travel insurance, and alternate distribution	Any hot button issues related to media coverage are identified and dealt with in a timely, appropriate manner	Ongoing	In process, in concert with Media Committee	
#3 M	Monitor Consumer Interest Groups	Include intelligence on Consumer Interest Groups' issues and activities in Regulatory Updates for EOC and Board meetings	Ongoing	Consumers Association of Canada, Consumers Council of Canada, and Public Interest Advocacy Centre web sites monitored regularly for issues/activities related to insurance and alternate distribution	
Association Oversight and Management (20% of ED and EOC focus/time)					
#1 H	Produce an "industry intelligence" Regulatory Update monthly, for each EOC and Board meeting	Regulatory Update is produced for each EOC and Board meeting, containing outside-of-the-public-domain information on regulatory actions, pronouncements, trends and leading indicators	Ongoing	June Regulatory Update included new intelligence on issues in CAFII Regulatory Consultations/Submissions Timetable	
#2 H	Efficient, effective CAFII meetings: with EOC Chair and standing committee Chairs, ensure agendas are focused and goal-oriented and meetings are well-managed	Agendas and meeting materials are distributed with appropriate lead time. Board and committee members are engaged in meeting discussions and feel meetings are productive and advance CAFII's objectives	Ongoing	June, July, and August EOC meetings well-managed; executed successful 2016 Annual Members' Luncheon; liaised with Assurant Solutions re venue for June Board meeting and with CUMIS re venue for April Board meeting and solutions achieved	
#3 H	Ensure that CAFII prepares an annual operating budget that is well-grounded in approved strategic and operational plans; funds are spent according to plan; and financial control policies and procedures -- including monthly financial statements -- are adhered to	Play a leadership role in development, management, and tracking/monitoring of CAFII's annual operating budget, and committee and project budgets. Budget targets are met, except for explainable/approved variances	Ongoing	2016 budget development complete; new quarterly financial reporting analysis developed and introduced	
#4 H	Provide strategic and operational support to the EOC Chair in management of CAFII priorities and activities, and accountability reporting thereon	Engaged strategic and operational support to EOC Chair; appropriate matters escalated to EOC Chair for review and decision-making	Ongoing	ED engaged TO Corp President in discussion of service delivery performance; is leading CAFII trademark registration initiative, in planning for 20th Anniversary Celebration in 2017; and in securing a CAFII domain under insurance registry	

Regulatory Update – CAFII Board of Directors, September 29, 2016

Prepared By Brendan Wycks, CAFII Executive Director

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Federal/National

Canadian Council of Insurance Regulators

CCIR Considering Addition Of Attestation To Annual Statement On Market Conduct

On September 22/16, Martin Boyle, CCIR Policy Manager, confirmed to B. Wycks that the Council's Insurance Core Principles Implementation Committee (ICPic) is looking at adding an attestation to its Annual Statement on Market Conduct (Life and Health), and that CAFII's views on the matter will be taken into consideration.

On September 21/16, B. Wycks wrote to M. Boyle as follows: *it has come to CAFII's attention that serious consideration is being given to adding an attestation to the Annual Statement on Market Conduct (PC) along the following lines: 'the insurer is in compliance with the applicable federal, provincial, and territorial Insurance Acts and regulations.'* Given that efforts are being made to ensure that the Annual Statement (PC) and the Annual Statement (Life and Health) are in harmony, we're wondering if CCIR plans intends to add an identical/similar attestation to the Annual Statement (Life and Health)?

CAFII members had an opportunity to discuss that prospect in a meeting yesterday. We are opposed to the adding of such a broad, sweeping attestation to the Annual Statement (Life and Health) since we do not believe that insurers will be comfortable with signing off on it. Our members would be comfortable with an attestation focused on the information provided in completing the Annual Statement, from which the "compliance with applicable laws..." component has been removed.

Thanks, in advance, for bringing CAFII's views on this to the attention of the Insurance Core Principles Implementation Committee and other CCIR decision-makers.

In reply, M. Boyle said *thank you for your email and recommendations regarding the proposed attestation for the Annual Statement. You are correct that the attestation is being considered for both the P&C and life and health versions of the Annual Statement. However, it should be noted that the initial draft of the language that was shared with you was just that: an initial draft. The content of the proposed attestation is under review, which will include your comments below. We have also heard similar concerns regarding the portion you flagged from other industry associations as well.*

CCIR Expects Stability In Chairman Leadership

At CLHIA's September 7/16 retirement party for L. Byrnes, Martin Boyle, CCIR Policy Manager, advised Brendan Wycks that he expects current CCIR Chair Patrick Dery to be re-elected in April 2017, for another two-year term. Mr. Dery is highly regarded by his Council peers and viewed as passionately engaged in the regulatory issues that are high on CCIR's agenda.

With the August departure of Carolyn Rogers to OSFI, CCIR did not see a need to replace her as a Vice-Chair of the Council before next April, given that Brian Mills, Superintendent of Insurance (Interim) at FSCO, and Robert Bradley, PEI Superintendent of Insurance, are also Vice-Chairs of the Council.

CCIR's Fall 2016 And Spring 2017 Meeting Dates Set

Martin Boyle and Sean Jacobs, CCIR Policy Managers, recently advised Brendan Wycks that CCIR's Fall 2016 meeting will take place on October 6-7 in Edmonton; and its Spring 2017 meeting will take place on April 6-7 in Toronto.

CAFII will schedule liaison meetings with the CCIR Policy Managers for dates shortly after those meetings, for information-sharing and dialogue on new regulatory developments.

In addition, with respect to scheduling a CAFII 20th Anniversary Celebration event on a date that would make it possible for a number of CCIR members to attend, M. Boyle and S. Jacobs advised that the evening of Wednesday, April 5/17 would be a workable option. Most CCIR members will be in Toronto by then, in preparation for the next day's Council meeting, and without a scheduled commitment for the evening.

CCIR Members Agree On Cooperative Supervisory Plan For Remainder Of 2016

CCIR announced in its Summer 2016 *Communique* newsletter that Council members had recently agreed on a Cooperative Supervisory Plan for the remainder of 2016.

The Supervisory Plan includes both institution-specific and thematic reviews and – building upon the Memorandum of Understanding signed by nearly all Council members and the related *Framework for Cooperative Market Conduct Supervision in Canada* – it “introduces a new era of insurance supervision in Canada.” Participating regulators will coordinate their efforts to conduct the reviews in multiple jurisdictions simultaneously, in a manner consistent with a regulatory college.

CCIR Annual Stakeholder Meetings Set For December 12-13/16 In Toronto

CCIR has announced that it will hold its 2016 annual stakeholder meetings in Toronto on Monday, December 12 and Tuesday, December 13. Until such time as CCIR is ready to assign date/time slots to individual stakeholder groups, CAFII's Board Chair, Vice-Chair, and EOC Chair have blocked off both December 12 and 13 on the calendars.

Department of Finance Canada

Finance Canada Releases Consultation Document On Federal Financial Framework

On August 26/16, Finance Canada released “Supporting a Strong and Growing Economy: Positioning Canada's Financial Sector for the Future.” The paper is a consultation document that constitutes Part 1 of a two-stage review of Canada's federal financial sector framework.

In the *Budget Implementation Act, 2016, No. 1*, Parliament extended the statutory sunset date in the financial institutions statutes by two years until 2019, to facilitate the review. The consultation document launches the first stage by setting out the current federal financial sector landscape; identifying key trends that may influence future directions; and seeking input on these trends and related implications and areas for potential action. Response submissions, due by November 15/16, will inform the development of a Part 2 policy paper for further consultation in 2017.

As previously discussed at both the EOC and Board levels, CAFII will not be responding to the Finance Canada consultation document. Rather, the Association will monitor and liaise with the Canadian Bankers Association around its participation in the review process; and will provide advice and input related to financial institutions in insurance, as required.

Finance Canada Welcomes First Federal Credit Union

On July 1/16, the federal Department of Finance welcomed Caisse populaire acadienne ltée, with its 155,000 members, as Canada's first federal credit union. As a federally regulated credit union, it will have greater flexibility to grow its business and better serve members.

While moving to a federal charter, the credit union is also modernizing operations and amalgamating 15 caisses and two related entities. Under its new trade name, UNI Coopération financière/UNI Financial Cooperation, it will continue to finance small and medium-sized businesses and serve the financial services needs of New Brunswickers, especially in smaller communities and rural areas.

Canadian Life and Health Insurance Association

CLHIA Shares Revised Guideline G7, *Creditor's Group Insurance* With CCIR

On June 29/16, Erica Hiemstra, Director, Distribution and Consumer Affairs at CLHIA, wrote to Patrick Dery, Chair of CCIR, in order to share a copy of its recently revised Guideline G7, *Creditor's Group Insurance* with insurance regulators across the country. In addition to highlighting six specific revisions to the Guideline, the letter notes that

- Guideline G7 protects the interests of debtors by promoting consistent practices for insurers and by providing operating and disclosure standards for the transaction of Creditor's Group Insurance. The current revisions were made to ensure that the standards set out in the Guideline take a customer-focused approach to distributing creditor's group insurance and incorporate international standards and Canadian regulatory expectations for insurance distribution; and
- the revisions were adopted by CLHIA's Board of Directors at its most recent meeting and will take effect on June 1, 2017.

Provincial

British Columbia

FIA Review Policy Paper Release Targeted For Spring 2017

On June 23/16, Elizabeth Cole, Executive Director, Strategic Projects in the BC Ministry of Finance's Policy & Legislation Division and lead on the 10-year review of the Financial Institutions Act, called Brendan Wycks to provide the following updates with respect to the FIA review:

- the target release date for the Policy Paper, the next phase in the consultation, is now the Spring of 2017, either before or after the May 9/17 fixed date provincial election. The Ministry of Finance will likely have the Paper ready to be released for consultation in the early Spring but it will be up to the Government to decide whether it wants to release it before the election or wait until afterwards. The Ministry previously indicated that it would likely take 2.5 to three years to complete the whole process of the 10-Year Review; and with a Spring 2017 release of the Policy Paper, everything will still be on track for that timetable. The process started in June 2015 with the Initial Public Consultation Paper and the target for having the Review fully complete is June 2018;
- there are several key policy issues on the Credit Union Incorporation Act side of the review that need to be ironed out, which is the main reason for the long preparation time for the Policy Paper;
- there is really only one contentious issue on the insurance side in the FIA Review, and that's the Insurance Retailing and Licensing Exemptions. Where the Ministry will likely land on that is by making some proposals for change in the Policy Paper. And as with all change scenarios, there'll be some stakeholders who are happy with the proposed new model, and others who aren't so happy. But that same issue was also contentious in the previous 10-Year Review, a decade ago, and the Ministry was able to come up with an approach that all parties could live with; and

- after the Ministry publishes the Policy Paper next year, it will want to publish all of the response submissions it receives immediately following the close of the consultation, in the interests of transparency and fairness to all stakeholders. The Ministry may go so far as to say in the Policy Paper, “if you want us to consider your submission, you must consent to its publication on a Ministry web site immediately following the close of the consultation.”

FICOM Announces Interim Executive Team

On August 16/16, BC FICOM announced that an interim leadership team had been put in place while it works with the Ministry of Finance to fill key leadership positions, including the CEO and Superintendent of Financial Institutions role following Carolyn Rogers’ departure for OSFI.

Effective August 1, 2016, the following have been appointed to the roles indicated on an interim basis:

- Frank Chong is Acting Superintendent of Financial Institutions and Acting CEO of the Credit Union Deposit Insurance Corporation (CUDIC);
- Tara Richards (Assistant Deputy Minister and Executive Financial Officer, Ministry of Finance) is Interim FICOM CEO. Reporting to the Superintendent of Financial Institutions, Ms. Richards is responsible for FICOM finance, human resources, service planning, and communications;
- Michael Peters is Acting Superintendent of Pensions; and
- Chris Carter is Acting Superintendent of Real Estate and Acting Registrar of Mortgage Brokers.

Alberta

CI Benefits Will Be Added To "Credit Related Insurance" For Existing RIA Certificate

On September 28/16, Joanne Abram, CEO of the Alberta Insurance Council, communicated the following good news to B. Wycks: *the Life Insurance Council met this morning and have come to the decision to redefine Credit Related Insurance to include Creditor group (CG) Life, CG Disability, CG Critical Illness and loss of employment. I will be sending out a formal letter to advise you of such and to seek CAFII's input regarding the definition of creditor group critical illness to be adopted for the purposes of restricted licensing.*

Earlier, in a teleconference with CAFII representatives Greg Grant, Emily Cloutier, and Brendan Wycks on September 12/16, Ms. Abram had shared some encouraging information. On the issue of critical illness insurance benefits sold as creditors’ group insurance, AIC management would be recommending to the Life Insurance Council that

- CI benefits should be allowed to be sold as CGI under the existing Restricted Certificate of Authority; and
- the Council should clearly spell out what constitutes credit-related insurance (what’s covered and what’s not) by amending the existing Order that defines the classes/types of insurance for purposes of Section 454 of the Insurance Act (similar to the recommendation made in CAFII’s submission of July 22/16 that clarifying wording be added to “credit-related insurance” to stipulate that it includes insurance covering *loss of life, disability, injury or illness, or involuntary loss of employment*).

Subsequent to sharing that encouraging information, Ms. Abram commented that the Bank Act determines what kinds of products the banks can sell as Authorized Insurance Products; and the CAFII and CLHIA information presented to the AIC indicates that CI benefits should be included as part of credit-related insurance. She also noted that when the Alberta Insurance Act was amended in 2001 to create a Restricted Insurance Agent licensing regime, CI was just coming onto the scene. CI benefits were not contemplated as being included as part of credit-related insurance/CGI by the Insurance Council at that time and that has led to some recent confusion about its being sold as a product under a Restricted Certificate of Authority.

AIC Creates New Certificate For GAP Insurance

In July, the AIC's General Insurance Council (GIC) announced that it had approved the creation of a new Restricted Certificate to allow both vehicle and equipment dealerships to sell GAP insurance. GAP insurance is property insurance that covers all or a portion of the difference between the recovery received on primary automobile insurance in the event of a total loss and the Manufacturer's Suggested Retail Price of a current year replacement vehicle; or the difference between the recovery on a primary automobile insurance policy and an outstanding loan or lease obligation in the event of total loss.

New Life Insurance Council Member Elected

Following an election period from July 18/16 to August 17/16, the AIC has announced that life insurance licensees have elected Michael (Mike) Bibby as a new member of the Life Insurance Council. Mr. Bibby is Director, Advanced Sales with PPI Solutions Inc. in Calgary; and he is a Past-President of Advocis Calgary.

Saskatchewan

FCAA Now Planning Concurrent Two-Part Consultation On Regulations In Fall 2016

On September 12/16, Jan Seibel, Legal Counsel with Saskatchewan's Financial Consumer Affairs Authority and lead on the province's Insurance Act rewrite file, advised Brendan Wycks that the Authority is still intending to hold its consultation with the industry on Insurance Act Regulations in two parts: (i) on the more complex issues that were identified in drafting and securing Government approval of Bill 177, such as viatical regulation, TPAs, and employee benefit plans; and (ii) on the general Regulations required to get the new *Insurance Act* up and running.

However, the FCAA's timeline has now been pushed back and both consultations are expected to occur this Fall, likely concurrently rather than consecutively, Ms. Seibel indicated.

Manitoba

Insurance Council Asks Government To Expand RIA Licence Parameters

On September 23/16, Erin Pearson, Executive Director of the Insurance Council of Manitoba (ICM), provided clarification to B. Wycks on the news, mentioned in the Council's 2015-16 Annual Report, that its Incidental Sales of Insurance (ISI) Committee had made recommendations to the Government for amendments to Regulation 389/87 to allow for other organizations and other types of insurance which were not prescribed in the original Restricted Insurance Agent regulatory framework.

Erin advised that *the ICM recognized prior to implementation of the RIA framework that the area of ISI is an emerging one, and that the framework which allows only organizations and insurance prescribed by the Regulation would result in an inability to react to changes in the marketplace in a timely manner.*

We have also recognized that while the framework incorporated the known entities/products, there was certainly a reasonable possibility that there were entities/products that were not identified. Specific instances of this came to light after the licensing regime was put in to place, and a new submission was made to the Government to allow increased flexibility to the process required to incorporate new entities and products – under specific conditions of course – to the licensing framework. This is still the “long term” goal, and discussions are continuing with the Government in this regard.

Short term – GAP products were sold in Manitoba by car dealerships until recently. This is not a product that was contemplated by the original regime in Manitoba, and it has since been incorporated by both the Alberta and Saskatchewan RIA regimes. The Superintendent of Insurance, with the support and input of ICM, is currently working on changes to the Regulations to allow the sale of GAP products in Manitoba through the RIA licensing structure. It is our understanding that this is a high priority issue for them and we expect to see draft Regulations fairly soon.

Erin Pearson To Retire AS ICM Executive Director At End Of 2016

In ICM's 2015-16 Annual Report, Erin Pearson announces that she will be retiring as Executive Director of the Insurance Council of Manitoba at the end of 2016. A tri-Council search committee has been formed to secure a successor to Ms. Pearson, who has been an ICM staff member for close to 20 years and Executive Director since 2008.

Ontario

FSCO Responds To CAFII Submission On 2016 Draft Statement Of Priorities

On August 19/16, Brian Mills, FSCO's CEO and Superintendent of Financial Services (Interim), responded to CAFII's submission on the Commission's 2016 Draft Statement of Priorities. Mr. Mills' letter to EOC Chair G. Grant includes the following excerpt:

Thank you for your support of FSCO's continuing efforts to influence the development of provincial, national and international regulatory policy. I note your suggestion regarding the creation of a national electronic licensing system and will share these comments with the other Canadian insurance regulators.

As a member of the Canadian Council of Insurance Regulators, FSCO is leading or participating in several working groups, including those that recently issued consultation papers on property insurance, travel insurance, Individual Variable Insurance Contracts and electronic commerce. Inherent in all of these projects is a desire to provide consistent regulation and supervision across Canada.

I appreciate your suggestions with respect to the collection of market intelligence data, and will share your comments concerning self-evaluative privilege with our colleagues at the Ministry of Finance.

Regarding the publication of enforcement actions, the primary goal is to provide consumers with necessary information. However, I agree that the potential for unintended consequences must be considered when sharing this information. We have tasked our newly-created Public Education and Stakeholder Engagement Unit, within the Strategic Communications Branch, to enhance our ability to look for new and more effective ways to reach out to the public to better protect them from fraud, to increase financial literacy, and to provide enhanced information to pension plan beneficiaries about their plans and plan performance.

FSCO Market Conduct Symposium For Life and Health Sector: November 25/16

On July 7, FSCO announced that its 9th Annual Symposium for the Life and Health Insurance Sector will be held on Friday, November 25/16 from 8:00 a.m. to 12 Noon at the Novotel Hotel in North York (same building as FSCO's office).

On August 29, B. Wycks received a personal invitation letter from A. Monid, Executive Director of FSCO's Licensing and Market Conduct Division. The letter indicates that the 2016 Symposium will focus on "an exchange of information between industry members and FSCO about protecting today's consumer."

Contact information for follow-up by those who would like to attend this event but haven't yet received a direct invitation is symposiumlh@fSCO.gov.on.ca or a call to Kelly Picard of the Symposium Organizing Committee at 416-226-7797.

New Brunswick

FCNB Announces Phase 2 Of Online Licensing Portal; Insurer Input Required

On September 13/16, the Financial and Consumer Services Commission of New Brunswick announced on its web site that it would soon be launching Phase 2 of its online insurance licensing Portal, adding functionality to enable insurers to review and confirm their sponsorship of licence applicants.

With a target launch date of October 17/16 for Phase 2, FNCB is requiring all insurers who will be sponsoring applicants to provide it with certain specified information by September 23/16, in order to establish an Administrator's account in the Portal.

International

United Kingdom

Consumers Pay Little Attention To Enhanced Disclosure, FCA Finds

Consumers pay relatively little attention to enhanced disclosure, even when the disclosure prompts them to take action that would produce "non-trivial" financial gains, new research in the UK has found.

The Financial Conduct Authority (FCA) published a paper in July that sets out the results of a series of field trials that explored whether disclosure-driven regulatory interventions could encourage consumers to take action to improve their financial position, namely switching to higher-paying savings accounts. The trials examined three different approaches to alerting consumers to products that would pay them higher returns.

Overall, the effect of enhanced disclosure was relatively limited, the FCA paper concluded. "Despite switching within providers in the trials taking 15 minutes on average . . . and switching gains being non-trivial (\$217) in the first year on average, we find that attention to disclosure is limited," the paper says.

As a result, the FCA concludes that other sorts of regulator interventions are necessary to improve consumer outcomes. " . . . Beyond testing and optimizing disclosure, the regulators need to consider a wider set of interventions that are better targeted at achieving more substantial improvements . . .," the paper says.

CAFII Regulator and Policy-Maker Visit Plan 2016-17

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Sept 12/16
British Columbia				
Insurance Council of BC: Gerry Matier, Executive Director	-June 29/16 informal discussion with B. Wycks at CISRO LLQP Session in Toronto -April 11/16 informal discussion with B. Wycks, at CISRO LLQP Info Session -Feb. 27/15 meeting in Toronto	None at this time	-Council's current view on 10-Year Review of Financial Institutions Act -Representation of alternate distribution/non-resident sellers on Council -Update on Council priorities	
FICOM: Frank Chong, Acting Superintendent of Financial Institutions (effective August 1/16) Carolyn Rogers , CEO, FICOM & Superintendent of Insurance (CCIR Vice-Chair)	-Nov 10/15 in Vancouver re CGI Information Bulletin -Lunch meeting in Halifax on May 4/16	None at this time On May 12/16, C. Rogers appointed OSFI's Asst. Supt, Regulation Sector, effective Aug 15/16. On June 8/16, CAFII Chair P. McCarthy sent congrats letter to C. Rogers	-Monitoring for appt. of interim or permanent FICOM CEO successor	
Doug McLean, Deputy Superintendent of Insurance	-No contact/meeting for at least past two years	None at this time	-FICOM Information Bulletin on CGI ('effecting' of CGI in BC issue) -10 yr. Review of BC Financial Institutions Act (if appropriate)	
Chris Carter, Acting Superintendent, Real Estate and Acting Registrar, Mortgage Brokers (effective August 1/16)	-April 14/16 teleconference re CAFII follow-up letter - Follow-up letter, seeking clarification on CGI Info Bulletin key issues, sent March 15/16 - Nov 10/15 in Vancouver	-follow-up teleconference in Q4 2016 on auto dealers are creditors for a moment-in-time issue, following CAFII delivery of legal opinion submission	- FICOM Information Bulletin on 'effecting' of CGI in BC issue (C. Carter has leadership responsibility for this issue, as advised by H. James on March 16/16)	Pending CAFII's legal opinion submission

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Sept 12/16
Lorena Dimma, Director, Market Conduct (assuming Harry James' former policy advisor role re 'effecting' of CGI issue)	-April 14/16 teleconference re CAFII's March 15/16 follow-up letter on CGI Info Bulletin	-See C. Carter above	-See C. Carter above	Pending (see C. Carter above)
Harry James, Senior Regulatory Advisor (Chair of CCIR's Travel Insurance Working Group)	-April 14/16 teleconference re CAFII's March 15/16 follow-up letter on CGI Info Bulletin	-See C. Carter above	-See C. Carter above. Although H. James is supposed to have handed this file to L. Dimma and C. Carter, he did most of talking in April 14/16 teleconference so CAFII will continue to include Harry in the discussions on "effecting" issue.	Pending (see C. Carter above)
Molly Burns, Analyst, Policy Initiatives	-April 14/16 teleconference re CAFII's March 15/16 follow-up letter on CGI Info Bulletin -Nov 10/15 in Vancouver	-See C. Carter above	-See C. Carter above	Pending (see C. Carter above)
Erin Morrison, Regulatory Analyst, Policy Initiatives	-August 10/16 in Toronto, accompanied Harry James and participated in CCIR TIWG meeting with CAFII	-See C. Carter above	-See C. Carter above	Pending (see C. Carter above)
Ministry of Finance: Michael de Jong, Minister of Finance	-Nov. 21/14: G. Grant represented CAFII at FIA Review roundtable discussion hosted by Minister	None at this time	TBD until CAFII has a "direct ask" at Ministerial level	
Dan Ashton, Parliamentary Secretary for Finance (elected MLA)	-November 10/15 in Vancouver along with Elizabeth Cole	If necessary, follow-up meeting in Q2 or Q3 2017 in Vancouver, after Policy Paper released	-Update on 10-year Review of Financial Institutions Act: follow-up on CAFII issues/concerns including recommendations of other stakeholders	Pending (see E. Cole below)
Elizabeth Cole, Executive Director, Strategic Projects & Policy (head of 10-Year Review of FIA)	-June 23/16 telephone conversation with B. Wycks re updates on expected release date of Policy Paper and other FIA Review timelines -November 10/15 in Vancouver along with Dan Ashton; and separate meeting along with Brian Dillon and Kari Toovey	If necessary, follow-up meeting in Q2 or Q3 2017 in Vancouver, after Policy Paper is released		Pending Ministry of Finance's release of Policy Paper

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Sept 12/16
Brian Dillon, Director, Financial Institutions		See E. Cole above		Pending (see E. Cole above)
Kari Toovey, Senior Policy Advisor		See E. Cole above		Pending (see E. Cole above)
Alberta				
Alberta Insurance Council: Joanne Abram, CEO;	-Sept 12/16 teleconference with G. Grant and B. Wycks -July 12/16 teleconference with G. Grant and B. Wycks -May 9/16 e-mail from J. Abram -Feb. 10/16 CAFII letter to J. Abram on same subject - Jan/16 and Oct./15 e-mail exchanges with J. Abram on same subject - Nov 20/14: CLHIA COSS seminar (B. Wycks)	-if requested, presentation to Life Insurance Council of AIC on October 12/16	-Rationale for allowing CI to be sold under an RIA licence -Representation for Restricted Licence Holders	Pending outcome of Sept. 14/16 LIC meeting
Anthonet Maramieri, COO (succeeded Tom Hampton at beginning of 2015)	-Sept 12/16 teleconference with G. Grant and B. Wycks -July 12/16 teleconference with G. Grant and B. Wycks - April 11/16 informal discussion with B. Wycks, at CISRO LLQP Info Session - Feb 27/15: Toronto: B. Wycks met A. Maramieri and had get acquainted chat at CISRO LLQP Stakeholder Info Session	-See J. Abram above	-See J. Abram above	Pending (see J. Abram above)
Warren Martinson, Legal Counsel	-Feb 10/14: Toronto, ON (with B. Wycks, as W. Martinson then on LLQP Governance Ctte.)	-See J. Abram above	-See J. Abram above	Pending (see J. Abram above)

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Sept 12/16
reasury Board and Ministry of Finance: Nilam Jetha, Acting Superintendent of Insurance (one year interim role) Mark Prefontaine, Superintendent of Insurance (seconded to Senior Asst. Deputy Minister for one year, effective Jan. 11/16)	No contact – appointed Jan 11/16 (congratulatory letter sent Feb. 1/16) -Sep 30/14; Fredericton, NB (informal meeting)	None at this time Not applicable at this time	- Update on Superintendent's priorities -Communicate CAFII issues; build and strengthen relationship	
David Sorensen, Deputy Superintendent of Insurance	No face-to-face contact to date - <i>appointed Sep 15/14</i>	None at this time	See N. Jetha above	
Laurie Balfour, Director, Financial Compliance, Insurance Regulation and Market Conduct Branch (Chair of CCIR Insurance Core Principles Implementation Ctte)	-Sep 30/14: Fredericton, NB (informal meeting) -Jul 28/14: call with CAFII reps re: "effecting of CGI"	None at this time	-See N. Jetha above	
Joe Ceci, President of Treasury Board and Minister of Finance	No contact – appointed May 24/15	None	TBD until CAFII has a "direct ask" at Ministerial level	
Saskatchewan				
Insurance Councils of Saskatchewan: Ron Fullan, Executive Director, (CISRO Chair)	-June 29/16 informal conversation with B. Wycks at CISRO LLQP Info Session -April 11/16 informal conversation with B. Wycks, at CISRO LLQP Info Session - Oct. 27/15: R. Fullan gave dedicated CISRO LLQP Stakeholder Info presentation for CAFII members	None at this time	-timing of renewed focus on establishing a Restricted Insurance Agents Advisory Committee -Sask. RIA regime and licensure issues	
April Stadnek, Director of Licensing	-Sept 22/15 CISRO LLQP Stakeholder Info Session in Toronto (B. Wycks) - Sep 30/14; Fredericton, NB (informal meeting) - November/13 in Toronto when April attended CLHIA CCROSS Seminar	None at this time	-See R. Fullan above	

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Sept 12/16
Financial Consumer Affairs Authority (FCAA): Roger Sobotkiewicz, former Director of FCAA Legal Branch, became Interim Chairperson and Superintendent of Insurance, effective Feb. 1/15	-no previous contact; congratulatory letter on appointment sent March 4/15	-see J. Seibel below	-introduce CAFII and build relationship -Regulations being developed following passage of <i>Bill 177, The Insurance Act (Saskatchewan)</i> -ISI: Representation for Restricted Licence Holders - Update on Superintendent's priorities	Pending (see J. Seibel below)
Ian McIntosh, Deputy Superintendent of Insurance	-Jul 28/14 call with CAFII reps re: "effecting CGI"	-see J. Seibel below	-See R. Sobotkiewicz above	Pending (see J. Seibel below)
Janette Seibel, Lawyer, became lead on Bill 177 and Regulations file effective June 1/15	-Regular e-mail exchanges since June 2015 most recently Sept 12/16 (B. Wycks)	-teleconference meeting in Q3 or Q4 2016, if necessary	- confirm that topics in Part I of industry consultation are not relevant to CAFII - discuss Part II of industry consultation: i.e. draft Regulations developed in support of <i>Bill 177, The Insurance Act (Saskatchewan)</i>	Pending FCAA release of Regulations
Manitoba				
Ministry of Finance: Ken Lofgren, Acting Superintendent of Insurance Scott Moore, Deputy Superintendent of Insurance	-Appointed Spring 2015; no previous CAFII contact -August 10/16 CAFII stakeholder meeting re CCIR travel health insurance Issues Paper (participated by teleconference) -April 15/15 teleconference with three CAFII reps -April 29/14: Winnipeg, MB	None at this time None at this time	-concern about amended Insurance Act's apparent residency requirement for employees of Restricted Insurance Agents	
Cameron Friesen, Minister of Finance	No contact – took office May 3/16	None	TBD until CAFII has "direct ask" at Ministerial level	
Erin Pearson, Executive Director, Insurance Council of Manitoba:	-Oct. 8/15 at CLHIA CCOS Fall Seminar (B. Wycks) -Sept. 30/14: dinner in Fredericton, NB re: ISI implementation	None at this time	-Insurance Council's "ISI items for further review and development"	

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Sept 12/16
Ontario				
FSCO: Brian Mills, appointed Interim CEO and Superintendent on October 18/14	-January 28/15 stakeholder meeting with CCIR	-Awaiting clarification of appointment status, emerging from Government action on Expert Panel's final report on FSCO's future mandate (delivered June 20/16)	(i)Introduce CAFII and build/maintain relationship (ii) Ontario government review of FSCO's mandate (iii) next steps, if any, in Life Insurance Product Suitability Review (iv)CCIR review of travel health insurance (v)Update on Superintendent's priorities (vi)communicate CAFII issues	Pending Ontario government action (timing unknown)
Anatol Monid, Interim Executive Director, Licensing and Market Conduct Division	-June 7/16, December 8/15 and June 9/15: informal update conversations with A. Monid at CAFII Reception events -January 28/15 stakeholder meeting with CCIR	None at this time	Item (iii) above	
Izabel Scovino, appointed Director, Market Conduct Regulation Branch in Nov/14	-Oct. 8/15 at CLHIA CCOS Fall Seminar (B. Wycks) -Nov 21/14 at FSCO Life & Health Insurance Symposium	None at this time	-See A. Monid above	
Richard Tillman, Senior Manager, Insurance and Deposit Institutions Policy	-heads-up call to B. Wycks on May 12/16	None at this time. CAFII has chosen not to respond to seg fund issues, as only some members offer them	-CCIR's Segregated Funds Working Group's Issues Paper, open for consultation submissions until July 15/16	
Ministry of Finance				
Three-member Expert Panel advising on Government's review of FSCO's mandate -David McLean, Policy Advisor	-July 30/15 life & health insurance sector roundtable meeting (P. McCarthy and G. Grant) -May 21/15 informal meeting: insurance sector round table -June 7/16 and April 12/16 informal conversations with B. Wycks at CAFII Receptions	None at this time	-Awaiting Government announcement of any action in response to Expert Panel's final report (delivered June 20/16), to determine if meeting with Deputy Minister or Assistant Deputy Minister should be pursued -Discuss Expert Panel's final report to Minister on proposed future mandate of FSCO	Pending Ontario government action (timing unknown)

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Sept 12/16
Quebec				
AMF: Louis Morisset, CEO; Patrick Dery, Superintendent, Solvency (appointed CCIR Chair effective April 1/15)	-Apr 8/14: Montreal, QC -Liaison lunch and industry issues dialogue on October 6/15 in Levis, Quebec	-Oct. 4/16 in Montreal: CAFII liaison meeting with AMF -Oct. 4/16 in Montreal: CAFII annual liaison meeting with AMF -CAFII proposed early May meeting in Halifax, during CLHIA Conference	-(i)draft omnibus Bill to modernize Quebec's financial services sector, including Distribution Act (expected release by Ministry of Finance in Q4 2016) -(ii)AMF final paper on electronic commerce in insurance, setting out Orientations/expectations -(iii)Distribution Guide template and implementation timelines -(iv)Update on AMF priorities -(v)Communicate CAFII issues -(vi)Maintain and strengthen relationship	Confirmed Confirmed Invitation declined
Eric Stevenson, Superintendent, Client Services and Distribution Oversight Louise Gauthier, Senior Director, Distribution Policies and Compensation (member of CCIR TIWG). Lead on AMF's Distribution Guide rewrite initiative.	-Liaison lunch and industry issues dialogue on October 6/15 in Levis, Quebec -August 10/16 CAFII stakeholder meeting re CCIR travel health insurance Issues Paper	-Oct. 4/16 in Montreal: CAFII annual liaison meeting with AMF -Oct. 4/16 in Montreal: CAFII annual liaison meeting with AMF	-See L. Morisset above -Distribution Guide rewrite	Confirmed Confirmed
Ministry of Finance Carlos Leitao, Minister Richard Boivin, Assistant Deputy Minister, Financial Institution Policy and Corporate Law Guillaume Caudron, Chief of Staff Yann Nachabé, Policy Advisor	-Feb. 25/16 phone call between B. Wycks and Yann Nachabé, Policy Advisor, Ministry of Finance	-in-person or teleconference meeting with Ministry officials coincident with consultation period on draft omnibus Bill expected in Q4 2016, if necessary - CAFII request for April 2016 in- person follow-up meeting with Richard Boivin and Guillaume Caudron	-draft omnibus Bill expected to modernize financial sector, incl. the Distribution Act (Minister Leitao in response to question at legislative committee meeting on April 28/16) -Ministry's direction on online distribution of insurance without involvement of an advisor -CAFII submission in response to Report on the Application of the Act respecting the distribution of financial products and service	-Pending release of draft omnibus Bill -Request politely withdrawn, based on reassuring information from Y. Nachabé

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Sept 12/16
New Brunswick				
Financial and Consumer Services Commission (Insurance Division): Angela Mazerolle, Superintendent of Insurance	-May 4/16 dinner meeting with Atlantic Canada regulators in Halifax -Oct 1/14: Fredericton, NB	-Q3 or Q4 2016 teleconference meeting or webinar	-refreshed "Seven Point Guide to The Creditor Insurance Regulatory Regime," to be sent by CAFII to FCNB in summer 2016 as educational resource to counteract false impression that ISI is unregulated -implementation of further phases of online licensing system -legislative/regulatory change to support electronic beneficiary designations -other New Brunswick licensing issues	-Pending CAFII delivery of "Seven Point Guide to CGI Regulatory Regime"
David Weir, Deputy Superintendent of Insurance	-May 4/16 dinner meeting with Atlantic Canada regulators in Halifax - April 11/16 informal discussion with B. Wycks, at CISRO LLQP Info Session - Feb. 19/16 re CAFII feedback on online insurance licensing system - Sept. 22/15 CISRO LLQP Info Session in Toronto (B. Wycks) -Oct 1/14: Fredericton, NB	-see A. Mazerolle above	-see A. Mazerolle above -timing of final recommendations on reforming licensing framework for other-than-life agents and brokers -CAFII feedback on New Brunswick online insurance licensing system	-Pending (see A. Mazerolle above)
Opportunities New Brunswick: Jay Reid, Investment Attraction Officer	-Jun 3/14: Toronto, with Adam Mitton of predecessor organization Invest New Brunswick	None at this time	- CAFII submission re: Insurance Act and regulatory process changes necessary to support business efficiency and further inbound investment and additional jobs in New Brunswick -Introduce CAFII and build relationship -Position CAFII as an information resource	
Consumer Advocate for Insurance: Ronald Godin, Consumer Advocate	No contact	None at this time		

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Sept 12/16
Nova Scotia				
Superintendent of Insurance: William Ngu, Acting Superintendent of Insurance	-May 4/16 dinner meeting with Atlantic Canada regulators in Halifax -Appointed June 2015; no previous CAFII contact	None at this time	-Review of life and accident & sickness provisions of Insurance Act -legislative/regulatory change to support electronic beneficiary designations -Update on Superintendent's priorities -Communicate CAFII issues; build and strengthen relationship	
Jennifer Calder, Deputy Superintendent of Insurance	-August 10/16 CAFII stakeholder meeting re CCIR travel health insurance Issues Paper (participated by teleconference) -May 4/16 dinner meeting with Atlantic Canada regulators in Halifax	None at this time	-See W. Ngu above	
PEI				
Superintendent of Insurance: Robert Bradley, Superintendent	-Oct 1/14: Fredericton, NB	None at this time	-Review of life and accident & sickness provisions of Insurance Act (on April 23/15, R. Bradley advised that this may get underway in late 2015) -legislative/regulatory change to support electronic beneficiary designations -Update on Superintendent's priorities -Communicate CAFII issues -Maintain and strengthen relationship	
Newfoundland				
Superintendent of Insurance: John O'Neill, Superintendent Craig Whalen, Deputy Superintendent of Insurance	-N/A; appointed in October 2015 -Oct 1/14: Fredericton, NB	None at this time -Same as John O'Neill	-legislative/regulatory change to support electronic beneficiary designations -Update on Superintendent's priorities -Communicate CAFII issues; build and strengthen relationship	

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Sept 12/16
FEDERAL/NATIONAL				
CCIR: Martin Boyle, Policy Manager	-Sept 7/16 informal discussion with B. Wycks at retirement reception for L. Byrnes -August 10/16 CAFII stakeholder meeting re CCIR travel health insurance Issues Paper -May 19/16 CCIR ICPiC teleconference/webinar meeting with CAFII members (L. Balfour and M. Boyle) -May 4/16 lunch meeting in Halifax (with C. Rogers and S. Jacobs) - April 12/16 CAFII Reception -April 12/16 liaison lunch meeting between CAFII and M. Boyle and S. Jacobs	-liaison lunch in October 2016 following CCIR Fall Meeting on October 6-7 in Edmonton -CCIR Annual Stakeholder Meetings to be held on December 12-13/16 in Toronto	-Annual Statement on Market Conduct (Martin) -Framework for Cooperative Market Conduct Supervision (Martin) -attendance of CCIR members at CAFII 20 th Anniversary celebration in 2017 -Possible CCIR speakers/panelists at CAFII events -Update on CCIR 2014-17 Strategic Plan and related priorities -Communicate CAFII issues; and maintain and strengthen relationship -possible CAFII webinar(s) for CCIR audience -updates on Annual Statement on Market Conduct	Pending date confirmation Confirmation of CAFII's Date/Time Assignment Pending
Sean Jacobs, Policy Manager	-Sept 7/16 informal discussion with B. Wycks at retirement reception for L. Byrnes -August 10/16 CAFII stakeholder meeting re CCIR travel health insurance Issues Paper -July 7/16 CAFII webinar presentation by Lesli Martin, Pollara, on Canadians' perceptions, confidence, and satisfaction with travel medical insurance -June 7/16 informal dialogue at CAFII Reception -May 4/16 lunch meeting in Halifax (with C. Rogers and M. Boyle) - April 12/16 liaison lunch meeting between CAFII and M. Boyle and S. Jacobs -March 16/16 CAFII/CLHIA joint stakeholder meeting with CCIR Travel Insurance Working Group	-liaison lunch in October 2016 following CCIR Fall Meeting on October 6-7 in Edmonton -CCIR Annual Stakeholder Meetings to be held on December 12-13/16 in Toronto	-CCIR review of travel health insurance -See M. Boyle above	Pending date confirmation Confirmation of CAFII's Date/Time Assignment Pending

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Sept 12/16
Patrick Déry, Chair (Superintendent, Solvency, AMF)	-Liaison lunch and industry issues dialogue on October 6/15 in Levis, Quebec -April 29/15 meeting in Quebec City, along with CCIR Vice-Chair Carolyn Rogers	-Oct. 4/16 in Montreal: CAFII liaison meeting with AMF -CCIR Annual Stakeholder Meetings to be held on December 12-13/16 in Toronto	-CCIR review of travel health insurance -Update on CCIR 2014-17 Strategic Plan and related priorities -Communicate CAFII issues; maintain and strengthen relationship	Confirmed Confirmation of CAFII's Date/Time Assignment Pending
Harry James, Chair, CCIR Travel Insurance Working Group (TIWG)	-August 10/16 CAFII stakeholder meeting re CCIR travel health insurance Issues Paper -March 16/16 CAFII/CLHIA joint meeting with CCIR Travel Insurance Working Group -March 24/15 meeting with CAFII EOC re travel health insurance review initiative	-If necessary, Q4 2016 meeting with Harry and TIWG members -Q1 2017 meeting with Harry and TIWG members	-CAFII submission in response to TIWG Issues Paper -positions/recommendations set out in TIWG Position Paper	Pending CAFII response to Issues Paper Pending CCIR release of Position Paper (expected Q4 2016)
Laurie Balfour, Chair, CCIR Insurance Core Principles Implementation Committee (ICPiC)	-August 10/16 CAFII stakeholder meeting re CCIR travel health insurance Issues Paper (participated by teleconference) -May 19/16 CCIR ICPiC webinar presentation for CAFII members (L. Balfour and M. Boyle)	None at this time	-ICPiC work on IAIS' Insurance Core Principles -Framework for Co-operative Market Conduct Supervision in Canada -Harmonized Annual Statement on Market Conduct	
CISRO: Ron Fullan, Chair (SK); G. Matier (BC); J. Abram (AB), W. Martinson (AB); D. Weir (NB)	-August 10/16 CAFII stakeholder meeting re CCIR travel health insurance Issues Paper (participated by teleconference) -June 29/16 informal conversation with B. Wycks at CISRO LLQP Info Session - April 11/16 CISRO LLQP Stakeholder Info Session -March 16/16 CAFII/CLHIA joint stakeholder meeting with CCIR Travel Insurance Working Group -Oct. 27/15: R. Fullan gave dedicated CISRO LLQP Stakeholder Info presentation for CAFII members	None at this time	-possible CISRO Strategic Plan and opportunity for stakeholders to provide input	

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Sept 12/16
Financial Consumer Agency of Canada (FCAC): Lucie Tedesco, Commissioner Brigitte Goulard, Deputy Commissioner Jane Rooney, Financial Literacy Leader	-May 1/15: B. Wycks made self-introduction and chatted with L. Tedesco, following her speech at CLHIA Conference -Jun 10/14: B. Goulard was speaker at CAFII event -Feb 10/15 (presentation at CAFII Annual Luncheon)	None at this time -Q3 or Q4 teleconference meeting, if necessary	- FCAC consultation on its supervisory/compliance framework (Fall 2016 release of document expected) re questions/issues raised in consultation document	Pending FCAC release of consultation document
Jeremie Ryan, Director, Financial Literacy and Consumer Education Karen Morgan, Marketing Officer	-Feb. 10/15 -Jan 9/14			

Agenda Item 2.6

October 4/16 CAFII Board Meeting

Committee Reports Addressing CAFII Priorities

Licensing Efficiency Issues Committee (Chair: M. Gill)

The LEIC does not have any active Regulatory Consultation issues on its agenda at this time. However, the Committee

- is monitoring and liaising with the Insurance Division of the Financial and Consumer Services Commission of New Brunswick with respect to
 - its planned release of a final Position Paper on its “Opportunities for Reforming the New Brunswick Licensing Framework for Other-than-Life Insurance Agents and Brokers” which will have implications for the licensing of life agents;
 - its launch of Phase 2 of its online Portal for life insurance agent licensing; and
 - a half-day FCNB education session called “FCNB 2.0: How It Affects You” which will be held on October 27 in Saint John. This afternoon session will focus on recent changes in FCNB’s expectations with respect to compliance and in its approach to investigation and enforcement of financial and consumer services legislation – including the Insurance Act -- and their effect on the industry; and
- will be reaching out to Ron Fullan, Chair of CISRO, which met in Winnipeg in the week of September 19-23, to seek an update on its near-term agenda, with a view to organizing the LEIC’s activities accordingly.

Market Conduct Committee (Chair: R. Beckford)

With broad participation and input from many members of the Association, the Market Conduct Committee completed a submission to CCIR on its latest draft of the Annual Statement on Market Conduct (Life and Health) to meet its August 26 deadline.

Similarly, the committee oversaw the development of CAFII’s submission in response to the CCIR Travel Insurance Working Group’s Travel Health Insurance Products Issues Paper, which had a September 30 deadline. That submission, which drew heavily upon our CAFII-commissioned research by Pollara Strategic Insights into Canadians’ perceptions, confidence and satisfaction with travel medical insurance, benefitted from a leadership contribution by Research and Education Committee Chair Sue Manson and significant input from the CAFII Travel Medical Insurance Experts Working Group which she chairs.

At this time, the Market Conduct Committee is looking forward to the release of Saskatchewan's draft Regulations in support of Bill 177 (the Insurance Act) and Quebec's omnibus Bill aimed at overhauling and modernizing the Insurance Act and Distribution Act, both of which are expected this Fall.

Media Advocacy Committee (Chair: C. Blaquiere)

The Media Advocacy Committee subcommittee is currently working closely with media consultant David Moorcroft and search engine optimization (SEO) consultant RankHigher on content and design changes to our CAFII website to make it more appealing for consumers and media and to increase traffic to it, thereby making it a more strategically advantageous tool for the Association and its members.

The subcommittee received a thorough and impressive digital marketing analysis presentation from RankHigher on September 16, and subsequently met with David Moorcroft and RankHigher again on September 29 to provide feedback and refine its SEO optimization and website design strategy for CAFII.

Research and Education Committee (Chair: D. Quigley)

On September 16, the Research and Education Committee met by teleconference to review and update the "Seven Point Guide to the Creditor Insurance Regulatory Regime" which is a subset of a larger CAFII presentation deck on "Fundamentals of Creditor's Group Insurance."

The committee made substantive progress in the meeting; and we expect to be in a position to bring the revised Seven Point Guide forward to the EOC for approval at its October 25 meeting. Thereafter, our initial target audience for the updated Guide is the Atlantic Canada insurance regulators and we will try to set up a webinar or teleconference to present this educational material in Q4 2016 or Q1 2017.

CAFI

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

Balance Sheet As at August 31, 2016

	Current 2016
ASSETS	
Current Assets	
Bank Balance	\$471,623
Investments ^A	\$54,077
Accounts Receivable	\$28,300
Interest Receivable	\$36
Prepaid Expenses	\$3,929
Computer/Office Equipment	\$2,334
Accumulated Depreciation -Comp/Equip	(\$1,750)
Intangible Assets-Trademarks	\$0
Accumulated Amortization-Trademark	\$0
Total Current Assets	\$558,549
TOTAL ASSETS	\$558,549
LIABILITIES	
Current Liabilities	
Account Payable ^B	\$5,219
Deferred Revenue	\$145,246
Total Current liabilities	\$150,465
TOTAL LIABILITIES	\$150,465
UNRESTRICTED NET ASSETS	
Unrestricted Net Assets, beginning of year	\$358,991
Excess of revenue over expenses	\$49,093
Total Unrestricted Net Assets	\$408,083
Total Unrestricted Net Assets	\$408,083
TOTAL LIABILITIES AND UNRESTRICTED NET ASSETS	\$558,549

Financial Reserves Targets as per 2016 Budget:	
Minimum 3 months (25%) of Annual Operating Expenses=	\$ 126,909
Maximum 6 months (50%) of Annual Operating Expenses=	\$ 253,817
Current Level of Financial Reserves (total unrestricted net assets):	\$408,083
Current Level of Financials Reserve (%) :	80%

C A F I I
21 St Clair Ave east, Suite 802
Toronto, ON, M4T 1L9
Balance Sheet Items
As at August 31, 2016

Item A

Investment Portfolio

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

Item B

Accounts Payable

	Total
	4,520.00
	699.24
Total outstanding:	<u>5,219.24</u>

CAFII

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Statement of Operations

As at August 31, 2016

	Current Month	Current YTD	Budget 2016	Variance Budget to YTD
Revenue				
Membership Fees	36,313	290,504	435,750	145,246
Interest Revenue	18	159	500	341
TOTAL REVENUE	36,331	290,663	436,250	145,587
Expenses				
Management Fees	21,988	174,775	256,742	81,967
CAFII Legal Fees/Corporate Governan	0	4,015	5,000	985
Audit Fees	0	0	14,000	14,000
Insurance	437	3,492	5,374	1,882
Website (incl translation)	0	2,260	30,000	27,740
Telephone/Fax/Internet	166	1,801	8,000	6,199
Postage/Courier	16	156	500	344
Office Expenses	1,333	2,077	3,000	923
Bank Charges	0	25	50	25
Miscellaneous Expenses	0	0	0	-
Amortization Expense	0	0	468	468
Depreciation Computer/Office Equipm	39	311	0	- 311
Board/EOC/AGM				
Annual Members Lunch	0	12,043.69	15,000	2,956
Board Hosting (External)	14,516.90	14,516.90	15,000	483
Board/EOC/Meeting Expenses	225.64	5,348.08	5,000	- 348
Industry Events	0	0	1,500	1,500
EOC Annual Lunch	-7,016.90	2,079.05	2,000	- 79
Sub Total Board/EOC/AGM	7,726	33,988	38,500	4,512
Provincial Regulatory Visits	0	5,727	10,000	4,273
Research/Studies	0	0	50,000	50,000
Regulatory Model(s)	0	0	12,000	12,000
Federal Financial Reform	0	0	10,000	10,000
Media Outreach	4,520	12,769	50,000	37,231
Marketing Collateral	0	0	5,000	5,000
Tactical Communications Strategy	0	138	-	138
Networking Events				
Speaker fees & travel	0	0	8,000	8,000
Gifts	0	36.52	1,000	963
Sub Total Networking & Events	0	37	9,000	8,963
15th Anniversary Event	0	0	0	-
TOTAL EXPENSE	36,223	241,570	507,634	266,064
NET INCOME	108	49,093	-71,384	- 120,477

Explanatory Notes:

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

CAFII

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

Membership Fees As At August 31, 2016

	<u>Jan-16</u>		<u>Jul-16</u>	
	<u>Billed</u>	<u>Received</u>	<u>Billed</u>	<u>Received</u>
BMO Bank of Montreal	\$ 23,500.00	7-Apr-16	\$ 23,500.00	29-Aug-16
CIBC Insurance	\$ 23,500.00	6-May-16	\$ 23,500.00	12-Aug-16
RBC Insurance	\$ 23,500.00	15-Mar-16	\$ 23,500.00	10-Aug-16
ScotiaLife Financial	\$ 23,500.00	4-Mar-16	\$ 23,500.00	22-Jul-16
TD Insurance	\$ 23,500.00	15-Mar-16	\$ 23,500.00	29-Jul-16
AMEX Bank of Canada	\$ 11,750.00	6-Apr-16	\$ 11,750.00	5-Aug-16
Assurant Solutions	\$ 11,750.00	15-Mar-16	\$ 11,750.00	22-Jul-16
Canadian Premier Life Insurance Company	\$ 11,750.00	4-Mar-16	\$ 11,750.00	9-Sep-16
Desjardins Financial Security Life Assurance Company	\$ 11,750.00	6-Apr-16	\$ 11,750.00	12-Aug-16
National Bank Insurance Company	\$ 17,625.00	10-Jun-16	\$ 17,625.00	10-Jun-16
Cumis Group Ltd/Co-operators Life Insurance Co.	\$ 11,750.00	6-Apr-16	\$ 11,750.00	2-Sep-16
Willis Towers Watson	\$ 4,800.00	6-Apr-16		
Aimia	\$ 4,800.00	15-Jul-16		
Collins Barrow Toronto Actuarial Services	\$ 4,800.00	28-Apr-16		
CSI Brokers Inc.	\$ 4,800.00	12-Apr-16		
KPMG LLP	\$ 4,800.00	9-Sep-16		
Laurentian Bank of Canada	\$ 4,800.00	6-Apr-16		
Munich Reinsurance Company Canada Branch (Life)	\$ 4,800.00	30-Jun-16		
Optima Communications	\$ 4,800.00	4-Mar-16		
RGA Life Reinsurance Company of Canada	\$ 4,800.00	4-Mar-16		
The Canada Life Assurance Company	\$ 4,800.00	15-Mar-16		
January Invoices	\$241,875		\$193,875	
July Invoices	\$193,875			
Total Membership Fees	\$435,750			
Total amount to reallocate monthly Jan-Dec	\$36,313			

CAFII Budget Forecast: Sept 14, 2016

	As at August 31, 2016				YTD Q3 2016 Forecast			Full-Year Forecast			Comments
	Current Month	Current YTD	Budget YTD	Variance	Q3 Budget	Q3 Forecast	Q3 Variance	2016 Budget	Full-Year Forecast	Full-Year Variance	
Revenue											
Membership Fees	36,313	290,504	\$435,750	-\$145,246	\$290,500	\$326,813	\$36,313	\$435,750	\$435,750		
Interest Revenue	18	159	\$500	-\$341	\$208	\$200	-\$9	\$500	\$325	-\$175	
						\$327,012					
TOTAL REVENUE	36,331	290,663	\$436,250	-\$145,587	\$290,708	\$0	-\$290,708	\$436,250	\$436,075	-\$175	
						\$0					
Expenses											
Management Fees	21,988	174,775	\$171,161	\$3,613.67	\$171,161	\$4,015	-\$167,146	\$256,742	\$260,356	\$3,614	
CAFII Legal Fees/Corporate Governan	0	4,015	\$5,000	-\$985.00	\$5,000	\$0	-\$5,000	\$5,000	\$5,910	\$910	Trademark registration expense
Audit Fees	0	0	\$0		\$0	\$3,943	\$3,943	\$14,000	\$14,000		
Insurance	437	3,492	\$3,583	-\$90.67	\$3,583	\$2,726	-\$857	\$5,374	\$5,286	-\$88	
Website (incl translation)	0	2,260	\$9,900	-\$7,640.00	\$9,900	\$2,468	-\$7,432	\$30,000	\$32,374	\$2,374	
Telephone/Fax/Internet	166	1,801	\$5,333	-\$3,532.33	\$5,333	\$198	-\$5,136	\$8,000	\$4,468	-\$3,532	Conference calls less in Q1
Postage/Courier	16	156	\$333	-\$177.33	\$333	\$2,327	\$1,994	\$500	\$323	-\$177	
Office Expenses	1,333	2,077	\$2,000	\$77.00	\$2,000	\$29	-\$1,971	\$3,000	\$3,077	\$77	
Bank Charges	0	25	\$33	-\$8.33	\$33	\$0	-\$33	\$50	\$42	-\$8	
Amortization Expense	0	0	\$0			\$0					
Depreciation Computer/Office Equipm	39	311	\$312	-\$1.00	\$312	\$20,132	\$19,820	\$468	\$468		
						\$5,660					
<u>Board/EOC/AGM</u>											
Annual Members Lunch	0	12,044	\$15,000	-\$2,956	\$15,000	\$0	-\$15,000	\$15,000	\$20,132	\$5,132	Speaker expenses not yet submitted
Board Hosting (External)	14,517	14,517	\$15,000	-\$483	\$15,000	-\$6,010	-\$21,010	\$15,000	\$14,517	-\$483	
Board/EOC/Meeting Expenses	226	5,348	\$2,875	\$2,473	\$2,875	\$34,299	\$31,424	\$5,000	\$7,372	\$2,372	Incl. ED attendance at CLHIA Conference
Industry Events	0	0	\$0		\$1,500	\$0	-\$1,500	\$1,500	\$1,500		
EOC Annual Dinner	-7,017	2,079	\$2,000	\$79	\$2,000	-\$6,010	-\$8,010	\$2,000	-\$6,010	-\$8,010	
Provincial Regulatory Visits		5,727	\$0	\$5,727	\$10,000	\$33,977	\$23,977	\$10,000	\$33,977	\$23,977	
Research/Studies	0	0	\$0		\$0	\$0		\$50,000	\$30,000	-\$20,000	
Regulatory Model(s)	0	0	\$0		\$0	\$0		\$12,000	\$5,000	-\$7,000	
Federal Financial Reform	0	0	\$0		\$0	\$0		\$10,000	\$0	-\$10,000	
Media Outreach	4,520	12,769	\$22,600	-\$9,831	\$22,600	\$16,536	-\$6,064	\$50,000	\$27,837	-\$22,163	
Marketing	0	0	\$0		\$0	\$283	\$283	\$5,000	\$1,132	-\$3,868	
Tactical Communications Strategy	0	138	\$0	\$138	\$0	\$138					
<u>Networking Events</u>											
Speaker fees & travel	0	0	\$500	-\$500	\$500	\$0	-\$500	\$8,000	\$0	-\$8,000	No planned speakers currently
Gifts	0	37	\$500	-\$463	\$500	\$37	-\$463	\$1,000	\$537	-\$463	
TOTAL EXPENSE	36,223	241,570	\$255,631	-\$14,061	\$267,631	\$109,438	-\$158,193	\$507,634	\$462,297	-\$45,337	
NET INCOME	108	49,093	\$180,619	-\$131,526	\$23,077	-\$109,438	-\$132,516	-\$71,384	-\$26,223	\$45,161	
Unrestricted Net Assets (beginning of 2016)								\$312,872	\$358,991	\$46,119	
Unrestricted Net Assets (end of 2016)								\$241,488	\$332,768	\$91,280	

Explanatory Notes:

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

	2016 Budget Jan 12, 2016
Unrestricted Net Assets (end of year)	\$408,083
Minimum 3 months (25%):	\$126,909
Maximum 6 months (50%)	\$253,187
Actual Level of Financial Reserves %	80%

2016 Budget	2016 Full-Year Forecast
\$241,488	\$332,768
\$126,909	\$115,574
\$253,817	\$231,149
48%	72%

2016 Actual + Budget Breakdown for LE Reporting															
Budget code		2016 Final Board Approved Budget	Q1			Q2			Q3			Q4			Total
			January 2016	February 2016	March 2016	April 2016	May 2016	June 2016	July 2016	August 2016	September 2016	October 2016	November 2016	December 2016	
	Revenue														
	Membership Fees	\$435,750	\$36,313	\$36,313	\$36,313	\$36,313	\$36,313	\$36,313	\$36,313	\$36,313	\$36,313	\$36,313	\$36,313	\$36,313	\$435,750
	Interest	\$500	\$21	\$21	\$23	\$22	\$23	\$11	\$18	\$18	\$42	\$42	\$42	\$42	\$325
	TOTAL REVENUE	\$ 436,250	\$36,334	\$36,334	\$36,336	\$36,335	\$36,336	\$36,324	\$36,331	\$36,331	\$36,354	\$36,354	\$36,354	\$36,354	\$436,075
															\$0
	EXPENSE														\$0
5001	Management Fees ³	\$256,742	\$21,964	\$22,543	\$22,238	\$22,271	\$21,196	\$21,287	\$21,288	\$21,988	\$21,395	\$21,395	\$21,395	\$21,395	\$260,356
5003	CAII Legal Fees/Corporate Governance	\$5,000	\$0	\$0	\$3,755	\$0	\$260	\$0	\$0	\$0				\$1,895	\$5,910
5004	Audit Fees	\$14,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$14,000	\$14,000
5005	Insurance	\$5,374	\$437	\$437	\$437	\$437	\$437	\$437	\$437	\$437	\$448	\$448	\$448	\$448	\$5,286
5006	Website ⁴	\$30,000	\$0	\$0	\$0	\$0	\$0	\$145	\$2,115	\$0	\$466	\$28,716	\$466	\$466	\$32,374
5007	Telephone/Fax/Internet	\$8,000	\$0	\$223	\$177	\$177	\$491	\$269	\$298	\$166	\$667	\$667	\$667	\$667	\$4,468
5008	Postage/Courier	\$500	\$0	\$5	\$41	\$17	\$6	\$9	\$62	\$16	\$42	\$42	\$42	\$42	\$323
5009	Office Expenses	\$3,000	\$20	\$70	\$238	\$114	\$90	\$91	\$121	\$1,333	\$250	\$250	\$250	\$250	\$3,077
5010	Bank Charges	\$50	\$25	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4	\$4	\$4	\$4	\$42
5012	Amortization Expense		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0					\$0
5013	Depreciation Computer/Office Equipm ⁵	\$468	\$39	\$39	\$39	\$39	\$39	\$39	\$39	\$39	\$39	\$39	\$39	\$39	\$468
5100	Board/EOC/AGM														\$0
5105	Annual members Lunch	\$15,000	\$0	\$10,168	\$8,451	\$0	\$0	\$1,513	\$0	\$0					\$20,132
5110	Board Hosting (External)	\$15,000	\$0	\$0			\$0	\$0	\$0	\$14,517					\$14,517
5115	Board/EOC Meeting Expenses	\$5,000	\$461	\$306	\$2,113	\$694	\$1,085	\$57	\$406	\$226	\$313	\$1,000	\$313	\$400	\$7,372
5120	Industry Events	\$1,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$1,500	\$1,500
5125	EOC Annual Dinner	\$2,000	\$1,729	\$350	-\$8,089	\$0	\$7,017	\$0	\$0	-\$7,017					-\$6,010
5210	Provincial Regulatory Visits	\$10,000	\$0	\$0	\$0	\$0	\$2,333	\$3,327	\$67	\$0	\$28,250				\$33,977
5215	Research/Studies ⁶	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$30,000	\$30,000
5220	Regulatory Model(s) ⁷	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$5,000	\$5,000
5225	Federal Financial Reform	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0
5230	Media Outreach	\$50,000	\$0	\$1,243	\$2,486	\$0	\$0	\$0	\$4,520	\$4,520	\$3,767	\$3,767	\$3,767	\$3,767	\$27,837
5235	Marketing	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$283	\$283	\$283	\$283	\$1,132
5285	Tactical Communications Strategy	\$0	\$0	\$65	\$73	\$0	\$0	\$0	\$0	\$0	\$0				
5305	Networking Events						\$0	\$0	\$0	\$0	\$0				\$0
5310	Speaker fees & travel	\$8,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$0
5315	Gifts	\$1,000	\$0	\$0	\$0	\$0	\$37	\$0	\$0	\$0	\$0		\$500		\$537
5399	Total Networking Events	\$9,000			\$0								\$500	\$0	\$500
	TOTAL EXPENSE	\$ 507,634	\$24,675	\$35,448	\$31,959	\$23,749	\$32,991	\$27,174	\$29,353	\$36,225	\$55,923	\$56,610	\$28,173	\$80,155	\$474,693
	Excess of Revenue over Expenses	-\$ 70,916	\$11,659	\$886	\$4,376	\$12,586	\$3,345	\$9,150	\$6,978	\$106	-\$19,569	-\$20,256	\$8,181	-\$43,801	-\$26,361
	Unrestricted Net Assets (beginning of year)	\$ 359,492													\$0
	Unrestricted Net Assets (end of year)	\$ 288,576													\$0

2016 Budget Breakdown: Expected Spend By Month															
			Q1			Q2			Q3			Q4			Total
Budget code		2016 Board Approved Budget Dec 8, 2015	January 2016	February 2016	March 2016	April 2016	May 2016	June 2016	July 2016	August 2016	September 2016	October 2016	November 2016	December 2016	
	Revenue														
	Membership Fees	\$435,750	\$36,313	\$36,313	\$36,313	\$36,313	\$36,313	\$36,313	\$36,313	\$36,313	\$36,313	\$36,313	\$36,313	\$36,313	\$435,750
	Interest	\$500	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$500
	TOTAL REVENUE	\$ 436,250	\$36,354	\$36,354	\$36,354	\$36,354	\$36,354	\$36,354	\$36,354	\$36,354	\$36,354	\$36,354	\$36,354	\$36,354	\$436,250
															\$0
	EXPENSE														\$0
5001	Management Fees ³	\$256,742	\$21,395	\$21,395	\$21,395	\$21,395	\$21,395	\$21,395	\$21,395	\$21,395	\$21,395	\$21,395	\$21,395	\$21,395	\$256,742
5003	CAFI Legal Fees/Corporate Governance	\$5,000			\$5,000						\$28,250			\$5,000	\$38,250
5004	Audit Fees	\$14,000												\$14,000	\$14,000
5005	Insurance	\$5,374	\$448	\$448	\$448	\$448	\$448	\$448	\$448	\$448	\$448	\$448	\$448	\$448	\$5,374
5006	Website ⁴	\$30,000	\$50	\$50	\$50	\$50	\$50	\$50	\$4,800	\$4,800	\$4,800	\$4,800	\$4,800	\$4,800	\$29,100
5007	Telephone/Fax/Internet	\$8,000	\$667	\$667	\$667	\$667	\$667	\$667	\$667	\$667	\$667	\$667	\$667	\$667	\$8,000
5008	Postage/Courier	\$500	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$42	\$500
5009	Office Expenses	\$3,000	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$3,000
5010	Bank Charges	\$50	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$4	\$50
5012	Amortization Expense														
5013	Depreciation Computer/Office Equipm ⁵	\$468	\$39	\$39	\$39	\$39	\$39	\$39	\$39	\$39	\$39	\$39	\$39	\$39	\$468
5100	Board/EOC/AGM														
5105	Annual members Lunch	\$15,000	\$5,000	\$10,000											\$15,000
5110	Board Hosting (External)	\$15,000				\$7,500		\$7,500						\$7,500	\$22,500
5115	Board/EOC Meeting Expenses	\$5,000	\$313	\$313	\$313	\$500	\$313	\$500	\$313	\$313	\$313	\$1,000	\$313	\$500	\$5,000
5120	Industry Events	\$1,500												\$1,500	\$1,500
5125	EOC Annual Dinner	\$2,000	\$2,000												\$2,000
5210	Provincial Regulatory Visits	\$10,000												\$10,000	\$10,000
5215	Research/Studies ⁶	\$50,000												\$50,000	\$50,000
5220	Regulatory Model(s) ⁷	\$12,000												\$12,000	\$12,000
5225	Federal Financial Reform	\$10,000												\$10,000	\$10,000
5230	Media Outreach	\$50,000						\$7,533	\$7,533	\$7,533	\$7,533	\$7,533	\$7,533	\$7,533	\$52,733
5235	Marketing	\$5,000												\$5,000	\$5,000
5305	Networking Events														
5310	Speaker fees & travel	\$8,000												\$8,000	\$8,000
5315	Gifts	\$1,000			\$500								\$500		\$1,000
	TOTAL EXPENSE	\$ 507,634	\$30,207	\$33,207	\$28,707	\$30,895	\$23,207	\$38,428	\$35,490	\$35,490	\$63,740	\$36,178	\$35,990	\$158,678	\$550,217
	Excess of Revenue over Expenses	-\$ 70,916	\$6,147	\$3,147	\$7,647	\$5,460	\$13,147	-\$2,074	\$864	\$864	-\$27,386	\$176	\$364	-\$122,324	-\$113,967

Agenda item 3.3.

October 4/16 Board Meeting

MEMORANDUM

To: CAFII Board of Directors

From: CAFII Executive Operations Committee

Date: October 4, 2016

Subject: Appointment of CAFII Cheque Signing Authority

Recommendation: The Board of Directors is asked to approve the appointment of the following individuals as authorized signatories for all cheques prepared and issued by the Canadian Association of Financial Institutions, revoking any past person named in that capacity:

- Brendan Wycks, CAFII Executive Director
- Raja Rajaram, CIBC Insurance, CAFII Treasurer
- Eleanore Fang, TD Insurance, CAFII EOC Chair & Board Secretary
- Lynn Beauregard, President, T•O Corporate Services
- Senait Ghebru, Controller, T•O Corporate Services

Background and Rationale: The Board of Directors has the authority to change or modify the policy on cheque signing authority as it may from time-to-time deem required. With the recent change in Eleanore Fang succeeding Greg Grant as EOC Chair, we now require an update to the list of officers authorized to sign cheques on behalf of CAFII. As per the *CAFII Cheque Signing Authority Policy* the above listed officers are required to uphold the following:

1. All Canadian Association of Financial Institutions (CAFII) cheques in amounts of greater than \$2,500 must be signed by any two of the Treasurer, Executive Operations Committee (EOC) Chair, or Executive Director.
2. All CAFII cheques in amounts of less than \$2,500 must be signed by any two of (a) the Treasurer, EOC Chair, or Executive Director; and (b) the Controller of TO Corp., or the President of T•O Corporate Services. At least one of the two signatories for cheques in amounts of less than \$2,500 must be one of the Officers of the Association listed in (a) above.
3. A designated signing authority, as noted above, may not be a signatory to a CAFII cheque that is payable to himself/herself nor to a cheque that is payable to his/her company or organization.
4. At least quarterly, the Treasurer -- or in his/her absence, the EOC Chair -- shall review and sign-off on all cheque stubs and their backup invoices/documentation, as a post-issuance internal audit and control measure.

CAFII Consultations/Submissions Timetable 2016-17

Regulatory Issue	Deliverable	Deadline	Accountable
BC FICOM 10-Year Review of FIA (consultation paper released June 2, 2015)	<ul style="list-style-type: none"> CAFII Response to Initial Consultation Paper Meetings with Ministry of Finance officials Public Report on input received on Initial Consultation Paper Policy Paper on proposals for change CAFII Response to Policy Paper <i>Meeting with Ministry of Finance officials, if necessary</i> Amendments to Act and drafting of Regulations 	<ul style="list-style-type: none"> Sep 15, 2015 Nov 10, 2015 Issued March 23, 2016 Q1 or Q2 2017 Q2 or Q3 2017 Q2 or Q3 2017 Q4 2017 	<ul style="list-style-type: none"> Joint Market Conduct/Licensing Committee; ED to monitor
BC "Effecting" of CGI Issue	<ul style="list-style-type: none"> FICOM Information Bulletin on CGI Meeting with FICOM officials re Bulletin's directives CAFII follow-up letter seeking clarification on key Bulletin issues CAFII teleconference with FICOM officials re follow-up letter <u>CAFII obtains legal opinion re auto dealers as creditors issue</u> CAFII to provide further info to FICOM re auto dealers 	<ul style="list-style-type: none"> Issued Sep 14, 2015 Nov 10, 2015 March 15, 2016 April 14, 2016 <u>Sept 2016</u> Fall 2016 	<ul style="list-style-type: none"> EOC; ED to monitor
QC Ministry of Finance Review of Distribution Act	<ul style="list-style-type: none"> CAFII Response to June 12/15 Consultation Report Dialogue with Ministry re meeting re online distribution <u>CAFII secures specialized legal counsel, in preparation for draft Bill</u> Draft omnibus Bill to be tabled, for industry consultation CAFII Response to draft legislation 	<ul style="list-style-type: none"> Sep 30, 2015 Completed March 2016 <u>Oct 2016</u> Q4 2016 Q4 2016 or Q1 2017 	<ul style="list-style-type: none"> Joint Mkt Cndct/ Lcnsing Cttee; ED to monitor
CCIR Annual Statement on Market Conduct	<ul style="list-style-type: none"> CAFII Response to Draft Annual Statement (released Oct 28/15) Revised Draft released for 45 day consultation period CAFII Response to Draft 3 	<ul style="list-style-type: none"> Dec 4, 2015 July 12, 2016 August 26, 2016 	<ul style="list-style-type: none"> Market Conduct Cttee; ED to monitor
CCIR Review of Travel Health Insurance	<ul style="list-style-type: none"> CAFII/CLHIA joint update meeting with CCIR TIWG Issues Paper released for 90 day consultation Meeting with CCIR TIWG re Issues Paper CAFII Response to Issues Paper CCIR releases Position Paper <u>Meeting with CCIR TIWG Re Position Paper, if necessary</u> 	<ul style="list-style-type: none"> March 2016 July 4, 2016 Aug 10, 2016 Sep 30, 2016 <u>Q4 2016 or Q1 2017</u> <u>Q1 2017</u> 	<ul style="list-style-type: none"> EOC; ED to monitor
SK Bill 177	<ul style="list-style-type: none"> FCAA conducts Part I of consultation on Draft Regulations FCAA releases Draft Regulations for Part II of industry consultation CAFII Response to Draft Regulations <i>Meeting with FCAA officials re CAFII submission, if necessary</i> 	<ul style="list-style-type: none"> <u>Q4 2016</u> <u>Q4 2016</u> Nov/Dec 2016 Nov/Dec 2016 	<ul style="list-style-type: none"> Market Conduct Cttee; ED to monitor
FCAC "Compliance Framework"	<ul style="list-style-type: none"> FCAC publishes consultation document CAFII submission 	<ul style="list-style-type: none"> Fall 2016 Fall 2016 	<ul style="list-style-type: none"> EOC; ED to monitor
"Modernizing the New Brunswick Insurance Licensing Framework"	<ul style="list-style-type: none"> CAFII Response to Position Paper on aspects related to life agents FCNB delivers final recommendations to Minister 	<ul style="list-style-type: none"> Jan 22, 2016 ? 	<ul style="list-style-type: none"> Licensing Cttee; ED to monitor

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

Agenda Item 5(a)(i)1

September 20/16 EOC Meeting

MEMORANDUM

To: CAFII Board of Directors

From: CAFII Executive Operations Committee

Date: September 21, 2016

Subject: Recommendation For The Engagement Of Specialized Legal Counsel

Recommendation: Following deliberation and approval by the EOC on September 20/16, the Board of Directors is asked to (i) approve CAFII's engagement of Sylvie Bourdeau, LLB, a partner in the Montreal office of Fasken Martineau DuMoulin; and (ii) empower the EOC Chair and Executive Director to do so through a letter of engagement with a fee estimate of approximately \$15,000 plus HST.

Engaging Ms. Bourdeau for specialized legal counsel services will enable CAFII to make an informed and strong submission in response to the Quebec Ministry of Finance's expected omnibus Bill on modernizing the province's Insurance Act and Distribution Act.

While it is difficult to estimate the cost of this engagement precisely without knowing the scope and content of the awaited omnibus Bill, the EOC estimates a maximum of 25 hours of legal services time will be needed to complete this assignment. Ms. Bourdeau's rate is \$590 per hour and she has expressed a willingness to co-operate in minimizing the cost. If the associated costs ultimately look like they will exceed \$15,000 plus HST, a further recommendation will be made for Board approval.

Background and Rationale: In April 2016, the EOC asked Rose Beckford, Chair of the Market Conduct Committee, and Isabelle Choquette, EOC member from Desjardins Financial Security, to consult on the possibility of engaging specialized legal counsel with respect to the Quebec Ministry of Finance's expected overhaul of the province's Insurance Act and Distribution Act.

Consultation resulted in the identification of Sylvie Bourdeau of Fasken Martineau DuMoulin as a lawyer with the expertise CAFII is looking for to be able to make an authoritative and compelling submission in response to Quebec's omnibus Bill, expected to be released in late 2016.

As a result of the due diligence process that has been conducted, CAFII is satisfied that Ms. Bourdeau would be an ideal fit for the Association's needs on this regulatory matter. Please refer to Appendix A for her capsule CV.

Agenda Item 5(a)(i)2

September 20/16 EOC Meeting

Appendix A



Sylvie Bourdeau, Partner, Fasken Martineau DuMoulin, Montreal

Sylvie Bourdeau is a partner at Fasken Martineau DuMoulin in Montreal. She specializes in the field of corporate law, more specifically in mergers and acquisitions, private financings and business agreements. Her practice has led her to develop a vast experience with and thorough knowledge of the regulation sector that services financial institutions and the health and life sciences industry. Over the years, she has, among other things, drafted complex business agreements on behalf of her clients for such projects as joint ventures, franchises, outsourcings, distributions, manufacturing and the creation of limited partnerships for investment or other purposes.

Sylvie has acquired an enhanced expertise in the regulation of financial institutions and regularly advises many institutions on matters relating to regulations applicable in Canada and in Quebec. She has actively participated in the drafting of regulations adopted by the Autorité des Marchés Financiers (formerly the Bureau des Services Financiers) governing intermediaries involved in the distribution of financial products and services pursuant to the Act respecting the Distribution of financial products and services. She also advises many insurers, brokers and market intermediaries regarding their compliance with this Act and its regulations as well as the legislation and regulations governing insurance companies and other financial institutions in the context of various projects, including the compliance, creation and distribution of innovative products, investment rules, the creation of new entities and the contracts normally associated with their services.

CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE

BOARD MEETING AND 20TH ANNIVERSARY CELEBRATION PROPOSAL

Wednesday, April 5, 2017*

Location: TBA* (*EOC recommends central Toronto special event venue, egs. Ripley's Aquarium, CN Tower, ROM, AGO, Royal Conservatory of Music)

EVENT OVERVIEW

2:00 – 4:30 pm	CAFI Board Meeting <u>Setup</u> : Boardroom style <u># of people</u> : 30 <u>A/V</u> : conference phone
5:00 – 6:00 pm	Cocktail Reception in <i>Main Lounge</i> Open Bar (beer, wine, champagne, soft drinks). Snacks available.
6:00 – 6:30 pm	Welcome and Guest Presentation* in ?? <i>Room</i> , adjoining Main Lounge; theatre style seating (*EOC recommends that speaker presentation is optional; include if it adds interest/value and contributes to celebratory theme. But networking with regulators and industry colleagues in a festive milieu should be main focus of event.) 6:00 -- 6:05: Opening Remarks by CAFI Board Chair Peter McCarthy 6:05 – 6:25: Guest Presenter: ? Possible Themes: <ul style="list-style-type: none">• <i>History/nostalgia (what the industry and regulatory environment were like in 1997; and how we've changed and advanced over years. Lawrie McGill?)</i>• <i>Motivational speaker (akin to Benoit Huot, Canadian Paralympic Swimmer)</i>• <i>Entertaining, unique perspective speaker (Canadian astronaut Chris Hadfield)</i> 6:25 – 6:30: Closing remarks by CAFI Board member from Event Host: ?
6:30 – 8:30 pm	Food Station Dinner and Entertainment in <i>Main Lounge and Overflow Lounge</i> <u>Setup</u> : Food stations; lounge furniture; cruiser tables for stand-up dining Mix & Mingle dining and cocktails; networking; chatting with Guest Presenter
7:00 – 7:45 pm	Entertainment: TBA
8:15 pm	Wrap-Up
8:30 pm	Adjournment to lounge at nearby hotel for post-event cocktails, if regulator guests interested

Photographer: if desired

****Wednesday, April 5, 2017 is proposed as it is an optimal date for insurance regulator attendance, based on information obtained from Martin Boyle and Sean Jacobs, CCIR Policy Managers. Most CCIR members will be in Toronto by that afternoon, in preparation for their April 6-7/17 Council meeting, and without a scheduled commitment for the evening. Based on the same considerations, CAFI's 15th Anniversary event was held on Wednesday, April 10, 2013.***