

**SPECIAL PURPOSE BOARD OF DIRECTORS MEETING
CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE
Thursday, 11 February, 2021
MINUTES**

Board Present:	Chris Lobbezoo	RBC Insurance, <i>Chair</i>
	Nicole Benson	Valeyo
	Paul Cosgrove	Assurant Canada
	Janice Farrell-Jones	TD Insurance
	Zack Fuerstenberg	ScotiaLife Financial
	Louie Georgakis	The Canada Life Assurance Company
	Peter McCarthy	BMO Insurance
	Sophie Ouellet	Sun Life
	Rob Robinson	Canadian Premier Life Insurance
	Mica Sweet	CIBC Insurance
	Peter Thompson	National Bank Insurance
	Wally Thompson	Manulife Financial
	Kelly Tryon	CUMIS/The Co-operators
Also Present:	Rob Dobbins	Assurant, <i>Board Secretary and EOC Chair</i>
	Keith Martin	CAFII Co-Executive Director
	Brendan Wycks	CAFII Co-Executive Director
	Albert Lin	Managing Matters

1. Call to Order and Meeting Confirmation

C. Lobbezoo welcomed all to present to this Special Purpose Meeting of the CAFII Board of Directors on possible updates and adjustments to the Association's 3 to 5 Year Strategic Plan, and he called the meeting to order at 1:02 p.m. Albert Lin acted as Recording Secretary.

R. Dobbins, Board Secretary, confirmed that notice of this meeting had been sent to all Directors in accordance with the Association's By-Law; and that a quorum of Directors – more specifically, 13 of the Association's 14 Directors -- was present on the MSTeams platform.

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

1.a Welcome To A New CAFII Director and A New CAFII Member

C. Lobbezoo noted that Co-Executive Director Brendan Wycks had confirmed to the Board via email that morning that all 13 existing CAFII Directors had signed and returned a Three-Part Written Resolution which had been circulated the previous week, such that the three important Association governance matters set out in that Written Resolution had been declared Approved, effective today.

Mr. Lobbezoo advised that he therefore wanted to take a few minutes at the outset of this meeting to make those matters completely official.

On behalf of the Board of Directors, Mr. Lobbezoo extended

- congratulations and a welcome to Valeyo as the newest and 14th Member of our Association; and
- congratulations to Nicole Benson on being confirmed for continuation on the Board as the Director from Valeyo, having previously been serving as the Director from Canadian Premier Life Insurance Company; and
- congratulations and a welcome to Rob Robinson on his appointment to the Board, as the Director from Canadian Premier Life Insurance Company.

Mr. Lobbezoo then invited new Director R. Robinson to introduce himself to his fellow CAFII Board members, and Mr. Robinson provided a self-introduction.

1.b Approval of Agenda

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that the meeting Agenda be and is approved as presented.

2. Review and Renewal of CAFII's 3 to 5 Year Strategic Plan

C. Lobbezoo called upon K. Martin to provide a *CAFII 3 to 5 Year Strategic Plan Review and Refinement Opportunities* presentation for the Board.

As an opening precept, Mr. Lobbezoo noted that if substantive new items were to be added to the CAFII Strategic Plan, there would need to be discussion of what existing items might fall off, as too many priorities would dilute the Association's focus. As well, substantive new priorities would require resourcing, including human resources implications and budgeting considerations.

K. Martin provided a review and refinement opportunities presentation on the current CAFII 3 to 5 Year Strategic Plan which had been approved by the Board of Directors in February 2018; and he answered clarification questions posed by Directors.

Mr. Martin noted that comments from Board members at previous Board meetings had suggested that there was general comfort with the strategic direction that the Association was taking. However, with the pace of change in the industry, combined with the passage of time and the changes brought about due to the COVID-19 pandemic, the Board felt that this was an opportune moment to review the strategy and obtain feedback from the Board about whether any adjustments should be made to it.

Mr. Martin highlighted that the Strategic Plan review document included some proposed tweaks to the CAFII Mission Statement, with the intent being to modify the wording to reflect more specifically a consumer-centricity in CAFII's mission, including a fundamental emphasis on the fair treatment of customers.

On the issue of CAFII's primary focus on relationship-building, communications, and advocacy with insurance regulators and policy-makers across Canada, the Board felt that the current approach and goals being pursued by the Association were effective and should continue.

The Board supported adding the Financial Consumer Agency of Canada (FCAC) as a key regulatory relationship body, to be included in CAFII's regulatory priorities going forward.

There was agreement that CAFII should continue to explore ways to proactively, and not just reactively, influence regulators and policy-makers on CAFII members' key priorities.

The Board supported adding periodic webinars to CAFII's toolkit as a vehicle for building relationships and getting our key messages out to regulators and policy-makers. Webinars should not replace in-person meetings/visits, but rather should supplement them, even after the COVID-19 pandemic subsides and in-person visits are possible again. There was general agreement that webinars can effectively complement in-person meetings, and provide opportunities to connect with more regulators and policy-makers— both those who are sole or panelist presenters in the webinars as well as those who attend as audience members.

With respect to the discontinued Canadian Bankers Association (CBA) benchmarking study on credit protection insurance which CAFII took over and relaunched in 2020 with RSM Canada as actuarial services provider, for which the Association had allocated \$67K annually for four quarterly studies, the Board supported continuation of that initiative as well as trying to improve the study's data quality and comparability going forward.

The Board was asked if CAFII should build upon the RSM Canada study and make the collection and sharing of CPI industry data statistics a new strategic priority, much like CLHIA had done through its annual "Canadian Life & Health Insurance Facts." Board members did not indicate a desire to move in that direction at this time.

It was noted that Canada's insurance regulators and policy-makers are increasingly reviewing what their counterparts in other international jurisdictions are doing -- including the US, UK, Singapore, and Australia -- and considering whether their initiatives are relevant in the Canadian context. The Board was asked if CAFII should make the sharing with members of intelligence about international insurance policy and regulatory developments and trends a new strategic priority? Board members noted that CAFII does have its antennae out on international developments already, so this is not really a new focus. The Board validated the importance of CAFII's continuing to monitor and disseminate insights about international developments, as they have the potential to influence Canadian regulators and policy-makers.

It was noted that CAFII has raised its media and public profile in recent years, and has therefore generated more media coverage. The Board was asked whether CAFII should look for more speaking opportunities for CAFII management to promote the Association's key messages and our Members' commitment to fair treatment of customers? The Board felt that speaking events would arise naturally in response to opportunities, and where appropriate CAFII should engage in these events. But the Board did not see the need to proactively explore opportunities for engaging in more of these events.

It was noted that the Association's members have observed a dramatic increase in consumers' willingness to engage with companies digitally during the COVID-19 pandemic. CAFII had therefore commissioned a Pollara Strategic Insights consumer research study to see if this trend was likely to become a permanent reality. The Board felt that digital trends will be an important future reality for the industry. The Board did not feel that this was a new strategic priority, in that it is already woven into the research and monitoring elements of CAFII's mission. But the Board did feel that digitization should become more of a central focus for CAFII going forward.

3. Adjournment

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that the meeting be adjourned at 2:00 p.m.

CAFII Three-to-Five Year Strategic Plan— Review and Possible Update

February 11, 2021 Special Purpose CAFII Board Meeting

CAFII Strategic Plan Review and Possible Update

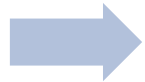
CAFII's Board approved a Three-to-Five Year Strategic Plan in February 2018



With the passage of three years time, and new circumstances including new realities due to the pandemic, the Board has supported CAFII management's recommendation that the Strategic Plan should be reviewed, and possibly updated, in early 2021



2018 Strategic Plan Highlights



Key Priorities

Maintain and Build on Regulatory Strength

Develop a Significant Research Program

Strengthen Assertive Communication and Networking Program with Influencers

Continue to Invest in Recently Transformed CAFII Consumer-Focused Website

Develop Long Term, Proactive Regulatory Positions



Lower Priorities—But Keep in Mind

Insurtech, Technology Developments, Digitization, and Innovation

Thought Leadership (more sessions, panels, symposia, speaking opportunities)

Internal Presentations to Members

Improve the Value Proposition for Associates

Proposed Revised CAFII Core Strategic Prioritization Statement Recommended For Board Approval

Core Statement

We propose that CAFII's mission statement be **slightly modified**:

~~CAFII will represent, communicate about, and advocate for financial institutions in insurance, their insurer partners, and affiliated organizations by promoting their commitment to the fair treatment of customers and related policies and practices. promotes and advances the interests of financial institutions in insurance and affiliated organizations. Its express goal is fostering.~~ **CAFII strives to foster an open and flexible marketplace that is efficient and effective and allows consumers an expanded choice in the purchase of insurance products and services. CAFII will work works with other industry associations, where appropriate, to ensure public policy supports a legislative and regulatory environment that is healthy for future growth.**

In support of this mission, CAFII's fundamental strategic priority ~~will be~~ **is** to develop outstanding relationships and communications with insurance regulators and policy-makers across Canada. To promote this objective, we will meet in-person with representatives of these groups at least once every 18 months.

We will deepen these relationships by ~~embarking on~~ **continuing to invest in** a significant research program that will provide us with interesting and relevant content to share, and which can gain us public profile. Our research program will dovetail with a proactive element to our regulatory focus through which we will seek to educate and influence key constituents about our long-term objectives.

Our research findings and our regulatory expertise will also **continue to** serve as the foundation for an assertive communications and networking strategy through which we will meet on an ongoing basis with key influencers including policy-makers, senior bureaucrats, politicians, thought leaders, Association leaders, academics and others with whom we will share our research insights and key messages. As part of our efforts to increase our focus on and relevance to consumers and to heighten our public profile, we will continue to invest in the CAFII website and **continue to explore expanding and enhancing expand and enhance** our media profile.

In addition to these strategic priorities there are other initiatives that CAFII will continue to promote, but as lower priorities. We will keep a watching brief on Insurtech, Technology Developments, Digitization, and Innovation, and on increasing our thought leadership through additional meetings and presentations in our areas of expertise. We will leverage our regulatory expertise and research with presentations to internal audiences within our membership; and we will explore ways to enhance the value proposition of being an Associate, with the objective of attracting more to join CAFII.

A Key Observation from 2018: Research is a Foundation for the Success of the Strategy



These were the Possible Measures of Success Presented to the Board in November 2017

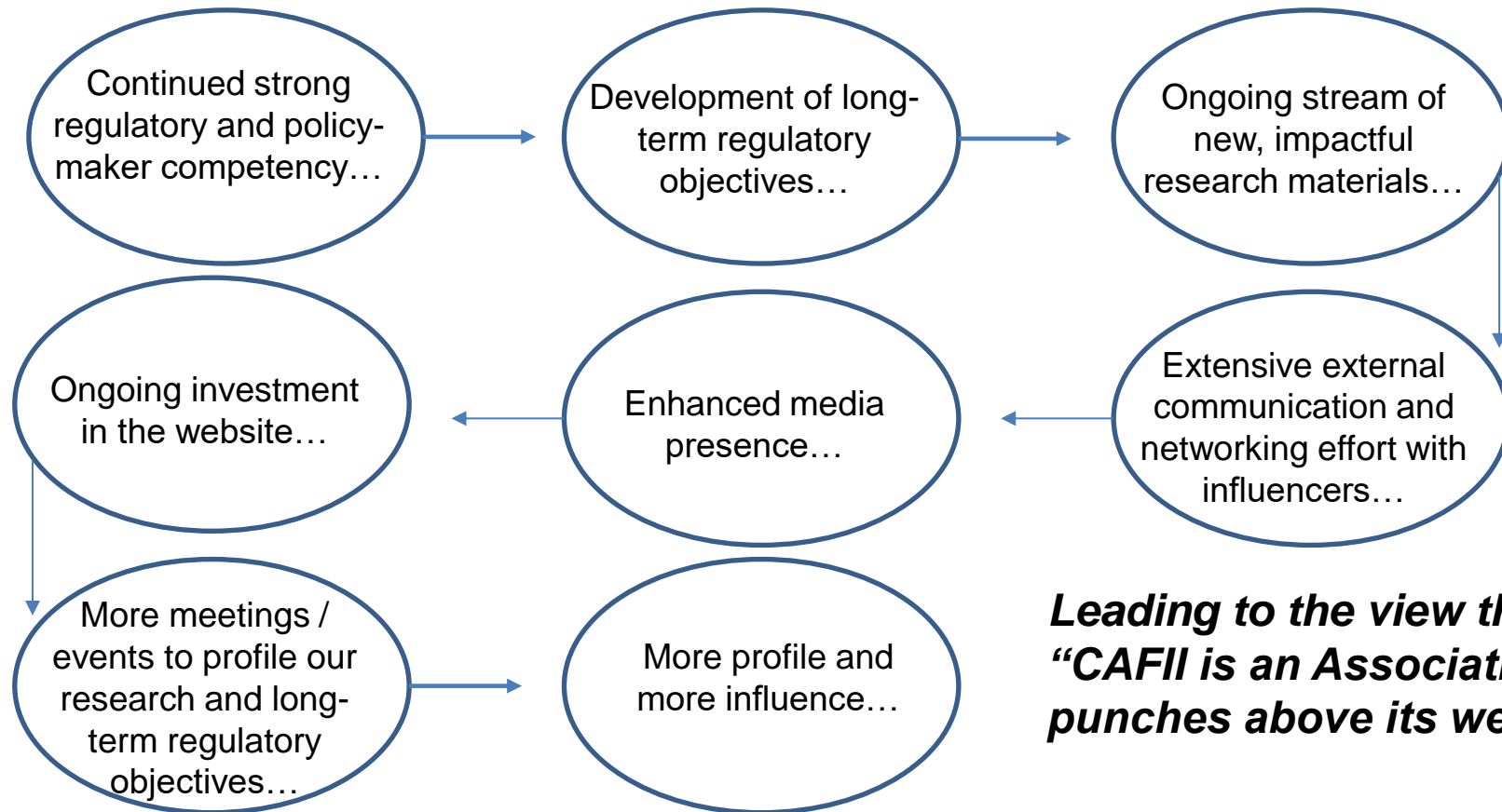
A successful execution requires measures of success



Possible Measures of Success

- Retention of Members
- New Members, Associates
- Surveys of Members, Associates, Participants at Events
- Return on investment
- Speaking opportunities
- Media presence
- What is perception of CAFII among key stakeholders/audiences?
- Research results (number of studies, how often quoted)

In 2018, We Asked: “If this Strategic Plan is Successful...What Might CAFII Look Like...in 2021?”



***Leading to the view that:
“CAFII is an Association that
punches above its weight”***

The Slides That Follow Relate to Possible New⁸ Strategic Initiatives The Board May Wish to Include in a Revised Plan



Question for the Board: Do We Need to Tweak our “Regulatory Focus” To Meet Our Fair Treatment of Customers Focus?

CAFII has identified the FCAC as a key regulator to be more actively engaged with—does the Board support that?

Some Board members occasionally suggest trying to influence regulators before they make up their minds on an issue. Is this “early intervention to persuade regulators to our point of view” thrust something the Board wants as part of the strategic plan, and how does the Board view this happening?



What is the Board’s vision for CAFII’s core regulatory relationship-building, communications, and advocacy strength given the focus on fair treatment of customers?

cafii acifa

The Canadian Association of
Financial Institutions in Insurance

L'association canadienne des
institutions financières en assurance

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

Question for the Board: Should we Continue with Webinars?

Due to restrictions on in-person meetings, CAFII pivoted in 2020 to webinars.

In 2020, we held eight webinars -- three webinars with panels of insurance regulators and policy-makers, as well as webinar-based sessions with the FCAC (two), with the AMF (two), and one with Deloitte on climate change.

These webinars complement in-person meetings, and provide opportunities to connect with more regulators—including both those who are on the panels as well as those who attend the sessions as observers.



Does the Board feel that CAFII should make webinar meetings with insurance regulators and policy-makers an ongoing strategic priority?

cafii acifa

The Canadian Association of
Financial Institutions in Insurance

L'association canadienne des
institutions financières en assurance

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

Question for the Board: New Priority around RSM Canada Benchmarking Study

CAFII took over a discontinued CBA benchmarking study on credit protection insurance in 2020, and has allocated \$67K annually for four quarterly studies.



Does the Board feel that CAFII should build on the RSM Canada study and make the collection and sharing of CPI industry data statistics a new strategic priority, much like CLHIA has done through its annual “Canadian Life & Health Insurance Facts.”

Question for the Board: New Priority around Understanding International Trends

Canada's insurance regulators and policy-makers are increasingly reviewing what other jurisdictions are doing, including in the US, UK, Singapore, and Australia, and considering whether these initiatives are relevant in the Canadian context.



Does the Board feel that CAFII should make the sharing with members of international insurance policy and intelligence about regulatory developments and trends a new strategic priority? An example of CAFII doing this was the visit by Australian bancassurance executive Helen Troup in February 2019.

Question for the Board: Should We Explore More Speaking Opportunities to Promote our Message and our Fair Treatment of Customers?

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CAFII has developed its profile in recent years and has had more media coverage.



Should CAFII look for more speaking opportunities for CAFII management to promote our message and our Members' commitment to the Fair Treatment of Customers?

Question for the Board: Is Digitization Worthy Of Being A New Strategic Priority Focus?

CAFII members have observed a dramatic increase in consumers' willingness to engage with companies digitally during the pandemic.

CAFII is sponsoring a Pollara consumer research study to see if this trend is likely to become a permanent reality.

CAFII could prioritize understanding this digital trend better.



Does the Board feel that CAFII should engage in ongoing initiatives to understand consumer trends around digitization?

Question for the Board: What Other Priorities Should be Considered as Updates to the Strategic Plan?

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What will change for companies and players in our sector; for insurance generally; and particularly for credit protection insurance post-pandemic?



Are there other areas the Board feels should be included going forward in the CAFII Strategic Plan?

Thank You