

CAFII Board of Directors Meeting

Tuesday, April 8, 2014

Location: National Bank

600, rue de la Gauchetière Ouest, 4 th floor, Montréal, Québec

2:30 – 4:30 pm

Conference call dial-in information: 416.764.8662 or 1.888.884.4534

participant pass code: 771017#, moderator pass code: 7661560

Draft Agenda

Item	Presenter	Action
1. Call to Order and Welcome 1.1. CAFII Competition Guidelines 1.2. Approval of Agenda (consent & discussion items)	R. D'Onofrio	Review Approval
2. Welcome & Appointment of New Directors 2.1. Appointment of New Directors	R. D'Onofrio	Approval
Consent Items		
3. Consent Agenda Items 3.1. Adoption of the December 4, 2013 Board Meeting Minutes 3.2. Regulatory Update 3.3. Regulatory Visits 3.3.1. Regulatory Visit Plan	All	Approval Receipt for the Record
Discussion Items		
4. Financial Update: 4.1. Financial Statements as at February 28, 2014 4.2. 2013 Draft Audited Financial Statements	R. Rajaram R. Rajaram	Approval Approval
5. Policy Issues and Decision Items 5.1. Balanced Scorecard 5.2. External Communications Strategy & Tactics Update 5.3. Approval of By-Law 2014-5A <i><<meeting to be adjourned briefly>></i> 5.4. CNCA Transition 5.4.1. Articles of Continuance 5.4.2. Draft CAFII By-laws	J. Hines J. Hines, B. Wycks J. Hines B. Wycks, J. Hines	Update Update Approval Approval
6. Committee Reports Addressing CAFII Priorities 6.1. Distribution and Market Conduct Policy Committee 6.2. Licensing Efficiency Issues Committee 6.2.1. Representation for Restricted Licensees in SK & AB 6.3. Media and Advocacy Strategy Committee 6.4. Networking and Event Hosting Committee 6.4.1. 2014 Speakers: June 10, October 7	S. Manson M. Gill J. Lewsen P. Yeung / M. Sanchez-Chung	Update Update Update Update
7. Other Business		

Next Board Meeting: Tuesday, June 10, 2014 hosted by AMEX in Toronto, ON

COMPETITION LAW POLICY FOR CAFII'S BY-LAW NO. 2007 - 1

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SECTION TWELVE	COMPETITION LAW POLICY	1
12.01	Competition Law Policy Statement	1
12.02	Guidelines for Competition Compliance	2
12.03	Consequences for Failure to Comply with Policy	1
12.04	Annual Review of Guidelines	1

ADD DEFINITION OF "COMPETITION ACT" TO SECTION 1.01:

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

ADD SECTION TO BODY OF BY-LAW:

SECTION TWELVE

COMPETITION LAW POLICY

12.01 Competition Law Policy Statement

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

12.02 Guidelines for Competition Act Compliance

At each meeting of the members of the Corporation, each member shall be furnished with a document setting out the Corporation's guidelines for Competition Act compliance (the **"Guidelines"**). Each attending member shall acknowledge receipt of the Guidelines in writing and agree to adhere to the Guidelines in respect of any activity undertaken for or on behalf of the Corporation.

12.03 Consequences for Failure to Comply with Policy and Guidelines

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

12.04 Annual Review of Guidelines

The Guidelines shall be reviewed annually by the Corporation in consultation with its legal counsel and shall be amended from time to time, as necessary or considered desirable by the board.

/MM

CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE

GUIDELINES FOR *COMPETITION ACT* COMPLIANCE

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

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

1. **Prohibited Activities**²

(a) **Anti-competitive Agreements or Understandings**

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

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

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

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

(b) Sharing Information Posing Anti-competitive Risk

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

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

(c) Exchange of Cost Information – Anti-competitive Purposes

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

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

(d) Published Papers

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

(e) No Attempt at Product Standardization

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

(f) **Independent Dealings with Suppliers**

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

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

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

2. **Permissible Activities**

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

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

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

3. **Efforts to Influence Governmental Action**

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

**CAFII Board Meeting Minutes
Wednesday, December 4, 2013**

**Location: BMO Insurance
First Canadian Place, 100 King St. W, 68th Floor, Walker Room
Toronto, ON**

Present:	Julie Barker-Merz	BMO Insurance	
	Mark Cummings	ScotiaLife Financial	<i>Chair</i>
	Dave Minor	TD Insurance	
	Rick Lancaster	CIBC Insurance	
	Isaac Sananes	Canadian Premier Life Insurance Co.	
	Linda Fiset	Desjardins Financial Security Life Assurance	
	Vivianne Gauci	AMEX Bank of Canada	
	Richard Hebert	National Bank Insurance Co.	
	Rino D'Onofrio	RBC Insurance	
	Bob Zanussi	Assurant Solutions	
EOC Present:	Rose Beckford	ScotiaLife Financial	
	Charles Blaquiere	Canadian Premier Life Insurance Co.	
	Emily Brown	BMO Insurance	
	Andre Duval	Desjardins Financial Security Life Assurance	
	Matthew Fabian	BMO Insurance	<i>Treasurer (outgoing)</i>
	Sara Gelgor	ScotiaLife Financial	
	Moir Gill	TD Insurance	
	Greg Grant	CIBC Insurance	
	Jennifer Hines	RBC Insurance	<i>Secretary</i>
	John Lewsen	BMO Insurance	
	Sue Manson	CIBC Insurance	
	Raja Rajaram	CIBC Insurance	<i>Treasurer (incoming)</i>
	Maria Sanchez-Chung	TD Insurance	
	Paul Yeung	RBC Insurance	
Also Present:	Brendan Wycks	CAFII	<i>Executive Director</i>
	Leya Duigu	T•O Corporate Services	<i>Recording Secretary</i>
Regrets:	Brian Wise	Assurant Solutions	
	Eleanore Fang	TD Insurance	

1. Call to Order and Welcome

The meeting was called to order at 2:00 p.m. M. Cummings acted as Chair, J. Hines acted as Secretary, and L. Duigu acted as Recording Secretary.

Mr. Cummings informed Board members of some changes being tested in today's meeting format. The meeting had been divided into two parts represented by separate agendas: a Consent Agenda Meeting; and a Discussion Agenda Meeting. By way of explanation, he advised that

- a Consent Agenda is a tool used to streamline meeting procedures by grouping routine, non-controversial items together, which are then approved or simply received for the record via a single motion and vote. No discussion or debate is permitted on any item on an approved Consent Agenda; and
- in contrast, a Discussion Agenda meeting includes items which are expected to require explanation and, possibly, discussion and debate. The items on a Discussion Agenda are typically Policy Issues and Decision items, as well as reports that are to be delivered verbally or require verbal updating.

1.1. Review of CAFII Competition Guidelines

Mr. Cummings reminded members that the Competition Guidelines provided in the package were adopted at the April 3, 2008 Board of Directors meeting. The practice of reviewing the guidelines at the beginning of Board meetings was adopted to ensure that the Board's deliberations adhere to the guidelines, which were briefly summarized.

1.2. Approval of Consent Agenda

On motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

The consent agenda be approved as circulated.

2. Approval of Consent Items

On motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

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

- **Regulatory Update**
- **Executive Director's Report**
- **Proposed 2014 CAFII Meeting Calendar**

IT WAS FURTHER RESOLVED that:

The Minutes of the meeting of the Board held on October 8, 2013 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. Termination

On motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

The meeting be terminated at 2:10 p.m.

It was noted that the Board's Discussion Agenda Meeting would immediately follow.

Date

Chair

Recording Secretary

**CAFII Board Meeting Minutes
 Wednesday, December 4, 2013
 Action Items from the Meeting**

Agenda Item	Action Item	Responsible	Deadline
3.1 Customer Value Proposition of Creditor's Group Insurance Comparative Project	<p>The Board agreed that this initiative shall proceed as follows:</p> <ul style="list-style-type: none"> DMC Committee and EOC to make recommendation/decision CAFII Secretary Jennifer Hines to seek approval from Chair Mark Cummings and the Board of Directors via email before the next Board meeting. 	DMC, EOC	Feb 18, 2014
		J. Hines	Feb 21, 2014

CAFII Board Meeting Minutes
Wednesday, December 4, 2013
Location: BMO Insurance
First Canadian Place, 100 King St. W, 68th Floor, Walker Room
Toronto, ON

Present:	Julie Barker-Merz	BMO Insurance	
	Mark Cummings	ScotiaLife Financial	<i>Chair</i>
	Dave Minor	TD Insurance	
	Rick Lancaster	CIBC Insurance	
	Isaac Sananes	Canadian Premier Life Insurance Co.	
	Linda Fiset	Desjardins Financial Security Life Assurance	
	Vivianne Gauci	AMEX Bank of Canada	
	Richard Hebert	National Bank Insurance Co.	
	Rino D'Onofrio	RBC Insurance	
	Bob Zanussi	Assurant Solutions	
 EOC Present:	 Rose Beckford	 ScotiaLife Financial	
	Charles Blaquiere	Canadian Premier Life Insurance Co.	
	Emily Brown	BMO Insurance	
	Andre Duval	Desjardins Financial Security Life Assurance	
	Matthew Fabian	BMO Insurance	<i>Treasurer (outgoing)</i>
	Sara Gelgor	ScotiaLife Financial	
	Moirra Gill	TD Insurance	
	Greg Grant	CIBC Insurance	
	Jennifer Hines	RBC Insurance	<i>Secretary</i>
	John Lewsen	BMO Insurance	
	Sue Manson	CIBC Insurance	
	Raja Rajaram	CIBC Insurance	<i>Treasurer (incoming)</i>
	Maria Sanchez-Chung	TD Insurance	
	Paul Yeung	RBC Insurance	
 Also Present:	 Brendan Wycks	 CAFII	 <i>Executive Director</i>
	Leya Duigu	T•O Corporate Services	<i>Recording Secretary</i>
 Regrets:	 Brian Wise	 Assurant Solutions	
	Eleanore Fang	TD Insurance	

1. Call to Order and Welcome

The meeting was called to order at 2:10 p.m. M. Cummings acted as Chair, J. Hines acted as Secretary, and L. Duigu acted as Recording Secretary.

1.1. Approval of Discussion Agenda

On motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

The Discussion Meeting Agenda be approved as circulated.

2. Financial Update

2.1. Financial Statements as at October 31, 2013

CAFII's bank balance remains healthy and our cash position is high because we haven't spent as budgeted on certain projects. We are in compliance with the CAFII Reserve Policy with unrestricted net assets at \$280K.

The Operating Expenses will be a little higher this year because we had accounted for the net expenses during last year's budget rather than gross expenses. The expenses related to conference calls have been reallocated to Association Operating Expenses, moved from the Networking and Events Committee budget.

Upon review of the different variable costs, we are under budget as expected. We came in under budget on the 15th Anniversary Celebration and Media and Advocacy Committee projects, to name a couple of examples; and we are currently at 54% of budget, well under where we were at the same point in time last year.

Membership fees haven't changed since the last meeting with all members being fully paid except the two Associate Members who resigned earlier in the year.

3. Policy Issues and Decision Items

3.1. Customer Value Proposition of Creditor's Group Insurance Comparative Project

CAFII did a study in 2009-10 entitled "A Comparison of Creditor's Group Mortgage Life & Disability Insurance and Equivalent Individual Insurance," using 2008 data. This project is an initiative of the Distribution and Market Conduct Committee, chaired by Sue Manson.

At the last Board meeting, the committee was asked to seek competitive quotes on the project as well as to review the quote received from Avalon Actuarial. The committee presented the results to the EOC during its meeting last week and it was decided to return to each of the three bidders to resolve some outstanding questions before making a decision. Ms. Manson summarised the EOC discussion and the results of the review process.

Action: The Board agreed that this initiative shall proceed as follows:

- DMC Committee and EOC to make recommendation/decision; and
- CAFII Secretary Jennifer Hines to seek approval from Chair Mark Cummings and, subsequently, the Board of Directors via email before the next Board meeting.

Sue Manson, Emily Brown and Brendan Wycks were recognized for their work on this initiative to date.

3.2. Revised CAFII Communications Strategy

The CAFII Communications Strategy was presented and discussed during the previous Board meeting. Directors were happy with the proposal around the regulators audience, but requested some revisions to the media and public/consumer interest group audiences.

Brendan Wycks summarised the subsequent changes to the Communications Strategy, referencing a high level summary included in today's meeting materials.

It was noted that the Communications Committee of the Board needed to be resurrected and its role in the Association's Media Protocol process articulated.

In terms of external communications with media and public/consumer interest groups, there was Board consensus that the focus should be on educating them of the benefits of creditor insurance and maintaining a positive and consistent message.

3.3. Proposed 2014 CAFII Operating Budget [in-camera]

Outgoing Treasurer Matthew Fabian reviewed the proposed 2014 CAFII Operating Budget (new Treasurer Raja Rajaram will take on accountability for the budget going forward).

In discussion, the Board asked the EOC to ensure that CAFII has the capacity to execute on the initiatives budgeted for under each of the Working Committees.

Under Management Fees, it was noted that there were outstanding matters to be dealt with related to Executive Director Salary and T.O Corporate Services fees; and depending upon decisions to be made in this area, this line item in the 2014 budget could be impacted.

On motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

The 2014 Budget be approved as presented, and in the event that further changes are required, these could be brought back to the Board of Directors for approval (via email).

4. Regulatory Visits

4.1. Regulatory Visit Plan 2013 and 2014

Brendan Wycks summarised the Regulatory Visits Plan based on the document that had been circulated.

- Alberta: Joanne Abrams, CEO of the Alberta Insurance Council, is considering setting up a Council of restricted license holders. The EOC will be setting up a meeting with her to discuss this and offer assistance.
- Manitoba: After the previous Board meeting, it was determined that a meeting with the Minister of Finance should be requested in light of recent developments regarding the province's draft Regulation for an Incidental Sellers of Insurance licensing regime. Our main issues include the requirement to provide a detailed roster on a regular basis and maintenance of the education and professional development of restricted license holders generally.

5. Committee Reports Addressing CAFII Priorities (2013 and 2014):

5.1. Licensing Efficiency Issues Committee

5.1.1. Representation for Restricted license Holders in Saskatchewan

Moirra Gill reported that Saskatchewan has recently decided to take a step back and consider what principles they can use for a number of advisory or similar committees in the Council's

governance structure. Once determined, they will begin setting up the committee recommended recently by CAFII.

5.2. Distribution and Market Conduct Committee

A couple of projects are coming to fruition in 2014 and future initiatives will be determined in the coming months.

5.3. Media and Advocacy Strategy Committee

Brendan Wycks provided the Board with a brief update on the Media and Advocacy Committee's initiatives including CAFII's Communications Strategy which has been the major focus of the committee to date.

5.4. Events and Networking Committee

5.4.1. December 4 Reception and Launch of New CAFII Logo and Visual Identity

CAFII will be launching its new logo and visual identity at tonight's reception. The new logo will be displayed on signage and business cards have been created for CAFII Board and EOC members. In addition, CAFII will be giving out pens, key chains and coasters emblazoned with the new logo to each guest tonight.

A photographer has been secured for tonight's reception, who will be arriving early to take photos of the CAFII Board and EOC.

BMO Insurance was thanked for hosting today's events.

5.4.2. Speakers for 2014 CAFII Events

The 2014 Speaker line-up was included in the meeting materials. To date, two speakers have been confirmed for next year including:

- Louis Morisset, President and CEO, Autorité des marchés financiers (AMF) on April 8, 2014 in Montreal (QC). This will provide a good relationship-building opportunity for CAFII. Mr. Morisset has indicated a preference for a casual lunch followed by a discussion with the Board and EOC, as opposed to a formal presentation by him.
- Chrys Lemon, Partner, McIntyre & Lemon, PLLC on February 11, 2014 in Toronto (ON). His topic will be what's taken place in the US regarding creditor insurance and debt cancellation products in the last two years. Members are encouraged to invite members in their organizations interested in this subject matter.

Brendan Wycks, Andre Duval and Charles Blaquiere were thanked for their assistance in securing these speakers.

5.4.3. Relocation of April 8, 2014 CAFII Board Meeting to Montreal

Discussed previously under 5.4.2.

6. Other Business

6.1. CAFII Compliance with Canada Not-for-Profit Corporations Act (CNCA)

Brendan Wycks provided an update based on the memo included in the meeting package. CAFII is a federally incorporated not-for-profit corporation that must become compliant with the new legislation by filing Articles of Continuance by October 11, 2014.

CAFII is a small, uncomplicated association; however, there are still some important technical aspects that need to be considered. This is a good opportunity for CAFII to review its Bylaws and the goal is to have this completed in time for the June 2014 AGM. The legal firm we would like to work with is Fasken Martineau DuMoulin LLP, which is familiar with CAFII's Bylaws, having worked on them over the last few years.

Board members agreed that the participation of a legal firm was necessary and requested an opportunity to review the Bylaw analysis, to understand where CAFII is on-side and off-side with the CNCA.

6.2. Recognition of a Retiring Director

Board Chair Mark Cummings advised that Dave Minor would be retiring from TD Insurance within the next few months and, as a result, will be leaving the CAFII Board of Directors.

Dave has been a key player in CAFII for a number of years, serving as a Director for five years, as CAFII Chair for two years, and as Acting Chair whenever the need has arisen. He has represented CAFII at numerous regulator meetings and networking events, providing a well-respected voice for CAFII in key deliberations.

The Board thanked Dave for his many contributions and service over the years; and he was presented with a token of the Association's appreciation.

7. Termination

On motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

The meeting be terminated at 3:50 p.m.

It was noted that the next meeting of the Board would be held on Tuesday, April 8, 2014 in Montreal (QC) hosted by Desjardins.

ADDENDUM to Minutes: The next meeting of the board will be hosted by National Bank. All other details remain the same.

Date

Chair

Recording Secretary

Regulatory Update – Board of Directors, April 3, 2014

Prepared By Brendan Wycks, CAFII Executive Director

Executive Summary of this Issue

- **BC's FICOM Identifies Creditor's Group Insurance Issue. Page 2:** In the near future, FICOM will issue an open letter to all insurers authorized to offer creditor's group insurance in BC, which will pose two or three high level filter questions in an effort to ascertain the prevalence of products in the market which may contravene BC insurance legislation with respect to the "structuring and effecting" of creditor's group insurance.
- **Travel Insurance Issues A Growing Concern For Alberta Insurance Council. Page 2:** In an open and transparent discussion with CAFII representatives on March 17/14, AIC leaders Joanne Abram and Ron Gilbertson identified consumer understanding and protection issues related to travel insurance as a growing concern for them.
- **Bill Introduced To Modernize Discipline Process For Insurance Agents And Adjusters. Page 3:** On March 5, Bill 171, which will amend Ontario's Insurance Act, was introduced at Queen's Park. The Bill captures all of the desired changes highlighted in FSCO's 2013 consultation on the need to modernize the process.
- **AMF Fines Industrial Alliance. Page 3:** On February 7, the AMF announced that it had reached an agreement with Industrial Alliance under which the insurer will pay a fine of \$165,000 with respect to commercial practice violations.
- **New Brunswick FNCB Publishes Creditor's Insurance Web Content. Page 4:** The Financial and Consumer Services Commission (FCNB) recently published new consumer advisory content on insurance on its web site, including a section on "Insurance on Your Debts" which will be reviewed by CAFII's Distribution and Market Conduct Committee.
- **FCAC Appoints New Deputy Commissioner. Page 5:** FCAC Commissioner Lucie Tedesco has appointed Brigitte Goulard as Deputy Commissioner, effective immediately.
- **Public Interest Advocacy Centre (PIAC) Supports Federal Financial Consumer Code. Page 6:** PIAC responded to the federal government's consultation around a proposed new financial consumer code with a strong vote in favour. PIAC's Executive Summary contains 12 recommendations, the most interesting of which for CAFII comments on insurance.
- **Consumer Financial Protection Bureau Pursues Another Debt Cancellation Product, Page 6:** Synchrony Financial, General Electric's consumer-credit arm, is in discussions with the CFPB related to 'debt cancellation products' and marketing practices for those services.

British Columbia

Financial Institutions Commission Identifies “Creditor’s Group Insurance Issue”

On March 12, 2014, Harry James, Director, Policy Initiatives with BC’s FICOM contacted Brendan Wycks to provide heads-up information about an issue related to creditor’s group insurance which had led the Commission to impose a Consent Order and fines totaling \$150,000 on Manulife Financial and its subsidiary company Benesure Canada.

In the near future, FICOM will issue an open letter to all insurers authorized to offer creditor’s group insurance in BC, which will pose two or three high level filter questions in an effort to ascertain the prevalence of products in the market which may also contravene BC insurance legislation with respect to the “structuring and effecting” of creditor’s group insurance.

A full summary of the matter, including additional information that was obtained from Harry James on March 19, is found in Appendix A to this Regulatory Update.

Alberta

Travel Insurance Issues A Growing Concern For Alberta Insurance Council

On March 17, 2014, CAFII representatives Moira Gill, John Lewsen, and Brendan Wycks met with Joanne Abram, CEO, and Ron Gilbertson, Chair of the Alberta Insurance Council.

In an open and transparent discussion, the AIC leaders identified consumer understanding and protection issues related to travel insurance as a growing concern for them. A full summary of the issues discussed at this meeting is found in Appendix B to this Regulatory Update.

Manitoba

Minister of Finance Offers Meeting Date Options To CAFII

In late February 2014, Scott Moore, Deputy Superintendent of Insurance, contacted Brendan Wycks to advise that Manitoba’s Draft ISI Regulation would be amended to address nearly all of the concerns expressed by CAFII and other industry stakeholders. He followed that verbal message up with a written confirmation.

On March 21/14, Minister of Finance Jennifer Howard’s Executive Assistant e-mailed Mr. Wycks to offer two April date/time options for a CAFII meeting with the Minister: Thursday, April 10 and Tuesday, April 15. Moira Gill’s advice is that because both meeting dates offered fall within a very busy period for CAFII and since a meeting with the Minister of Finance is no longer urgent, it would be preferable to push it back by a few weeks. Doing so would also give us a better chance of co-ordinating meetings with other stakeholders in Winnipeg on the same day. Brendan Wycks has therefore replied to the Minister’s Assistant that CAFII would prefer a May meeting date.

Ontario

FSCO Releases 2014 Draft Statement Of Priorities

On March 31, 2014, FSCO released its 17th Draft Statement of Priorities and posted it on its web site. The Statement outlines FSCO's and its Tribunal's priorities and planned initiatives for the coming year, and highlights the Commission's key accomplishments in the previous year.

In keeping with the FSCO Act and FSCO's goal of furthering transparency in the regulatory process, FSCO invites interested parties to make written submissions about the matters that should be identified as FSCO's priorities. CAFII will make a response submission by the deadline of May 30, 2014.

Bill Introduces Desired Modernization Changes For Insurance Agent and Adjuster Disciplinary Hearings

On March 5, 2014, Jim Fox, Senior Policy Advisor in the Financial Services Commission of Ontario (FSCO)'s Licensing & Market Conduct Division and leader of its "Modernizing Disciplinary Hearings For Insurance Agents and Adjusters" initiative, e-mailed Brendan Wycks to advise that the desired changes had introduced the previous day at Queen's Park in Bill 171, which will amend Ontario's Insurance Act.

Bill 171 can be found here:

http://www.ontla.on.ca/web/bills/bills_detail.do?locale=en&Intranet=&BillID=2952.

CAFII participated in the 2013 consultation process on the proposed changes led by Jim Fox, through both in-person meetings and a written submission.

Jim advised that

- the modernizations to disciplinary hearings for insurance agents and adjusters are set out fairly succinctly in Section 22 of the amending legislation, which states that "Section 407.1 of the Act is repealed and the following is substituted . . ."
- once the Bill is passed and there is a proclamation date, FSCO will send out a bulletin to the industry and send an e-mail blast to all agents and adjusters.
- the timing of passage and proclamation of the Bill are somewhat uncertain, being dependent upon whether the opposition parties support the Bill and if it goes to committee for clause-by-clause review after second reading. (The Bill went to second reading on March 5).
- there are no new Regulations coming into force with the amending legislation, but Section 17 of the Bill does contain three of the provisions that were in FSCO's consultation paper around increasing the Superintendent's authority:
 - provides the Superintendent with authority to revoke or suspend an agent's licence for failure to pay a fee or admin penalty - 392.5 (4);
 - empowers the Superintendent to issue an Interim order - 392.5 (6); and
 - provides the Superintendent with specific powers with respect to a Request for Licence Surrender – 392.7 (1).

Quebec

AMF Fines Industrial Alliance

On February 7, 2014, the AMF announced that it had reached an agreement with Industrial Alliance under which Industrial Alliance will pay a fine of \$165,000 with respect to commercial practice violations.

The AMF alleged that Industrial Alliance committed various violations related in particular to Industrial Alliance Pacific Insurance and Financial Services Inc., of which it owns the rights and assumed the obligations further to the merger of June 30, 2012, namely, selling student medical insurance policies over some 10 years through persons who were not registered with the AMF, selling Freedom Medical Plan policies through distributors without previously submitting the related distribution guide to the AMF, offering a product ("*Partenaire Élite*") through distributors without previously submitting the related distribution guide to the AMF and without notifying the AMF of an additional distributor, and distributing insurance policies that stated they were administered by Travel Underwriters, a "licensed insurance broker," although the latter is not authorized to operate as such in Québec.

Industrial Alliance also undertook to stop distributing the Student Medical Insurance policy through unregistered persons and generally to set up appropriate measures to ensure that the distribution of its policies complies with the law.

Industrial Alliance Auto and Home Insurance Inc. also agreed to pay the \$25,000 penalty imposed by the AMF for entering into referral agreements with automobile dealers and violating *An Act respecting the distribution of financial products and services* regarding the sharing of commissions with non-registrants.

New Brunswick

Consumer Advisory Content On Insurance Posted To New Web Site

The Financial and Consumer Services Commission (FCNB) recently published new consumer advisory content on insurance on its web site, including a section on "Insurance on Your Debts." That content can be found here: <http://www.fcnb.ca/insurance-on-your-debts.html>. The sub-tabs are "Overview"; "Life Insurance on the Debt"; "Critical Illness or Disability"; and "Credit Card Insurance."

CAFII's DMC should review this content for accuracy and provide feedback to David Weir, Deputy Superintendent of Insurance, as appropriate.

Federal/National

Canadian Council of Insurance Regulators

Stakeholder Meetings A Success: To Be Continued

In the highlights of its January 23, 2014 conference call meeting, CCIR reports that its one-on-one Stakeholder Meetings approach to engagement is working well and will be continued in 2014. On October 29-30, 2013, CCIR met with 13 groups from across the industry, including CAFII.

With two years of success with this approach under its belt, CCIR now plans to make Stakeholder meetings an annual event each Fall in Toronto. The 2014 dates will be announced once they confirmed.

Disciplinary Information Implementation Working Group (DIIWG) Disbanded

With its mandate completed ahead of time and under budget through the December 2, 2013 launch of the Canadian Insurance Regulators Disciplinary Actions (CIRDA) database, CCIR's DIIWG has now been disbanded.

CCIR Strategic Plan, 2014-17

As the term of CCIR's current strategic plan is coming to an end, the Council has begun work on its next three-year plan. CCIR issued a formal call for stakeholder input, and CAFII made a submission in February 2014.

CCIR reports that a Strategic Planning Committee has now been struck and is reviewing the industry input received.

Canadian Insurance Services Regulatory Organizations (CISRO)

LLQP Modernization

On March 18, Ron Fullan, Chair of CISRO and its LLQP Committee, e-mailed Brendan Wycks to provide the following updates:

- at the one-on-one stakeholder meetings held February 10, the Committee received requests for copies of the Detailed Planning documents for each of the study modules. The Committee has therefore posted a “Request for Access to Detailed Planning” document on the CISRO website. Stakeholders need to complete and submit that document to get access to the Detailed Planning documents (B. Wycks is taking care of this registration for access process);
- the Committee has also posted the revised Curriculum document, along with the Curriculum Survey Results; and
- the Committee has scheduled its next stakeholder meetings for May 28, 2014 in Toronto. Exact details will follow, one-on-one sessions will likely be the approach again, and the focus will be on the criteria to be approved as a Course Provider.

CAFI has requested a stakeholder meeting slot on May 28, and Ron Fullan has confirmed that we will have one.

Financial Consumer Agency of Canada

FCAC Appoints New Deputy Commissioner

On March 17, 2014, FCAC Commissioner Lucie Tedesco announced the appointment of a new Deputy Commissioner.

Brigitte Goulard has been appointed Deputy Commissioner of the Financial Consumer Agency of Canada, effective immediately.

The Deputy Commissioner plays a fundamental role for the FCAC. Ms. Goulard brings experience and expertise from within the financial sector that will strengthen FCAC’s capacity to maintain productive relationships and effective oversight, Ms. Tedesco said.

The Deputy Commissioner serves as the Executive Director of the Agency and the senior policy advisor to the Commissioner. Ms. Goulard will be responsible for all aspects of the administration of the Agency and will perform a role similar to that of a Chief Operations, Financial and Administrative Officer of the organization.

Before joining the Financial Consumer Agency of Canada, Ms. Goulard was the Vice-President, Policy and Government Relations, for Credit Union Central of Canada.

Proposed Federal Financial Consumer Code

CAFI responded to the Government of Canada's consultation around a proposed financial consumer code with a succinct submission on February 28, 2014. Following an auto-generated reply acknowledging the submission, the Government also sent a subsequent e-mail advising that all submissions received have been posted on the Department of Finance's web site. Thirty five submissions in total were received.

Public Interest Advocacy Centre (PIAC)

PIAC Strongly Supports Proposed Federal Financial Consumer Code

PIAC responded to the federal government's consultation around a proposed new financial consumer code with a submission that is 72 pages in length, along with an additional 15 pages in two appendices.

PIAC's Executive Summary contains 12 recommendations, the most interesting of which for CAFI is the following:

*ES11: The financial consumer code should have as broad a coverage of financial services as possible. Unfortunately, it cannot encompass investment services due to constitutional limitations. **Likewise, insurance regulation may be too difficult to work into the scope of the code in its first iteration.** However, PIAC is strongly of the view that Canadians consider payments systems to be a part of banking and therefore recommend development of code rules for payments. Should payments matters be dealt with elsewhere, this fact should be revealed publicly and a commitment made to make the payments regime complementary to the financial consumer code.*

International/Global

U.S. National Governors Association (NGA) and National Association of Insurance Commissioners (NAIC)

U.S. State Governors Defend State-Based Insurance Regulation

The National Governors Association (NGA) sent a letter in March to the Secretary of the Treasury supporting the United States' "world-class" state-based regulatory system. "Governors believe that states must maintain their long-standing authority as the functional regulators of the business of insurance. . . . Governors are concerned by the [Federal Insurance Office] report's suggestion of a greater federal role that could invite a dual regulatory system. It is our position that federal laws and regulations must not pre-empt or undermine the strong state-based insurance regulatory system that for more than 140 years has protected consumers and safeguarded the capital adequacy and solvency of insurers." At its Spring 2014 National Meeting, the National Association of Insurance Commissioners supported the NGA's position.

U.S. Consumer Financial Protection Bureau (CFPB)

CFPB Pursues Another Debt Protection Product Marketing Enforcement Action

Synchrony Financial, the new name of General Electric's consumer-credit arm, said in filings with securities regulators in early March that it is in discussions with the Consumer Financial Protection Bureau related to 'debt cancellation products' and marketing practices for those services. It is also in talks with the Justice Department to resolve a separate issue investigated by the CFPB involving a potential violation of federal lending discrimination laws for excluding Spanish-speaking customers from settlement offers, the filing said.

Global Federation of Insurance Associations (GFIA)

GFIA delegation to G-20 stresses insurers' social and economic role

In a series of meetings held during the week of March 17-21, 2014 with the Australian G-20 Presidency, the Global Federation of Insurance Associations (GFIA) called on the G-20 to ensure that all international regulatory reform initiatives allow the insurance sector to continue to support the ambitious economic growth targets agreed upon last month by G-20 finance ministers.

"The GFIA welcomes the Australian G-20 Presidency's focus on long-term growth and its ambitious targets," said Frank Swedlove, chair of the GFIA.

"Sustainable long-term growth requires not only the financial security that insurers offer through efficient risk-transfer mechanisms but also the industry's long-term investments."

Global market for travel insurance, assistance forecast to grow to US\$18.1 billion by 2017: Finaccord

The global market for stand-alone travel insurance and assistance (excluding policies linked to credit cards and bank accounts) was worth approximately US\$13.8 billion in 2013 and is expected to grow to US\$18.1 billion by 2017, notes a statement from Finaccord, a market research, publishing and consulting company specializing in financial services.

That said, Finaccord reports that many of the world's largest and most established travel insurance markets, including a number of European examples and the United States, are either stalling or declining.

Some of the best "opportunities for strong and sustained growth are to be found in Latin America and the Asia-Pacific region, where consumer awareness is often low and where the competitive landscape can be fierce," says Simon Tottman, a consultant at Finaccord.

Extensive primary research across more than 40 individual countries calculates that in 2013, gross written premiums from travel insurance and assistance policies sold on a stand-alone basis were divided regionally as follows: the Americas, 34.6%; Europe, 33.2%; Asia-Pacific, 29.7%; and Africa and the Middle East, 2.5%.

Appendix A

From: Brendan Wycks [mailto:brendan.wycks@cafii.com]

Subject: Further Information Re BC FICOM's Creditor's Group Insurance Issue

In addition to the details set out below in my e-mail message of March 11, 2014, I obtained the following additional information about BC FICOM's Creditor's Group Insurance issue through a phone conversation with Harry James, Director, Policy Initiatives, on March 19:

Relevant Legislation

There are two pieces of BC legislation in play here: the Insurance Act and the Financial Institutions Act. The FI Act contains definitions of classes of insurance that are slightly different from, but not in conflict with, what's in the Insurance Act. Both Acts are germane in the governance and regulation of creditor's group insurance.

Consent Order Details (No Cease and Desist Order)

The Consent Order references four contraventions of the BC Insurance Act made by the Manulife/Benesure creditor's group insurance product:

- (i) Use of unlicensed individuals
- (ii) Payment of commissions to unlicensed individuals
- (iii) Acting as an unauthorized insurer; and
- (iv) Breach of the disclosure requirements, ie. lack of transparency regarding the identities of the insurer and related players and "improper holding out"

The fact that none of the four breaches talks about the insurance policy in question is significant. That's because while BC insurance legislation says that an insurer is prohibited from underwriting a product that the company was not a party to structuring/effecting, the legislation also says that – unless there is an identified immediate harm to consumers – a product in the market that is found to be in contravention will not be found void and immediate withdrawal will not be required.

As a regulator, you look at situations such as this violation of the Act and you weigh things and assess what's the best method for addressing the issue.

If we do find that there are other creditor's group insurance products in the market that are also in contravention, we are likely – unless there's an immediate harm to consumers – to try to work out a solution.

Plans For Open Letter to Insurers Authorized To Offer Creditor's Group Insurance In BC

Our intention is to take a broad, high level approach in the open letter to insurers, which we hope to have out within the next few weeks.

We are not trying to put the industry through a "search and cull" process and we don't want to impose an undue burden. In the letter, we won't be asking for a complete catalogue of products that each company has in the market.

We are trying to come up with the wording for two or three simple "filter questions" that will help insurers to identify whether or not they're offering a product that is of the type that we want to hone in on and take a look at. We want the filters to help make it a simple task.

For example, one filter question might be "Do you offer any policies where the group policy holder is not the lender?" (Conversely, just because the lender is the group policy holder doesn't necessarily mean that that lender was involved in structuring/effecting the contract, so we have to be careful in designing our filters.)

Our goal with the open letter and the filters it will contain as a simple survey is to get a sense of the magnitude of the problem, ie. how many players in the industry may have a product in the market that may be in contravention. We want to find out if it's a small number of companies, such as two or three participants, or if it's a larger number such as 15 or 20.

If it's only a small number, we may decide that the best approach is to work with each company individually on a solution.

Hopefully, with the responses we get to the filter questions that will frame the issue, we'll be able to remove the vast majority of authorized insurers from the picture; and then direct our focus to the rest that may have an off-side product that contravenes the Act in the market.

From: Brendan Wycks [mailto:brendan.wycks@cafii.com]

Sent: March-11-14 3:10 PM

Subject: Important Heads-Up From BC Financial Institutions Commission (FICOM) On A Creditor's Group Insurance Issue

EOC Members:

I received a voicemail this afternoon from Harry James, Director, Policy Initiatives with BC's FICOM, who focuses on insurance regulation (and is Chair of CCIR's TPA Review Committee) – about a creditor's group insurance issue that they are about to post an Enforcement Action on. I then connected with him to get additional information and add some flesh to the bones of his message.

Here is what I've learned:

Later this afternoon, FICOM will be sending to me, as CAFII Executive Director, and to other industry stakeholders an open letter about a contravention issue that FICOM has identified in the market that is germane to those who offer creditor's group insurance.

FICOM has found at least one instance of a product where the contract was not constructed in accordance with the provisions of BC insurance legislation, and that product had been widely distributed.

The culprit is not a CAFII member. It is a large life insurer (Manulife Financial and Benesure Canada Inc.) that has been involved in the provision of mortgage protection insurance.

The key issue that has resulted in a contravention of BC legislation is that the definition of Creditor's Group Insurance only contemplates contracts that have been "effected by the lender." In the known offending case, the group contract was not so constructed; rather, mortgage brokers, as intermediaries, were the group policy holder. The actual lender was not an active participant in the effecting of the contract.

With respect to the offending large life insurer, a Consent Order will be posted on FICOM's web site this afternoon under the Enforcement tab.

<http://www.fic.gov.bc.ca/pdf/enforcement/trust/fia20140228.pdf>

As a result of this investigation and Enforcement Action, FICOM will, within the next few weeks, be doing some fact-finding with the industry, including CAFII members, just to understand whether or not there are similar products out there in the market.

The potential to be off-side the pertinent part of BC legislation arises not just with mortgage brokers, but with a number of different types of intermediaries. Any group product covering a borrower's loan in which the lender was not directly involved in structuring the contract is likely off-side. A "flag" is where the lender is not a contracting party.

The purpose of today's open letter is to provide a heads-up on what the issue is.

Today's letter will be followed-up by a direct letter to each insurer authorized to underwrite creditor's group insurance, on both the life and p&c sides. It'll be a fact-finding letter asking insurers to tell FICOM whether or not they may offer a creditor's group insurance product that is structured in this manner. The questions in the letter will be high level, rather than a formal, detailed survey. FICOM doesn't want to raise alarm bells unduly but it does need to do further investigation and due diligence to find out if this type of inappropriately structured product is fairly isolated in the market right now or if it's more widespread. And to find out if this may be a national issue, or is local to BC.

Appendix B

Regulator Visit Report Confidential: Not For Distribution

Regulator: Alberta Insurance Council (AIC)
Date: March 17, 2014
Location: Stratus Restaurant, TD Centre, Toronto
Purpose: Stakeholder Liaison Meeting requested by AIC; part of Council Chair's industry consultation plan

Attendees:

AIC: Joanne Abram, CEO; and Ron Gilbertson, Council Chair

CAFII: Moira Gill, TD Insurance; John Lewsen, BMO Insurance; and Brendan Wycks, Executive Director

The following are highlights of the industry issues discussed in this luncheon liaison meeting:

Issues Raised By CAFII

Representation For Restricted Licence Holders in Alberta

J. Abram has delivered to Superintendent Mark Prefontaine her proposal that the near-dormant Insurance Adjusters Council be merged into the General Insurance Council. It has been decided that there will be an industry consultation on this change, which will require amendments to existing regulations; so the earliest that it will be implemented is 2015.

This means that the window of opportunity to advance a concept proposal for representation of restricted licence holders in Alberta is still fairly wide open. However, J. Abram would like to receive CAFII's proposal sooner rather than later so that there is time to consider it and work with CAFII and other relevant stakeholders to refine it, as appropriate. She will also be very interested to learn how the Insurance Councils of Saskatchewan decides to handle the industry's proposals for representation for restricted licence holders in that province, as it would probably make sense for Alberta to adopt a similar approach rather than something altogether different.

B. Wycks advised that CAFII had, as promised, requested and received an updated Representation Options Analysis from legal counsel, to reflect the feedback provided in CAFII's December 12, 2013 meeting with J. Abram on this subject.

CAFII is therefore close to being in a position to submit an official proposal on representation to the AIC.

Multi-jurisdictional Licensing and Interprovincial Harmonization

M. Gill described the regulatory compliance issues and hurdles that CAFII members have to meet to offer creditor's group insurance in all jurisdictions in Canada. She noted that the lack of harmonized licensing creates significant obstacles to efficient and effective business practices, which can have a negative impact on the customer's experience.

B. Wycks advised that this long-standing issue of concern for CAFII members was reiterated in the Association's recent letter of support for CISRO's LLQP modernization initiative, as related relevant commentary. This is why CAFII is so delighted with the progress being made by the AIC with the Canadian Insurance Participant Registry (CIPR) initiative, and the potential it holds for a nationally harmonized licensing system.

(J. Abram thanked CAFII for the kudos it had extended to AIC for the CIPR initiative, and for arranging two CIPR demo presentation opportunities for her IT leaders, including an online presentation for CAFII and CADRI members later that afternoon. She acknowledged that AIC was shouldering all of CIPR's development costs and was not looking for any pro-rated cost-sharing contributions from other jurisdictions. AIC views its industry leadership and innovator role with CIPR as "just the right thing to do; and if other jurisdictions want to come on board and help make it a national system, it's our contribution to the national interest.")

J. Abram and R. Gilbertson listened intently to CAFII's concerns on this issue, and asked questions for clarification. J. Abram made the following suggestion: CAFII might want to approach CISRO Chair Ron Fullan and arrange an opportunity to make a brief presentation on this matter at CISRO's next meeting, which is coming up in Banff on Thursday, May 22 and Friday, May 23. She felt that CISRO members would be interested in this presentation and would be a receptive audience.

The CAFII representatives thanked J. Abram for this suggestion and said it would be given serious consideration.

(B. Wycks' observation: J. Abram's CISRO presentation suggestion aligns with feedback provided by G. Swanson of FSCO during CAFII's Stakeholder Consultation Meeting with the CCIR Executive on October 30, 2013, as follows:

Grant Swanson advised that when making the case for a nationally harmonized licensing system, it would be helpful if CAFII illustrated its points via some actual case studies to flesh out the problem and the obstacles that our members encounter in their national operations. We need to help the regulators understand the licensing hoops and hurdles we have to go through to attract new hires and to deliver quality service to consumers. This will help the regulators better understand, and make what otherwise might appear abstract seem real.)

Issues Raised By AIC

Need For A Licensed Insurance Intermediary

R. Gilbertson said that given the increasing complexity of all types of insurance products – including the creditor's group insurance products offered by CAFII members – he is trying to get his head around whether it makes best sense to require the involvement of a licensed intermediary in all insurance transactions, as a better safeguard for ensuring that the consumer understands what he/she is buying.

J. Lewsen delicately countered R. Gilbertson's initial statement on this issue, noting the burgeoning consumer demand for quick, convenient, unfettered access to insurance products through electronic, non-face-to-face channels.

R. Gilbertson acknowledged that that is a fact of today's society and mobile communications business world, noting that is a struggle for a regulator to find the right balance between consumer protection and supporting the efficient and effective conduct of business.

(In a conversation with R. Gilbertson after the conclusion of the meeting, B. Wycks advised him of some additional research-based facts that support CAFII's position on the importance of supporting electronic commerce and alternate distribution channels so that the under-served lower and middle income markets will have access to insurance coverage: the broker/agent sales force is dwindling as new entrants to the profession are not being attracted in the numbers they were 10 years ago; and brokers/agents, being compensated on a commission basis, tend to focus exclusively on high income and high net worth individuals, ignoring lower and middle income consumers.)

Travel Insurance

When asked if there were any particular existing or "on the horizon" industry issues of concern for the AIC, J. Abram and R. Gilbertson replied "Yes, it's travel insurance."

J. Abram indicated that travel insurance is the one area of the restricted insurance licence regime that is causing noticeable numbers of inquiries and complaints. The bottom line is that, often, consumers don't understand what they're buying.

J. Abram and R. Gilbertson explained that, as they see things, there are two issues of regulatory concern related to travel insurance:

- Consumers may be buying travel coverage that they don't really need because it duplicates coverage they already have through a credit card or through their employer's group benefits plan; and this potential duplication/redundancy is not being raised by the insurance salesperson; and
- Consumers, despite their honest best intentions, are not completing the application/enrolment form correctly because they don't understand the medical-related questions. In particular, they don't understand the coverage exclusions based on pre-existing conditions.

J. Abram said that the AIC wants to "get ahead of this issue" and avoid a situation where a travel insurance issue blows up in the legislature based on a consumer complaint of denial of coverage, where the consumer is dumbfounded and has a huge sense of injured merit based on a belief that the travel insurance application form was completed honestly and accurately.

In discussion of this issue, B. Wycks asked what the AIC would think of a "Joint Industry/Regulator Review Group on Travel Insurance Application Forms and Medical Questionnaires" which might have participation from CAFII, THIA, CLHIA, and one or more provincial regulators. J. Abram replied that, in her view, such a proposal would be positively perceived and favourably received by regulators. She noted a "joint" committee seemed particularly appropriate for this issue, as there would definitely be diverse perspectives and different types of expertise that would need to be represented at the table.

CAFI agreed to broach the issue of a Joint Review Group with THIA and CLHIA, and get back to J. Abram on it. She thanked CAFI for agreeing to take the first steps on this proposal.

(B. Wycks' observation: AIC's concerns about travel insurance, which emerged a few years ago, closely parallel both what Dave Minor of TD Insurance reported hearing during a round of regulator visits in late 2012 and early 2013; and the views that Carolyn Rogers, CCIR Chair, shared with CAFI in its Stakeholder Consultation Meeting with the CCIR Executive on October 30, 2013, as follows:

Carolyn Rogers advised that the problem with travel insurance that keeps recurring time and again relates to "Do people know what they're buying, especially as it relates to pre-existing conditions?" And are distributors of travel insurance doing everything they can to ensure that consumers know what they're buying?

The problem always arises in the event of a claim – the moment of truth for the industry – when one is denied, and nearly always the reason for denial is failure to report accurately a pre-existing condition. Carolyn Rogers said that she has been called upon to provide a Briefing Note to the Minister on a number of occasions related to the denial of a travel insurance claim. And the circumstances are always the same, so she can just resurrect and dust off her previous Briefing Note. It's inevitably a retired single or couple, who are snowbirds or are vacationing outside the country when a medical issue comes up. They believe that they have answered all of the questions on the application form honestly, so they're dumbfounded, devastated, and have a real sense of injured merit when they find out that the insurer is refusing to pay their claim.

Grant Swanson advised that a related question is "has the consumer been made aware of all of the travel insurance alternatives available to them?": egs. they may have travel insurance on their credit card; there may be the alternative of a more generous, fully underwritten plan. This is where you get into the issue of advice and supporting Consumer Financial Literacy.

In summing up, Carolyn Rogers said that given that it's the same problem that keeps cropping up with travel insurance again and again, it appears to be a systemic problem. CCIR would appreciate it if CAFI could play a leadership role in dealing with this problem, by striking a group to review and improve Medical Application Forms and the related underwriting process, possibly in conjunction with CLHIA and/or the Travel Health Insurance Association.)

CAFII Regulator Visit Plan 2014

updated April 3, 2014

Jurisdiction	Regulator	Annual Courtesy Call	Purpose/Issues	Attendees	Date/Venue	Status
British Columbia	Insurance Council of BC: Gerry Matier, Exec. Dir.	X	-Update on Council priorities -Maintain and strengthen relationship	S. Gelgor J. Lewsen R. Beckford T. VanMeggelen B. Wycks	Invite when in Toronto	<p>Five CAFII reps had liaison lunch meeting with G. Matier in Toronto on May 15/13; covered range of topics in CAFII Briefing document.</p> <p>G. Matier is member of CISRO LLQP Committee, which had engaging discussion with CAFII reps. in one-on-one stakeholder meeting on February 10/14 meeting.</p> <p>CAFII LEIC decided not to make submission in response to Insurance Council of BC's 2014 consultation on "Conflict of Interest Guidelines" (due date: March 9/14) as it was not high among competing priorities</p> <p>B. Wycks has arranged dinner meeting for small CAFII group with G. Matier on May 28/14, while he is in Toronto for CISRO LLQP stakeholder meetings that day</p>

Jurisdiction	Regulator	Annual Courtesy Call	Purpose/Issues	Attendees	Date/Venue	Status
	Financial Institutions Commission(FICOM): Carolyn Rogers , CEO, FICOM & Superintendent of Insurance (CCIR chair); Doug McLean, Deputy Superintendent	X	-update on FICOM priorities -Maintain and strengthen relationship (-CAFII has decided not to submit a formal response to FICOM's summer 2013 Consultation on Use of Managing General Agents, as that is not CAFII members' distribution channel.)		Surrey, BC When Carolyn is in Toronto; or CAFII Board member in Vancouver	-Targeted networking with C. Rogers occurred during CAFII 15 th Anniversary event on April 10, 2013; at CLHIA Compliance Conference in Vancouver in May 2013; and at CAFII/CCIR Industry Stakeholder Meeting on October 30, 2013. B. Wycks has sent invitation to C. Rogers for a dinner meeting with CAFII group in Ottawa on May 6/14, as she will be presenting at CLHIA Compliance Conference the next morning -J. Lewsen and B. Wycks met with Harry James, Director, Policy Initiatives, FICOM and Chair of CCIR's Agencies Regulation Committee, and Carol Shevlin of CCIR on September 26, 2013 around CCIR's TPA Review initiative. Presented opportunity to have brief side meeting with Harry around BC/FICOM regulatory issues -Harry James phoned B. Wycks on March 12/14 with heads-up about "Creditor's Group Insurance" issue involving large life insurer that led to Consent Order and \$150,000 in fines (see March 2014 Regulatory Update)

Jurisdiction	Regulator	Annual Courtesy Call	Purpose/Issues	Attendees	Date/Venue	Status
Alberta	Alberta Insurance Council : Joanne Abram, CEO; Tom Hampton, Chief Operating Officer; Ron Gilbertson, Chair (2012-15)	X	-Update on Council priorities -Council Representation -Licensing for 3 rd party providers -Business number registration system -Maintain and strengthen relationship	S. Gelgor M. Gill J. Lewsen R. Beckford T. VanMeggelen	When Joanne or Tom is in Toronto; or CAFII Board member in Edmonton	<p>Five CAFII reps met with J. Abram and R. Gilbertson in Vancouver on May 7, 2013; discussion captured in Regulatory Visit Report</p> <p>B. Wycks met with J. Abram over lunch at the CLHIA Consumer Complaints Officers Section Fall Seminar on November 21, 2013; insights captured in ED's Report</p> <p>M. Gill, J. Lewsen, B. Wycks and L. Duigu met with J. Abram and S. Boyetchko on December 12/13 around AIC's interest in Representation for Restricted Licence Holders in Alberta. Discussion captured in Regulatory Report. CAFII to submit formal proposal on two viable options to J. Abram</p> <p>J. Abram and W. Martinson of AIC are members of CISRO LLQP Committee, which had engaging discussion with CAFII reps. in one-on-one stakeholder meeting on February 10/14 meeting</p> <p>M. Gill, J. Lewsen, and B. Wycks had lunch liaison meeting with J. Abram and R. Gilbertson on March 17/14 (see March 2014 Regulatory Update)</p> <p>CAFII arranged opportunity for two AIC staff execs. to give demo presentation of new "Canadian Insurance Participant Registry" (CIPR) to CAFII member audience on January 8/14. Highlights captured in Regulatory Update. CAFII arranged follow-up opportunity for electronic demo presentation of CIPR for CAFII and CADRI members which occurred on March 17/14</p>

Jurisdiction	Regulator	Annual Courtesy Call	Purpose/Issues	Attendees	Date/Venue	Status
	Ministry of Finance: Mark Prefontaine, Superintendent of Insurance Brad Geddes, Deputy Superintendent of Insurance Laurie Balfour, Acting Deputy Superintendent of Insurance		-Update on Superintendent's priorities -Maintain and strengthen relationship		When Mark is in Toronto; or CAFII Board member in Edmonton	Targeted networking with M. Prefontaine and B. Geddes occurred during CAFII 15 th Anniversary event on April 10, 2013 Effective June 27, 2013 Laurie Balfour became Deputy Superintendent of Insurance - Alberta. Brad Geddes has been seconded to the Government of Alberta's Flood Recovery Task Force as the Director of Stakeholder Engagement. This is for an indefinite period of time, likely for at least 6 months. Briefing networking with L. Balfour occurred during CAFII/CCIR Industry Stakeholder Meeting on October 30, 2013
	New President of Treasury Board and Minister of Finance Doug Horner					

Jurisdiction	Regulator	Annual Courtesy Call	Purpose/Issues	Attendees	Date/Venue	Status
Saskatchewan	Sask. Insurance Council: Ron Fullan, Chair	X	-Update on Council priorities -Council Representation -Maintain and strengthen relationship		Invite when Ron is in Toronto	<p>B. Wycks had Get Acquainted discussions with April Stadnek, Director of Compliance, Saskatchewan Insurance Councils, around CLHIA CCOS Fall Seminar and FSCO Life & Health Sector Symposium, November 21-22, 2013; insights captured in Executive Director's Report</p> <p>Targeted networking with R. Fullan occurred during CAFII 15th Anniversary Event on April 10, 2013, and during CLHIA Compliance Conference in May 2013</p> <p>CAFII reps met with R. Fullan on July 29, 2013 to discuss main themes in CAFII's Proposal For Restricted Licensee Representation in Sask. Proposal submitted to R. Fullan on October 10, 2013. Feedback on CAFII proposal expected from R. Fullan in March or April 2014</p> <p>R. Fullan is Chair of CISRO LLQP Committee, which had engaging discussion with CAFII reps. in one-on-one stakeholder meeting on February 10/14 meeting. Next stakeholder meetings session will be on May 28/14 in Toronto, for which CAFII has booked a slot</p>

Jurisdiction	Regulator	Annual Courtesy Call	Purpose/Issues	Attendees	Date/Venue	Status
	Financial and Consumer Affairs Authority , David Wild, Chairperson and Superintendent of Insurance; Ian McIntosh, Deputy Superintendent of Insurance		-Courtesy visit, Introduction of CAFII -Insurance Act Review, ISI; Council Representation -Maintain and strengthen relationship		When David or Ian is in Toronto; or CAFII Board member in Regina	
	Consultant (ex Superintendent) Jim Hall		-Update on Insurance Act review -Maintain and strengthen relationship		When Jim is in Toronto; or CAFII Board member in Regina	

Jurisdiction	Regulator	Annual Courtesy Call	Purpose/Issues	Attendees	Date/Venue	Status
Manitoba	Ministry of Finance: Jim Scalena, Superintendent (Targeted networking with J. Scalena, Superintendent, occurred during CAFII 15 th Anniversary Event on April 10, 2013)	X	-Update of Insurance Act review and ISI regime -Maintain and strengthen relationship		Winnipeg	<p>Manitoba released Draft ISI Regulation in early June 2013. CAFII responded with detailed submission</p> <p>S. Moore, Deputy Superintendent, called B. Wycks on October 2, 2013 with detailed update on progress and timelines re Draft ISI Regulation. In early November, B. Wycks had a follow-up telephone conversation with S. Moore, which confirmed that a CAFII meeting with the Minister would be prudent and necessary</p> <p>On January 10/14, CAFII responded to Draft 2 of ISI Regulation with detailed submission. CAFII will now pursue meeting with Minister of Finance re imperative of harmonization of Manitoba ISI Regime with other provinces, as directed by Board on October 8/13</p> <p>In late February 2014, S. Moore communicated with B. Wycks by e-mail and phone to advise that Manitoba's Draft ISI Regulation would be amended to address nearly all of the concerns expressed by CAFII and other industry stakeholders (see Regulatory Update)</p> <p>On March 21/14, Minister of Finance Jennifer Howard's EA e-mailed B. Wycks to offer two early April date/time options for a CAFII meeting with the Minister. CAFII replied that we would prefer a May meeting date</p>

Jurisdiction	Regulator	Annual Courtesy Call	Purpose/Issues	Attendees	Date/Venue	Status
	Manitoba Insurance Council: Erin Pearson, Exec Director;	X	-Update on Council priorities -Restricted Certificate holder representation on Council -Maintain and strengthen relationship		When Erin is in Toronto; or CAFII Board or EOC member or Executive Director is in Winnipeg	
	Ministry of Finance Minister Jennifer Howard		Letter of introduction sent to predecessor Finance Minister Stan Struthers; include on a visit of CAFII Chair or other reps to Manitoba. Letter requesting meeting with new Finance Minister Jennifer Howard re Draft ISI Regime Regulation and other CAFII issues sent on January 15/14, on heels of response submission on Draft 2 of ISI Regulation			After follow-up by B. Wycks, on March 21/14, Minister Howard's EA e-mailed B. Wycks to offer two early April date/time options for a CAFII meeting with the Minister. CAFII replied that we would prefer a May meeting date
Ontario	FSCO: Phil Howell, CEO & Superintendent	X	-Update on FSCO priorities -Maintain and strengthen relationship		Toronto	Targeted networking during CAFII 15 th Anniversary event on April 10, 2013. B. Wycks had Get Acquainted lunch meeting with P. Howell, at his request, on July 5, 2013. Insights gained captured in Regulatory Visit Report

Jurisdiction	Regulator	Annual Courtesy Call	Purpose/Issues	Attendees	Date/Venue	Status
	<p>FSCO: Grant Swanson, Executive Director, Licensing & Market Conduct Division</p> <p>FSCO: Anatol Monid, Director, Market Regulation Branch</p> <p>Shonna Neil, Senior Manager, Licensing</p>		<p>Consultation Proposal on “Modernizing Disciplinary Hearings for Insurance Agents and Adjusters”</p> <p>Industry consultation on “Life Insurance & Mortgage Broker Product Suitability Review”</p>			<p>On February 14/13, B. Wycks and Rosemary Troiani, RBC Insurance, met with G. Swanson, Isobel Scovino and Jim Fox around FSCO’s plans for Modernizing Disciplinary Procedures For Life Insurance Agents and Independent Adjusters. CAFII made written submission in September 2013. J. Fox e-mailed B. Wycks in early March 2014 to advise that implementing amendments to Insurance Act had been introduced in the legislature</p> <p>Adrienne Warner of A. Monid’s team is “point person” for FSCO’s “Life Insurance & Mortgage Broker Product Suitability Review,” scope of which was narrowed to cover just term life, whole life, and universal life sales</p> <p>CAFII reps participated in focus group discussion with A. Monid, A. Warner, and other FSCO reps on this matter on July 18/13. Follow-up discussion on draft survey of insurance agents occurred on September 6/13. FSCO issued two follow-up requests of CAFII member on Sept. 30/13 re removing Call Centre agents from universe for random sample for online survey; and recommending “paragon of best practices” agents for focused meetings. On March 10 and 11/14, A. Warner e-mailed B. Wycks to provide update on life agent questionnaire re product suitability; and to schedule an April 9/14 meeting with CAFII to share survey results and seek feedback on Interim Report emerging from product suitability review</p>

Jurisdiction	Regulator	Annual Courtesy Call	Purpose/Issues	Attendees	Date/Venue	Status
	FSCO: Annual Symposium for Life and Health Insurance Sector			-individual FI member reps. -CAFII Executive Director	Toronto November	FSCO's 6 th Annual Symposium for the Life and Health Insurance Sector took place on November 22, 2013. Networking by B. Wycks and several CAFII volunteer leaders in attendance occurred with G. Swanson, A. Monid, S. Neil, A. Warner, L. Miclescu, and other FSCO senior staff

Jurisdiction	Regulator	Annual Courtesy Call	Purpose/Issues	Attendees	Date/Venue	Status
Quebec	New AMF CEO effective July 2, 2013: Louis Morisset		-Update on AMF priorities -Maintain and strengthen relationship		When Louis is in Toronto; or CAFII Board member in Quebec City	<p>R. Hebert, M. Gill, R. Beckford, I. Choquette, and B. Wycks met with Mario Albert, CEO; Eric Stevenson; Julien Reid; and Louise Gauthier in Quebec City on June 7, 2013 for a productive and informative liaison meeting</p> <p>L. Morisset has accepted CAFII invitation to speak to CAFII Board & EOC group, in conjunction with CAFII Board meeting to be held in Montreal on April 8, 2014. Follow-up letter in French sent by CAFII in early March to confirm details. B. Wycks had telephone meeting with E. Stevenson, S. Langlois, and L. Gauthier of AMF on March 26 to review agenda and discussion topics, to ensure L. Morisset's full preparation and comfort with the CAFII liaison meeting</p>

Jurisdiction	Regulator	Annual Courtesy Call	Purpose/Issues	Attendees	Date/Venue	Status
	AMF: Superintendent, Client Services and Distribution Oversight: Eric Stevenson	X				Targeted networking with E. Stevenson and P. Dery occurred during CAFII 15 th Anniversary event on April 10, 2013
	AMF: Superintendent of Solvency, Patrick Dery					
	AMF: Stephane Langlois, Senior Director, Distribution Practices				Fall	B. Wycks had networking discussions with S. Langlois at CLHIA CCOS seminar and FSCO symposium on November 21-22, 2013. No further update at this time on release date for next iteration of two-page Distribution Guide

New Brunswick	Angela Mazerolle-Stephens, Superintendent of Insurance David Weir, Deputy Superintendent of Insurance		<ul style="list-style-type: none"> -Update on Superintendent's priorities -Discuss/educate on creditor's group insurance (CGI) and Avalon Study; -Licensing issues, electronic licensing; Insurance Act Review Status; including consultation on "Opportunities for Reforming the Licensing Framework for Other-than-Life Agents and Brokers" announced in late August 2013 -Maintain and strengthen relationship -David Weir is Chair of Atlantic Taskforce on ISI (dormant) 		TBD Fredericton	<p>Targeted networking with A. Mazerolle-Stephens and D. Weir, Deputy Superintendent of Insurance, occurred during CAFII 15th Anniversary Event on April 10, 2013</p> <p>D. Weir is member of CISRO LLQP Committee, which had engaging discussion with CAFII reps. in one-on-one stakeholder meeting on February 10, 2014 meeting</p>
	Consumer Advocate For Insurance, Ronald Godin		<ul style="list-style-type: none"> -Update on Consumer Advocate's priorities -Discuss /educate on creditor's group insurance (CGI) and Avalon -Build relationship 		When Ronald Godin is in Toronto; or CAFII Board member in Fredericton	
Nova Scotia	Superintendent Doug Murphy		<ul style="list-style-type: none"> -Update on Superintendent's priorities -Discuss/educate on creditor's group insurance (CGI) and Avalon Study; -Atlantic Taskforce on ISI -Build relationship 		TBD Halifax	<p>Targeted networking with D. Murphy occurred during CAFII 15th Anniversary event on April 10, 2013; and brief networking with him occurred following CAFII/CCIR Industry Stakeholder Meeting on October 30, 2013</p>

PEI	Superintendent Robert Bradley		Courtesy- Low priority for 2013 (only if CAFII Board member in Charlottetown) -Update on Superintendent's priorities -Build relationship		Charlottetown	Targeted networking with R. Bradley occurred during CAFII 15 th Anniversary event on April 10, 2013
Newfoundland	Superintendent Douglas Connolly (retired effective early 2014; successor expected to be appointed prior to May 15/14) Craig Whalen, Deputy Superintendent		-Update on Superintendent's priorities -Discuss/educate on creditor's group insurance (CGI) and Avalon -Build relationship		St John's	Targeted networking with D. Connolly occurred during CAFII 15 th Anniversary event on April 10, 2013 Brief networking with C. Whalen occurred immediately following CAFII/CCIR Industry Stakeholder meeting on October 30, 2013

Atlantic Canada	Joint Forum of Insurance Regulators		<ul style="list-style-type: none"> - Update on Superintendents' priorities -Discuss/educate on creditor's group insurance (CGI) and Avalon -Build relationships 			<p>-M. Gill contacted David Weir, Deputy Superintendent of Insurance, New Brunswick, re prospect of CAFII having a Joint Meeting with all four Atlantic Canada insurance regulators in Fall 2013</p> <p>- CAFII made proposal for joint meeting with all Atlantic Canada insurance regulators in Fall 2013 or Spring 2014; this meeting now confirmed for May 15/14 in Halifax, from 11:30 a.m. to 4:00 p.m.</p> <p>-Such a joint visit to Atlantic Canada regulators was strongly encouraged by Phil Howell of FSCO</p>
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CCIR	Carol Shevlin, Policy Manager	X	-Annual lunch. Discuss priorities -Maintain and strengthen relationship		Toronto	<p>-B. Wycks had a Get Acquainted Lunch with C. Shevlin in January 2013; and is in regular contact with her</p> <p>-J. Lewsen and B. Wycks had meeting with Carol Shevlin and Harry James, ARC Chair, on September 26, 2013 around CCIR's TPA Review initiative</p> <p>-in spirit of open communication, B. Wycks shared CAFII's submission in response to proposed federal financial consumer code with CCIR in early March 2014, to which C. Shevlin replied with a note of appreciation</p>
	CCIR Executive		Meet when pressing issues or opportunistic meeting occasions arise.		October 30, 2013 in Toronto	<p>CAFII Board members, EOC members, and B. Wycks had "industry stakeholder meeting" with CCIR Executive on October 30, 2013. Discussion captured in Regulatory Update</p>

CISRO	Ron Fullan Chair		<ul style="list-style-type: none"> -Update on CISRO priorities -Maintain and strengthen relationship -LLQP Modernization -Multi-jurisdictional licensing and related contact centre compliance issues 		<p>-invite when in Toronto</p> <p>B. Wycks interacted and had private liaison conversations with CISRO LLQP Chair Ron Fullan and other LLQP Committee members during each of four Stakeholder Information Sessions held in Toronto in 2013</p> <p>-CAFII representatives (3) had engaging one-on-one stakeholder meeting discussion with CISRO LLQP Committee on February 10/14</p> <p>-On March 18/14, R. Fullan e-mailed B. Wycks to provide update on LLQP Committee's latest progress; and advise that its next Stakeholder Information Session will be one-on-one stakeholder group meetings on Wednesday, May 28/14 in Toronto. B.Wycks replied to book a stakeholder meeting slot for CAFII</p> <p>-Based on suggestion made by J. Abram at March 17/14 liaison lunch, B. Wycks contacted R. Fullan, Chair of CISRO. As a result, CAFII likely to be offered opportunity to make a presentation to CISRO on multi-jurisdictional licensing and other compliance challenges faced by national contact centres, at meeting in Fredericton on September 29-30</p>
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Federal	Federal Finance Dept.		Educational – marketing of CGI			
	OSFI: Julie Dickson, Superintendent					
	OBSI: Doug Melville Ombudsman		Educational – marketing of CGI			
	Financial Consumer Agency of Canada (FCAC)		Financial Literacy re insurance			<p>Ursula Menkes retired from FCAC Commissioner role at end of May 2013; Finance Minister Flaherty announced appointment of Lucie Tedesco as new Commissioner on September 4, 2013</p> <p>M. Gill and B. Wycks had Get Acquainted/Refresh meeting with FCAC contacts January 9/14. Discussion captured in Regulatory Update</p> <p>CAFII participated in federal government consultation, being led by FCAC, around a proposed new federal financial consumer code. Submission sent February 28/14 and is now posted on Finance Canada site</p> <p>-Maria Sanchez-Chung pursuing speaker from FCAC for June 10/14 CAFII Regulator Reception. Targeted speaker is Brigitte Goulard, newly appointed Deputy Commissioner, as she is a former CAFII EOC member, having previously worked for TD Meloche Monnex</p>

CAFI

55 St Clair Ave West, Suite 255

Toronto, ON M4V 2Y7

Balance Sheet

As at February 28, 2014

ASSETS	Current 2014
Current Assets	
Bank Balance	\$202,546
Investments ^A	\$52,852
Accounts Receivable	\$224,250
Interest Receivable	\$429
Prepaid Expenses	\$1,316
Computer/Office Equipment	\$2,334
Accumulated Depreciation -Comp/Equip	(\$544)
Intangible Assets-Trademarks	\$0
Accumulated Amortization-Trademark	\$0
Total Current Assets	\$483,183
TOTAL ASSETS	\$483,183
LIABILITIES	
Current Liabilities	
Account Payable ^B	\$20,276
Deferred Revenue	\$157,500
Total Current liabilities	\$177,776
TOTAL LIABILITIES	\$177,776
UNRESTRICTED NET ASSETS	
Unrestricted Net Assets, beginning of year	\$288,291
Excess of revenue over expenses	\$17,115
Total Unrestricted Net Assets	\$305,407
Total Unrestricted Net Assets	\$305,407
TOTAL LIABILITIES AND UNRESTRICTED NET ASSETS	\$483,183

Minimum Reserve = Greater of:

Reserve at 25% of Annual Operating Expense =	\$ 61,383
Reserve at 6 months of Operating Expense =	\$ 121,759

2013 Reserve (based on 6 month Reserve):

CA FII
 55 St Clair Ave West, Suite 255
 Toronto, ON, M4V 2Y7
Balance Sheet Items
As at February 28, 2014

Item A

Investment Portfolio

Investment Type	Issue Date	Principal	Rate	Deemed Interest	Maturity Date
Cashable GIC #0087-8019718-12	May-07-13	\$52,852.40	1.00%	\$528.52	May-07-14
Total		\$52,852.40		\$528.52	

Item B

Accounts Payable

	Total
	3,694.88
	169.50
	1,289.90
	14,373.60
	748.51
Total outstanding:	<u><u>20,276.39</u></u>

CAFII

55 St Clair Ave West, Suite 255
Toronto, ON M4V 2Y7

Statement of Operations

As at February 28, 2014

REVENUE	Current Month	Current YTD	Budget 2014	% Used	YTD 2013 Balance	% Used YTD 2013
Membership Fees	\$33,375	\$66,750	\$400,500	17%	\$68,350	18%
Interest Revenue	\$41	\$85	\$720	12%	\$122	122%
TOTAL REVENUE	\$33,416	\$66,835	\$401,220	17%	\$68,472	17%
EXPENSE						
Association Operating Expenses						
Management Fees	\$19,402	\$38,666	223,380	17%	\$36,205	52%
Lawrie Savage Fees	\$0	\$0	-		\$0	0%
CAFII Legal Fees/Corporate Governance	\$0	\$0	19,500	0%	\$0	0%
Audit Fees	\$0	\$0	14,000	0%	\$0	0%
Insurance	\$439	\$877	5,368	16%	\$473	11%
Website (incl translation)	\$0	\$0	540	0%	\$10	2%
Telephone/Fax/Internet	\$342	\$653	2,250	29%	\$58	3%
Postage/Courier	\$0	\$51	500	10%	\$4	0%
Office Expenses	\$123	\$143	4,500	3%	\$698	26%
Bank Charges	\$0	\$0	38	0%	\$0	0%
Miscellaneous Expenses	\$0	\$0	-	0%	\$0	0%
Amortization Expense	\$0	\$0	-	0%	\$0	0%
Depreciation Computer/Office Equipm ¹	\$0	\$39	640	0%	\$78	3%
Sub Total Association Operating Expenses	\$20,306	\$40,429	\$270,716	15%	\$37,526	
Distribution & Market Conduct Committee						
Provincial Regulatory Review	\$0	\$0	3,000	0%	\$0	0%
Research/Studies	\$0	\$0	50,000	0%	\$0	0%
Sub Total Distribution & Market Conduct Committee	\$0	\$0	\$53,000	0%	\$0	
Licensing Efficiency Issues Committee						
Regulatory Model (s)	\$63	\$434	12,000	4%	\$0	0%
Federal Financial Reform	\$0	\$101	3,000		\$0	0%
Sub Total Licensing Efficiency Issues Committee	\$63	\$534	\$15,000	4%	\$0	
Media & Advocacy Strategy Committee						
Tactical Communications Strategy	\$194	\$194	51,500	0%	\$0	0%
Association Branding	\$0	\$0	2,500	0%	\$0	0%
Sub Total Media & Advocacy Strategy Committee	\$194	\$194	\$54,000	0%	\$0	
Networking & Events Committee						
Board/EOC/AGM Expense ²	\$6,162	\$8,553	20,500	42%	\$2,230	11%
Networking Events	\$9	\$9	1,756	1%	\$0	0%
15th Anniversary Event	\$0	\$0	-	#DIV/0!	\$0	0%
Sub Total Networking & Events Committee	\$6,171	\$8,562	\$22,256	38%	\$2,230	
Media Relations, CAFII Consultant						
Media Relations, CAFII Consultant	\$0	\$0	-		\$0	0%
Sub Total Media Relations, CAFII Consultant	\$0	\$0			\$0	
TOTAL EXPENSE	\$26,733	\$49,720	414,972	12%	\$39,756	11%
EXCESS OF REVENUE OVER EXPENSES	\$6,682	\$17,115	(\$13,752)		28,715.75	

Explanatory Notes:

- (1) Amortization of office equipment based on 4 year straight line depreciation
(2) Board meetings and receptions, special Board or EOC lunch meetings, speaker expenses

CAFII

Toronto, ON M4V 2Y7

Membership Fees

As At December 31, 2013

	<u>Jan-14</u>		<u>Jul-14</u>
	<u>Billed</u>	<u>Received</u>	<u>Billed</u> <u>Received</u>
BMO Bank of Montreal	\$ 23,500.00	Mar7,2014	\$ 23,500.00
CIBC Insurance	\$ 23,500.00	Mar21,2014	\$ 23,500.00
RBC Insurance	\$ 23,500.00	Mar21,2014	\$ 23,500.00
ScotiaLife Financial	\$ 23,500.00	Mar7,2014	\$ 23,500.00
TD Insurance	\$ 23,500.00	Mar7,2014	\$ 23,500.00
AMEX Bank of Canada	\$ 11,750.00		\$ 11,750.00
Assurant Solutions	\$ 11,750.00	Mar31,2014	\$ 11,750.00
Canadian Premier Life Insurance Company	\$ 11,750.00	Mar31,2014	\$ 11,750.00
Desjardins Financial Security Life Assurance Company	\$ 11,750.00	Mar31,2014	\$ 11,750.00
National Bank Insurance Company	\$ 11,750.00	Mar31,2014	\$ 11,750.00
Aimia	\$ 4,800.00	Mar7,2014	
Avalon Actuarial	\$ 4,800.00	Mar21,2014	
Collins Barrow Toronto Actuarial Services	\$ 4,800.00		
CSI Brokers Inc.	\$ 4,800.00		
KPMG	\$ 4,800.00		
Laurentian Bank of Canada	\$ 4,800.00	Mar21,2014	
Munich Re	\$ 4,800.00	Mar7,2014	
Optima Communications	\$ 4,800.00	Mar21,2014	
RGA Life Reinsurance Company of Canada	\$ 4,800.00	Mar31,2014	
The Canada Life Assurance Company	\$ 4,800.00	Mar21,2014	
January Invoices	\$224,250		\$176,250
July Invoices	\$176,250		
Total Membership Fees	\$400,500		
Total amount to realocate monthly Jan-Dec	\$33,375		

DRAFT #6
March 31, 2014

Financial Statements of

**CANADIAN ASSOCIATION OF
FINANCIAL INSTITUTIONS IN
INSURANCE**

Year ended December 31, 2013

INDEPENDENT AUDITORS' REPORT

To the Members of the Canadian Association of Financial Institutions in Insurance

We have audited the accompanying financial statements of the Canadian Association of Financial Institutions in Insurance, which comprise the statement of financial position as at December 31, 2013, the statements of operations and changes in unrestricted net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Canadian Association of Financial Institutions in Insurance as at December 31, 2013, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

DRAFT

Chartered Professional Accountants, Licensed Public Accountants

April 8, 2014
Toronto, Canada

CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE

DRAFT Statement of Financial Position

As at December 31, 2013, with comparative information for 2012

	2013	2012
Assets		
Current assets:		
Cash and short-term deposits (note 4)	\$ 294,201	\$ 237,005
Accounts receivable	—	594
Interest receivable	344	493
Prepaid expenses	9,672	10,339
Capital assets (note 5)	1,828	2,295
	\$ 306,045	\$ 250,726

Liabilities and Unrestricted Net Assets

Current liabilities:		
Accounts payable	\$ 17,754	\$ 71,302
Unrestricted net assets (note 2)	288,291	179,424
	\$ 306,045	\$ 250,726

The accompanying notes are an integral part of the financial statements.

On behalf of the Board:

_____ Director

_____ Director

CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE

DRAFT Statement of Operations and Changes in Unrestricted Net Assets

Year ended December 31, 2013, with comparative information for 2012

	2013	2012
Revenue:		
Membership fees	\$ 400,500	\$ 410,100
Interest	607	709
	401,107	410,809
Expenses:		
Association operating	244,889	273,742
Networking and events committee	33,667	14,597
Distribution and market conduct committee	8,059	67,515
Media and advocacy strategy committee	4,633	2,420
Licensing efficiency issues committee	992	—
Media Relations, CAFII consultant	—	10,430
	292,240	368,704
Excess of revenue over expenses	108,867	42,105
Unrestricted net assets, beginning of year	179,424	137,319
Unrestricted net assets, end of year	\$ 288,291	\$ 179,424

The accompanying notes are an integral part of the financial statements.

CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE

DRAFT Statement of Cash Flows

Year ended December 31, 2013, with comparative information for 2012

	2013	2012
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 108,867	\$ 42,105
Amortization of capital assets	467	39
Change in non-cash operating working capital	(52,138)	51,620
	57,196	93,764
Financing activities:		
Purchase of capital assets	—	(2,334)
Increase in cash position	57,196	91,430
Cash position, beginning of year	237,005	145,575
Cash position, end of year	\$ 294,201	\$ 237,005
Represented by:		
Cash	\$ 241,349	\$ 184,908
Short-term deposits	52,852	52,097
	\$ 294,201	\$ 237,005

The accompanying notes are an integral part of these financial statements.

CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE

DRAFT Notes to Financial Statements

Year ended December 31, 2013

The Canadian Association of Financial Institutions in Insurance ("CAFII") is a not-for-profit association incorporated under the Canada Corporations Act. CAFII was incorporated on October 29, 1997 and commenced operations on January 1, 1998. CAFII was established to provide an industry-based forum to represent a range of financial institutions in insurance in Canada and to work in partnership with governments to create an efficient and effective regulatory framework that provides consumer choice in the purchase of insurance products and services. CAFII's members provide life, property and casualty, travel and credit insurance, reinsurance and other products and services through a wide variety of distribution systems. CAFII is exempt from income taxes under paragraph 149(1)(i) of the Income Tax Act (Canada).

1. Significant accounting policies:

(a) General:

The financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-For-Profit Organizations in Part III of the Canadian Professional Accountants of Canada Handbook.

(b) Revenue recognition:

CAFII derives its revenue primarily through membership fees. Fees are recognized as revenue in the membership period to which they relate.

Deferred membership fees represent fees received in advance of the membership period to which they relate.

(c) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and short-term deposits which are highly liquid with original maturities of less than three months.

CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2013

1. Significant accounting policies (continued):

(d) Capital assets:

Capital assets are recorded at cost. When a capital asset no longer contributes to CAFII's ability to provide services, its carrying amount is written down to its residual value.

Capital assets consist of computer equipment and are amortized on a straight-line basis over five years.

(e) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. CAFII has not elected to carry any such financial instruments at fair value.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, CAFII determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount CAFII expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(f) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amount of capital assets. Actual results could differ from those estimates.

CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2013

2. Unrestricted net assets:

Management intends to utilize unrestricted net assets on projects subject to approval by the Board.

3. Financial instruments:

The carrying amounts of financial assets and liabilities approximate their fair values due to the short-term nature of these financial instruments.

4. Cash and cash equivalents:

Cash and cash equivalents are comprised of the following:

	2013	2012
Cash	\$ 241,349	\$ 184,908
Short-term deposits	52,852	52,097
	\$ 294,201	\$ 237,005

5. Capital assets:

2013	Cost	Accumulated amortization	Net book value
Computer equipment	\$ 2,334	\$ 506	\$ 1,828

2012	Cost	Accumulated amortization	Net book value
Computer equipment	\$ 2,334	\$ 39	\$ 2,295

CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2013

6. Financial risks and concentration of credit risk:

(a) Liquidity risk:

Liquidity risk is the risk that CAFII will be unable to fulfill its obligations on a timely basis or at a reasonable cost. CAFII manages its liquidity risk by monitoring its operating requirements. CAFII prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures from 2012.

(b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. CAFII is exposed to credit risk with respect to the accounts receivable. CAFII assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts.

Canadian Association of Financial Institutions (CAFI)

2014 Executive Director Balanced Scorecard — Association Oversight and Management Metrics

20-03-2014

Association Oversight and Management Metrics				
Audience/Stakeholder Type	Objectives	Measures	Timelines	Analysis
Association as a whole	Ensure that CAFI successfully and optimally "continues" under Canada Non-Profit Corporations Act (CNCA)	CAFI successfully files "Articles of Continuance" and Revised Bylaw with Industry Canada by October 17, 2014 deadline; and Certificate of Continuance is received thereafter CAFI's Revised By-law is optimally structured, within constraints imposed by CNCA, to facilitate efficient and effective future governance and operations	Q2 2014 Q3 2014 and Ongoing	
Association as a whole	Ensure that Association adheres to good governance practices in Board, EOC, and committee appointments and other transitions, conduct of annual and special meetings of members; and that required policies and procedures are in place and followed	CAFI governance policies and procedures are well-conceived, documented, and communicated; and adhered to Smooth, successful, non-controversial conduct of Board and EOC succession appointments; and of annual meeting	Ongoing Ongoing	
Association as a whole	Seek to become a trusted "go to" information resource	ED remains fully engaged and becomes knowledgeable about all CAFI activities, decisions, and policies ED plays lead role in agenda preparation for Board and EOC meetings, and attends all scheduled Board, EOC, and subcommittee meetings Board and EOC members see ED as "go to" resource on governance and strategic decision matters	Ongoing Ongoing Ongoing	
Association as a whole	Ensure that CAFI 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 are appropriate and adhered to	ED plays a leadership role in development, management, and tracking/monitoring of CAFI's annual operating budget, and committee and project budgets Budget targets are met, except for explainable/approved variances Financial control and signing authority policies and procedures are adhered to	Ongoing Ongoing Ongoing	
Association as a whole	With EOC Chair, oversee forming and activities of standing EOC subcommittees and adhoc working groups; and monitor and foster their progress	ED participates on all EOC subcommittees, helps in the determination of priorities and budgets, and works to support their activities and success in the achievement of objectives	Ongoing	

Association Oversight and Management Metrics				
Audience/Stakeholder Type	Objectives	Measures	Timelines	Analysis
Association as a whole	Ensure that CAFII's daily operations and ongoing administration function smoothly	<p>ED works productively and manages relationship with CAFII Administrative Co-ordinator and other members of TO Corp support team</p> <p>ED provides leadership, management and mentoring which optimizes performance of TO Corp staff in support of CAFII's goals and objectives</p> <p>ED completes assessment of workload allocation and resourcing; tracking of his time allocations over a set period; and compilation of results. Pulls together insights/conclusions for EOC and Board review and approval</p> <p>ED engages with TO Corp and EOC Chair to identify opportunities to streamline processes and realign workloads to ensure smooth and timely completion of all deliverables</p>	<p>Ongoing</p> <p>Ongoing</p> <p>Q1 and Q2 2014</p> <p>Q2 2014 and Ongoing</p>	
Executive Operations Committee	Provide strategic and operational support to the EOC Chair in management of CAFII priorities and activities, and accountability reporting thereon	<p>ED provides engaged strategic and operational support of EOC Chair which alleviates "human resources burden" on that volunteer leader</p> <p>ED escalates appropriate matters to EOC Chair for review and decision-making</p>	<p>Ongoing</p> <p>Ongoing</p>	
Association as a whole	<p>Efficient, effective CAFII meetings</p> <p>Working with EOC Chair and standing committee Chairs, ensure that agendas are focused and goal-oriented; and meetings are managed accordingly</p>	<p>Agendas and meeting materials are distributed with appropriate lead time.</p> <p>Committee members are engaged in meeting discussions and generally pleased with the conduct of meetings.</p> <p>Meeting outcomes are productive and advance CAFII's objectives.</p>	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>	
Association as a whole	Ensure that "CAFII Priorities By Committee" document is kept up-to-date and well-utilized as an operations plan for the Association	<p>ED demonstrates engaged "ownership" of "CAFII Priorities By Committee" document</p> <p>Document is updated for every EOC and Board meeting</p> <p>ED monitors and ensures that CAFII committee activities remain focused and on track, using "CAFII Priorities By Committee" document as a map and guide</p>	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>	

Canadian Association of Financial Institutions (CAFI)
2014 Executive Director Balanced Scorecard — Media and Public Communications Metrics
20-03-2014

Media and Public Communications Metrics				
Audience/Stakeholder Type	Objectives	Measures	Timelines	Analysis
Media	Deliver on Strategy and Tactics within the Implementation Timelines set out in Board-approved Communications Strategy (appended)	Successful execution of tactics within specified timelines	As per Communications Strategy Tactical Implementation Timelines	

Canadian Association of Financial Institutions (CAFII)
2014 Executive Director Balanced Scorecard — Regulatory Relations and Advocacy Metrics
20-03-2014

Regulatory Relations and Advocacy Metrics				
Audience/Stakeholder Type	Objectives	Measures	Timelines	Analysis
Regulators and Policy-Makers	Deliver on Regulator and Policy-Maker Strategy and Tactics within the timelines as set out in the Board-approved Communications Strategy (appended)	Successful execution of tactics within specified timelines	As per Communications Strategy Tactical Implementation Timelines	
	Completion of the "rebranding" of the Association, such that its new "look and feel" becomes synonymous with CAFII's name in the eyes of regulators, policy-makers, and other key stakeholders including members	Timely, high quality regulatory submissions emblazoned with new CAFII branding	Q1 2014 through Q3 2014	
	Ensure that Regulator and Policy-Maker Visit Plan is well-maintained, updated for every EOC and Board meeting, and executed/achieved	Regulators' and policy-makers' willingness to meet with CAFII; willingness to take advocacy arguments into account; favourable legislative and regulatory action or inaction	Ongoing	
	Produce an informative, "industry intelligence"-focused Regulatory Update for each EOC and Board meeting	Development and maintenance of enhanced Regulator and Policy-Maker Visit Plan, focused on dedicated, face-to-face meetings with each provincial regulator and relevant policy-maker at least once every 18 months, in Toronto or their location	Ongoing	
	Draft and deliver highly quality regulatory submissions on time		Ongoing	
	Obtain input from EOC and Board members in preparation of regulatory submissions; and ensure that they have sufficient time to respond to initial drafts		Ongoing	
	Ensure that, where appropriate, CAFII regulatory submissions reflect prior consultation with allied industry Associations		Ongoing	
	Maintain productive, collegial, mutually beneficial working relationships with allied industry Associations (egs. CLHIA, CBA)	Demonstrable collaboration and productive working relationships with allied Associations, particularly around regulatory submissions	Ongoing	
		Leadership in forming joint or multipartite industry working groups, where appropriate	If appropriate circumstances and opportunity present themselves	

Canadian Association of Financial Institutions (CAFI)
2014 Executive Director Balanced Scorecard — Learning and Personal Development Metrics
20-03-2014

Learning and Personal Development Metrics				
Audience/ Stakeholder Type	Objectives	Measures	Timelines	Analysis
Personal	Polish communication style for three key audiences: Media; Regulators and Policy-Makers; and Board/CAFI leaders	Development and improvement through learning at Media Training and Communications Training Sessions with Patrick McGee	Q1 2014; and Q2 2014	
	Continue strong focus on learning about Creditors Group Insurance industry and alternate distribution	ED becomes "Subject Matter Expert" and "go to" resource for Board and EOC members and other CAFI stakeholders ED demonstrates enhanced understanding of and judgment on CAFI positioning on contentious issues	Ongoing Ongoing	

2014 CAFII External Communications Strategy: Communications Tactics and Implementation Timelines

(Draft For Board Update On Tactical Implementation Timelines)

April 3, 2014

Communications Tactics For Regulators and Policy-Makers

- ✓ Continued strong proactive focus on this key audience, broadened to include Policy-Makers in addition to Regulators
- ✓ Majority of activity is provincially focused, with selective activity directed towards federal authorities, i.e. Financial Consumer Agency of Canada (FCAC)
- ✓ Maximize use of face-to-face interaction opportunities, as the warmest and most effective channel to build relationships and deliver key messages
- ✓ Strategic use of all written contacts (submissions, regulatory newsletters, etc.) as an opportunity to reinforce communications objectives

Communication Tactics	Details
Proactive Face-to-Face Interaction	<p><i>Continued Activity, with enhanced focus:</i></p> <ul style="list-style-type: none"> • Invitations to CAFII Speaker and Networking events • Pre-consultation and consultation meetings with regulators • Enhanced Regulator Visit Plan, focused on dedicated, face-to-face meetings with each provincial regulator at least once every 18 months, in Toronto or their location - Leverage regional meetings where common interest exists - Periodic liaison meetings with provincial regulator executive teams, as needs/issues arise <p><i>New/Enhanced Activity:</i></p> <ul style="list-style-type: none"> • Identify key provincial and federal policy-makers and develop a Policy-Maker Visit Plan, with targeted key messages • Meet with relevant provincial policy-makers, in conjunction with regulator meetings • Attendance at industry conferences, symposia, and related events where regulators and policy-makers will be present • Assess options to engage and influence non-FI Creditor Insurance players around regulatory risk discussions and industry education, including targeting them as possible Associate Members of CAFII
Proactive Written Communications	<p><i>Continued Activity, with enhanced focus:</i></p> <ul style="list-style-type: none"> • Timely, high quality regulatory submissions emblazoned with new CAFII branding • Webinars for CCIR and the CISRO community (on annual basis at a minimum) • Regulatory Newsletter, distributed to regulators and policy-makers as an information resource • Regular phone contact by Executive Director to source newsworthy developments • Interaction with related Associations (i.e. CLHIA, CBA) to ensure Key Messages are aligned yet still tailored to reflect CAFII's perspective <p><i>New/Enhanced Activity:</i></p> <ul style="list-style-type: none"> • Sponsor more frequent independent consumer research on key CAFII issues to provide content for submissions and proactive Releases . (i.e.. inclusion of two or three targeted questions on quarterly omnibus survey, eg. Pollara's syndicated "InsurPoll") • Strategically share results with regulators and policy-makers in timely, focused manner through both written Releases and educational webinars • Regulator Kit of briefing documents focused on CAFII's key messages (both electronic and paper distribution) • Leverage enhanced, regularly updated web site content which provides CAFII-branded regulator and policy-maker-focused resources

Communications Tactics For Media

- ✓ Focus on gradual transition to a “Prepared and Selectively Proactive” strategy, to begin earning credibility and bona fides with this Key Audience
- ✓ Focus on developing air-tight Key Messages to fuel confidence in being selectively proactive; and on using third party research to buttress messages
- ✓ Reassess strategy as part of 2015 communications planning

Communication Tactics	Details
<u>Prepared and Selectively Proactive</u>	<p>New /Enhanced Activity:</p> <ul style="list-style-type: none"> •Develop a broad inventory of Key Messages which can also be used with other Key Audiences and develop potential story scenarios with up-to-date scripted responses (share with CAFII members for their own use) •Develop a series of short, non-provocative articles on various aspects of the case for Creditor Insurance and Alternate Distribution, written as much as possible from a Consumer Financial Literacy lens. Use this content for “pen control” media communication opportunities, a Media Kit, the website, and other applications •Leverage independent consumer research on targeted insurance topics to provide content for a program of feature-style Media Releases; and dissemination of findings to other audiences •Identify “friendly” media representatives •Respond to media requests for information and interviews, in accordance with Board-approved Media Protocol •Monitor media coverage and social media posts (English and French) re Creditor’s Insurance and related CAFII-relevant issues <ul style="list-style-type: none"> –Strategically and selectively respond to published misinformation about Creditor’s Insurance products, using Key Messages and Stock Answers •Provide media training session for Executive Director and available Board members, based on approved Key Messages and Stock Answers •Create “About Creditor Insurance” Media Kit from web-based resources, for ready dissemination when need arises <ul style="list-style-type: none"> –some overlap with Regulator Kit content, so likely dual application of information pieces developed –Develop Media-focused section on CAFII web site •Revisit and assess this Communications Strategy in Q4 2014 to determine if CAFII wishes to continue a “Prepared and Selectively Proactive” approach or transition to more proactive media communications tactics beginning in 2015

Communications Tactics For The Public and Consumer Interest Groups

- ✓ Focus on gradual transition to a “Prepared and Selectively Proactive” strategy, to begin earning credibility and bona fides with this Key Audience
- ✓ Focus on developing air-tight Key Messages to fuel confidence in being selectively proactive; and on using third party research to buttress messages
- ✓ Reassess strategy as part of 2015 communications planning

Communication Tactics	Details
<u>Prepared and Selectively Proactive</u>	<p><i>New/Enhanced Activity:</i></p> <ul style="list-style-type: none"> • Increase reliance on the recently enhanced website to communicate with this audience: <ul style="list-style-type: none"> – Ensure Key Messages and FAQs are added to the website and easily accessible to the public – Source member company testimonial videos or short stories citing the positive impact of Creditor Insurance. – Enhance “Contact Us” section to facilitate consumer questions about Creditor Insurance, or about CAFII and its members. Ensure responses to questions are provided on a timely basis – Invest in Search Engine Optimization (SEO) services to drive consumers with “Creditor Insurance” and related queries to the site • Leverage independent consumer research on key CAFII issues (developed primarily for use with Regulators /Policy-Makers and Media) to provide content for responding to Public and Consumer Interest Group information requests • Monitor the agendas and activities of key Consumer Interest Groups for environmental scanning purposes: <ul style="list-style-type: none"> – i.e.. Consumers Council of Canada; Consumer’s Association of Canada; Public Interest Advocacy Centre, etc. – identify opportunities to provide value-added information (eg. “Creditors Insurance: Are Consumers Being Well Served?” report prepared by Consumers Council of Canada for Office of Consumer Affairs, Industry Canada, March 2009) • <i>When and if appropriate, engage proactively with the public and/or consumer interest groups around Consumer Financial Literacy or other targeted insurance topics</i> • <i>Revisit and assess this Communications Strategy in Q4 2014 to determine if CAFII wishes to continue a “Prepared and Selectively Proactive” approach or transition to more proactive communications tactics beginning in 2015</i>

Regulators and Policy-Makers: Engage effectively to position CAFII as “go to” resource for credible information and insights (1)

Initiative	Q1 2014 Deliverables	Comments	Q2 2014 Deliverables	Q3 2014 Deliverables	Q4 2014 Deliverables
Completion of rebranding of CAFII	Secure delivery of all electronic and printed stationery and templates with new CAFII logo and “look and feel”	Completed on time and within budget			
Draft and deliver high quality regulatory submissions	Response to Draft 2 of Manitoba’s Draft ISI Regulation (delivered January 10/14)	Completed on time, with input from EOC and in consultation with allied industry Associations	Submission in response to FSCO’s Draft 2014 Statement of Priorities, due May 30		
	CISRO-requested letter of support from CAFII for its LLQP modernization efforts (delivered February 21/14)	Completed and submitted within two weeks of request, with input from EOC			
	CAFII submission in response to Finance Canada’s proposed federal financial consumer code (delivered February 28/14)	Completed on time, with input from EOC and in consultation with allied industry Associations			
	Submission in response to CCIR’s call for input for its 2014-17 Strategic Plan (delivered February 14/14)	Completed on time, with input from EOC			

Regulators and Policy-Makers: Engage effectively to position CAFII as “go to” resource for credible information and insights (2)

Initiative	Q1 2014 Deliverables	Comments	Q2 2014 Deliverables	Q3 2014 Deliverables	Q4 2014 Deliverables
Meet face-to-face with each relevant regulator and policy-maker at least once every 18 months	Arrange opportunity(ies) for Alberta Insurance Council to give demo presentation(s) of its new Canadian Insurance Participant Registry (CIPR)	Completed, twice: face-to-face presentation on January 8 in Toronto; and webinar presentation in March	Meet with FSCO on April 9 to provide feedback on Interim Report of Life Insurance Product Suitability Review	Presentation to CISRO on multi-jurisdictional licensing and other compliance challenges faced by national contact centres, at meeting in Fredericton, September 29-30	
	One-on-one stakeholder meeting with CISRO LLQP Committee	Completed on February 10, very successfully. Meeting resulted in request for a letter of support from CAFII.	One-on-one stakeholder meeting for CAFII with CISRO LLQP Committee on May 28		
	Liaison lunch with J. Abram and R. Gilbertson of Alberta Insurance Council on March 17	Productive discussion where regulator identified travel insurance issues as a growing concern	Liaison dinner with C. Rogers, CCIR Chair, being arranged for May 6 in Ottawa		
			Liaison dinner with G. Matier, Insurance Council of BC, arranged for May 28		
Ensure that Regulator and Policy-Maker Visit Plan is updated for every EOC and Board meeting	-January update -February update -March update	Completed	Joint Liaison Meeting with Atlantic Canada Insurance Regulators on May 15 in Halifax		
			Liaison Lunch Meeting with AMF in Montreal on April 8		
			Meeting with Manitoba Minister of Finance in May (awaiting date confirmation)		
			Attend CLHIA Compliance Conference, where several provincial regulators will be present		
4/3/2014		Draft for Discussion Purposes			6

Regulators and Policy-Makers: Effective Regulatory Advocacy

Initiative	Q1 2014 Deliverables	Comments	Q2 2014 Deliverables	Q3 2014 Deliverables	Q4 2014 Deliverables
Manitoba Draft ISI Regulation	Secure desired amendments to draft ISI Regulation	Completed, with high degree of success. Manitoba has confirmed in writing that it will be amending Regulation to address all concerns articulated by CAFII and other industry stakeholders, save for one that would require amendment to Insurance Act	Monitor to ensure that Regulation passed is as promised (ongoing)	Presentation to CISRO on multi-jurisdictional licensing and other compliance challenges faced by national contact centres, at meeting in Fredericton, September 29-30	
Travel Insurance Concerns Identified by Alberta Insurance Council and C. Rogers, CCIR Chair			Play leadership role in formation and functioning of "Multi-partite Industry/Regulator Task Force on Travel Insurance Application Forms"		
			Approach CLHIA and, if support received, THIA subsequently about prospect of forming a "Multi-partite Industry/Regulator Task Force on Travel Insurance Application Forms" to address travel insurance concerns raised by regulators, towards a positive win-win outcome, with strong CAFII participation		

Regulators and Policy-Makers: Communicate benefits of Creditor Insurance; and positively influence perceptions, awareness, and understanding

Initiative	Q1 2014 Deliverables	Comments	Q2 2014 Deliverables	Q3 2014 Deliverables	Q4 2014 Deliverables
Regulator Kit			Develop content and first draft design of materials for Regulator Kit	Disseminate Regulator Kit, including first Regulatory Newsletter, to Regulators and Policy-Makers	
			Prepare first issue of quarterly Regulatory Newsletter, for inclusion with Regulator Kit		
Independent consumer research on insurance topics and issues				Working with MAC, formulate plan and budget for increased use of independent consumer research, beginning in 2015, to provide communications content for Regulators/Policy-Makers and other audiences	Secure EOC and Board approval of plan and budget for increased use of independent consumer research
				Working with MAC, formulate plan and budget for engaging with non-FI Creditor Insurance Groups around regulatory risk and industry education	Secure EOC and Board approval of plan and budget for engaging with non-FI Creditor Insurance Groups
4/3/2014		Draft for Discussion Purposes			8

Regulators and Policy-Makers: Keep EOC and Board Members Well-Informed of Regulatory Issues and Developments

Initiative	Q1 2014 Deliverables	Comments	Q2 2014 Deliverables	Q3 2014 Deliverables	Q4 2014 Deliverables
Deliver an "industry intelligence"-focused Regulatory Update for each EOC and Board Meeting	Update for January EOC Meeting	Completed	Ongoing	Ongoing	Ongoing
	Update for February EOC Meeting	Completed			
	Update for March EOC Meeting	Completed			
Keep EOC and Board members well-informed through other means	Direct communiques to EOC members on time-sensitive issues and developments	29 communiques sent to EOC members in Q1			

Media: Improve, Consolidate, and Confirm “Readiness” to Respond to Media Requests (1)

Initiative	Q1 2014 Deliverables	Comments	Q2 2104 Deliverables	Q3 2014 Deliverables	Q4 2014 Deliverables
Media Training Refresher	Media Training Session for Executive Director and CAFII volunteer leaders	Completed on March 26/14			
Key Messages/Story Scenarios/Stock Answers			Complete Key Messages/Stock Answers/Story Scenarios utilizing feedback obtained in Media Training Session, with strong emphasis on “human touch” aspects of how CAFII members meet consumers’ needs		
Consumer Testimonials			Secure additional consumer testimonials from CAFII members	Ensure that all consumer testimonials secured are posted to CAFII site and referred to in media response materials	
Short articles on case for Creditor Insurance and Alternate Distribution				Develop series of short articles on Creditor Insurance and Alternate Distribution, with emphasis on human interest angle, for use on web site, in Media Kit, in “pen control” media opportunities, etc.	
4/3/2014		Draft for Discussion Purposes			10

Media: Improve, Consolidate, and Confirm “Readiness” to Respond to Media Requests (2)

Initiative	Q1 2014 Deliverables	Comments	Q2 2014 Deliverables	Q3 2014 Deliverables	Q4 2014 Deliverables
Media Kit					Develop an “About Creditor Insurance” Media Kit, using existing web site content and other resources
Media section on CAFII web site					Develop a media-focused section on web site, using Media Kit materials and other content developed
Independent consumer research on insurance topics and issues				Working with MAC, formulate plan and budget for increased use of independent consumer research, beginning in 2015, to provide communications content for Media and other audiences	Secure EOC and Board approval of plan and budget for increased use of independent consumer research

Media: Selective Pro-active Engagement With Media

Initiative	Q1 2015 Deliverables	Q2 2015 Deliverables	Q3 2015 Deliverables	Q4 2015 Deliverables
Independent consumer research	Launch approved plan for independent consumer research on insurance topics to fuel program of survey data-based Releases to selected media			
Roundtable Discussion meeting with "friendly media"	Arrange Roundtable meeting with small group of "friendly media" to discuss and educate around Creditor's Group Insurance; the underserved market; and alternate distribution, at which Media Kit will be used as a discussion guide and distributed			

The Public and Consumer Interest Groups: Enhanced Consumer-Friendly Web Presence

Initiative	Q1 2014 Deliverables	Comments	Q2 2014 Deliverables	Q3 2014 Deliverables	Q4 2014 Deliverables
Consumer Testimonials			Secure additional Consumer Testimonials from CAFII members	Ensure that all consumer testimonials secured are posted to CAFII site, and regularly refreshed	
Enhance consumer-friendliness of CAFII's web presence				Engage Search Engine Optimization services to improve CAFII's ranking in search results, and drive consumers with Creditor Insurance inquiries to site	Post Kit materials developed for other audiences to CAFII site, as information resource also directly relevant to consumers
				Revamp "Contact Us" section of site to welcome consumer questions about Creditor Insurance	Answer consumer queries about Creditor Insurance promptly, on an ongoing basis

The Public and Consumer Interest Groups: Monitoring and Engagement

Initiative	Q1 2014 Deliverables	Comments	Q2 2014 Deliverables	Q3 2014 Deliverables	Q4 2014 Deliverables
FAQs on Creditor Insurance for FCAC web site	Draft FAQs using existing content on CAFII site	Completed in March. To be reviewed by MAC at April meeting.	After MAC and EOC review and approval, deliver FAQs on Creditor Insurance to FCAC for use on its site		
Financial Literacy Month			Formulate plan and budget for CAFII to have some profile/involvement in Financial Literacy Month (November); use process as vehicle for engaging and raising CAFII's profile with FCAC and/or other regulators (egs. FSCO, AMF)	Secure EOC and Board approval for CAFII's involvement in Financial Literacy Month through an event, or Release/announcement; or social media campaign, etc.	Execute plan for CAFII involvement in Financial Literacy Month
Monitoring of Consumer Interest Groups	Include intelligence on Consumer Interest Groups' issues and activities in Regulatory Update for EOC and Board meetings	Intelligence included in two of three Regulatory Updates in Q1	Ongoing	Ongoing	Ongoing
Direct engagement with Consumer Interest Groups					Formulate plan and budget for CAFII to engage directly, beginning in 2015, with one or more key Consumer Interest Groups (eg. Seat on Advisory Board of Consumer's Council of Canada, as per CLHIA)

Covering Memo Regarding Agenda Items:

5.3. Approval of By-Law 2014-5A

5.4. CNCA Transition

RECOMMENDATION: The EOC recommends approving By-Law 2014-5A (replacing By-Law 2009-5) to address a potential issue under the new Canada Not-for-profit Corporations Act (CNCA) that would allow current non-voting members (ie. Associate Members) a vote on some important matters.

BACKGROUND

- The new CNCA allows members in non-voting membership classes to vote on some important matters ie. certain amendments to membership classes, rights and conditions; or decisions to amalgamate or dissolve the corporation. This vote would occur at the Annual Special Meeting (June 10);

Current State:

- CAFII Bylaw 2009-5 provides for 3 classes of members:
 - a. Foundation Members: BMO, CIBC, National, RBC, Scotia, TD (not all were original founding members)
 - b. Voting Members: AMEX, Assurant, CPL, Desjardins
 - c. Associate Members: Others such as Avalon, Canada Life, etc.*Currently, only CAFII Foundation and Voting members have voting rights.*

- EOC does not believe the CAFII board wishes to extend such voting rights to Associate Members

PROPOSED ACTION:

Objective:

- Make changes to remove the non-voting membership class of Associate Members
- Redefine these corporations as “Associates”
- Set out in a corporate policy, CAFII’s terms of recognition, regarding these affiliated corporations.
- Make these changes without requiring the approval of current Associate Members

Proposed Approach:

2 step approach:

1. *Approve CAFII By-law 2014-5A before considering the requirements for continuance under the CNCA during the Board meeting on April 8. This involves:*
 - A. BOARD AGENDA ITEM 5.3: Introduce By-Law 2014-5A for approval by Board, in effect deleting the Associate Member class. All existing Associate Members will automatically be deemed Associates and are not a class of membership.
It is not necessary for Associate Members to be made aware of this change, nor do they have any right to vote on it
 - B. Hold Special Meeting of Foundation Members (similar to handling of AGM) to confirm By-Law 2014-5A. Changes to membership classes must be confirmed by 2/3 majority of Foundation Members (as per current By-Law 2009-5).
2. BOARD AGENDA ITEM 5.4: *Approve Articles of Continuance and Proposed Bylaw #1 (which does not include Associate Members) to be sanctioned by all members at the Annual & Special Meeting on June 10.*

If Step 1 and 2 are not completed on April 8, it would be necessary for all members (including Associates Members) to vote on a motion to remove the Associates Members as a voting membership class at the Annual and Special Meeting on June 10.

COVERING MEMO & RESOLUTION REGARDING

BOARD AGENDA ITEM 5.3: Approval of By-Law 2014-5A

Purpose: To approve By-Law 2014-5A and in effect remove the non-voting class of Associate Members.

Reasoning:

- Under new CNCA, non-voting members will have voting rights extended to them in the case of certain fundamental decisions, ie. certain amendments to membership classes;
- EOC does not believe the CAFII board wishes to extend such voting rights to Associate Members;
- This change is consistent with current practice;
- These corporations will be redefined as Associates, and defined in a corporate policy outlining terms of recognition, etc;
- This change is recommended as part of CAFII's transition to the new *Canada Not-for-profit Corporations Act*.

RESOLUTION TO BE PASSED:

RESOLVED that:

1. *By-law 2014-5A, being a by-law to amend By-law 2009-5, be and the same is hereby approved;*
2. *By-law 2014-5A shall be submitted to the Foundation Members for confirmation;*
3. *subject to the confirmation of By-law 2014-5A by the Foundation Members of the Corporation, the Chair and Secretary of the Corporation (the "Authorized Signatories") be and are hereby authorized and directed to do, execute and perform all acts, documents and instruments necessary or desirable to give full force and effect to the foregoing, including without limitation the execution and delivery to Industry Canada of By-law 2014-5A; and*
4. *the Authorized Signatories be and are hereby authorized and directed to make such technical changes in By-law 2014-5A as may be required by Industry Canada, with no further recourse to the board or members to approve or confirm such changes, and any such amendments made by such Authorized Signatories shall be conclusive evidence of the need to make such amendments and are hereby ratified, sanctioned and approved.*

BY-LAW NO. 2014-5A

BEING A BY-LAW TO AMEND BY-LAW NO. 2009-5 OF THE CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE/ ASSOCIATION CANADIENNE DES INSTITUTIONS FINANCIÈRES EN ASSURANCE (CAFII) (THE "CORPORATION")

Upon and subject to obtaining the approval of the Minister of Industry, By-law 2009-5 of the Corporation is hereby amended as follows:

- 1) Article 1.01's definition of "Associate Members" is hereby deleted.
- 2) Article 9.02 is hereby deleted and replaced by the following:

9.02 Classes of Members

There shall be two classes of members of the Corporation: Foundation Members and Regular Members.

- (a) The Foundation Members shall consist of entities that are controlled by a bank as that term is defined in the *Bank Act* (Canada), and shall be, as of the date that this by-law comes into force, RBC Insurance Holdings Inc., CIBC Life Insurance Company Limited, Toronto Dominion Life Insurance Company, Scotia Life Insurance Company, Bank of Montreal Insurance Company, and National Bank Life Insurance Company, and their successors as well as such other qualified entities whose applications for admission as Foundation Members have been accepted by at least a two-thirds (2/3) majority of the directors in office nominated by the Foundation Members or their successors. If there is a change in control of a Foundation Member such that it is no longer controlled by a bank, the Foundation Member shall be deemed to be a Regular Member as of the date of the change in control of that member, and that member may be removed as a Regular Member pursuant to section 9.06. Each Foundation Member or its successor shall be entitled to receive notice of all meetings of the members, to be represented at and to vote at all meetings of members and, in addition, shall have the specific voting rights set out in this by-law, and shall be entitled to nominate and have elected one director of the Corporation.
- (b) The Regular Members shall consist of such other corporations, partnerships or other entities that have an interest in furthering the objects of the Corporation and whose applications for admission as Regular Members have been accepted by the board and shall be, as of the date that this by-law comes into force, Canadian Premier Life Insurance Company, Assurant Solutions and Desjardins Financial Security Life Assurance Company. If there is a change in control of a Regular Member, the Regular Member may be removed as a Regular Member pursuant to section 9.06. Regular Members shall be entitled to receive notice of all meetings of members, to be represented at, to vote at all meetings of members, except on matters that are expressly reserved to the Foundation Members, and each Regular Member shall be entitled to nominate and have elected one director of the Corporation.

3) Article 9.02.1 is added as follows:

On this by-law coming into force and effect, all existing Associate Members of the Corporation immediately prior to such time will automatically be deemed to be “Associates” and shall continue to be Associates until they withdraw, are removed or otherwise cease to qualify as an Associate pursuant to any Associate Policy that may be adopted by the board. For greater certainty, Associates are not a class of membership in the Corporation.

4) The term “Voting Member” shall be replaced with “Regular Member” throughout.

5) The term “Associate Member” shall be replaced with “Associate” throughout.

MADE by the board on the <@> day of <@>, 2014.

<@>, Chair

<@>, Secretary

CONFIRMED by the Foundation Members on the <@> day of <@>, 2014.

<@>, Chair

<@>, Secretary

#

COVERING MEMO & RESOLUTION REGARDING

BOARD AGENDA ITEM 5.4: CNCA Transition

Purpose: To effect the continuance of CAFII under the new Canada Not-for-Profit Corporations Act (“CNCA”).

SPECIAL RESOLUTION TO BE PASSED:

CONTINUANCE UNDER THE CANADA NOT-FOR-PROFIT CORPORATIONS ACT

RESOLVED that:

- 1. the Corporation is hereby authorized to make an application under section 297 of the CNCA to the Director appointed under the CNCA for a Certificate of Continuance of the Corporation;*
- 2. the Articles of Continuance of the Corporation, which been previously circulated to the board and which are annexed to these minutes as Schedule A, are hereby approved;*
- 3. all existing by-laws of the Corporation are repealed in their entirety effective on the date that the Corporation continues under the CNCA, and the new general operating By-law No. 1, which has been previously circulated to the board, is approved to be effective on the same date, and the Chair and Secretary of the Corporation are hereby authorized and directed to sign the By-Law as evidence of the foregoing and to insert the same in the minute book of the Corporation;*
- 4. the Articles of Continuance and By-Law No. 1 shall be submitted to the members for approval at the Annual General Meeting to be held in June 2014; and*
- 5. the persons executing the Articles of Continuance and the By-Law (the “Authorized Signatories”) be and are hereby authorized and directed to make such technical changes in the Articles of Continuance and/or the By-Law as may be required by Industry Canada, as the case may be, with no further recourse to the board or the members to approve or confirm such changes, and any such amendments made by such Authorized Signatories shall be conclusive evidence of the need to make such amendments and are hereby ratified, sanctioned and approved.*

BACKGROUND INFORMATION

Following is background information and attached are the draft documents for your review, including:

1. Articles of Continuance
2. Articles of Continuance, Schedule A
3. Articles of Continuance, Schedule B
4. Articles of Continuance, Schedule C
5. CNCA By-Law No. 1
6. CNCA By-Law No. 1, annotated

Process of Continuance

The new *Canada Not-for-profit Corporations Act* (CNCA) was proclaimed in force on October 17, 2011.

The CNCA establishes a new set of rules for federally-incorporated not-for-profit corporations, being Part II of the *Canada Corporations Act* (CCA) which currently governs CAFII.

The board and members of CAFII will need to approve two documents in order to complete the continuance: (1) Form 4031 Articles of Continuance, and (2) new corporate by-laws that comply with the new requirements of the CNCA. Once approved, the application for Articles of Continuance will be filed and, provided all of the documents have been properly completed and are in compliance, Industry Canada will issue a Certificate of Continuance.

Articles of Continuance (Form 4031)

The Articles of Continuance have been drafted based on the information available in CAFII's existing letters patent (which the Articles will replace) and by-laws. The minimum of 3 and a maximum of 25 directors reflects section 4.02 of the current CAFII by-laws. The statement of the purpose of the corporation repeats the objects outlined in CAFII's 1997 letters patent.

General Operating By-Law

A draft CNCA-compliant By-Law No. 1 is also attached, as well as an annotated version. The annotated version highlights and explains key changes from the current CAFII by-laws. Some changes of note include:

- "Written resolutions" signed by all of the members or directors, as the case may be, who are entitled to vote will now be permitted in lieu of a meeting.
- The requirement that a proxy holder be a member has been removed to comply with the CNCA.
- By-Law No. 1 includes a regime for addressing of conflicts of interest that aligns with the CNCA and is significantly more robust than what previously existed under the CCA.
- The descriptions of various offices have been updated to reflect CAFII's current practices, including certain qualification requirements that have developed as a matter of long-standing practice within the organization (e.g. only a Foundation Director may serve as Chair, etc.)
- Existing provisions relating to 'By-Laws, Amendment or Repeal' have been revised to reflect the relevant provisions of the new CNCA. While the current by-law provides the Foundation Members with the unfettered right to confirm a new by-law by a 2/3 majority (see s. 2.09), this right will be somewhat circumscribed because of certain mandatory requirements under the CNCA that extend voting rights to members who would not otherwise have voting rights in the case of certain types of changes (in this case, the Regular Members). As a result, by-law changes that affect the Regular Members differently from other members would be subject to a class vote by the Regular Members (though certain of these class voting rights are, to the extent permitted by the CNCA, opted-out of in "Special Provisions" of the Articles of Continuance).



Canada Not-for-profit Corporations Act (NFP Act)

Form 4031

Articles of Continuance (transition)

To be used only for a continuance from the *Canada Corporations Act*, Part II.

1	Current name of the corporation
2	If a change of name is requested, indicate proposed corporate name
3	Corporation number
4	The province or territory in Canada where the registered office is situated
5	Minimum and maximum number of directors <i>(for a fixed number, indicate the same number in both boxes)</i>
<div style="display: flex; justify-content: space-around; align-items: center;"> <div>Minimum number <input style="width: 50px; height: 30px; border: 1px solid black;" type="text"/></div> <div>Maximum number <input style="width: 50px; height: 30px; border: 1px solid black;" type="text"/></div> </div>	
6	Statement of the purpose of the corporation
7	Restrictions on the activities that the corporation may carry on, if any



Form 4031
Articles of Continuance (transition)

8 The classes, or regional or other groups, of members that the corporation is authorized to establish

9 Statement regarding the distribution of property remaining on liquidation

10 Additional provisions, if any

11 Declaration

I hereby certify that I am a director or an authorized officer of the corporation continuing into the NFP Act.

Signature _____

Print name _____

Phone number () - _____

Note: A person who makes, or assists in making, a false or misleading statement is guilty of an offence and liable on summary conviction to a fine of not more than \$5,000 or to imprisonment for a term of not more than six months or to both (subsection 262(2) of the NFP Act).

SCHEDULE A

The purposes of the Corporation are to:

- (a) to work with all levels of government and insurance and financial sector regulators to develop an appropriate legislative and regulatory framework for the insurance sector; and to promote relationships with other associations, consumer groups and key stakeholders;
- (b) to receive and maintain a fund or funds and apply from time to time all or part thereof and all or part of the income therefrom for the purposes described above;
- (c) to use, give, accumulate or distribute from time to time all or part of the fund or funds of the Corporation and/or the income therefrom for the purposes described above by such means as from time to time seem expedient to its directors, including research, publication, education and establishment of maintenance of activities, agencies or institutions and the aid of such activities, agencies or institutions already established;
- (d) to use, give, accumulate or distribute from time to time all or part of the fund or funds of the Corporation and/or the income therefrom for purposes, to or for any organization or organizations which in the judgement of the directors of the Corporation will promote the objects of the Corporation;
- (e) for the further attainment of the above objects, to acquire, accept, solicit or receive, by purchase, lease, contract, donation, legacy, gift, grant, bequest or otherwise, any kind of real and personal property, and to enter into and carry out agreements, contracts and undertakings incidental thereto;
- (f) for the further attainment of the above objects, to hold, manage, sell or convert any of the real or personal property from time to time owned by the Corporation and to reinvest any principal and income thereon in such manner as may from time to time be determined by the directors of the Corporation;
- (g) for the further attainment of the above objects, to retain, invest or reinvest any cash funds, real property or personal property of the Corporation in any investments which the directors of the Corporation in their unfettered discretion determine to be advisable, without being limited to investments authorized by law for trustees;
- (h) for the further attainment of the above objects, to by purchase, lease, devise, gift and other title, and to hold, any real property necessary acquire for the carrying on of its undertaking, and for the purpose of drawing revenue therefrom, and to sell, lease, mortgage, dispose of and convey the same or any part thereof as may be considered advisable by the directors of the Corporation;

- (i) for the further attainment of the above objects, to acquire, accept, solicit or receive any gift of real or personal property, either as an annual or other contribution or as an addition to the fund or funds of the Corporation;
- (j) for the further attainment of the above objects, to publish and use educational materials, publications and media of all kinds;
- (k) for the further attainment of the above objects, to undertake educational activities and to provide for the holding of lectures, symposiums, public meetings, exhibitions, classes, conferences, contests, festivals and events of all kinds; and
- (l) To exercise any of the rights and power from time to time afforded by any statute to or by which the Corporation is subject or government but only as incidental to the attainment of the aforesaid objects of the corporation.

SCHEDULE B

The Corporation is authorized to establish two (2) classes of members designated as Foundation Members and Regular Members as follows:

(1) The Foundation Members shall be entitled to receive notice of and to attend all meetings of the members of the Corporation and each Foundation Member shall have one (1) vote at each such meeting, except for meetings at which only members of another class are entitled to vote separately as a class.

(2) The Regular Members shall be entitled to receive notice of and to attend all meetings of the members of the Corporation and each Regular Member shall have one (1) vote at each such meeting except:

- (a) for meetings at which only members of another class are entitled to vote separately as a class;
- (b) for meetings at which a by-law or by-law amendment or repeal is submitted for confirmation, except as otherwise required by the *Canada Not-for-profit Corporations Act*, S.C. 2009, c. 23 or if so provided in the by-law; or
- (c) for meetings at which a member may be subject to suspension or expulsion from the Corporation by the Foundation Members, as provided in the by-laws.

SCHEDULE C

- (1) The Corporation shall be carried on without the purpose of gain for its members, and any profits or other accretions to the Corporation shall be used in furtherance of its purposes.
- (2) Directors shall serve without remuneration, and no director shall directly or indirectly receive any profit from his or her position as such, provided that a director may be reimbursed for reasonable expenses incurred in performing his or her duties.
- (3) The Regular Members shall not be entitled to vote separately as a class or group on an amendment, or proposal to make an amendment, to:
 - (a) effect an exchange, reclassification or cancellation of all or part of the memberships of such class; or
 - (b) create a new class or group of members having rights equal or superior to those of the Regular Members.

BY-LAW NO. 1

A by-law relating generally to the conduct of the affairs of

**CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE
ASSOCIATION CANADIENNE DES INSTITUTIONS FINANCIÈRES EN ASSURANCE**

(the “Corporation”)

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this by-law and all other by-laws of the Corporation hereafter passed, unless the context otherwise requires:

“**Act**” means the *Canada Not-for-profit Corporations Act* S.C. 2009, c. 23 including the regulations made pursuant to the Act, and any statute or regulations that may be substituted therefor, as amended from time to time;

“**Annual Financial Statements**” means the comparative financial statements of the Corporation, as prescribed by the Act, the report of the public accountant, if any, and any further information respecting the financial position of the Corporation and the results of its operations required by the articles or the by-laws;

“**Annual Meeting**” means an annual meeting of members of the nature described in Section 3.1;

“**articles**” means the articles of continuance of the Corporation and any other articles of amendment, amalgamation, continuance, reorganization, arrangement or revival of the Corporation from time to time in force and effect;

“**Associate**” has the meaning given to it in Section 2.2;

“**board**” means the board of directors of the Corporation;

“**by-law**” means this by-law and any other by-law of the Corporation as amended and which are, from time to time, in force and effect;

“**Chair**” means the chair of the board;

“**committee**” means a committee established by the board pursuant to Section 6.1 or, where the context permits, a subcommittee of such committee;

“**Declared Incapable**” means:

- (a) an individual who has been found under any applicable law as being incapable of managing his or her property or who has been declared to be incapable by a court of competent jurisdiction; or
- (b) an individual in respect of whom the Corporation has obtained a letter from a physician who is licensed to practice medicine in one or more of the provinces or territories of Canada declaring such person to be incapable of managing property;

“director” means a member of the board and **“directors”** includes Foundation Directors and Regular Directors, as applicable;

“entity” refers to a corporation, partnership, trust or unincorporated organization but excludes an individual;

“Executive Director” means the officer referred to in Section 7.2(c);

“Executive Operations Committee” means the committee referred to in Section 8.1;

“Foundation Directors” has the meaning given to it in Section 4.3(a);

“Foundation Members” means the members referred to in Section 2.1(a);

“meeting of members” includes an Annual Meeting or a Special Meeting;

“members” includes Foundation Members and Regular Members, as applicable;

“ordinary resolution” means a resolution passed by a majority of votes cast on that resolution;

“public accountant” means the person from time to time appointed pursuant to Section 11.6;

“Regular Directors” has the meaning given to it in Section 4.3(b);

“Regular Members” means the members referred to in Section 2.1(b);

“regulations” means the regulations made under the Act, as amended, restated or in effect from time to time;

“Secretary” means the secretary of the board;

“Special Meeting” means a meeting of members other than an Annual Meeting;

“special resolution” means a resolution passed by a majority of not less than two-thirds of the votes cast on that resolution; and

“Vice-Chair” means the vice-chair of the board.

1.2 Interpretation

In the interpretation of this by-law, words in the singular include the plural and vice-versa, words in one gender include all genders, and “person” includes an individual, body corporate, partnership, trust and unincorporated organization. The division of this By-law into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof. Unless otherwise provided, each reference to an Article or a Section is to the corresponding article or section of this by-law. Whenever the words “include”, “includes” or “including” are used in this By-law and in all other By-laws hereafter passed, unless the context otherwise requires, such words shall be deemed in each instance to be followed by the words “without limitation.”

Other than as specified above, words and expressions defined in the Act have the same meanings when used in these by-laws.

ARTICLE 2 MEMBERS

2.1 Classes of Members

Pursuant to the articles, there shall be two classes of members in the corporation as follows:

- (a) *Foundation Members* — Foundation Members shall consist of entities:
 - (i) that are involved, directly or indirectly, in the business of insurance in Canada;
 - (ii) that are controlled by a bank as that term is defined in the the *Bank Act* (Canada);
 - (iii) that have an interest in furthering the purposes of the Corporation; and
 - (iv) for which an application for admission as Foundation Members has been accepted by a two-thirds majority of the Foundation Directors then in office;

provided that, as of the date that this by-law comes into force, the following shall be deemed to be Foundation Members: RBC Insurance Holdings Inc., CIBC Life Insurance Company Limited, Toronto Dominion Life Insurance Company, ScotiaLife Financial Services Inc., Bank of Montréal, BMO Insurance, and National Bank Life Insurance Company.

If there is a change in control of a Foundation Member such that it is no longer controlled by a bank, the Foundation Member shall be deemed to be a Regular Member as of the date of the change in control of that Foundation Member. For

greater certainty, upon the amalgamation of two or more Foundation Members, they shall become a single Foundation Member.

Each Foundation Member shall be entitled to receive notice of all meetings of members, to be represented at and to vote at all meetings of members, to nominate one director for election to the board in accordance with Section 4.3(a) and, in addition, shall have any other rights that may be ascribed to the Foundation Members in the articles or by-laws.

(b) *Regular Members* — Regular Members shall consist of entities:

- (i) that are involved, directly or indirectly, in the business of insurance in Canada;
- (ii) that have an interest in furthering the purposes of the Corporation; and
- (iii) for which an application for admission as Regular Members has been accepted by the board;

provided that, as of the date that this by-law comes into force, the following shall be deemed to be Regular Members: Amex Bank of Canada, American Bankers Insurance Company of Florida, Canadian Premier Life Insurance Company, Desjardins Financial Security Life Assurance Company.

If there is a change in control of a Regular Member, the Regular Member may be removed as a Regular Member.

Each Regular Member shall be entitled to receive notice of and to attend all meetings of members, and to vote at all meetings of members except on matters expressly reserved to the Foundation Members in the articles or the by-law, and each Regular Member shall have the right to nominate one director for election to the board in accordance with Section 4.3(b).

2.2 Associates

The Board may, from time to time, designate certain persons with the status of “**Associate**” of the Corporation. For greater certainty, Associates are not a class or group of membership in the Corporation.

2.3 Membership Fees

The membership fees payable by the Foundation Members and the Regular Members shall from time to time be fixed by resolution of the board. A notice of the fees payable at any time shall be sent to each member by the Secretary promptly before the due date.

2.4 Termination for Non-Payment

If membership fees are levied by the board, the membership of any member who is in arrears may be terminated by or under the authority of the board if such arrears of fees are not paid within 90 days of the due date set out in the notice referred to in Section 2.3. Any such former member may re-apply for membership in the Corporation.

2.5 Resignation

Members may resign at any time by resignation in writing delivered to the Corporation, in which case such resignation shall be effective on the date specified in the resignation or the date received, whichever is later. A member shall remain liable for payment of any assessment or other sum levied or which became payable by the member to the Corporation prior to such resignation.

2.6 Discipline of Members

The Foundation Members shall have authority to, by special resolution, suspend or expel any member from the Corporation for any one or more of the following grounds:

- (a) violating any provision of the articles, by-laws, or written policies of the Corporation;
- (b) carrying out any conduct which may be detrimental to the Corporation as determined by the Foundation Members in their sole discretion; or
- (c) for any other reason that the Foundation Members in their sole and absolute discretion considers to be reasonable, having regard to the purpose of the Corporation.

In the event that the Foundation Members determine, by special resolution, that a member should be expelled or suspended from membership in the Corporation, the Executive Director, or such other officer as may be designated by the Foundation Members, shall provide 20 days' notice of suspension or expulsion to the member and shall provide reasons for the proposed suspension or expulsion. The member may make written submissions to the Executive Director, or such other officer as may be designated by the Foundation Members, in response to the notice received within such 20 day period. In the event that no written submissions are received by the Executive Director, the Executive Director, or such other officer as may be designated by the Foundation Members, may proceed to notify the member that the member is suspended or expelled from membership in the Corporation. If written submissions are received in accordance with this Section, the Foundation Members will consider such submissions in arriving at a final decision and shall notify the member concerning such final decision within a further 20 days from the date of receipt of the submissions. The decision of the Foundation Members shall be final and binding on the member, without any further right of appeal.

2.7 Termination of Membership

A membership in the Corporation is terminated when:

- (a) the member is dissolved or otherwise ceases to exist;
- (b) the member fails to maintain any qualifications for membership described in Section 2.1;
- (c) the member resigns in accordance with Section 2.5;
- (d) the member is terminated or removed in accordance with Section 2.4 or 2.6;
- (e) the Corporation is liquidated or dissolved under the Act.

Subject to the articles, upon any termination of membership, the rights of the member, including any rights in the property of the Corporation, automatically cease to exist.

ARTICLE 3 MEETINGS OF MEMBERS

3.1 Annual Meetings

An Annual Meeting shall be held at least once in every calendar year no later than six months after the end of the Corporation's preceding fiscal year. At every Annual Meeting, in addition to any other business that may be transacted, the Annual Financial Statements shall be presented to the members, the board shall be elected, the public accountant shall be appointed for the next ensuing year and the remuneration of the public accountant shall be fixed or the board shall be authorized to fix such remuneration.

3.2 Special Meetings

The board, the Chair or the Vice-Chair shall have power to call a meeting of members at any time. The board shall call a Special Meeting on written requisition of members holding not less than five percent of votes that may be cast at a meeting of members.

3.3 Place of Members' Meetings

A meeting of members shall be held at the registered office of the Corporation or at any place within Canada on such day in each year and at such time as the board may determine.

3.4 Notice of Meetings

Written notice of the time and place of each meeting of members shall be given to each director, the public accountant and each member entitled to vote at such meeting and whose name is entered in the register of members at the close of business on the record date for notice (which shall be 21 to 60 days before the date of the meeting) or, if no

record date for notice is fixed, at the close of business on the day preceding the day on which notice is given.

Notice of the time and place of a meeting of members shall be given to each member entitled to vote at the meeting by the following means:

- (a) by mail, courier or personal delivery to each member entitled to vote at the meeting, during a period of 21 to 60 days before the day on which the meeting is to be held; or
- (b) by telephonic, electronic or other communication facility to each member entitled to vote at the meeting, during a period of 21 to 35 days before the day on which the meeting is to be held.

Notice of any meeting of members where special business will be transacted must contain sufficient information to permit the members to form a reasoned judgment on the decision to be taken and shall state the text of any special resolution to be submitted to the meeting. Notice of each meeting of members must remind members of the right to vote by proxy.

3.5 Waiver of Notice

Any person who is entitled to notice of a meeting of members may waive notice either before or after the meeting, and attendance of the person at the meeting is a waiver of notice of the meeting, unless the person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

3.6 Chair, Secretary and Scrutineers

The Chair (or in the Chair's absence, the Vice-Chair) shall be chair of any meetings of members. If no such officer is present within 15 minutes from the time fixed for holding the meeting, the members present may elect one of their number to preside at the meeting. If the Secretary is absent, the chair of the meeting shall appoint an individual attending the meeting to act as secretary of the meeting. If desired, one or more scrutineers, who need not be members, may be appointed by a resolution or by the chair of the meeting with the consent of the meeting.

3.7 Persons Entitled to be Present at Members' Meetings

Members, directors and the public accountant are entitled to be present at a meeting of members. Any other persons may be admitted only on the invitation of the chair of the meeting or with the consent of the members entitled to vote thereat. For greater certainty, only members will have the right to speak at such meetings although others present at such meetings in accordance with the Act or the articles or by-laws shall be allowed to speak with the consent of the meeting.

3.8 Quorum at Members' Meetings

A majority of members present in person or by proxy shall constitute a quorum at any meeting of members. No business shall be transacted at any meeting of members unless a quorum is present.

3.9 Votes to Govern at Members' Meetings

Each member shall have one vote to be exercised in person or by proxy at each meeting of members. All questions shall be decided by special resolution. Any question at a meeting of members shall be decided by a show of hands or, in some other appropriate manner in the case of meetings by teleconference or other electronic means, unless a ballot vote thereon is required or demanded as hereinafter provided. At any meeting, unless a ballot is demanded, a declaration by the chair of the meeting that a resolution has been carried or carried unanimously or by a particular two-thirds majority or lost or not carried by a two-thirds majority shall be conclusive evidence of the fact.

3.10 Ballot

A ballot may be demanded before or after any vote by any person entitled to vote on the question. If a ballot is required or demanded, the ballot shall be held in such manner as the chair of the meeting shall direct. A demand for a ballot may be withdrawn at any time prior to the holding of the ballot.

3.11 Proxies

At any meeting of members, a proxy holder who has been duly appointed by a member, shall be entitled to exercise, subject to any restrictions expressed in the instrument appointing him or her, the same voting and other rights that such member appointing him or her would be entitled to exercise if present at that meeting. A proxy shall be in writing and executed by the member. A proxy may be in such form as the board from time to time prescribes or in such other form as the chair of the meeting may accept as sufficient, and shall be deposited with the secretary of the meeting before any vote is called to which the proxy pertains, or at such earlier time and in such manner as the board may prescribe. A proxy holder may not act for more than five members at any meeting of members.

3.12 Attendance by Teleconference, Videoconference or Other Electronic Means

If the notice of meeting or the board so permits, any person entitled to attend a meeting of members may participate in such meeting by teleconference, videoconference or any other electronic means that permit all participants to communicate adequately with each other during the meeting if the Corporation makes such means available. A member so participating in a meeting is deemed for the purposes of the by-laws, the articles and the Act to be present at the meeting.

3.13 Voting While Participating Electronically

A member participating in a meeting of members by any of the means set out in Section 3.12 and entitled to vote thereat may vote, and that vote may be held by teleconference, videoconference or any other electronic means that the Corporation has made available for that purpose. A member so participating in a meeting shall be provided with an opportunity to vote on all questions put before the members in a manner that:

- (a) permits their subsequent verification; and
- (b) permits the tallied votes to be presented to the Corporation without it being possible for the Corporation to identify how the member voted.

3.14 Written Resolution in Lieu of Meeting

Except as otherwise provided in the Act, a resolution in writing signed by all of the members entitled to vote on that resolution at a meeting of members is as valid as if it had been passed at a meeting of members. Resolutions in writing may be signed in counterpart and satisfy all the requirements of this by-law relating to meetings of members.

ARTICLE 4 DIRECTORS

4.1 Authority and Responsibility

The board shall manage or supervise the management of the activities and affairs of the Corporation, subject to the Act, the articles and the by-laws.

4.2 Number of Directors

The fixed number of directors, within the minimum and maximum numbers provided for in the articles, shall be required to be equal to the number of members. The fixed number of directors shall initially be ten directors. If, from time to time, the number of members increases or decreases, the directors and members shall pass such resolutions or by-laws as are necessary to cause the fixed number of directors to be increased or decreased accordingly to ensure the fixed number of directors is equal to the number of members.

4.3 Nomination of Directors

- (a) *Foundation Directors* — Each Foundation Member shall be entitled to nominate one individual to serve as director on the board or to fill a vacancy caused by the resignation or expiry of the term of its previous nominee. Only an individual so nominated shall be eligible to stand for election by the members. A director nominated by a Foundation Member shall be referred to in this by-law as a “**Foundation Director**”.

- (b) *Regular Directors* — Each Regular Member shall be entitled to nominate one individual to serve as director on the board or to fill a vacancy caused by the resignation or expiry of the term of its previous nominee. Only an individual so nominated shall be eligible to stand for election by the members. A director nominated by a Regular Member shall be referred to in this by-law as a “**Regular Director**”.

4.4 Qualification

In order to serve as a director, an individual must:

- (a) be 18 years of age or older;
- (b) not be Declared Incapable;
- (c) not be an undischarged bankrupt; and
- (d) be duly nominated in accordance with Section 4.3.

4.5 Term of Office

Directors shall be elected at an Annual Meeting to hold office for a term expiring not later than the close of the third Annual Meeting following their election or until their successors are elected or appointed. There is no limit on the number of terms a director may serve, provided that he or she continues to be qualified to sit on the board.

4.6 Consent to Serve

An individual who is elected to hold office as a director is not a director, and is deemed not to have been elected to hold office as a director, unless:

- (a) the individual was present at the meeting when the election took place and did not refuse to hold office as a director; or
- (b) the individual was not present at the meeting when the election took place and:
 - (i) consented to hold office as a director in writing before the election or within 10 days after the day on which the election took place; or
 - (ii) has acted as a director after the election.

4.7 Resignation

Any director who wishes to resign from the board prior to the expiry of his or her term of office shall deliver a written resignation to the Chair or Secretary and such resignation shall be effective at the time of receipt of such written resignation by the Chair or Secretary or at the time specified therein, whichever is later.

4.8 Removal of Directors

The members may, by ordinary resolution passed at a special meeting of which notice specifying the intention to pass such resolution has been given, remove any director before the expiration of his or her term of office, and may elect any individual who meets the qualifications set out in Section 4.4 in place of such director for the remainder of the term of such director.

4.9 Written Statement

A director may submit to the Chair a written statement giving reasons for resigning, or if a meeting is called for the purpose of removing him or her, for opposing his or her removal or replacement. Where the Chair receives such a statement, the Chair shall immediately:

- (a) give notice to the members of the statement; and
- (b) send a copy of the statement to the Director appointed by the Minister pursuant to section 281 of the Act (Appointment of Director).

4.10 Vacation of Office

A director ceases to hold office when the director dies, resigns, is removed from office in accordance with Section 4.8, or no longer fulfils all of the qualifications to be a director set out in Section 4.4, as determined in the sole discretion of the board.

4.11 Vacancies

If a majority of the fixed number of directors is then in office, vacancies may be filled by the remaining directors, if such directors determine it appropriate (except for vacancies resulting from a failure to elect the minimum number of directors provided for in the articles); provided however, that pursuant to Section 4.3, a vacancy may only be filled by the directors with an individual who has been nominated by the member that nominated the director who caused the vacancy. If there is not a majority of the fixed number of directors in office, or if there has been a failure to elect the minimum number of directors provided for in the articles, the remaining directors shall forthwith call a Special Meeting to fill the vacancies, provided that if the directors fail to call such a meeting or if there are no directors then in office, the meeting may be called by any member. A director appointed or elected to fill a vacancy holds office for the unexpired term of his or her predecessor.

4.12 Confidentiality and Duty of Loyalty

Every director owes a duty of loyalty and confidentiality to the Corporation, regardless of the member that nominated him or her. Every director, officer, committee member, employee and volunteer, shall respect the confidentiality of matters brought before the board or before any committee of the board. Employees and volunteers shall also keep

confidential matters that come to their attention as part of their employment or volunteer activities.

4.13 Remuneration of Directors

Directors shall receive no remuneration for acting as such but may, at the discretion of the board, be reimbursed their reasonable expenses properly incurred in the performance of their duties, including their travel and other expenses properly incurred by them in attending meetings of the board, of any committee thereof, or of the members or otherwise properly incurred by them in connection with carrying out the activities of the Corporation. Nothing herein contained shall be construed to preclude any director from serving the Corporation as an officer or in any other capacity and receiving compensation therefor.

ARTICLE 5 MEETINGS OF DIRECTORS

5.1 Place of Board of Directors Meetings

Meetings of the board may be held at any place in or outside of Canada as the board may, from time to time, determine.

5.2 Calling of Meetings of Board of Directors

Meetings of the board may be called by the Chair, the Vice-Chair or any two directors.

5.3 Notice of Meeting of Board of Directors

Notice of the time and place for the holding of a meeting of the board shall be given to every director in the manner provided in Section 12.1 not less than one business day before the time when the meeting is to be held. Notice of an adjourned meeting is not required if the time and place of the adjourned meeting is announced at the original meeting. Unless the by-law otherwise provides, no notice of meeting need specify the purpose or the business to be transacted at the meeting except that a notice of meeting of directors shall specify any matter referred to in subsection 138(2) (Limits on Authority) of the Act that is to be dealt with at the meeting. No notice is required to be given in order to conduct business at the board meeting held immediately following the Annual Meeting, provided that a quorum is present.

5.4 Regular Meetings of the Board of Directors

The board may appoint a day or days in any month or months for regular meetings of the board at a place and hour to be named. A copy of any resolution of the board fixing the place and time of such regular meetings of the board shall be sent to each director forthwith after being passed, but no other notice shall be required for any such regular meeting except where subsection 136(3) (Notice of Meeting) of the Act requires the purpose thereof or the business to be transacted to be specified in the notice.

5.5 Meetings Without Notice

A meeting of the board may be held at any time without notice if all directors are present in person or if those who are not present, either before or after the meeting, waive notice or otherwise consent in writing or by e-mail or other means of recorded electronic communication addressed to the secretary to such meeting being held, and at such meeting any business may be transacted which the Corporation, at a meeting of the board, may transact.

5.6 Attending by Teleconference, Videoconference and Other Electronic Means

If all of the directors present at or participating in the meeting consent, any director may attend a meeting of the board by teleconference, videoconference and other electronic means as permit all persons participating in the meeting to communicate adequately with each other during the meeting, and a director participating in the meeting by those means is deemed to be present at the meeting. Any such consent shall be effective whether given before or after the meeting to which it relates and may be given with respect to all meetings of the board and of the committee held while a director holds office.

5.7 Voting While Participating Electronically

A Director participating in the meeting by any of the means set out in Section 5.6 may vote, and that vote may be held by teleconference, videoconference or any other electronic means that the Corporation has made available for that purpose.

5.8 Quorum at Board Meetings

A majority of the fixed number of directors shall be necessary to constitute a quorum for the transaction of business at any meeting of the board.

5.9 Chair and Secretary of Board Meetings

The Chair, or in his or her absence, a Vice-Chair, or in the absence of both the Chair and a Vice-Chair, a director chosen from among those present, shall act as the chair at all meetings of the board. The Secretary, or his or her delegate, shall act as secretary at all meetings of the board.

5.10 Votes to Govern at Meetings of the Board of Directors

Each director is authorized to exercise one vote. At all meetings of the board, unless otherwise required by the Act, every question shall be voted on and decided by special resolution. A director may, at any time before the meeting is terminated, request to have recorded in the minutes of the meeting the number or proportion of the votes recorded in favor of or against any resolution or other proceeding in respect of any question. No person may act for an absent director at a meeting of the directors.

5.11 Show of Hands

Unless a director demands a ballot, each motion shall be voted upon by a show of hands or, in the case of meetings by teleconference or other electronic means, by the procedure for recording votes designated by resolution of the board or the chair of the meeting. Each director shall have one vote on each motion. Whenever a vote shall have been taken upon a question, unless a vote by ballot is demanded, a declaration by the chair of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be sufficient evidence of the fact without proof of the number or proportion of the votes recorded in favor of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the board upon the said question.

5.12 Vote by Ballot and Recorded Votes

Prior to a vote on a question, a director may demand a vote by ballot. A vote by ballot so demanded shall be taken in such manner as the chair of the meeting shall direct. In the case of meetings by teleconference or other electronic means, the vote may be taken by facsimile transmission or another method of communication which produces a paper record. A demand for a vote by ballot may be withdrawn at any time prior to the taking of the vote by ballot. Upon a vote by ballot, each director present in person and entitled to vote shall have one vote and the result of the vote by ballot shall be the decision of the board upon the said question.

5.13 Resolutions in Writing

A resolution in writing, signed by all the directors entitled to vote, shall be as valid as if it had been passed at a board meeting. A copy of every such resolution in writing shall be kept with the minutes of the proceedings of the board or committee of directors.

ARTICLE 6 COMMITTEES OF THE BOARD OF DIRECTORS

6.1 Committees

The board may constitute such committee or committees as it deems necessary or advisable, from time to time, and subject to the Act (including the limitations on delegations set out therein), each for such purpose and with such powers as may be prescribed or delegated by the board. Any member of any such committee may be removed from a committee at any time at the discretion of the board. Membership in each committee shall not be restricted to persons who are directors, provided that if an audit committee is established, it shall be composed of not less than three directors, a majority of whom are neither officers nor employees of the Corporation or any of its affiliates. The public accountant shall be entitled to attend each meeting of the audit committee, if such committee is established, and to call a meeting of that committee. The board shall have the power to disband any committee which it creates.

6.2 Advisory Bodies and Working Groups

The board may from time to time appoint such advisory bodies and working groups as it may deem advisable. The advisory bodies and working groups shall act in an advisory capacity to the board on such matters and for such term as the board shall consider necessary or desirable. Members of advisory bodies or working groups shall be selected by the board and shall have no administrative, operational or legal responsibilities or obligations to the Corporation and shall not be entitled to vote in respect of any resolution placed before the board. Any advisory body or working group member may be removed by resolution of the board of directors.

6.3 Procedure

Unless otherwise required by the Act, this by-law or as determined by the board, each committee, advisory body and working group shall have the power to fix its quorum at not less than a majority of its members, to elect its chair and to regulate its procedure. Meetings of committees may be held at any place in or outside Canada. Members of committees, advisory bodies and working groups shall serve without remuneration but shall be entitled to be paid their reasonable expenses incurred in the performance of their duties.

ARTICLE 7 OFFICERS

7.1 Appointment of Officers

The directors shall select annually officers of the Corporation. Except for the Executive Director, officers shall hold their position for a period of one year, or, in those cases where an officer is appointed by the board to fill a vacancy during the year, until the first meeting of the board immediately following the annual general meeting.

The board may designate the offices of the Corporation, appoint officers on an annual or more frequent basis, specify their duties and, subject to the Act, delegate to such officers the power to manage the affairs of the Corporation. An individual may hold more than one office.

7.2 Description of Offices

Unless otherwise specified by the board (which may, subject to the Act modify, restrict or supplement such duties and powers), the offices of the Corporation, if designated and if officers are appointed, shall have the following duties and powers associated with their positions:

- (a) Chair: The Chair shall, if present, preside at all meetings of the board and of the members, be an *ex officio* member of all committees appointed by the board, sign all instruments which require his or her signature in accordance with the by-laws or otherwise, represent the Corporation at public or official functions, and have

such other powers and duties as may from time to time be assigned to him or her by the board. The Chair must be a Foundation Director.

- (b) Vice-Chair: The board may assign the Vice-Chair any of the powers and duties that are by any provision of this by-law assigned to the Chair. The Vice-Chair will act as the Chair in the absence of the Chair and shall have such other duties as may be assigned to him or her by the board. The Vice-Chair must be a director.
- (c) Executive Director: The board may from time to time appoint an Executive Director. The Executive Director, if appointed, shall be responsible for implementing the strategic plans and policies of the Corporation. The Executive Director shall, subject to the authority of the board, have general supervision of the affairs of the Corporation. The Executive Director shall be entitled to be paid remuneration for his or her services, such remuneration to be fixed by the board.
- (d) Secretary: The Secretary, or his or her delegate, shall give or cause to be given notice of all meetings of the board and of the members, have custody of the seal, minute books, registers and other corporate documents of the Corporation, cause to be kept a record of the minutes of all meetings of the board and its committees, attend to correspondence and shall have such other duties as may from time to time be assigned to him or her by the board. The Secretary shall serve as chair of the Executive Operations Committee. The Secretary shall not be a director but shall be required to be an employee or officer of a Foundation Member or an affiliate thereof.
- (e) Treasurer: The treasurer shall have general supervision of the financial affairs of the Corporation, shall have custody of the financial books of the Corporation, shall report on the financial statements of the Corporation at each meeting of the board, and shall have such other duties as may from time to time be assigned to him or her by the board. The treasurer shall not be a director or a member of the Executive Operations Committee but shall be required to be an employee or officer of a Foundation Member or Regular Member, or an affiliate thereof.

7.3 Powers and Duties of Officers

The powers and duties of all other officers of the Corporation shall be such as the terms of their engagement call for or the board or Executive Director requires of them. The board may from time to time and subject to the Act, vary, add to or limit the powers and duties of any officer.

7.4 Vacancy in Office

The board in its discretion may remove, for cause or without cause, any officer of the Corporation, without prejudice to such officer's rights under any employment contract or otherwise at law. Unless so removed, an officer shall hold office until the earlier of:

- (a) the officer's successor being appointed,

- (b) the officer's resignation,
- (c) such officer ceasing to be a director (if a necessary qualification of appointment) or
- (d) such officer's death.

If the office of any officer of the Corporation shall be or become vacant, the directors may, by resolution, appoint a person to fill such vacancy.

7.5 Remuneration of Officers

Subject to applicable law, the officers may be paid such remuneration for their services as the board may from time to time determine. They shall also be entitled to be reimbursed for travelling and other expenses properly incurred by them in the exercise of the duties of their respective offices. The remuneration of any employees or agents shall be such as the terms of their engagement call for or as the board or the Chair may specify.

ARTICLE 8 EXECUTIVE OPERATIONS COMMITTEE

8.1 Executive Operations Committee

The board may, from time to time, appoint a committee known as the Executive Operations Committee. The individual who, from time to time, is appointed as Secretary shall serve as chair of the Executive Operations Committee. Each member may appoint one or more representatives to serve on the Executive Operations Committee, subject to the representatives so designated being confirmed by the board or by the Chair if so delegated by resolution of the board. A director is not permitted to sit on the Executive Operations Committee for as long as he or she hold office as a director of the Corporation. The board may specify the duties of and, in accordance with this by-law and subject to the Act, delegate to the Executive Operations Committee such powers to manage the business and affairs of the Corporation as would ordinarily be delegated to the officers of the Corporation. For greater certainty, the Executive Operations Committee is not a committee of the board.

8.2 Sub-Committees, Rules of Procedure

The Executive Operations Committee may from time to time appoint any sub-committee or ad-hoc committee, as it deems necessary or appropriate. The Executive Operations Committee will formulate rules of procedure and ensure that the majority of sub-committee members are Executive Operations Committee members. The chair of any sub-committee or ad-hoc committee must be a member of the Executive Operations Committee.

ARTICLE 9

PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

9.1 Limitation of Liability

Every director and officer in exercising his powers and discharging his duties shall act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Subject thereto, no director or officer shall be liable for the acts, receipts, neglects or defaults of any other director or officer or other individual acting in a similar capacity, or for joining in any receipt or other act for conformity, or for any loss, damage or expense to the Corporation arising from the insufficiency or deficiency of title to any property acquired by or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Corporation are invested, or for any loss, damage or expense arising from the bankruptcy, insolvency, act or omission of any person, firm or corporation with whom or which any monies, securities or other property of the Corporation are lodged or deposited, or for any loss, damage or expense occasioned by any error of judgment or oversight on such director's, officer's or other individual's part, or for any other loss, damage or expense related to the performance or non-performance of the duties of his or her respective office or in relation thereto unless the same shall happen by or through his or her own wrongful and wilful act or through his or her own wrongful or wilful neglect or default.

9.2 Indemnity

Subject to the limitations contained in the Act, but without limiting the right of the Corporation to indemnify any individual under the Act or otherwise to the full extent permitted by law, the Corporation shall, from time to time and at all times, indemnify each director or officer or former director or officer (and each such director's, officer's or other individual's respective heirs, executors, administrators, or other legal personal representatives and his or her estate and effects), or another individual who acts or acted at the Corporation's request as a director or an officer or in a similar capacity of another entity), against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the Corporation or other entity provided that the individual to be indemnified:

- (a) acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interests of the other entity for which the individual acted as director or officer or in a similar capacity at the Corporation's request; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that the individual's conduct was lawful.

9.3 Advance of Costs

The Corporation may advance money to a director, an officer or other individual for the costs, charges and expenses of a proceeding referred to in Section 9.2. The individual shall repay the money if the individual does not fulfil the conditions of Section 9.2(a) and (b).

9.4 Insurance

The Corporation may purchase and maintain insurance for the benefit of an individual referred to in Section 9.2 against any liability incurred by the individual in the individual's capacity as a director or an officer, or in the individual's capacity as a director or an officer, or in a similar capacity, of another entity, if the individual acts or acted in that capacity at the Corporation's request.

9.5 Indemnities Not Limiting

The provisions of this Article 9 shall be in addition to and not in substitution for or limitation of any rights, immunities and protections to which an individual is otherwise entitled.

ARTICLE 10 DISCLOSURE OF INTEREST

10.1 Disclosure of Interest

A director or an officer shall disclose to the Corporation, in writing or by requesting to have it entered into the minutes of meetings of the directors or of committees, the nature and extent of any interest that the director or officer has in the material contract or material transaction, whether made or proposed, with the Corporation, if the director or officer:

- (a) is a party to the contract or transaction;
- (b) is a director or an officer, or an individual acting in a similar capacity, of a party to the contract or transaction; or
- (c) has a material interest in a party to the contract or transaction.

10.2 Time of Disclosure for Director

The disclosure required by Section 10.1 shall be made, in the case of a director:

- (a) at the meeting at which the proposed contract or transaction is first considered;
- (b) if the director was not, at the time of the meeting referred to in Section 10.2(a), interested in the proposed contract or transaction, at the first meeting after the director becomes so interested;

- (c) if the director becomes interested after the contract or transaction is made, at the first meeting after the director becomes so interested; or
- (d) if an individual who is interested in the contract or transaction later becomes a director, at the first meeting after the individual becomes a director.

10.3 Time of Disclosure for Officer

The disclosure required by Section 10.1 shall be made, in the case of an officer who is not a director:

- (a) immediately after the officer becomes aware that the contract, transaction, proposed contract or proposed transaction is to be considered or has been considered at a meeting;
- (b) if the officer becomes interested after the contract or transaction is made, immediately after the officer becomes so interested; or
- (c) if an individual who is interested in the contract or transaction later becomes an officer, immediately after the individual becomes an officer.

10.4 Time of Disclosure for Director or Officer

If the material contract or material transaction, whether entered into or proposed, is one that, in the ordinary course of the Corporation's activities, would not require approval by the directors or members, a director or an officer shall, immediately after he or she becomes aware of the contract or transaction, disclose in writing to the Corporation, or request to have entered in the minutes of the meetings of directors or of committees, the nature and extent of his or her interest.

10.5 Voting

A director who is required to make a disclosure under Section 10.1 shall not vote on any resolution to approve the contract or transaction unless the contract or transaction:

- (a) is for indemnity or insurance pursuant to Article 9; or
- (b) is with an affiliate, as such term is understood for the purposes of the Act; or
- (c) relates primarily to the director's remuneration as a director, an officer, an officer, an employee, an agent or a mandatary of the corporation or an affiliate.

10.6 Continuing Disclosure

For the purposes of this Section, a general notice to the directors declaring that a director or an officer is to be regarded as interested, for any of the following reasons, in a contract or transaction made with a party, is a sufficient declaration of interest in relation to the contract or transaction:

- (a) the director or officer is a director or an officer, or acting in a similar capacity, of a party referred to in Section 10.1(b) or (c);
- (b) the director or officer has a material interest in the party; or
- (c) there has been a material change in the nature of the director's or the officer's interest in the party.

10.7 Access to Disclosures

The members may examine the portions of any minutes of meetings of directors or any minutes of meetings of Committees that contain disclosures contemplated by Section 10.1, and of any other documents that contain those disclosures, during the Corporation's usual business hours.

10.8 Avoidance Standards

A contract or transaction for which disclosure is required under Section 10.1 is not invalid, and a director or officer is not accountable to the Corporation or its members for any profit realized from the contract or transaction, because of the director's or officer's interest in the contract or transaction or because the director was present or was counted to determine whether a quorum existed at the meeting of directors or of committee that considered the contract or transaction, if:

- (a) disclosure of the interest was made in accordance with Section 10.1;
- (b) the Directors approved the contract or transaction; and
- (c) the contract or transaction was reasonable and fair to the Corporation when it was approved.

ARTICLE 11 AFFAIRS OF THE CORPORATION

11.1 Financial Year

The financial year of the Corporation shall end on the last day of December 31st in each year or on such other date as the board may from time to time by resolution determine.

11.2 Execution of Instruments

Except for documents executed in the usual and ordinary course of the Corporation's business, which may be signed by the Chair, the following are the only persons authorized to sign any document on behalf of the Corporation:

- (a) any two directors or any one officer with any one director, provided that no individual shall execute, acknowledge or verify any instrument in more than one capacity; or

- (b) any individual or individuals appointed by the board to sign a specific document or specific type of document or generally on behalf of the Corporation.

Any document so signed may, but need not, have the corporate seal applied, if there is one.

11.3 Electronic Signatures

The signature of any person authorized to sign on behalf of the Corporation, may, if specifically authorized by resolution of the board, be written, printed, stamped, engraved, lithographed or otherwise mechanically reproduced. Anything so signed shall be as valid as if it had been signed manually, even if that person has ceased to hold office when anything so signed is issued or delivered, until revoked by resolution of the board.

11.4 Banking Arrangements

The banking business of the Corporation shall be transacted at such bank, trust company or other firm or corporation carrying on a banking business in Canada or elsewhere as the board of directors may designate, appoint or authorize from time to time by resolution. The banking business or any part of it shall be transacted by an officer or officers of the Corporation and/or other persons as the board of directors may by resolution from time to time designate, direct or authorize.

11.5 Annual Financial Statements

The Corporation shall send to the members a copy of the annual financial statements and other documents referred to in subsection 172(1) (Annual Financial Statements) of the Act or a copy of a publication of the Corporation reproducing the information contained in the documents 21 to 60 days before the annual meeting. The Corporation may, instead of sending copies or a summary of the Annual Financial Statements to the Members, notify the members that the Annual Financial Statements are available at the registered office of the Corporation and any member may, on request, obtain a copy free of charge at the registered office or by prepaid mail. The Corporation is not required to send the documents or a summary to a member who, in writing, declines to receive such documents.

If required by the Act, a copy of the Annual Financial Statements shall be sent to the Director appointed by the Minister to exercise the powers of the Director under the Act at least 21 days before the date fixed for the Annual Meeting.

11.6 Public Accountant and Level of Financial Review

The members shall, by special resolution at each annual meeting, appoint a public accountant to hold office until the next annual meeting and if an appointment is not so made, the public accountant in office will continue in office until a successor is appointed. The public accountant must conduct an audit of the Corporation's financial statements and must meet the qualifications in the Act, including being independent of the Corporation and its affiliates, as well as the directors and officers of the Corporation.

and its affiliates. The board shall, if there is a quorum of directors in office, immediately fill any vacancy arising in the office of the public accountant.

The remuneration of the public accountant may be fixed by special resolution of the members, or if not so fixed, shall be fixed by the board.

11.7 Books and Records

The board shall see that all necessary books and records of the Corporation required by the By-laws or the Act or by any other applicable statute or law are regularly and properly kept.

11.8 Operating Policies

The board may adopt, amend, or repeal by resolution such operating policies that are not inconsistent with the by-laws of the Corporation relating to such matters as terms of reference of committees, duties of officers, board code of conduct and conflict of interest as well as procedural and other requirements relating to the by-laws as the board may deem appropriate from time to time. Any operating policy adopted by the board will continue to have force and effect until amended, repealed, or replaced by a subsequent resolution of the board.

ARTICLE 12 NOTICES

12.1 Method of Giving Notice

Any notice (which term includes any communication or document), other than notice of a meeting of members or a meeting of the board of directors, to be given (which term includes sent, delivered or served) pursuant to the Act, the articles, the by-laws or otherwise to a member, director, officer or member of a committee of the board or to the public accountant shall be sufficiently given:

- (a) if delivered personally to the person to whom it is to be given or if delivered to such person's address as shown in the records of the Corporation or in the case of notice to a director to the latest address as shown in the last notice that was sent by the Corporation in accordance with Director;
- (b) if mailed to such person at such person's recorded address by prepaid ordinary or air mail;
- (c) if sent to such person by telephonic, electronic or other communication facility at such person's recorded address for that purpose; or
- (d) if provided in the form of an electronic document in accordance with part 17 of the Act.

A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been given on the third day after it was mailed; and a notice so sent by any means of transmitted or recorded communication shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency or its representative for dispatch. If any notice sent to a member pursuant to this Section 12.1 is returned on two consecutive occasions because the member cannot be found, the Corporation is not be required to send any further notices or other documents to the member until the member informs the Corporation in writing of the member's new address. The Secretary or Chair may change or cause to be changed the recorded address of any member, director, officer, public accountant or member of a committee of the board in accordance with any information believed by the secretary or the Chair to be reliable. The statutory declaration by the Secretary or the Chair that notice has been given pursuant to this by-law shall be sufficient and conclusive evidence of the giving of such notice.

12.2 Omissions and Errors

The accidental omission to give any notice to any member, director, officer, member of a committee of the board or public accountant, or the non-receipt of any notice by any such person where the Corporation has provided notice in accordance with the by-laws or any error in any notice not affecting its substance, shall not invalidate any action taken at any meeting to which the notice pertained or otherwise founded on such notice.

12.3 Computation of Time

In computing the date when notice must be given under any provision requiring a specified number of days' notice of any meeting or other event, the date of giving the notice shall be excluded and the day of the meeting or other event shall be included.

12.4 Waiver of Notice

Any member, director, officer or the public accountant may waive any notice required to be given to such person under any provision of the Act, the by-laws or otherwise and such waiver, whether given before or after the meeting or other event of which notice is required to be given, shall cure any default in giving such notice.

ARTICLE 13 EFFECTIVE DATE AND REPEAL

13.1 By-Laws, Amendment or Repeal

- (a) The directors may, by resolution, make, amend or repeal any by-law that regulates the activities or affairs of the Corporation. Subject to the Act and the articles, any such by-law, amendment or repeal shall be effective from the date of the resolution of directors until the next meeting of members where it may be confirmed, rejected or amended by the Foundation Members by special resolution. If the by-law, amendment or repeal is confirmed or confirmed as

amended by the members entitled to vote thereon it remains effective in the form in which it was confirmed. The by-law, amendment or repeal ceases to have effect if it is not submitted to the Foundation Members at the next meeting of members or if it is rejected by the Foundation Members at the meeting. If a by-law, amendment or repeal ceases to have effect, a subsequent resolution of the directors that has substantially the same purpose or effect is not effective until it is confirmed, or confirmed as amended, by the members entitled to vote thereon. Notwithstanding the foregoing:

- (i) by-laws shall not be effective until they are confirmed by the members entitled to vote thereon if same is provided for in the Act; and
 - (ii) Regular Members shall have the right to vote on by-laws where such right to vote is provided for in the Act.
- (b) If there are no Foundation Members remaining, the phrase “Foundation Members” in Section **Error! Reference source not found.** shall be read as “Foundation and Regular Members”.

13.2 Effect of Invalidity or Repeal of By-laws

The invalidity or unenforceability of any provision of this by-law shall not affect the validity or enforceability of the remaining provisions of this by-law. The repeal of any by-law in whole or part shall not in any way affect the validity of any act done or right, privilege, obligation or liability acquired or incurred thereunder prior to such repeal.

13.3 Enactment

This by-law shall come into force and effect following its approval by the board and confirmation by the members, and upon the continuance of the Corporation under the Act. Upon this by-law coming into force and effect all prior by-laws of the Corporation shall thereby be repealed. All officers and persons acting under any by-law so repealed shall continue to act as if appointed under the provisions of this by-law and all resolutions of the members or the board or a committee of the board with continuing effect passed under any repealed by-law shall continue to be good and valid except to the extent inconsistent with this by-law or until amended or repealed.

MADE by the board on the <@> day of <@>, 2014.

<@>, Chair

<@>, Secretary

CONFIRMED by the members on the <@> day of <@>, 2014.

<@>, Chair

<@>, Secretary

BY-LAW NO. 1

A by-law relating generally to the conduct of the affairs of

**CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE
ASSOCIATION CANADIENNE DES INSTITUTIONS FINANCIÈRES EN ASSURANCE**

(the “Corporation”)

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this by-law and all other by-laws of the Corporation hereafter passed, unless the context otherwise requires:

“**Act**” means the *Canada Not-for-profit Corporations Act* S.C. 2009, c. 23 including the regulations made pursuant to the Act, and any statute or regulations that may be substituted therefor, as amended from time to time;

“**Annual Financial Statements**” means the comparative financial statements of the Corporation, as prescribed by the Act, the report of the public accountant, if any, and any further information respecting the financial position of the Corporation and the results of its operations required by the articles or the by-laws;

“**Annual Meeting**” means an annual meeting of members of the nature described in Section 3.1;

“**articles**” means the articles of continuance of the Corporation and any other articles of amendment, amalgamation, continuance, reorganization, arrangement or revival of the Corporation from time to time in force and effect;

“**Associate**” has the meaning given to it in Section 2.2;

“**board**” means the board of directors of the Corporation;

“**by-law**” means this by-law and any other by-law of the Corporation as amended and which are, from time to time, in force and effect;

“**Chair**” means the chair of the board;

“**committee**” means a committee established by the board pursuant to Section 6.1 or, where the context permits, a subcommittee of such committee;

“**Declared Incapable**” means:

- (a) an individual who has been found under any applicable law as being incapable of managing his or her property or who has been declared to be incapable by a court of competent jurisdiction; or
- (b) an individual in respect of whom the Corporation has obtained a letter from a physician who is licensed to practice medicine in one or more of the provinces or territories of Canada declaring such person to be incapable of managing property;

“director” means a member of the board and **“directors”** includes Foundation Directors and Regular Directors, as applicable;

“entity” refers to a corporation, partnership, trust or unincorporated organization but excludes an individual;

“Executive Director” means the officer referred to in Section 7.2(c);

“Executive Operations Committee” means the committee referred to in Section 8.1;

“Foundation Directors” has the meaning given to it in Section 4.3(a);

“Foundation Members” means the members referred to in Section 2.1(a);

“meeting of members” includes an Annual Meeting or a Special Meeting;

“members” includes Foundation Members and Regular Members, as applicable;

“ordinary resolution” means a resolution passed by a majority of votes cast on that resolution;

“public accountant” means the person from time to time appointed pursuant to Section 11.6;¹

“Regular Directors” has the meaning given to it in Section 4.3(b);

“Regular Members” means the members referred to in Section 2.1(b);

“regulations” means the regulations made under the Act, as amended, restated or in effect from time to time;

“Secretary” means the secretary of the board;

“Special Meeting” means a meeting of members other than an Annual Meeting;

“special resolution” means a resolution passed by a majority of not less than two-thirds of the votes cast on that resolution; and

“Vice-Chair” means the vice-chair of the board.

¹ The auditor is referred to as the public accountant under the new Act.

1.2 Interpretation

In the interpretation of this by-law, words in the singular include the plural and vice-versa, words in one gender include all genders, and “person” includes an individual, body corporate, partnership, trust and unincorporated organization. The division of this By-law into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof. Unless otherwise provided, each reference to an Article or a Section is to the corresponding article or section of this by-law. Whenever the words “include”, “includes” or “including” are used in this By-law and in all other By-laws hereafter passed, unless the context otherwise requires, such words shall be deemed in each instance to be followed by the words “without limitation.”

Other than as specified above, words and expressions defined in the Act have the same meanings when used in these by-laws.

ARTICLE 2 MEMBERS

2.1 Classes of Members²

Pursuant to the articles, there shall be two classes of members in the corporation as follows:

- (a) *Foundation Members* — Foundation Members shall consist of entities:
 - (i) that are involved, directly or indirectly, in the business of insurance in Canada;
 - (ii) that are controlled by a bank as that term is defined in the the *Bank Act* (Canada);
 - (iii) that have an interest in furthering the purposes of the Corporation; and
 - (iv) for which an application for admission as Foundation Members has been accepted by a two-thirds majority of the Foundation Directors then in office;

provided that, as of the date that this by-law comes into force, the following shall be deemed to be Foundation Members: RBC Insurance Holdings Inc., CIBC Life Insurance Company Limited, Toronto Dominion Life Insurance Company, ScotiaLife Financial Services Inc., Bank of Montréal, BMO Insurance, and National Bank Life Insurance Company.

² The non-voting class of Associate Members has been removed. Under the new Act non-voting members will have voting rights extended to them in the case of certain fundamental decisions. Under the current *Canada Corporations Act* Associate Members do not have such rights and so removing them as members is consistent with the current regime. Rather, the Corporation’s terms of recognition, etc. regarding these affiliated corporations would be set out in a corporate policy.

If there is a change in control of a Foundation Member such that it is no longer controlled by a bank, the Foundation Member shall be deemed to be a Regular Member as of the date of the change in control of that Foundation Member. For greater certainty, upon the amalgamation of two or more Foundation Members, they shall become a single Foundation Member.

Each Foundation Member shall be entitled to receive notice of all meetings of members, to be represented at and to vote at all meetings of members, to nominate one director for election to the board in accordance with Section 4.3(a) and, in addition, shall have any other rights that may be ascribed to the Foundation Members in the articles or by-laws.

- (b) *Regular Members* — Regular Members shall consist of entities:
- (i) that are involved, directly or indirectly, in the business of insurance in Canada;
 - (ii) that have an interest in furthering the purposes of the Corporation; and
 - (iii) for which an application for admission as Regular Members has been accepted by the board;

provided that, as of the date that this by-law comes into force, the following shall be deemed to be Regular Members: Amex Bank of Canada, American Bankers Insurance Company of Florida, Canadian Premier Life Insurance Company, Desjardins Financial Security Life Assurance Company.

If there is a change in control of a Regular Member, the Regular Member may be removed as a Regular Member.

Each Regular Member shall be entitled to receive notice of and to attend all meetings of members, and to vote at all meetings of members except on matters expressly reserved to the Foundation Members in the articles or the by-law, and each Regular Member shall have the right to nominate one director for election to the board in accordance with Section 4.3(b).

2.2 Associates

The Board may, from time to time, designate certain persons with the status of “**Associate**” of the Corporation. For greater certainty, Associates are not a class or group of membership in the Corporation.

2.3 Membership Fees³

The membership fees payable by the Foundation Members and the Regular Members shall from time to time be fixed by resolution of the board. A notice of the fees payable at any time shall be sent to each member by the Secretary promptly before the due date.

2.4 Termination for Non-Payment⁴

If membership fees are levied by the board, the membership of any member who is in arrears may be terminated by or under the authority of the board if such arrears of fees are not paid within 90 days of the due date set out in the notice referred to in Section 2.3. Any such former member may re-apply for membership in the Corporation.

2.5 Resignation⁵

Members may resign at any time by resignation in writing delivered to the Corporation, in which case such resignation shall be effective on the date specified in the resignation or the date received, whichever is later. A member shall remain liable for payment of any assessment or other sum levied or which became payable by the member to the Corporation prior to such resignation.

2.6 Discipline of Members⁶

The Foundation Members shall have authority to, by special resolution, suspend or expel any member from the Corporation for any one or more of the following grounds:

- (a) violating any provision of the articles, by-laws, or written policies of the Corporation;
- (b) carrying out any conduct which may be detrimental to the Corporation as determined by the Foundation Members in their sole discretion; or

³ As under Current By-Law, dues may be fixed by board resolution. Note that the description of matters to be taken into consideration when fixing membership dues has been removed from the by-law but included in the appropriate policy and procedures document.

⁴ This provision has been updated to provide that the deadline for payment of membership fees will be 90 days (at which time the member may be removed). This change allows for consistency in handling delinquent members. This is in keeping with, but actually extends, the option provided by Industry Canada that, *Members shall be notified in writing of the membership dues at any time payable by them and, if any are not paid within one (1) calendar month of the membership renewal date the members in default shall automatically cease to be members of the Corporation.*

⁵ No substantive change.

⁶ The Act provides that the articles or by-law may provide for the discipline of members and if so that they set out the circumstances and manner in which that power may be exercised. While not expressly set out in the Act, the common law requires that basic rules of natural justice are complied with and there is no bad faith in the decision-making process where a member is terminated. The common law suggests that, at minimum, prior notice and an opportunity to be heard be provided to the member who is subject to the discipline. This updated discipline provision outlines a process that better accords with the applicable common law requirements.

- (c) for any other reason that the Foundation Members in their sole and absolute discretion considers to be reasonable, having regard to the purpose of the Corporation.

In the event that the Foundation Members determine, by special resolution, that a member should be expelled or suspended from membership in the Corporation, the Executive Director, or such other officer as may be designated by the Foundation Members, shall provide 20 days' notice of suspension or expulsion to the member and shall provide reasons for the proposed suspension or expulsion. The member may make written submissions to the Executive Director, or such other officer as may be designated by the Foundation Members, in response to the notice received within such 20 day period. In the event that no written submissions are received by the Executive Director, the Executive Director, or such other officer as may be designated by the Foundation Members, may proceed to notify the member that the member is suspended or expelled from membership in the Corporation. If written submissions are received in accordance with this Section, the Foundation Members will consider such submissions in arriving at a final decision and shall notify the member concerning such final decision within a further 20 days from the date of receipt of the submissions. The decision of the Foundation Members shall be final and binding on the member, without any further right of appeal.

2.7 Termination of Membership⁷

A membership in the Corporation is terminated when:

- (a) the member is dissolved or otherwise ceases to exist;
- (b) the member fails to maintain any qualifications for membership described in Section 2.1;
- (c) the member resigns in accordance with Section 2.5;
- (d) the member is terminated or removed in accordance with Section 2.4 or 2.6;
- (e) the Corporation is liquidated or dissolved under the Act.

Subject to the articles, upon any termination of membership, the rights of the member, including any rights in the property of the Corporation, automatically cease to exist.

⁷ No substantive changes.

ARTICLE 3 MEETINGS OF MEMBERS

3.1 Annual Meetings⁸

An Annual Meeting shall be held at least once in every calendar year no later than six months after the end of the Corporation's preceding fiscal year. At every Annual Meeting, in addition to any other business that may be transacted, the Annual Financial Statements shall be presented to the members, the board shall be elected, the public accountant shall be appointed for the next ensuing year and the remuneration of the public accountant shall be fixed or the board shall be authorized to fix such remuneration.

3.2 Special Meetings⁹

The board, the Chair or the Vice-Chair shall have power to call a meeting of members at any time. The board shall call a Special Meeting on written requisition of members holding not less than five percent of votes that may be cast at a meeting of members.

3.3 Place of Members' Meetings¹⁰

A meeting of members shall be held at the registered office of the Corporation or at any place within Canada on such day in each year and at such time as the board may determine.

3.4 Notice of Meetings¹¹

Written notice of the time and place of each meeting of members shall be given to each director, the public accountant and each member entitled to vote at such meeting and whose name is entered in the register of members at the close of business on the record date for notice (which shall be 21 to 60 days before the date of the meeting) or, if no record date for notice is fixed, at the close of business on the day preceding the day on which notice is given.

Notice of the time and place of a meeting of members shall be given to each member entitled to vote at the meeting by the following means:

- (a) by mail, courier or personal delivery to each member entitled to vote at the meeting, during a period of 21 to 60 days before the day on which the meeting is to be held;
or

⁸ Updated timing requirements for holding of Annual Meetings to align with the new Act. Under the new Act "annual general meetings" are now referred to as "annual meetings".

⁹ No change from Current By-Law, except that reference to the President (if one is appointed) having the ability to call a meeting of members has been removed to accord with the removal of reference to the office of President from this by-law (see "Officers"). Under the new Act "special general meetings" are now referred to as "special meetings".

¹⁰ Slight change to provide that the default place for holding a members' meeting is the registered office of the Corporation, unless the board determines otherwise.

¹¹ Notice periods have been lengthened to comply with the requirements of the new Act.

- (b) by telephonic, electronic or other communication facility to each member entitled to vote at the meeting, during a period of 21 to 35 days before the day on which the meeting is to be held.

Notice of any meeting of members where special business will be transacted must contain sufficient information to permit the members to form a reasoned judgment on the decision to be taken and shall state the text of any special resolution to be submitted to the meeting. Notice of each meeting of members must remind members of the right to vote by proxy.

3.5 Waiver of Notice¹²

Any person who is entitled to notice of a meeting of members may waive notice either before or after the meeting, and attendance of the person at the meeting is a waiver of notice of the meeting, unless the person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

3.6 Chair, Secretary and Scrutineers¹³

The Chair (or in the Chair's absence, the Vice-Chair) shall be chair of any meetings of members. If no such officer is present within 15 minutes from the time fixed for holding the meeting, the members present may elect one of their number to preside at the meeting. If the Secretary is absent, the chair of the meeting shall appoint an individual attending the meeting to act as secretary of the meeting. If desired, one or more scrutineers, who need not be members, may be appointed by a resolution or by the chair of the meeting with the consent of the meeting.

3.7 Persons Entitled to be Present at Members' Meetings¹⁴

Members, directors and the public accountant are entitled to be present at a meeting of members. Any other persons may be admitted only on the invitation of the chair of the meeting or with the consent of the members entitled to vote thereat. For greater certainty, only members will have the right to speak at such meetings although others present at such meetings in accordance with the Act or the articles or by-laws shall be allowed to speak with the consent of the meeting.

3.8 Quorum at Members' Meetings¹⁵

A majority of members present in person or by proxy shall constitute a quorum at any meeting of members. No business shall be transacted at any meeting of members unless a quorum is present.

¹² No change from Current By-Law, though language has been updated to align with the new Act.

¹³ No change from Current By-Law.

¹⁴ No change from Current By-Law.

¹⁵ No change from Current By-Law.

3.9 Votes to Govern at Members' Meetings¹⁶

Each member shall have one vote to be exercised in person or by proxy at each meeting of members. All questions shall be decided by special resolution. Any question at a meeting of members shall be decided by a show of hands or, in some other appropriate manner in the case of meetings by teleconference or other electronic means, unless a ballot vote thereon is required or demanded as hereinafter provided. At any meeting, unless a ballot is demanded, a declaration by the chair of the meeting that a resolution has been carried or carried unanimously or by a particular two-thirds majority or lost or not carried by a two-thirds majority shall be conclusive evidence of the fact.

3.10 Ballot¹⁷

A ballot may be demanded before or after any vote by any person entitled to vote on the question. If a ballot is required or demanded, the ballot shall be held in such manner as the chair of the meeting shall direct. A demand for a ballot may be withdrawn at any time prior to the holding of the ballot.

3.11 Proxies¹⁸

At any meeting of members, a proxy holder who has been duly appointed by a member, shall be entitled to exercise, subject to any restrictions expressed in the instrument appointing him or her, the same voting and other rights that such member appointing him or her would be entitled to exercise if present at that meeting. A proxy shall be in writing and executed by the member. A proxy may be in such form as the board from time to time prescribes or in such other form as the chair of the meeting may accept as sufficient, and shall be deposited with the secretary of the meeting before any vote is called to which the proxy pertains, or at such earlier time and in such manner as the board may prescribe. A proxy holder may not act for more than five members at any meeting of members.

3.12 Attendance by Teleconference, Videoconference or Other Electronic Means¹⁹

If the notice of meeting or the board so permits, any person entitled to attend a meeting of members may participate in such meeting by teleconference, videoconference or any other electronic means that permit all participants to communicate adequately with each other during the meeting if the Corporation makes such means available. A member so

¹⁶ No change from Current By-Law in terms of votes to govern; however, references to registering of member dissents has been removed. This should be addressed by keeping appropriate minutes of meetings.

¹⁷ No substantive change, but reference to polls has been updated to refer to ballots (consistent with the new Act) and the section has been simplified.

¹⁸ Section has been updated to accord with the new Act. Note that the requirement that a proxyholder be a member has been removed (firstly, because this type of restriction is not permitted by the new Act and secondly, because CAFII's membership is made up entirely of corporations we are not sure how the restriction would operate in any event). The restriction on the number of proxies a proxyholder may hold may not be enforceable, but it is possible to continue to include the restriction recognizing this uncertainty.

¹⁹ Provisions on attending meetings electronically, etc. updated to accord with the new Act.

participating in a meeting is deemed for the purposes of the by-laws, the articles and the Act to be present at the meeting.

3.13 Voting While Participating Electronically²⁰

A member participating in a meeting of members by any of the means set out in Section 3.12 and entitled to vote thereat may vote, and that vote may be held by teleconference, videoconference or any other electronic means that the Corporation has made available for that purpose. A member so participating in a meeting shall be provided with an opportunity to vote on all questions put before the members in a manner that:

- (a) permits their subsequent verification; and
- (b) permits the tallied votes to be presented to the Corporation without it being possible for the Corporation to identify how the member voted.

3.14 Written Resolution in Lieu of Meeting²¹

Except as otherwise provided in the Act, a resolution in writing signed by all of the members entitled to vote on that resolution at a meeting of members is as valid as if it had been passed at a meeting of members. Resolutions in writing may be signed in counterpart and satisfy all the requirements of this by-law relating to meetings of members.

ARTICLE 4 DIRECTORS

4.1 Authority and Responsibility²²

The board shall manage or supervise the management of the activities and affairs of the Corporation, subject to the Act, the articles and the by-laws.

4.2 Number of Directors²³

The fixed number of directors, within the minimum and maximum numbers provided for in the articles, shall be required to be equal to the number of members. The fixed number of directors shall initially be ten directors. If, from time to time, the number of members increases or decreases, the directors and members shall pass such resolutions or by-laws as are necessary to cause the fixed number of directors to be increased or decreased accordingly to ensure the fixed number of directors is equal to the number of members.

²⁰ Consistent with the new Act's emphasis on enhancing member rights, where members participate by teleconference or otherwise, they must be provided with the opportunity for the vote to be held confidentially.

²¹ We have included reference to written resolutions signed by all members in lieu of a members' meeting, as this is now permitted by the Act.

²² The references to the specific duties of the directors have been removed in keeping with the simplified statement in the Act, *The board of directors is accountable to the members and is responsible for managing and supervising the activities and affairs of the corporation.*

²³ The Articles will continue to provide that the permitted range in the number of directors is between 3 and 25. The fixed number is initially set at 10 to accord with your current fixed board number, but may be changed in the future.

4.3 Nomination of Directors²⁴

- (a) *Foundation Directors* — Each Foundation Member shall be entitled to nominate one individual to serve as director on the board or to fill a vacancy caused by the resignation or expiry of the term of its previous nominee. Only an individual so nominated shall be eligible to stand for election by the members. A director nominated by a Foundation Member shall be referred to in this by-law as a “**Foundation Director**”.
- (b) *Regular Directors* — Each Regular Member shall be entitled to nominate one individual to serve as director on the board or to fill a vacancy caused by the resignation or expiry of the term of its previous nominee. Only an individual so nominated shall be eligible to stand for election by the members. A director nominated by a Regular Member shall be referred to in this by-law as a “**Regular Director**”.

4.4 Qualification²⁵

In order to serve as a director, an individual must:

- (a) be 18 years of age or older;
- (b) not be Declared Incapable;
- (c) not be an undischarged bankrupt; and
- (d) be duly nominated in accordance with Section 4.3.

4.5 Term of Office²⁶

Directors shall be elected at an Annual Meeting to hold office for a term expiring not later than the close of the third Annual Meeting following their election or until their successors are elected or appointed. There is no limit on the number of terms a director may serve, provided that he or she continues to be qualified to sit on the board.

4.6 Consent to Serve²⁷

An individual who is elected to hold office as a director is not a director, and is deemed not to have been elected to hold office as a director, unless:

- (a) the individual was present at the meeting when the election took place and did not refuse to hold office as a director; or

²⁴ No substantive change from Current By-Law; however, nomination rights of each class of member have been expressly set out in this section for ease of reference and clarity.

²⁵ No substantive change from Current By-Law.

²⁶ No substantive change from Current By-Law.

²⁷ We have included this provision as it is a new requirement under the new Act.

- (b) the individual was not present at the meeting when the election took place and:
 - (i) consented to hold office as a director in writing before the election or within 10 days after the day on which the election took place; or
 - (ii) has acted as a director after the election.

4.7 Resignation²⁸

Any director who wishes to resign from the board prior to the expiry of his or her term of office shall deliver a written resignation to the Chair or Secretary and such resignation shall be effective at the time of receipt of such written resignation by the Chair or Secretary or at the time specified therein, whichever is later.

4.8 Removal of Directors²⁹

The members may, by ordinary resolution passed at a special meeting of which notice specifying the intention to pass such resolution has been given, remove any director before the expiration of his or her term of office, and may elect any individual who meets the qualifications set out in Section 4.4 in place of such director for the remainder of the term of such director.

4.9 Written Statement³⁰

A director may submit to the Chair a written statement giving reasons for resigning, or if a meeting is called for the purpose of removing him or her, for opposing his or her removal or replacement. Where the Chair receives such a statement, the Chair shall immediately:

- (a) give notice to the members of the statement; and
- (b) send a copy of the statement to the Director appointed by the Minister pursuant to section 281 of the Act (Appointment of Director).

4.10 Vacation of Office³¹

A director ceases to hold office when the director dies, resigns, is removed from office in accordance with Section 4.8, or no longer fulfils all of the qualifications to be a director set out in Section 4.4, as determined in the sole discretion of the board.

²⁸ No substantive change from Current By-Law.

²⁹ This is an exemption to the 2/3rds vote requirement present throughout. The Act requires that the vote threshold to remove a director be set no higher than by ordinary resolution. Note also that as the members elect the directors they must (as a whole) have the right to remove a director (which means that all members would have the right to vote on any such removal).

³⁰ This is a new provision of the Act (if desired, this right can be opted out of in the by-law).

³¹ No substantive change from Current By-Law.

4.11 Vacancies³²

If a majority of the fixed number of directors is then in office, vacancies may be filled by the remaining directors, if such directors determine it appropriate (except for vacancies resulting from a failure to elect the minimum number of directors provided for in the articles); provided however, that pursuant to Section 4.3, a vacancy may only be filled by the directors with an individual who has been nominated by the member that nominated the director who caused the vacancy. If there is not a majority of the fixed number of directors in office, or if there has been a failure to elect the minimum number of directors provided for in the articles, the remaining directors shall forthwith call a Special Meeting to fill the vacancies, provided that if the directors fail to call such a meeting or if there are no directors then in office, the meeting may be called by any member. A director appointed or elected to fill a vacancy holds office for the unexpired term of his or her predecessor.

4.12 Confidentiality and Duty of Loyalty³³

Every director owes a duty of loyalty and confidentiality to the Corporation, regardless of the member that nominated him or her. Every director, officer, committee member, employee and volunteer, shall respect the confidentiality of matters brought before the board or before any committee of the board. Employees and volunteers shall also keep confidential matters that come to their attention as part of their employment or volunteer activities.

4.13 Remuneration of Directors³⁴

Directors shall receive no remuneration for acting as such but may, at the discretion of the board, be reimbursed their reasonable expenses properly incurred in the performance of their duties, including their travel and other expenses properly incurred by them in attending meetings of the board, of any committee thereof, or of the members or otherwise properly incurred by them in connection with carrying out the activities of the Corporation. Nothing herein contained shall be construed to preclude any director from serving the Corporation as an officer or in any other capacity and receiving compensation therefor.

ARTICLE 5 MEETINGS OF DIRECTORS

5.1 Place of Board of Directors Meetings³⁵

Meetings of the board may be held at any place in or outside of Canada as the board may, from time to time, determine.

³² This provision has been somewhat revised to clarify the ability of a member to nominate an individual to fill their prior nominee's vacancy, which will then be filled by the directors or the members as the case may be.

³³ The Act does not require this to be set out in the by-laws, is a good reminder (particularly for a board that is composed of nominee directors).

³⁴ No change from Current By-Law.

³⁵ No change from Current By-Law.

5.2 Calling of Meetings of Board of Directors³⁶

Meetings of the board may be called by the Chair, the Vice-Chair or any two directors.

5.3 Notice of Meeting of Board of Directors³⁷

Notice of the time and place for the holding of a meeting of the board shall be given to every director in the manner provided in Section 12.1 not less than one business day before the time when the meeting is to be held. Notice of an adjourned meeting is not required if the time and place of the adjourned meeting is announced at the original meeting. Unless the by-law otherwise provides, no notice of meeting need specify the purpose or the business to be transacted at the meeting except that a notice of meeting of directors shall specify any matter referred to in subsection 138(2) (Limits on Authority) of the Act that is to be dealt with at the meeting. No notice is required to be given in order to conduct business at the board meeting held immediately following the Annual Meeting, provided that a quorum is present.

5.4 Regular Meetings of the Board of Directors³⁸

The board may appoint a day or days in any month or months for regular meetings of the board at a place and hour to be named. A copy of any resolution of the board fixing the place and time of such regular meetings of the board shall be sent to each director forthwith after being passed, but no other notice shall be required for any such regular meeting except where subsection 136(3) (Notice of Meeting) of the Act requires the purpose thereof or the business to be transacted to be specified in the notice.

5.5 Meetings Without Notice³⁹

A meeting of the board may be held at any time without notice if all directors are present in person or if those who are not present, either before or after the meeting, waive notice or otherwise consent in writing or by e-mail or other means of recorded electronic communication addressed to the secretary to such meeting being held, and at such meeting any business may be transacted which the Corporation, at a meeting of the board, may transact.

5.6 Attending by Teleconference, Videoconference and Other Electronic Means⁴⁰

If all of the directors present at or participating in the meeting consent, any director may attend a meeting of the board by teleconference, videoconference and other electronic

³⁶ No substantive change from Current By-Law (though note that reference to President being able to call a meeting has been removed as there is no longer reference to the office of "President" in this by-law – see "Officers").

³⁷ This provision has been updated to accord with the new Act. Note that the minimum notice period for a board meeting has been lowered from 48 hours to 1 day to provide added flexibility to the board.

³⁸ Updated to accord with new Act regarding the requirement for notice of directors meetings where certain matters will be considered.

³⁹ No change from Current By-Law.

⁴⁰ Electronic meeting attendance provisions updated to accord with the provisions of the new Act.

means as permit all persons participating in the meeting to communicate adequately with each other during the meeting, and a director participating in the meeting by those means is deemed to be present at the meeting. Any such consent shall be effective whether given before or after the meeting to which it relates and may be given with respect to all meetings of the board and of the committee held while a director holds office.

5.7 Voting While Participating Electronically⁴¹

A Director participating in the meeting by any of the means set out in Section 5.6 may vote, and that vote may be held by teleconference, videoconference or any other electronic means that the Corporation has made available for that purpose.

5.8 Quorum at Board Meetings⁴²

A majority of the fixed number of directors shall be necessary to constitute a quorum for the transaction of business at any meeting of the board.

5.9 Chair and Secretary of Board Meetings⁴³

The Chair, or in his or her absence, a Vice-Chair, or in the absence of both the Chair and a Vice-Chair, a director chosen from among those present, shall act as the chair at all meetings of the board. The Secretary, or his or her delegate, shall act as secretary at all meetings of the board.

5.10 Votes to Govern at Meetings of the Board of Directors⁴⁴

Each director is authorized to exercise one vote. At all meetings of the board, unless otherwise required by the Act, every question shall be voted on and decided by special resolution. A director may, at any time before the meeting is terminated, request to have recorded in the minutes of the meeting the number or proportion of the votes recorded in favor of or against any resolution or other proceeding in respect of any question. No person may act for an absent director at a meeting of the directors.

5.11 Show of Hands⁴⁵

Unless a director demands a ballot, each motion shall be voted upon by a show of hands or, in the case of meetings by teleconference or other electronic means, by the procedure for recording votes designated by resolution of the board or the chair of the meeting. Each director shall have one vote on each motion. Whenever a vote shall have been taken upon a question, unless a vote by ballot is demanded, a declaration by the chair of the meeting

⁴¹ Electronic voting provisions updated to accord with the new Act.

⁴² The quorum provision now provides that a majority of the *fixed number* of directors at any given time constitutes a quorum. It is very unusual to provide, as in the Current By-Law, that quorum adjusts to the number of directors in office (i.e. would exclude any vacancies).

⁴³ No change from Current By-Law.

⁴⁴ No change from Current By-Law.

⁴⁵ No change from Current By-Law.

that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be sufficient evidence of the fact without proof of the number or proportion of the votes recorded in favor of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the board upon the said question.

5.12 Vote by Ballot and Recorded Votes⁴⁶

Prior to a vote on a question, a director may demand a vote by ballot. A vote by ballot so demanded shall be taken in such manner as the chair of the meeting shall direct. In the case of meetings by teleconference or other electronic means, the vote may be taken by facsimile transmission or another method of communication which produces a paper record. A demand for a vote by ballot may be withdrawn at any time prior to the taking of the vote by ballot. Upon a vote by ballot, each director present in person and entitled to vote shall have one vote and the result of the vote by ballot shall be the decision of the board upon the said question.

5.13 Resolutions in Writing⁴⁷

A resolution in writing, signed by all the directors entitled to vote, shall be as valid as if it had been passed at a board meeting. A copy of every such resolution in writing shall be kept with the minutes of the proceedings of the board or committee of directors.

ARTICLE 6 COMMITTEES OF THE BOARD OF DIRECTORS⁴⁸

6.1 Committees

The board may constitute such committee or committees as it deems necessary or advisable, from time to time, and subject to the Act (including the limitations on delegations set out therein), each for such purpose and with such powers as may be prescribed or delegated by the board. Any member of any such committee may be removed from a committee at any time at the discretion of the board. Membership in each committee shall not be restricted to persons who are directors, provided that if an audit committee is established, it shall be composed of not less than three directors, a majority of whom are neither officers nor employees of the Corporation or any of its affiliates. The public accountant shall be entitled to attend each meeting of the audit committee, if such committee is established, and to call a meeting of that committee. The board shall have the power to disband any committee which it creates.

⁴⁶ It is somewhat unusual to provide for ballot voting by the directors, but there is no prohibition on doing so. From a good governance perspective it is desirable that as many board decisions as possible be made through open debate and voting rather than by secret ballot.

⁴⁷ New provision, added to reflect the fact that written resolutions are now expressly permitted under the new Act.

⁴⁸ Reference to the Executive Committee of the board has been removed as we understand it has not been CAFII's existing practice to establish an executive committee. Note: If desired in the future, it would still be possible to constitute an executive committee as long as the requirements for doing so in the Act are followed.

6.2 Advisory Bodies and Working Groups⁴⁹

The board may from time to time appoint such advisory bodies and working groups as it may deem advisable. The advisory bodies and working groups shall act in an advisory capacity to the board on such matters and for such term as the board shall consider necessary or desirable. Members of advisory bodies or working groups shall be selected by the board and shall have no administrative, operational or legal responsibilities or obligations to the Corporation and shall not be entitled to vote in respect of any resolution placed before the board. Any advisory body or working group member may be removed by resolution of the board of directors.

6.3 Procedure⁵⁰

Unless otherwise required by the Act, this by-law or as determined by the board, each committee, advisory body and working group shall have the power to fix its quorum at not less than a majority of its members, to elect its chair and to regulate its procedure. Meetings of committees may be held at any place in or outside Canada. Members of committees, advisory bodies and working groups shall serve without remuneration but shall be entitled to be paid their reasonable expenses incurred in the performance of their duties.

ARTICLE 7 OFFICERS

7.1 Appointment of Officers⁵¹

The directors shall select annually officers of the Corporation. Except for the Executive Director, officers shall hold their position for a period of one year, or, in those cases where an officer is appointed by the board to fill a vacancy during the year, until the first meeting of the board immediately following the annual general meeting.

The board may designate the offices of the Corporation, appoint officers on an annual or more frequent basis, specify their duties and, subject to the Act, delegate to such officers the power to manage the affairs of the Corporation. An individual may hold more than one office.

7.2 Description of Offices⁵²

Unless otherwise specified by the board (which may, subject to the Act modify, restrict or supplement such duties and powers), the offices of the Corporation, if designated and if officers are appointed, shall have the following duties and powers associated with their positions:

⁴⁹ No change from Current By-Law.

⁵⁰ No change from Current By-Law.

⁵¹ The standard term of officers has been amended from 2 years to 1 year terms. This is a fairly usual term.

⁵² References to the "President" and "Vice-President" have been removed and replaced with Chair and Vice-Chair.

- (a) Chair:⁵³ The Chair shall, if present, preside at all meetings of the board and of the members, be an *ex officio* member of all committees appointed by the board, sign all instruments which require his or her signature in accordance with the by-laws or otherwise, represent the Corporation at public or official functions, and have such other powers and duties as may from time to time be assigned to him or her by the board. The Chair must be a Foundation Director.
- (b) Vice-Chair:⁵⁴ The board may assign the Vice-Chair any of the powers and duties that are by any provision of this by-law assigned to the Chair. The Vice-Chair will act as the Chair in the absence of the Chair and shall have such other duties as may be assigned to him or her by the board. The Vice-Chair must be a director.
- (c) Executive Director:⁵⁵ The board may from time to time appoint an Executive Director. The Executive Director, if appointed, shall be responsible for implementing the strategic plans and policies of the Corporation. The Executive Director shall, subject to the authority of the board, have general supervision of the affairs of the Corporation. The Executive Director shall be entitled to be paid remuneration for his or her services, such remuneration to be fixed by the board.
- (d) Secretary:⁵⁶ The Secretary, or his or her delegate, shall give or cause to be given notice of all meetings of the board and of the members, have custody of the seal, minute books, registers and other corporate documents of the Corporation, cause to be kept a record of the minutes of all meetings of the board and its committees, attend to correspondence and shall have such other duties as may from time to time be assigned to him or her by the board. The Secretary shall serve as chair of the Executive Operations Committee. The Secretary shall not be a director but shall be required to be an employee or officer of a Foundation Member or an affiliate thereof.
- (e) Treasurer:⁵⁷ The treasurer shall have general supervision of the financial affairs of the Corporation, shall have custody of the financial books of the Corporation, shall report on the financial statements of the Corporation at each meeting of the board, and shall have such other duties as may from time to time be assigned to him or her by the board. The treasurer shall not be a director or a member of the Executive

⁵³ The following text has been added: "The Chair must be a Foundation Director" as is CAFII's existing practice.

⁵⁴ No substantive change, though note that reference in this section has been changed from Vice-Chair(s) (potential plural) to Vice-Chair (singular).

⁵⁵ The following has been added, "The Executive Director, if appointed shall be responsible for implementing the strategic plans and policies of the Corporation. The Executive Director shall, subject to the authority of the board, have general supervision of the affairs of the Corporation."

⁵⁶ The following has been added, "The Secretary shall be the chair of the Executive Operations Committee. The Secretary shall not be a director but shall be required to be an employee or officer of a Foundation Member or an affiliate thereof." as is CAFII's existing practice.

⁵⁷ The following text has been added: "The treasurer shall not be a director or a member of the Executive Operations Committee but shall be required to be an employee or officer of a Foundation Member or Regular Member, or an affiliate thereof." as is CAFII's existing practice.

Operations Committee but shall be required to be an employee or officer of a Foundation Member or Regular Member, or an affiliate thereof.

7.3 Powers and Duties of Officers⁵⁸

The powers and duties of all other officers of the Corporation shall be such as the terms of their engagement call for or the board or Executive Director requires of them. The board may from time to time and subject to the Act, vary, add to or limit the powers and duties of any officer.

7.4 Vacancy in Office⁵⁹

The board in its discretion may remove, for cause or without cause, any officer of the Corporation, without prejudice to such officer's rights under any employment contract or otherwise at law. Unless so removed, an officer shall hold office until the earlier of:

- (a) the officer's successor being appointed,
- (b) the officer's resignation,
- (c) such officer ceasing to be a director (if a necessary qualification of appointment) or
- (d) such officer's death.

If the office of any officer of the Corporation shall be or become vacant, the directors may, by resolution, appoint a person to fill such vacancy.

7.5 Remuneration of Officers⁶⁰

Subject to applicable law, the officers may be paid such remuneration for their services as the board may from time to time determine. They shall also be entitled to be reimbursed for travelling and other expenses properly incurred by them in the exercise of the duties of their respective offices. The remuneration of any employees or agents shall be such as the terms of their engagement call for or as the board or the Chair may specify.

ARTICLE 8 EXECUTIVE OPERATIONS COMMITTEE

8.1 Executive Operations Committee⁶¹

The board may, from time to time, appoint a committee known as the Executive Operations Committee. The individual who, from time to time, is appointed as Secretary shall serve as

⁵⁸ No substantive change from Current By-Law.

⁵⁹ No substantive change from Current By-Law.

⁶⁰ No change from Current By-Law.

⁶¹ The provisions regarding the Executive Operations Committee have been relocated to their own article. It has been clarified that directors cannot be members of the Executive Operations Committee as is CAFII's existing practice.

chair of the Executive Operations Committee. Each member may appoint one or more representatives to serve on the Executive Operations Committee, subject to the representatives so designated being confirmed by the board or by the Chair if so delegated by resolution of the board. A director is not permitted to sit on the Executive Operations Committee for as long as he or she hold office as a director of the Corporation. The board may specify the duties of and, in accordance with this by-law and subject to the Act, delegate to the Executive Operations Committee such powers to manage the business and affairs of the Corporation as would ordinarily be delegated to the officers of the Corporation. For greater certainty, the Executive Operations Committee is not a committee of the board.

8.2 Sub-Committees, Rules of Procedure

The Executive Operations Committee may from time to time appoint any sub-committee or ad-hoc committee, as it deems necessary or appropriate. The Executive Operations Committee will formulate rules of procedure and ensure that the majority of sub-committee members are Executive Operations Committee members. The chair of any sub-committee or ad-hoc committee must be a member of the Executive Operations Committee.

ARTICLE 9 PROTECTION OF DIRECTORS, OFFICERS AND OTHERS⁶²

9.1 Limitation of Liability

Every director and officer in exercising his powers and discharging his duties shall act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Subject thereto, no director or officer shall be liable for the acts, receipts, neglects or defaults of any other director or officer or other individual acting in a similar capacity, or for joining in any receipt or other act for conformity, or for any loss, damage or expense to the Corporation arising from the insufficiency or deficiency of title to any property acquired by or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Corporation are invested, or for any loss, damage or expense arising from the bankruptcy, insolvency, act or omission of any person, firm or corporation with whom or which any monies, securities or other property of the Corporation are lodged or deposited, or for any loss, damage or expense occasioned by any error of judgment or oversight on such director's, officer's or other individual's part, or for any other loss, damage or expense related to the performance or non-performance of the duties of his or her respective office or in relation thereto unless the same shall happen by or through his or her own wrongful and wilful act or through his or her own wrongful or wilful neglect or default.

⁶² No substantive change from Current By-Law, however language has been updated and we have included reference to the ability of the corporation to provide advances of costs (which is a new feature of the Act).

9.2 Indemnity

Subject to the limitations contained in the Act, but without limiting the right of the Corporation to indemnify any individual under the Act or otherwise to the full extent permitted by law, the Corporation shall, from time to time and at all times, indemnify each director or officer or former director or officer (and each such director's, officer's or other individual's respective heirs, executors, administrators, or other legal personal representatives and his or her estate and effects), or another individual who acts or acted at the Corporation's request as a director or an officer or in a similar capacity of another entity), against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the Corporation or other entity provided that the individual to be indemnified:

- (a) acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interests of the other entity for which the individual acted as director or officer or in a similar capacity at the Corporation's request; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that the individual's conduct was lawful.

9.3 Advance of Costs⁶³

The Corporation may advance money to a director, an officer or other individual for the costs, charges and expenses of a proceeding referred to in Section 9.2. The individual shall repay the money if the individual does not fulfil the conditions of Section 9.2(a) and (b).

9.4 Insurance

The Corporation may purchase and maintain insurance for the benefit of an individual referred to in Section 9.2 against any liability incurred by the individual in the individual's capacity as a director or an officer, or in the individual's capacity as a director or an officer, or in a similar capacity, of another entity, if the individual acts or acted in that capacity at the Corporation's request.

9.5 Indemnities Not Limiting

The provisions of this Article 9 shall be in addition to and not in substitution for or limitation of any rights, immunities and protections to which an individual is otherwise entitled.

⁶³ As noted above, the ability to provide an advance of costs is a new feature of the Act.

ARTICLE 10 DISCLOSURE OF INTEREST⁶⁴

10.1 Disclosure of Interest

A director or an officer shall disclose to the Corporation, in writing or by requesting to have it entered into the minutes of meetings of the directors or of committees, the nature and extent of any interest that the director or officer has in the material contract or material transaction, whether made or proposed, with the Corporation, if the director or officer:

- (a) is a party to the contract or transaction;
- (b) is a director or an officer, or an individual acting in a similar capacity, of a party to the contract or transaction; or
- (c) has a material interest in a party to the contract or transaction.

10.2 Time of Disclosure for Director

The disclosure required by Section 10.1 shall be made, in the case of a director:

- (a) at the meeting at which the proposed contract or transaction is first considered;
- (b) if the director was not, at the time of the meeting referred to in Section 10.2(a), interested in the proposed contract or transaction, at the first meeting after the director becomes so interested;
- (c) if the director becomes interested after the contract or transaction is made, at the first meeting after the director becomes so interested; or
- (d) if an individual who is interested in the contract or transaction later becomes a director, at the first meeting after the individual becomes a director.

10.3 Time of Disclosure for Officer

The disclosure required by Section 10.1 shall be made, in the case of an officer who is not a director:

- (a) immediately after the officer becomes aware that the contract, transaction, proposed contract or proposed transaction is to be considered or has been considered at a meeting;
- (b) if the officer becomes interested after the contract or transaction is made, immediately after the officer becomes so interested; or

⁶⁴ As the conflicts regime under the Act is new and quite a bit more robust than under the current *Canada Corporations Act*, we have included the detail process for disclosure of interests in the by-law.

- (c) if an individual who is interested in the contract or transaction later becomes an officer, immediately after the individual becomes an officer.

10.4 Time of Disclosure for Director or Officer

If the material contract or material transaction, whether entered into or proposed, is one that, in the ordinary course of the Corporation's activities, would not require approval by the directors or members, a director or an officer shall, immediately after he or she becomes aware of the contract or transaction, disclose in writing to the Corporation, or request to have entered in the minutes of the meetings of directors or of committees, the nature and extent of his or her interest.

10.5 Voting

A director who is required to make a disclosure under Section 10.1 shall not vote on any resolution to approve the contract or transaction unless the contract or transaction:

- (a) is for indemnity or insurance pursuant to Article 9; or
- (b) is with an affiliate, as such term is understood for the purposes of the Act; or
- (c) relates primarily to the director's remuneration as a director, an officer, an officer, an employee, an agent or a mandatary of the corporation or an affiliate.

10.6 Continuing Disclosure

For the purposes of this Section, a general notice to the directors declaring that a director or an officer is to be regarded as interested, for any of the following reasons, in a contract or transaction made with a party, is a sufficient declaration of interest in relation to the contract or transaction:

- (a) the director or officer is a director or an officer, or acting in a similar capacity, of a party referred to in Section 10.1(b) or (c);
- (b) the director or officer has a material interest in the party; or
- (c) there has been a material change in the nature of the director's or the officer's interest in the party.

10.7 Access to Disclosures

The members may examine the portions of any minutes of meetings of directors or any minutes of meetings of Committees that contain disclosures contemplated by Section 10.1, and of any other documents that contain those disclosures, during the Corporation's usual business hours.

10.8 Avoidance Standards

A contract or transaction for which disclosure is required under Section 10.1 is not invalid, and a director or officer is not accountable to the Corporation or its members for any profit realized from the contract or transaction, because of the director's or officer's interest in the contract or transaction or because the director was present or was counted to determine whether a quorum existed at the meeting of directors or of committee that considered the contract or transaction, if:

- (a) disclosure of the interest was made in accordance with Section 10.1;
- (b) the Directors approved the contract or transaction; and
- (c) the contract or transaction was reasonable and fair to the Corporation when it was approved.

ARTICLE 11 AFFAIRS OF THE CORPORATION⁶⁵

11.1 Financial Year⁶⁶

The financial year of the Corporation shall end on the last day of December 31st in each year or on such other date as the board may from time to time by resolution determine.

11.2 Execution of Instruments⁶⁷

Except for documents executed in the usual and ordinary course of the Corporation's business, which may be signed by the Chair, the following are the only persons authorized to sign any document on behalf of the Corporation:

- (a) any two directors or any one officer with any one director, provided that no individual shall execute, acknowledge or verify any instrument in more than one capacity; or
- (b) any individual or individuals appointed by the board to sign a specific document or specific type of document or generally on behalf of the Corporation.

Any document so signed may, but need not, have the corporate seal applied, if there is one.

⁶⁵ **Note:** Reference to borrowing and security have been removed. The default rule under the Act is that directors can borrow without authorization of members.

Note: Reference to access to board meeting minutes by directors has also been removed as this is provided for in the Act — there are additional provisions under the Act for when and what type of records members can access, which would not ordinarily include minutes of board meetings (note, such access is permitted under the Current By-Law). Directors accessing such minutes would generally be subject to a duty of confidentiality.

⁶⁶ No substantive change from Current By-Law.

⁶⁷ Slight update to provide that, by default, authorized signing authorities may include any officer or director.

11.3 Electronic Signatures⁶⁸

The signature of any person authorized to sign on behalf of the Corporation, may, if specifically authorized by resolution of the board, be written, printed, stamped, engraved, lithographed or otherwise mechanically reproduced. Anything so signed shall be as valid as if it had been signed manually, even if that person has ceased to hold office when anything so signed is issued or delivered, until revoked by resolution of the board.

11.4 Banking Arrangements⁶⁹

The banking business of the Corporation shall be transacted at such bank, trust company or other firm or corporation carrying on a banking business in Canada or elsewhere as the board of directors may designate, appoint or authorize from time to time by resolution. The banking business or any part of it shall be transacted by an officer or officers of the Corporation and/or other persons as the board of directors may by resolution from time to time designate, direct or authorize.

11.5 Annual Financial Statements⁷⁰

The Corporation shall send to the members a copy of the annual financial statements and other documents referred to in subsection 172(1) (Annual Financial Statements) of the Act or a copy of a publication of the Corporation reproducing the information contained in the documents 21 to 60 days before the annual meeting. The Corporation may, instead of sending copies or a summary of the Annual Financial Statements to the Members, notify the members that the Annual Financial Statements are available at the registered office of the Corporation and any member may, on request, obtain a copy free of charge at the registered office or by prepaid mail. The Corporation is not required to send the documents or a summary to a member who, in writing, declines to receive such documents.

If required by the Act, a copy of the Annual Financial Statements shall be sent to the Director appointed by the Minister to exercise the powers of the Director under the Act at least 21 days before the date fixed for the Annual Meeting.

11.6 Public Accountant and Level of Financial Review⁷¹

The members shall, by special resolution at each annual meeting, appoint a public accountant to hold office until the next annual meeting and if an appointment is not so made, the public accountant in office will continue in office until a successor is appointed. The public accountant must conduct an audit of the Corporation's financial statements and must meet the qualifications in the Act, including being independent of the Corporation and its affiliates, as well as the directors and officers of the Corporation and its affiliates.

⁶⁸ No change from Current By-Law.

⁶⁹ No change from Current By-Law.

⁷⁰ New provision added to accord with new requirements under the Act.

⁷¹ Updated to accord with the requirements of the new Act. The "auditor" will now be referred to as the "Public Accountant".

The board shall, if there is a quorum of directors in office, immediately fill any vacancy arising in the office of the public accountant.

The remuneration of the public accountant may be fixed by special resolution of the members, or if not so fixed, shall be fixed by the board.

11.7 Books and Records⁷²

The board shall see that all necessary books and records of the Corporation required by the By-laws or the Act or by any other applicable statute or law are regularly and properly kept.

11.8 Operating Policies⁷³

The board may adopt, amend, or repeal by resolution such operating policies that are not inconsistent with the by-laws of the Corporation relating to such matters as terms of reference of committees, duties of officers, board code of conduct and conflict of interest as well as procedural and other requirements relating to the by-laws as the board may deem appropriate from time to time. Any operating policy adopted by the board will continue to have force and effect until amended, repealed, or replaced by a subsequent resolution of the board.

ARTICLE 12 NOTICES

12.1 Method of Giving Notice⁷⁴

Any notice (which term includes any communication or document), other than notice of a meeting of members or a meeting of the board of directors, to be given (which term includes sent, delivered or served) pursuant to the Act, the articles, the by-laws or otherwise to a member, director, officer or member of a committee of the board or to the public accountant shall be sufficiently given:

- (a) if delivered personally to the person to whom it is to be given or if delivered to such person's address as shown in the records of the Corporation or in the case of notice to a director to the latest address as shown in the last notice that was sent by the Corporation in accordance with Director;
- (b) if mailed to such person at such person's recorded address by prepaid ordinary or air mail;

⁷² This is a new provision to the by-law. It is not legally required, but has been included as a reminder of the obligation.

⁷³ No change from Current By-Law.

⁷⁴ No substantive change from Current By-Law. More comprehensive notice provisions have been included to reflect the requirements of the new Act.

- (c) if sent to such person by telephonic, electronic or other communication facility at such person's recorded address for that purpose; or
- (d) if provided in the form of an electronic document in accordance with part 17 of the Act.

A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been given on the third day after it was mailed; and a notice so sent by any means of transmitted or recorded communication shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency or its representative for dispatch. If any notice sent to a member pursuant to this Section 12.1 is returned on two consecutive occasions because the member cannot be found, the Corporation is not be required to send any further notices or other documents to the member until the member informs the Corporation in writing of the member's new address. The Secretary or Chair may change or cause to be changed the recorded address of any member, director, officer, public accountant or member of a committee of the board in accordance with any information believed by the secretary or the Chair to be reliable. The statutory declaration by the Secretary or the Chair that notice has been given pursuant to this by-law shall be sufficient and conclusive evidence of the giving of such notice.

12.2 Omissions and Errors⁷⁵

The accidental omission to give any notice to any member, director, officer, member of a committee of the board or public accountant, or the non-receipt of any notice by any such person where the Corporation has provided notice in accordance with the by-laws or any error in any notice not affecting its substance, shall not invalidate any action taken at any meeting to which the notice pertained or otherwise founded on such notice.

12.3 Computation of Time⁷⁶

In computing the date when notice must be given under any provision requiring a specified number of days' notice of any meeting or other event, the date of giving the notice shall be excluded and the day of the meeting or other event shall be included.

12.4 Waiver of Notice⁷⁷

Any member, director, officer or the public accountant may waive any notice required to be given to such person under any provision of the Act, the by-laws or otherwise and such waiver, whether given before or after the meeting or other event of which notice is required to be given, shall cure any default in giving such notice.

⁷⁵ No substantive change from Current By-Law. Language revised to align with new Act.

⁷⁶ No change from Current By-Law.

⁷⁷ No change from Current By-Law.

ARTICLE 13 EFFECTIVE DATE AND REPEAL

13.1 By-Laws, Amendment or Repeal⁷⁸

- (a) The directors may, by resolution, make, amend or repeal any by-law that regulates the activities or affairs of the Corporation. Subject to the Act and the articles, any such by-law, amendment or repeal shall be effective from the date of the resolution of directors until the next meeting of members where it may be confirmed, rejected or amended by the Foundation Members by special resolution. If the by-law, amendment or repeal is confirmed or confirmed as amended by the members entitled to vote thereon it remains effective in the form in which it was confirmed. The by-law, amendment or repeal ceases to have effect if it is not submitted to the Foundation Members at the next meeting of members or if it is rejected by the Foundation Members at the meeting. If a by-law, amendment or repeal ceases to have effect, a subsequent resolution of the directors that has substantially the same purpose or effect is not effective until it is confirmed, or confirmed as amended, by the members entitled to vote thereon. Notwithstanding the foregoing:
 - (i) by-laws shall not be effective until they are confirmed by the members entitled to vote thereon if same is provided for in the Act; and
 - (ii) Regular Members shall have the right to vote on by-laws where such right to vote is provided for in the Act.
- (b) If there are no Foundation Members remaining, the phrase “Foundation Members” in Section **Error! Reference source not found.** shall be read as “Foundation and Regular Members”.

13.2 Effect of Invalidity or Repeal of By-laws⁷⁹

The invalidity or unenforceability of any provision of this by-law shall not affect the validity or enforceability of the remaining provisions of this by-law. The repeal of any by-law in whole or part shall not in any way affect the validity of any act done or right, privilege, obligation or liability acquired or incurred thereunder prior to such repeal.

⁷⁸ This provision is revised to reflect the relevant provisions of the new Act. The Current By-Law provides the Foundation Members with the right to approve a new by-law by a 2/3 majority (see s. 2.09); this revised by-law contemplates this right will be somewhat circumscribed because of certain mandatory requirements under the Act that extend voting rights to members who would not otherwise have voting rights in the case of certain types of changes (in this case, the Regular Members). By-law changes that affect the Regular Members differently from other members would be subject to a class vote by the Regular Members.

⁷⁹ No substantive change from Current By-Law.

13.3 Enactment⁸⁰

This by-law shall come into force and effect following its approval by the board and confirmation by the members, and upon the continuance of the Corporation under the Act. Upon this by-law coming into force and effect all prior by-laws of the Corporation shall thereby be repealed. All officers and persons acting under any by-law so repealed shall continue to act as if appointed under the provisions of this by-law and all resolutions of the members or the board or a committee of the board with continuing effect passed under any repealed by-law shall continue to be good and valid except to the extent inconsistent with this by-law or until amended or repealed.

MADE by the board on the <@> day of <@>, 2014.

<@>, Chair

<@>, Secretary

CONFIRMED by the members on the <@> day of <@>, 2014.

<@>, Chair

<@>, Secretary

⁸⁰ This section provides that all prior by-laws would be repealed on the coming into force of this by-law.

CAFII Priorities by Committee – April 3, 2014

Executive Operations Committee

Membership: As per CAFII Bylaw 6.01. Sub-committees may strike taskforces drawing on expertise of other individuals associated with member companies.

Mandate	Activities	Issues of Interest
Recommend budget and priorities to Board	Draft and review Financial Reports	
Keep environment open to key products	Be aware of current and emerging issues (Regulatory Update).	
	Develop responses to regulatory initiatives. Forward to board for approval as necessary. Oversight of Distribution and Market Conduct Policy Committee (DMC)	Regulation of ISI
		International regulation of creditor products
		Market Conduct Regulation
		Electronic Commerce
		Provincial Insurance Act Reviews
		Quebec Distribution Guide
Keep environment flexible /efficient	Identify barriers to efficient operations. Oversight of Licensing Efficiency Issues Committee (LEIC)	Licensing Irritants
		Provincial Insurance Councils and CISRO issues, including LLQP
		Electronic licensing
		Multi-jurisdictional licensing/mutual recognition
Develop communication plans and tools	Oversight of Media and Advocacy Strategy Committee(MAC)	Communications strategy, CAFII Branding Advocacy Strategy Website
Build relationships with key stakeholders	Connect with regulators and policy-makers. Manage and conduct regulator visits. (Manage Regulator and Policy-Maker Visit Plan) Approve attendees at regulator and policy-maker meetings, review meeting notes and manage follow-up actions	
	Oversight of Networking and Events committee	
Other items	Continuance under new Canada Not for Profit Corporations Act (CNCA)	Articles of Continuance to be filed by October 17, 2014
	Changes to CAFII Management structure – development of Executive Director role	Executive Director hired effective December 2012; oversight of establishment of ED's role, its evolution and effectiveness

Distribution and Market Conduct Policy Committee

Membership: The committee will have 4 permanent members including 2 co-chairs all of whom are members of the EOC.

Co-Chairs: 1) Sue Manson, CIBC 2) Eleanore Fang, TD 3) Emily Brown, BMO 4) Brian Wise, Assurant Solutions

5) Andre Duval, DFS 6) Rose Beckford, ScotiaLife Financial 7) Ex Officio: Jennifer Hines, RBC; Brendan Wycks, Executive Director **Mandate:** Oversee development of CAFII policy positions as directed by EOC. Oversee taskforces as required. Activities: Draft CAFII submissions, Manage and interpret industry research projects as approved by EOC

Item	Description	Activities Completed/Industry Developments	Status/Next Steps
Regulation of ISI	Quebec <ul style="list-style-type: none"> DWR (review of Insurance Act) 	<ul style="list-style-type: none"> CAFII members met with Eric Stevenson November 15, 2012 and with AMF staff executives on June 7, 2013 Insurance Act Overhaul/Re-write formally announced by Quebec Government on April 30, 2013 	<ul style="list-style-type: none"> Active
	Quebec <ul style="list-style-type: none"> Review of Distribution Guide 	<ul style="list-style-type: none"> CAFII input provided on Guide (e.g. signature, remuneration) through letter sent to AMF June 2012, meeting with Eric Stevenson on November 15, 2012 and follow-up letter sent to AMF Dec 2012 	<ul style="list-style-type: none"> Active EOC involvement and oversight Met with AMF in Quebec City on June 7, 2013 DMC proposes information session on the Guide, for CAFII member staff, once Guide is finalized
International Regulation of Creditor Insurance	PPI IAIS Core Principles	<ul style="list-style-type: none"> B. Wycks reported on US and UK developments CAFII Project 	<ul style="list-style-type: none"> Active/Monitor ongoing Board approval received on June 11, 2013 to secure draft communication of project outcomes Post-Implementation Review Presentation by Chrys Lemon on latest developments in US, at Annual Members' Luncheon in February 2014
		<ul style="list-style-type: none"> Subcommittee working on matrix of impact of Insurance Core Principles (ICPs) and international regulations 	<ul style="list-style-type: none"> EOC Input obtained Active

CAFII Priorities by Committee – April 3, 2014

Item	Description	Activities Completed/Industry Developments	Status/Next Steps
Industry Complaint Statistics		<ul style="list-style-type: none"> Subcommittee working on compilation of Industry Complaint Statistics 	<ul style="list-style-type: none"> EOC Input obtained DMC Subctte. met on June 4 and 25, 2013 To be reactivated
Consultations	FSCO life insurance product suitability review	<ul style="list-style-type: none"> FSCO has held consultation meetings with CAFII on this initiative in July and September 2013 	<ul style="list-style-type: none"> Having provided significant input through two meetings, CAFII was consulted on final draft of survey of life agents, and on final report from Suitability Review. FSCO has requested follow-up meeting with CAFII on April 9, 2013 to share results of life agent survey and seek feedback on Interim Report of product suitability review
	E-commerce	<ul style="list-style-type: none"> CCIR and AMF – upcoming consultations 	<ul style="list-style-type: none"> Active with Release of CCIR E-Commerce Position Paper on May 23, 2013 CAFII submitted detailed response to CCIR E-Commerce Position Paper in July 2013 CCIR Final E-Commerce Position Paper released November 15, 2013; CAFII analysis indicates that final CCIR recommendations in harmony with CAFII positions, as stated in submission
	Provincial Insurance Acts	<ul style="list-style-type: none"> Manitoba 	<ul style="list-style-type: none"> Draft ISI Regulations released on June 3, 2013; Licensing Committee dealt with this matter. CAFII submitted response to Draft ISI Regulation in July/13

CAFII Priorities by Committee – April 3, 2014

Item	Description	Activities Completed/Industry Developments	Status/Next Steps
		<div>CONFIDENTIAL</div> <ul style="list-style-type: none"> ▪ Scott Moore, Deputy Superintendent, called B. Wycks on October 2, 2013 to provide detailed update on progress with and timelines for ISI Regulation ▪ B. Wycks had further conversations with S. Moore in November 2013 and February 2014 ▪ CAFII submitted response to second draft of ISI Regulation on January 10, 2014 ▪ CAFII requested meeting with Manitoba Minister of Finance to stress imperative of harmonization of provincial ISI regimes ▪ S. Moore advised in February 2014 that Draft ISI Regulation will be amended to address nearly all of concerns expressed by CAFII and other industry stakeholders; and confirmed same in writing ▪ Finance Minister Jennifer Howard's EA contacted B. Wycks on March 21/14 to propose two early April 2014 date/time options for a meeting with CAFII; CAFII has replied that we would prefer a May 2014 meeting 	<ul style="list-style-type: none"> ▪ Watch
		<ul style="list-style-type: none"> ▪ Saskatchewan 	

CAFII Priorities by Committee – April 3, 2014

Item	Description	Activities Completed/Industry Developments	Status/Next Steps
		<ul style="list-style-type: none"> Ontario 	<ul style="list-style-type: none"> Watch
Comparison of creditor insurance on mortgages with term life and individual disability insurance project	Survey member companies, update analysis and research	<ul style="list-style-type: none"> Comparison of creditor insurance on mortgages with term life and individual disability insurance: pricing, approval rates, claim approval rates, etc. 	<ul style="list-style-type: none"> Active Last conducted in late 2009/early 2010 on 2008 data DMC secured Board approval for refresh of this study, using 2013 data; to be conducted in 2014. Avalon proposal and draft survey brought to EOC at September 24, 2013 meeting. Due to concerns, committee advised to negotiate with Avalon for better terms and also to “shop” the Study Board approved the engagement of Towers Watson as actuarial consultant to this project in early March 2014. Project kick-off meeting held March 20/14; and follow-up planning meeting held April 3/14. Ongoing progress monitoring meetings to be held every two weeks

AMF Distribution Guide Task Force

(Task Force of Distribution and Market Conduct Policy Committee)

Members: Emily Brown, Brian Wise, Rose Beckford, Moira Gill, Sue Manson, Brendan Wycks

Purpose: Recommend changes to the AMF Distribution Guide based on the Mutual Fund Guide, customized for exclusion disclosure

Licensing Efficiency Issues Committee

Membership – 1 Chair who is a member of EOC and three members from representative companies.

Chair: Moira Gill, TD 2) Rose Beckford, ScotiaLife Financial 3) Brian Wise, Assurant Solutions 4) Greg Grant, CIBC 5) Ex Officio: Jennifer Hines, RBC; Brendan Wycks, Executive Director

Mandate: Identify and manage licensing efficiency issues for restricted and individual licensing processes.

Priorities	Issues	Currently active issues	Status
Licensing operation issues Streamlining and harmonizing licensing requirements (training, CE, other)	Request for restricted certificates for third parties in Alberta	v	CAFII letter to the Council (2011). Council responded that they did not support the request. Committee decision to address the issue with the Council again when time was opportune. J. Abram indicated to B. Wycks on November 21/13 that AIC is interested in creating a forum for Representation for Restricted Licence Holders in Alberta. Window of opportunity for this in Q1 2014, in conjunction with plans to fold near-dormant Adjusters Council into General Council. CAFII had preliminary consultation meeting with J. Abram about this on December 12/13 and a further discussion during liaison lunch on March 17/14. This development may present a tandem opportunity to push for restricted certificates for third parties.
	CISRO project to redesign LLQP – project completion target date is early 2015		CAFII attended CISRO's quarterly LLQP Stakeholder Information Sessions on January 17/13, April 9/13, and October 30/13; and had one-on-one meeting with LLQP Committee on February 10/14. Thereafter, CISRO requested a letter of support from CAFII for its LLQP modernization initiative, which CAFII delivered on February 21/14.

CAFII Priorities by Committee – April 3, 2014

			Another session of one-on-one stakeholder meetings to be held in Toronto on Wednesday, May 28/14.
	Licensing process -streamlining and harmonization		Identification of issues ongoing
ISI regime implementation	Manitoba – issues to be resolved with implementing regulations		<p>Included in Insurance Act Spring 2012 Letter sent in August 2012 -CAFII response to draft ISI Regulation sent in early July 2013. On October 8/13, Board supported recommendation that CAFII seek a meeting with the Minister re imperative of harmonization of Manitoba's ISI Regime with other provinces -CAFII response submission on second draft of ISI Regulation sent on January 10, 2014 -In late February 2014, S. Moore, Deputy Superintendent, communicated to CAFII that Manitoba's Draft ISI Regulation would be amended to address nearly all of the concerns expressed by CAFII and other industry stakeholders; and he subsequently confirmed that in writing</p>
Provincial Insurance Councils and CISRO issues	Opportunities to have restricted licensees represented or otherwise participate on Council discussed with Saskatchewan and Alberta. Committee identified a need for an analysis of options for BC, Alberta & Saskatchewan. Council representation needed		<p>Legal assistance engaged and analysis of options underway.</p> <p>Meeting with AIC Jan 2012. Meetings with Sask. held Meeting with Manitoba held</p> <p>Active: CAFII Concept Proposal For A Saskatchewan Insurance Councils' Restricted Insurance Agents Advisory Committee submitted to R. Fullan on October 10/13.</p>

CAFII Priorities by Committee – April 3, 2014

			<p>Active: In a meeting with B. Wycks on November 21/13, J. Abram, CEO, indicated that AIC would be open to a CAFII proposal re representation for restricted licence holders. Q1 of 2014 could be opportune to begin discussions re establishing a "Restricted Licence Holder Council." CAFII advanced discussion with AIC on this issue on December 12/13 and March 17/14. CAFII to provide submission to AIC based on updated options analysis developed by Stikeman Elliott</p>
Electronic licensing	Promote use of electronic licensing systems by provincial regulators; possible use of "business numbers" to link		<p>-Letter of support sent to CISRO May 2012 -Alberta Insurance Council readying to launch Canadian Insurance Participant Registry (CIPR) later in 2014; will be a significant leap forward towards a national electronic licensing system</p>
Multi-jurisdictional licensing/ mutual recognition	Trade Agreements - promote mutual recognition (Ontario – Quebec, New West Partnership)		<p>-Attended trade agreement update meeting May 2012 -CAFII viewpoints on licensing and harmonization communicated, as related relevant commentary, in February 2014 letter of support for CISRO's LLQP modernization initiative -Based on suggestion made by J. Abram at March 17/14 liaison lunch, B. Wycks contacted R. Fullan, Chair of CISRO. As a result, CAFII likely to be offered opportunity to make a presentation to CISRO on multi-jurisdictional licensing and other compliance challenges faced by national contact centres, at meeting in Fredericton on September 29-30</p>

Media and Advocacy Strategy Committee

Membership: The committee will have 4 permanent members including 2 co-chairs, all of whom are members of EOC. EOC chair is co-chair.

Co-Chairs: 1) John Lewsen, BMO 2) Moira Gill, TD

Members: 3) Paul Yeung, RBC 4) Greg Grant, CIBC 5) Charles Blaquiere, Canadian Premier 6) Ex Officio: Jennifer Hines, RBC

Resources: Leya Duigu, Brendan Wycks

Mandate: Identify key stakeholders and develop, recommend and implement communication and advocacy strategy. Oversee CAFII branding. Oversight of Media Response Task Force.

Areas of Interest: Underserved Market: Creditor Insurance (value proposition, disclosure); Counter broker lobby messages

Initiatives	Status/Explanation	Resp	Next steps
-Develop a Communications Strategy	<p>-Update Communications Strategy: CAFII-branded “Regulatory Value Added Strategy” for website and regulator communication. Most materials exist but materials should be reviewed and recommendations made as to how to package and brand materials. Include concept of sending targeted messages to regulators when an issue is in the media.</p> <p>-bring strategy up to date, should be a refresher at every Board meeting</p>	ED	<p>-Draft 2014 External Communications Strategy prepared by B. Wycks and reviewed with MAC on September 19/13. Highlights presentation shared with EOC on September 24/13. Executive Summary of Strategy document – reflecting MAC and EOC feedback -- prepared for Board review and approval on October 8/13.</p> <p>-Based on Board feedback, Communications Strategy refined by MAC, for EOC Review on October 29 and November 26/13. Revised “Media” and “Public and Consumer Interest Groups” strategies to be presented and Board approval of Revised Communications Strategy received at December 4/13 meeting.</p>
<p><u>Website</u></p> <p>-collect testimonials, post on site</p> <p>-Refresh CAFII mission statement</p>	<p>-Testimonial (written or video)- 1 per member, have 7 or 8 available and determine how to rotate through (value –add to members)</p> <p>-review mission statement to ensure it is in line with branding,</p>	<p>ED</p> <p>ED</p>	<p>-Email reminder sent w/o Oct 22, 2012; One written and two video testimonials received to date. B. Wycks to follow-up with direct request to all Members</p> <p>-Removed from MAC Priorities, as Mission Statement is solely within Board purview and typically is reviewed as part of Strategic Plan renewal.</p>

CAFIL Priorities by Committee – April 3, 2014

Initiatives	Status/Explanation	Resp	Next steps
-expand tabs to include other products & regulators/industry	-incorporate alternate distribution (underserved market)	ED	-Underserved market material drafted, to be approved for website. In process with ED B. Wycks as part of Communications Strategy implementation
	- Travel insurance product – ED to reach out to travel association and CLHIA; look at it from distribution perspective	ED	B. Wycks met with CLHIA Execs. on April 1, June 3, October 7, and December 19/13; had get acquainted discussion with John Thain, volunteer President of Travel Health Insurance Association, who works for Assurant Solutions, at CAFIL 15 th Anniversary event. Opportunity to form a multi-partite industry/regulator task force on travel insurance application forms – with representation from CAFIL, THIA, and CLHIA – as per wish expressed by J. Abram, Alberta Insurance Council CEO, on March 17/14; and earlier by C. Rogers, CCIR Chair, in CAFIL/CCIR liaison meeting on October 30/13.
		ED	
-What's New?	-In place, ongoing update of news		-Ongoing
<u>CAFIL Branding</u>	several tagline options sent to Board	J Lewsen	Completed
-develop marketing tagline	-identify differentiating factor, eg advocating for insurance access , choice, all Canadians		
	- include tagline on all submissions, website, swag, and letters to regulators	ED	-Completed
-CAFIL newsletter for regulators	-Insurance regulatory news to be collected and shared with regulators as a value-added service	ED	-Completed and ongoing
-CAFIL "look"	-Develop a font and layout unique to CAFIL to be used in letters, submissions and newsletter; assess if new logo needed	ED	-Completed

CAFII Priorities by Committee – April 3, 2014

Initiatives	Status/Explanation	Resp	Next steps
-Acquire soft marketing tools (pads, pens etc),	-Coasters suggested– include tagline and web address on next re-order		-Completed
<u>Media Protocol</u> -Develop and manage protocol for handling media requests -media training for ED	-Protocol revised with arrival of ED	ED	-Completed; revised Media Protocol approved by MAC on January 17/13 -Media Training for ED B. Wycks with Patrick McGee completed on March 26/14, with EOC members J. Lewsen and P. Yeung also participating
-Monitor Media		ED	Ongoing
-Develop List of Friendly media			Paul & Moira have completed list
-Notify communications departments of member firms	-To be done when messaging is reviewed		
-News Release	-Send out notification re new ED		-Completed. Notice sent to all CAFII members. Included in first issue of Regulators' newsletter and added to web site.
Develop 2-3 likely media response scenarios	-In process in conjunction with Key Message development and media training/media preparedness work	ED	-B. Wycks reviewing material drafted by G. Grant.
Key Message Development - identify issues and develop key messages	-Key message document: develop and review stock messages to be used in communication opportunities	ED	-In process. Key Messages being reviewed and refined by B. Wycks as part of Communications Strategy implementation
-Regulator Kit -develop booklet /brochure	For new regulators. Compile package of information for regulators which can include: -booklet - past submissions, -testimonials and -key fact sheet. Booklet - take images from website, testimonials, designed to highlight major issues. Small 10 page	ED ED ED	-Some content developed by RBC intern -To be completed as part of Communications Strategy implementation -To be completed as part of Communications Strategy

CAFII Priorities by Committee – April 3, 2014

Initiatives	Status/Explanation	Resp	Next steps
-Key Facts sheet	booklet that can be given out with business cards. -develop a “Key Facts” sheet to be part of regulator package	ED	implementation -To be completed as part of Communications Strategy implementation
Manage research to support message (eg. Pollara) - develop key messages - manage plan of use of research - determine when and what research must be undertaken or renewed	-Pollara plan of use available, but in need of review and update	MAC	-Research is a key component of Communications Strategy. Plan of use to be reviewed by ED in light of now approved Communications Strategy
-Industry Statistics	-identify and keep current statistics from LIMRA and CAFII research	ED	-overlapping responsibility with DMC. Referred/delegated to DMC.
Webinars: -Develop and offer webinar education -Determine distribution of webinar material	-develop / oversee development of new webinars -review and keep webinars current -track who has seen which webinars -plan number of webinars per year, have list of upcoming webinars -deliver webinars	ED	-Digital commerce and social media webinar, developed by Davis Yoo and Debbie Dimoff of PwC, delivered to CCIR audience on May 30, 2013. -Topic and timing of next webinar for CCIR under consideration as part of Communications Strategy implementation

Media Response Taskforce

Membership: Taskforce consists of any two members of the Media and Advocacy Strategy committee plus Executive Director Brendan Wycks.

Purpose: Deal with media issues as they arise. Make recommendation to Board communications committee (Members: Mark Cummings, Scotialife Financial; Dave Minor, TD; Rick Lancaster, CIBC; Julie Barker-Merz, BMO)

CAFIL Priorities by Committee – April 3, 2014

Networking and Events Committee

Membership: 1 Chair - 2 members; EOC Chair is an Ex-Officio member

Chair: Paul Yeung, RBC 2) Maria Sanchez –Chung, TD 3) Ex-Officio: Jennifer Hines, RBC Resources: Leya Duigu, Brendan Wycks

Mandate : Operate CAFII events and receptions to maintain contact with regulators, associate members and other key stakeholders.

Priority	Activities	Status
Plan Quarterly Speaker and reception events, and member-only event	-February 2014 Speaker Event (members only)	-Annual Members' Luncheon moved to February 11, 2014, with Chrys Lemon, Partner, McIntyre & Lemon, PLLC, Washington, DC, speaking on "Update On Credit Card Insurance Market In The U.S. Since 2012."
	-April 8, 2014	- Louis Morisset, AMF CEO, has agreed to speak to CAFII Board/EOC informally at liaison lunch and group discussion gathering in Montreal on April 8/14
	-June 2014 AGM/Regulator Reception Event	- Maria Sanchez-Chung pursuing speaker from FCAC. Targeted speaker is Brigitte Goulard, newly appointed Deputy Commissioner, as she is a former CAFII EOC member, having formerly worked for TD Meloche Monnex
	October Speaker Event	-Speaker required
	December 2014 Reception	
Keep current lists of key contacts		
Christmas cards to key contacts?		
Seek out other opportunities to meet with contacts (eg. corporate table)		