



**CAFII Board of Directors Meeting**  
**Tuesday, December 11, 2012**  
**Location: ScotiaLife Financial**  
**Scotia Plaza, 40 King Street West, 63<sup>rd</sup> Floor, Ratcliffe Room**  
**Toronto, ON**  
**2:00 - 5:00 pm**

**Agenda**

Item	Presenter	Action
1. Welcome	C. Honor	
2. Review of CAFII Competition Guidelines	C. Honor	Review
3. Approval of Agenda	C. Honor	Approval
4. Welcome & Appointment of New Directors and Chair <ul style="list-style-type: none"> <li>Executive Director</li> <li>Appointment of New Directors</li> <li>Appointment of New Chair</li> </ul>	C. Honor	Update Approval Approval
5. Minutes 5.1. Adoption of October 9, 2012 Board Meeting Minutes	C. Honor	Approval
6. Financial Update 6.1. October 2012 Financials 6.2. Adoption of 2013 Budget	M. Fabian M. Fabian	Approval Approval
7. Regulatory Update 7.1. Regulatory Newsletter 7.2. Report on Regulator Meetings 7.2.1 CCIR Meeting 7.2.2 AMF Meeting 7.3. Planned Regulator Meetings (2012 & 2013)	B. Wycks  C. Honor / B. Wycks J. Lewsen B. Wycks / J. Hines	Review  Update Update Review
8. Committee Reports on addressing CAFII Priorities 8.1. Review of Committee Mandates 8.2. Distribution and Market Conduct Policy Committee 8.3. Media and Advocacy Strategy Committee 8.3.1. CAFII Tag Line 8.4. Networking and Event Hosting Committee 8.4.1. CAFII 15 <sup>th</sup> Anniversary Event	J. Hines S. Manson / W. Eccles S. Gelgor / J. Lewsen B. Wycks P. Yeung / M. Sanchez-Chung P. Yeung	Update Approval Update Approval Update Update
9. Other Business 9.1. 2013 Calendar of Meetings	C. Honor	Update

Next Board Meeting: April 10, 2013 hosted by RBC Insurance in Toronto, Ontario.

*Conference call dial-in information: 416.764.8662 or 1.888.884.4534*  
*participant pass code: 771017#, moderator pass code: 7661560*

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

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<b>SECTION TWELVE</b>	<b>COMPETITION LAW POLICY</b>	<b>1</b>
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12.03	Consequences for Failure to Comply with Policy	1
12.04	Annual Review of Guidelines	1

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ADD DEFINITION OF “COMPETITION ACT” TO SECTION 1.01:

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

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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.<sup>1</sup>

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

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

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

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

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

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

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

**(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 of Directors Meeting Minutes**  
**Tuesday, October 9, 2012**  
**Toronto Dominion Bank Tower**  
**66 Wellington St West, 54th Floor**  
**Toronto, ON**

**Present:** Julie Barker-Merz, BMO Insurance  
Mark Cummings, ScotiaLife Financial  
Keith Demmings, Assurant Solutions (*teleconference*) *Vice Chair*  
Cathy Honor, RBC Insurance Services Inc. *Chair*  
Richard Hébert, National Bank Insurance Co. (*teleconference*)  
David Minor, TD Insurance  
Isaac Sananes, Canadian Premier Life Insurance  
Yvonne Ziomecki, AMEX Bank of Canada (*teleconference*)

**EOC Present:** Rose Beckford, ScotiaLife Financial  
Charles Blaquiére, Canadian Premier Life Insurance  
Emily Brown, BMO Insurance  
Isabelle Choquette, Desjardins Financial Security Life Assurance Co.  
(*teleconference*)  
Wayne Eccles, TD Insurance  
Matthew Fabian, BMO Insurance *Treasurer*  
Sara Gelgor, ScotiaLife Financial  
Moirra Gill, TD Insurance  
Jeff Gladwish, AMEX Bank of Canada  
Greg Grant, CIBC Insurance  
Jennifer Hines, RBC Insurance Services  
John Lewsen, BMO Insurance *Secretary*  
Sue Manson, CIBC Insurance  
John Poolman, Assurant Solutions (*teleconference*)  
Maria Sanchez-Chung, TD Insurance  
Paul Yeung, RBC

**Regrets:** Andre Duval, Desjardins Financial Security Life Assurance Company  
Linda Fiset, Desjardins Financial Security Life Assurance Company  
Rick Lancaster, CIBC Insurance

**Also:** Brendan Wycks, CAFII *Executive Director*  
Leya Duigu, T•O Corporate Services *Recording Secretary*  
Anne Riley, Lawrie Savage and Associates

**1. Call to Order**

The meeting was called to order at 2:00 pm. C. Honor acted as chair, J. Hines acted as secretary and L. Duigu acted as recording secretary.

## **2. Review of CAFII Competition Guidelines**

C. Honor 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 was adopted at the start of the meetings to ensure that our activities conform to its principles, which were briefly summarized.

## **3. Approval of Agenda**

On a motion duly made, seconded and unanimously carried.

**IT WAS RESOLVED that:**

**The agenda be approved as presented.**

## **4. Executive Director Recruitment Update**

Following the June board meeting an EOC sub committee was convened for the purpose of finding an executive director. There was a comprehensive recruitment process and the final candidate was selected and is in attendance at today's meeting. J. Hines introduced CAFII new Executive Director, Brendan Wycks, and provided a brief overview of his credentials. B. Wycks will join CAFII Monday December 3<sup>rd</sup>, 2012. Lawrie Savage & Associates will continue to provide their services until November 30<sup>th</sup>, 2012.

C. Honor noted that it's with great sadness that A. Riley who has provided services to CAFII through Lawrie Savage for over 10 years will no longer be supporting CAFII. C. Honor highlighted her many accomplishments over the years she has worked with us which have had an impact not only on CAFII but the industry as well. A. Riley was sincerely thanked for her contribution.

## **5. Minutes**

On a motion duly made, seconded and unanimously carried.

**IT WAS RESOLVED that:**

**The minutes of the meeting of the Board held on June 19, 2012 be adopted as amended, and that a copy of these minutes be signed and placed in the minute book of the Corporation.**

## **6. Financial Update**

### **6.1. August Financials**

The August 31, 2012 financial statements were included in the meeting package for review. CAFII remains in a strong cash position and deferred revenue is down. Unrestricted net assets are up and CAFII is within its reserve policy limits. The statement of operations show that CAFII is in a similar position to last year. Additional invoices have been received recently and CAFII expects to be closer to its budget by the end of the year. While the financials show that some member fees are still outstanding

it was confirmed that everyone has paid and this will be reflected in the next set of financials.

The 2013 budget planning process has begun and a draft budget will be presented at the next board meeting for approval.

On a motion duly made, seconded and unanimously carried.

**IT WAS RESOLVED that:**

**The August 2012 financial statements be and are hereby approved in the form presented.**

## **7. Regulatory Update**

### **7.1. Lawrie Savage Report**

A. Riley presented the regulatory update included in the meeting materials and additional discussion occurred as follows:

- FCAC. The financial toolkit is good and the Credit Card guide was excellent. They continue to consult with CAFII on information and M. Gill has been instrumental in communicating with them.
- CCIR. The webinar was a success allowing us to reach staff in the different jurisdictions. We will also explore whether the CAFII's 15<sup>th</sup> Anniversary celebration can be aligned with the Spring meeting in Toronto. An invitation was received for CAFII to meet with CCIR Executive. Volunteers include: D. Minor and C. Honor. Executive Director B. Wycks shall also be in attendance.

The Lawrie Savage Regulatory report was created by A. Riley and is updated for every meeting. Going forward this can become the CAFII Regulatory report under B. Wycks and a synthesized version could be produced and distributed to regulators.

**Action:** Communications Mandate to be reviewed at the next meeting with a view to incorporating the role of the Executive Director.

### **7.2. Regulator Meetings**

The regulator meetings document was included in the meeting package for review.

### **7.3. Reports on Regulator Meetings**

#### **7.3.1. SK Insurance Council**

This update will also provide an update for the Manitoba and Licensing Committee report. M. Gill reported that representation on council has been a discussion topic for some time. The councils recently confirmed that we should proceed with having our legal counsel draft the necessary steps. The Executive Director of the Saskatchewan Insurance Council has consistently noted how helpful it has been



working with CAFII. Saskatchewan has a new superintendent and we have yet to see a formal announcement about him.

**Action:** CAFII to confirm the appointment of Ian McIntosh as Deputy Superintendant of Insurance in Saskatchewan and send a letter of introduction and congratulations.

### **7.3.2. MB Superintendant and Council**

The council in Manitoba is very hands on and is firmly of the opinion that we should only receive a single seat, which raises concerns about the purpose of having representation of this nature. We achieved more in Saskatchewan. Concerns were raised with their proposed restricted licensing regime and a detailed letter was requested from CAFII outlining concerns for the purpose of presenting the information at the next council meeting.

### **7.3.3. FSCO**

A delegation of CAFII members met with FSCO recently to provide an update and meet the new staff under G. Swanson. Attendees were very impressed with the individuals at the meeting who were engaged and interested in the topics discussed. It was pointed out that FSCO only sees isolated complaints and isn't able to get a sense of the total number or types of complaints that arise. CAFII has committed to following up on a call centre presentation to help them gain a better understanding of how it works. Feedback was provided on CAFII's webinar presentation of the Underserved Market noting that regulators are generally struggling with what it is and how to engage.

**Action:** M. Gill to follow-up with G. Swanson on his request to arrange a call centre visit for FSCO staff.

## **8. Committee Reports on addressing CAFII Priorities**

### **8.1. Distribution and Market Conduct Policy Committee**

#### **8.1.1. Education Curriculum / Webinars**

CAFII's first webinar presentation on the Underserved Market was well attended and well received by regulators. Of note was the assistance of CCIR Policy Manager, C. Shevlin, who was instrumental in helping CAFII prepare by providing feedback. CLHIA was also prepared to assist CAFII with delivering the presentation when we encountered technical difficulty with Adobe Connect at the last minute. It would be ideal to see how else we can utilize the software and information by holding one-on-one meetings or discussion as well as presentations. A list of potential topics was circulated to the CCIR and social media/ecommerce has been highlighted for the next webinar presentation.

### **8.2. Media and Advocacy Strategy Committee**

The committee had a number of follow-up items from the last meeting. J. Lewsen reported as follows.

Executive Director: The committee, via a Recruitment subcommittee, was tasked with preparing the executive director mandate and recruiting a candidate after the last board meeting in June. As previously noted this has been completed.

**Action:** Now that we have an Executive Director, the Committee was asked to review the Executive Director mandate, in conjunction with the EOC Chair mandate, to ensure accountabilities are well aligned with each other and the Committee Mandates.

Client Testimonials: Each member institution was asked to provide testimonials that can be shared on the CAFII site.

**Action:** L. Duigu to send a reminder to CAFII members to submit testimonials.

A. Riley developed some potential CAFII tag lines and a handout was distributed with these ideas as it was thought the Board would like to participate in brainstorming. The following suggestions were put forward:

- The ‘consumer’ is very important, therefore providing access to Canadian consumers is a theme that should be included. Key words include access, Canadians and options.
- CAFII is one of the only groups to represent all lines through all distribution channels.
- “Insurance access and options for Canadians”
- The Media & Advocacy Committee should review this in more detail to ensure the tag line aligns with CAFII’s mission statement.

**Action:** The committee to review and follow up on developing a CAFII tag line with EOC.

CAFII Brochure: The Committee was tasked with developing a CAFII brochure. A. Riley has produced materials and information that can be used in a brochure and it was determined that this would be an initiative for the new Executive Director to complete. In addition the brochure would become part of the regulator toolkit.

CAFII Branding: The Associations branding with regulators was discussed and the proposed CAFII Regulatory report would be a great place to start. In addition new tabs and content shall be added to the website.

Communications Strategy: This strategy was updated earlier this year and this would be an ideal time to refresh it, now that B. Wycks has joined the Association. In addition it would be ideal to make this a standing item on the agenda.

Website: The committee to consider having links to the CAFII website added to external sites such as FCAC.

**Action:** L. Duigu to circulate website statistics.

### **8.3. Licensing Efficiency Issues Committee**

See above.

### **8.4. Networking and Event Hosting Committee**

TD Insurance was thanked for hosting today's meeting, speaker presentation and reception. Forty-six people have confirmed attendance and our speaker today is Janet Ecker, President of the Toronto Financial Services Alliance and former Ontario Minister of Finance.

Going forward it is a special year for CAFII and the committee will be working on the 15th Anniversary Celebration for next year.

Members discussed ways of commemorating the occasion such as creating a video about how CAFII serves consumers. Similar examples include the LOMA video entitled the Heart of the Matter, American Council of Life Insurers and the CLHIA fact book.

The February Members luncheon and speaker series is also coming up. Suggested speakers include a presenter who can present about insurance online.

C. Honor thanked the committees and suggested that this would be an ideal time to review the committee hierarchy and work plans, in tandem with the budget planning. Looking forward top of mind thoughts regarding 2013 planning include:

- Ecommerce. As we look forward this is where the industry is going and we cannot afford to take our eyes off it. The regulators are also saying that they aren't educated in this area and would like to be.
- Creditor Insurance Project. The initiative is progressing and preliminary results may be available by the next meeting.
- CAFII Branding. The Communications Strategy can include CAFII's re-branding and website launch, and coordinating the timing with the 15<sup>th</sup> Anniversary celebrations.

**Action:** Review of Committee Mandates to be included in the next EOC meeting to ensure the work load is distributed evenly and the right people are working on projects.

## **9. Other Business**

2013 Meeting Calendar: Will be presented at the next board meeting in December.

New Canadian Not-for-Profit Corporations Act: We must transition by October 2014. This will be headed by B. Wycks with assistance as required from T·O Corporate Services and possibly outside counsel. It has been re-prioritized into 2013.

#### **10. Termination**

On a motion duly made, seconded and unanimously carried.

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

**The meeting be terminated at 3:40 pm. The next meeting of the board is on Tuesday, December 11, 2012 in Toronto, hosted by ScotiaLife Financial. Motion passed.**

\_\_\_\_\_  
Date

\_\_\_\_\_  
Chair

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

# CAFII

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

## Balance Sheet As at October 31, 2012

<b>ASSETS</b>	<b>Current 2012</b>
<b>Current Assets</b>	
Bank Balance	\$253,458
Investments <sup>A</sup>	\$52,097
Accounts Receivable	\$0
Interest Receivable	\$366
Prepaid Expenses	\$1,656
Intangible Assets-Trademarks	\$0
Accumulated Amortization-Trademark	\$0
<b>Total Current Assets</b>	<b>\$307,577</b>
<b>TOTAL ASSETS</b>	<b>\$307,577</b>
<b>LIABILITIES</b>	
Current Liabilities	
Account Payable <sup>B</sup>	\$14,966
Deferred Revenue	\$68,350
Total Current liabilities	\$83,316
<b>TOTAL LIABILITIES</b>	<b>\$83,316</b>
<b>UNRESTRICTED NET ASSETS</b>	
Unrestricted Net Assets, beginning of year	\$137,319
Excess of revenue over expenses	\$86,942
Total Unrestricted Net Assets	\$224,261
<b>Total Unrestricted Net Assets</b>	<b>\$224,261</b>
<b>TOTAL LIABILITIES AND UNRESTRICTED NET ASSETS</b>	<b>\$307,577</b>

### RESERVE RATIO:

Minimum Reserve for 2012	\$71,258
Maximum Reserve for 2012:	\$435,177
Current Reserve Ratio (CAFII policy requires min. 3 months reserve)	9.5 Months

**C A F I I**  
55 St Clair Ave West, Suite 255  
Toronto, ON, M4V 2Y7  
**Balance Sheet Items**  
**As at October 31, 2012**

**Item A**

**Investment Portfolio**

Investment Type	Issue Date	Principal	Rate	Deemed Interest	Maturity Date
Cashable GIC #0087-8019718-11	May-07-12	\$52,096.99	1.45%	\$755.41	May-07-13
<b>Total</b>		<b>\$52,096.99</b>		<b>\$755.41</b>	

**Item B**

**Accounts Payable**

	Total
	122.04
	14,679.19
	165.11
<b>Total outstanding:</b>	<b><u>14,966.34</u></b>

# CAFII

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

## Statement of Operations As at October 31, 2012

REVENUE	Current Month	Current YTD	Budget 2012	% Used	YTD 2011 Balance	% Used YTD 2011
Membership Fees	\$34,175	\$341,750	\$419,700	81%	\$349,250	91%
Interest Revenue	\$64	\$583	\$750	78%	\$658	658%
<b>TOTAL REVENUE</b>	<b>\$34,239</b>	<b>\$342,333</b>	<b>\$420,450</b>	<b>81%</b>	<b>\$349,908</b>	<b>89%</b>
<b>EXPENSE</b>						
Management Fees	\$5,885	\$58,848	\$70,617	83%	\$57,690	83%
Lawrie Savage Fees	\$14,679	\$146,792	\$171,289	86%	\$143,914	86%
Fasken Martineau Fees <sup>1</sup>	\$1,694	\$1,694	\$10,467	16%	\$0	0%
Audit Fees	\$0	\$347	\$11,594	3%	\$1,162	12%
Board/EOC/AGM Expense <sup>2</sup>	\$903	\$12,585	\$21,000	60%	\$14,917	71%
Insurance	\$307	\$2,365	\$4,320	55%	\$2,358	55%
Website (incl translation)	\$0	\$2,707	\$540	501%	\$2,396	444%
Telephone/Fax/Internet	\$78	\$516	\$1,000	52%	\$895	41%
Postage/Courier	\$3	\$234	\$500	47%	\$246	23%
Office Expenses	\$84	\$726	\$2,700	27%	\$1,823	68%
Bank Charges	\$0	\$38	\$0	0%	\$0	
Miscellaneous Expenses	\$278	\$278	\$0	0%	\$0	
Amortization Expense	\$0	\$0	\$0	0%	\$0	
Regulatory Model (s)	\$0	\$0	\$2,940	0%	\$0	0%
Tactical Communications Strategy <sup>7</sup>	\$0	\$1,911	\$22,250	9%	\$9,549	38%
Media Relations, CAFII Consultant	\$2,260	\$10,430	\$12,000		\$8,129	68%
Research/Studies <sup>4</sup>	\$0	\$5,085	\$42,000	12%	\$55,568	132%
Federal Financial Reform <sup>5</sup>	\$0	\$0	\$2,160	0%	\$0	0%
Provincial Regulatory Review <sup>6</sup>	\$0	\$10,723	\$54,000	20%	\$8,815	16%
Provincial Networking Strategy <sup>3</sup>	\$0	\$0			\$17	
CCIR Research for Sup.model support	\$0	\$111	\$5,800	2%	\$0	0%
<b>TOTAL EXPENSE</b>	<b>\$26,172</b>	<b>\$255,391</b>	<b>\$435,177</b>	<b>59%</b>	<b>\$307,477</b>	<b>59%</b>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$8,067</b>	<b>\$86,942</b>	<b>(\$14,727)</b>		<b>42,431.39</b>	

### Explanatory Notes:

- (1) Legal work relating specifically to CAFII
- (2) Board meetings and receptions, special Board or EOC lunch meetings, speaker expenses
- (3) Speaker lunches such as the one we did in BC and other events where we invite provincial regulators
- (4) Research for the creditor issues committee and any new issue that may come up
- (5) Placeholder
- (6) Faskin Martineau work: costs associated with regulation changes, insurance act updates, and issues related to restricted licensing regimes.
- (7) Fees for PR, media and communications firm

# CAFII

Toronto, ON M4V 2Y7

## Membership Fees

As At October 31, 2012

	<u>Jan-12</u>		<u>Jul-12</u>	
	<u>Billed</u>	<u>Received</u>	<u>Billed</u>	<u>Received</u>
TD Insurance	\$23,500.00	24-Feb-12	\$23,500.00	11-Sep-12
Assurant Solutions	\$11,750.00	24-Feb-12	\$11,750.00	7-Sep-12
BMO Insurance	\$23,500.00	16-Mar-12	\$23,500.00	Sep21,2012
Canadian Premier Life Insurance Company	\$11,750.00	17-Feb-12	\$11,750.00	11-Sep-12
CIBC Insurance	\$23,500.00	2-Mar-12	\$23,500.00	28-Sep-12
National Bank Insurance Company	\$11,750.00	9-Mar-12	\$11,750.00	14-Sep-12
RBC Insurance	\$23,500.00	9-Mar-12	\$23,500.00	24-Sep-12
ScotiaLife Financial	\$23,500.00	17-Feb-12	\$23,500.00	10-Oct-12
Desjardins Financial Security Life Assurance Company	\$11,750.00	24-Feb-12	\$11,750.00	7-Sep-12
AMEX Bank of Canada	\$11,750.00	23-Mar-12	\$11,750.00	12-Oct-12
Avalon Actuarial	\$4,800.00	2-Mar-12		
CSI Brokers Inc.	\$4,800.00	23-Mar-12		
Dion, Durrell & Associates Inc.	\$4,800.00	18-May-12		
Eckler Partners Ltd.	\$4,800.00	resigned		
KPMG	\$4,800.00	20-Apr-12		
Laurentian Bank of Canada	\$4,800.00	2-Mar-12		
Oliver, Wyman Consulting Limited	\$4,800.00	25-May-12		
Optima Communications	\$4,800.00	16-Mar-12		
RGA Life Reinsurance Company of Canada	\$4,800.00	25-May-12		
Swiss Reinsurance Company Ltd	\$4,800.00	10-Feb-12		
Munich Re	\$4,800.00	13-Apr-12		
CIT Financial Ltd.	\$4,800.00	resigned		
Aimia	\$4,800.00	9-Mar-12		
The Canada Life Assurance Company	\$4,800.00	13-Apr-12		
<b>January Invoices</b>	<b>\$243,450</b>		<b>\$176,250</b>	
<b>July Invoices</b>	<b>\$176,250</b>			
<b>Total Membership Fees</b>	<b>\$419,700</b>			



2013 Budget Draft - Canadian Association of Financial Institutions in Insurance

	2010 Budget	2011 Budget	2012 Budget	CAGR 2010-2012	2013 Budget Recco.	Change 2012-2013	Comments
Revenues							
Membership Fees	\$ 378,000	\$419,100	419700	3.5%	\$ 410,100	-2%	
Interest	\$ 925	\$100	750	-6.8%	\$ 750	650%	
TOTAL REVENUE	\$ 378,925	\$ 419,200	\$ 420,450	3.5%	\$ 410,850	-2%	
EXPENSE							
ASSOCIATION OPERATING EXPENSES							
Management Fees	\$61,387	\$69,167	\$70,617	4.8%	\$ 209,150	196%	Increase management fees + E.D. Compensation
Lawrie Savage Fees	\$167,990	\$167,990	\$171,289	0.7%	\$ -	-100%	Contract terminated
CAFII Legal Fees/Corporate Governance	\$10,467	\$10,467	\$10,467	0.0%	\$ 10,500	0%	
Audit Fees	\$9,420	\$9,813	\$11,594	7.2%	\$ 13,250	14%	Extra time estimated to prepare new standards for not-for-profit organizations
Insurance	\$4,320	\$4,320	\$4,320	0.0%	\$ 5,368	24%	Increase D&O coverage \$5MM-\$10MM, Increase in Office coverage \$2MM-\$5MM
Website	\$540	\$540	\$540	0.0%	\$ 540	0%	
Telephone/Fax/Internet	\$2,160	\$2,160	\$1,000	-22.6%	\$ 750	-25%	
Postage/Courier	\$1,080	\$1,080	\$500	-22.6%	\$ 500	0%	Additional fees for ADP
Office Expenses	\$2,700	\$2,700	\$2,700	0.0%	\$ 4,500	67%	Office hardware for E.D.
Bank Charges	\$0	\$0	\$0		\$ -		
Miscellaneous Expenses	\$0	\$0	\$0		\$ -		
Amortization Expense <sup>1</sup>	\$0	\$0	\$0		-\$ 640		CAFII office equipment Depreciation
SUB-COMMITTEE EXPENSES							
Distribution & Market Conduct Committee							
Provincial Regulatory Review	\$54,000	\$54,000	\$54,000	0.0%	\$ 35,000	-35%	
Research/Studies	\$59,000	\$42,000	\$42,000	-10.7%	\$ 42,000	0%	Updated Avalon study
Licensing Efficiency Issues Committee							
Regulatory Model(s)	\$5,940	\$2,940	\$2,940	-20.9%	\$ 12,000	308%	
Federal Financial Reform	\$2,160	\$2,160	\$2,160	0.0%	\$ -	-100%	
Media & Advocacy Strategy Committee							
Tactical Communications Strategy	\$27,000	\$28,250	\$22,250	-6.2%	\$ 25,000	12%	
Association Branding					\$ 7,000		Branding and awareness of CAFII
Networking and Events Committee	\$26,000	\$21,000	\$21,000	-6.9%		107%	Increase due to 15th Anniversary Event
Board/EOC/AGM Expense <sup>2</sup>					\$ 10,000		
Networking Events					\$ 3,500		
15th Anniversary Event					\$ 30,000		
Media Relations, CAFII Consultant	\$0	\$12,000	12000	0.0%	\$ -	-100%	
TOTAL EXPENSE	\$ 434,164	\$ 430,587	\$ 429,377	-0.4%	\$ 408,418	-5%	
Balance	-\$ 55,239	-\$ 51,662	-\$ 10,177		\$ 2,433		
Estimated Cash Balance			\$ 125,000		\$ 127,433		

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

2013 Reserve (based on 6 month Reserve):

Operating Expenses	2013	Est. Monthly
Management Fees	\$ 209,150	\$17,429
Audit Fees	\$ 13,250	\$1,104
Board/EOC/AGM Expense	\$ 10,000	\$833
Insurance	\$ 5,368	\$447
Telephone/Fax/Internet	\$ 750	\$63
Postage/Courier	\$ 500	\$42
Office Expenses	\$ 4,500	\$375
	<hr/>	<hr/>
	\$ 245,531	\$ 20,293

Minimum Reserve = Greater of:

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

2013 Reserve (based on 3 month Reserve):

Operating Expenses	2013	Est. Monthly
Management Fees	\$ 209,150	\$17,429
Audit Fees	\$ 13,250	\$1,104
Board/EOC/AGM Expense	\$ 10,000	\$833
Insurance	\$ 5,368	\$447
Telephone/Fax/Internet	\$ 750	\$63
Postage/Courier	\$ 500	\$42
Office Expenses	\$ 4,500	\$375
	<hr/>	<hr/>
	\$ 245,531	\$ 20,293

Minimum Reserve = Greater of:

Reserve at 25% of Annual Operating Expense =	<b>\$ 61,383</b>
Reserve at 3 months of Operating Expense =	\$ 60,879

	2000	2001-2002	2006-2010	2011	2012
<b>Founding Members</b>	\$ 44,000	\$ 47,000	\$ 42,300	\$ 47,000	\$ 47,000
TD Life Insurance					
BMO Life Insurance Company					
CIBC Insurance					
RBC Insurance Services					
Scotia Life Insurance Company					
<b>Voting Members</b>	\$ 22,000	\$ 24,000	\$ 21,600	\$ 23,500	\$ 23,500
Assurant Solutions					
Canadian Premier Life Insurance Company					
National Bank of Canada					
Desjardins Financial Security Life					
American Express					
<b>Associate Members</b>	\$ 5,000	\$ 5,000	\$ 4,500	\$ 4,800	\$ 4,800
Avalon Actuarial Consulting Inc					
CSI Brokers Inc.					
Dion, Durrell & Associates Inc.					
KPMG					
Laurentian Bank of Canada					
Oliver Wyman Consulting Limited					
Optima Communications					
RGA Life Reinsurance Company of Canada					
Swiss Re Life & Health Canada					
Munich Re					
Aima					
The Canadian Life Assurance Company					
<b>Total Membership Fees</b>	\$ 395,000	\$ 420,000	\$ 378,000	\$ 419,100	\$ 410,100
% Increase/(Decrease) from previous term		6.3%	-10.0%	10.9%	-2.1%

## Regulatory Update - CAFII Board of Directors, December 11, 2012

By Lawrie Savage & Associates Inc

### Federal

#### Guidance Issued on Electronic Commerce Protection Regulations

In October, the Canadian Radio-television and Telecommunications Commission (CRTC) issued Bulletin 2012-548 which sets out how industry can interpret the Electronic Commerce Protection regulations under *An Act to promote the efficiency and adaptability of the Canadian economy by regulating certain activities that discourage reliance on electronic means of carrying out commercial activities, and to amend the Canadian Radio-television and Telecommunications Commission Act, the Competition Act, the Personal Information Protection and Electronic Documents Act and the Telecommunications Act*, S.C. 2010, c. 23 (the Act). The regulations will come into force when section 6 to 11 and subsection 64(2) of the Act come into force. The bulletin can be found at <http://www.crtc.gc.ca/eng/archive/2012/2012-548.htm>

#### Credit Union Conversion to Federal Charter

Draft regulations to allow credit unions to incorporate and continue federally were published in the Canada Gazette Vol. 146, No. 27 — July 7, 2012 for a 30 day consultation period. The regulations can be found at <http://www.gazette.gc.ca/rp-pr/p1/2012/2012-07-07/html/reg4-eng.html>

By way of background- David Phillips, President and CEO of CUCC, advises that credit unions lobbied for the reforms of the *Bank Act* that would permit federal charters for credit unions. Credit unions are thus very supportive of the regulations and are anxious to see the section put in force. He advised that it may be several years before credit unions convert although one credit union in BC has announced its intention to do so. A federal charter has a number of implications that must be considered such as loss of the 100% deposit guarantee, higher capital requirements and lack of insurance distribution powers. Credit unions need to start planning for these matters. Mr. Phillips expects that credit unions are likely going to seek federal charters as multi-province operation will be necessary to allow for growth.

#### Consultation on Changes to Regulations Amending the Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations (PCMLTFR)

Finance has issued revised proposed changes to the PCMLTFR. The previous version had proposed to remove an exemption from onerous customer due diligence that had been used by insurers. CAFII wrote two letters to Finance explaining the negative effect that removal of the exemption would have on business lines. The revised regulations no longer propose to remove the exemption. The revised regulations were posted on October 13. Interested parties had 30 days to comment to the department

of Finance. CAFII has drafted a follow up letter to Nick Burbidge to be sent after the regulations are final, to thank him for taking CAFII issues into account. The consultation can be found at

<http://www.gazette.gc.ca/rp-pr/p1/2012/2012-10-13/html/reg1-eng.html>

### Financial Literacy Month

November is Financial Literacy Month (FLM) in Canada. FLM brings together the resources, information, products and services developed by organizations across the country that help Canadians strengthen their financial literacy. The calendar of activities was on the Financial Consumer Agency of Canada website.

### **British Columbia**

#### Changes to Restricted Licensing Regime for Motor Vehicle Dealers

On October 5<sup>th</sup>, the Insurance Council published Notice ICN 12-006 which sets out restrictions and conditions on Motor Vehicle dealers' restricted insurance licenses. These licensees will be restricted to offering only insurance products that are incidental to the sale of a motor vehicle. Products must be offered under the direct supervision of a named unrestricted general insurance agent. The licensed representative must obtain initial and continuing education, including a minimum of 1 hour annually on each product offered. All products offered must be reviewed and approved by Council. Council will meet with the underwriting insurer. If product features are changed, the product cannot be offered until reapproved by Council. Coverage of products must be less than \$15,000. Client disclosure requirements include the consumer's right to decline coverage, all premiums and fees charged. These disclosures must be in plain language prior to the purchase of insurance. The requirements were effective immediately.

### **Alberta**

#### License Renewal to be July 1st Each Year for all Classes

The *Certificate Expiry, Penalties and Fees Regulation* has been amended to require licenses to run from July 1st of to June 30<sup>th</sup> for all classes (Life, General and Adjusters). The changes will be phased in beginning with the Life and Accident and Sickness agents in December of 2012, with holders receiving a certificate that will expire on June 30, 2014. In April 2013, Adjusters will be issued a certificate that will expire on June 30, 2014. Fees will be prorated accordingly and Continuing Education requirements remain at the current 15 hour requirement. **Alberta advises that restricted certificates will also have a June 30 expiry date. The transition date will be determined by whether the product aligns with General or Life and Sickness.** Complete details of the changes, a table of prorated fees and links to the regulation can be viewed on the Alberta Insurance Council website at [www.abcouncil.ab.ca](http://www.abcouncil.ab.ca)

#### New Probationary License / Changes to General Agent Licensing

The *Insurance Agents and Adjusters Regulation* has been amended and was effective November 7, 2012. Changes include:

- 1) A new Probationary Certificate to allow prospective new general insurance agents to try out the job prior to qualification. It is available on a 1 time basis only, is valid for 90 days and is subject to supervision.
- 2) Removal of the requirement to move to level 2 from level 1 within 3 years. Level 1 agents whose certificates were cancelled for failing to advance to Level 2 may be entitled to re-apply for the Level 1 certificate. Level 1 agents are subject to ongoing supervision.
- 3) Level 2 applicants will have to pass a single examination that covers both personal and commercial insurance.
- 4) A new level 3 certificate will be issued to the Designated Representative of an agency. All Level 2 certificate holders who are currently the Designated Representative of an agency will be issued a Level 3 certificate. Those wishing to become a Designated Representative must successfully pass a Management Examination in addition to meeting other requirements.

## **Saskatchewan**

### Financial and Consumer Affairs Authority Created

What was previously the Saskatchewan Financial Services Commission is now the Financial and Consumer Affairs Authority (FCAA). David Wild is Superintendent of Insurance and Ian McIntosh is Deputy Superintendent. The name change occurred on October 1, 2012.

## **Manitoba**

### Insurance Act Review Update

Superintendent Jim Scalena reports that the department is still in the process of drafting regulations which will be available for comment in early 2013. This will not be a full consultation but a circulation of regulations to those parties who are impacted ie industry associations, including CAFII. It may be that not all regulations are implemented at the same time; in particular, ISI may take longer than other areas. For Life and A&S sections, implementation will likely be for fall of 2013 with not as much lead time as industry requested.

### ISI Regime Update

Council reports that there is no news that can be made public at this time as recommendations have been sent to government. Comments provided by industry in August 2012 have been taken into consideration in the recommendations.

### Insurance Regulator Merged with Securities Commission

The Financial Institutions Regulation Branch which oversees insurance companies, the Insurance Council, credit unions and co-operatives has merged with the Manitoba Securities Commission which has responsibility for securities regulation, real estate agents and mortgage brokers. The Financial Institutions Regulation branch which had reported as a branch of the Ministry of Finance becomes part

of a “special operating agency” reporting through the Ministry of Finance. The Insurance group expects to move to the securities commission building. The effective date of merged operations was October 1, 2012.

## Ontario

### Proposed Administrative Monetary Penalties (AMP) Regulations

Budget Bill 55 amended the *Automobile Insurance Rate Stabilization Act, 2003*, *Compulsory Automobile Insurance Act*, and *Insurance Act* to provide the Superintendent of Financial Services with the authority to impose administrative penalties and provide the Lieutenant Governor in Council the power to make regulations under these Acts. The Ministry of Finance has posted to the Ontario Regulatory Registry a summary of three regulations under the above noted Acts. Amendments under the Acts would be proclaimed in force at the same time as the regulations. As with the mortgage broker regulations, **the Ministry of Finance advises that they will publish the names of those fined and the amounts fined, ie it will be public.**

According to the registry posting, the three sets of proposed AMP regulations may:

- Prescribe provisions of the Act or the regulations for the purposes of general or summary administrative penalties;
- Prescribe criteria the Superintendent is required or permitted to consider when imposing a general or summary administrative penalty;
- Prescribe the amount of a penalty, or the method for calculating the amount of a penalty, and prescribe different penalties or ranges of penalties for different types of contraventions or failures to comply and for different classes of persons;
- Authorize the Superintendent to determine the amount of a penalty, if the amount of the penalty or the method for calculating the amount of the penalty is not prescribed, and prescribe criteria the Superintendent is required or permitted to consider when determining this;
- Authorize a penalty to be imposed for each day or part of a day on which a contravention or failure to comply continues;
- Authorize higher penalties for a second or subsequent contravention or failure to comply by a person;
- Govern the manner of paying the penalties;
- Require that a penalty be paid before a specified deadline or before a deadline specified by the Superintendent;

- Authorize the imposition of late payment fees respecting penalties that are not paid before the deadline, including graduated late payment fees; and
- Prescribe lesser maximum administrative penalties and the requirements established under the Act to which the lesser maximum penalties apply.

CAFII met with the Ministry to do a technical review of the regulations. It was subject to a confidentiality agreement. Comments on the AMP regulations are due by **December 15, 2012**

#### Life Insurance Product Suitability Reviews to Commence

FSCO's 2012 Statement of Priorities set out as a priority to "undertake a market conduct review to determine how the life insurance industry is ensuring that consumers get appropriate information to make informed decisions when purchasing life insurance products. The focus of the review will be to understand and assess the processes life insurance agents use in making recommendations to consumers and the processes in place at life insurance companies when developing and distributing products." FSCO advises that this review will start as an information gathering process in 2013.

FSCO wants to assess suitability at point of sale (POS), and follow the application through to the insurer to determine how insurers validate suitability. FSCO will be looking at captive agents, independent agencies and the call center environment. They do not intend to contact consumers or policyholders directly at this time. FSCO would like access to companies' internal client satisfaction survey information to help determine level of suitability. FSCO will be starting with the agent side first. FSCO is modelling the exercise after the OSC which is doing a similar exercise. FSCO will do its field work in early 2013 and hopes to complete the review over the summer. The range of products includes travel health, term, whole life and seg funds. (ISI is not specifically included). FSCO noted that suitability is of interest to many countries and dovetails with IAIS Financial Sector Assessment Program (FSAP) which the CCIR will be working on this year.

#### **Quebec**

##### AMF Appointments

In November, the Autorité des marchés financiers (AMF) appointed Eric Stevenson to the position of Superintendent, Client Services and Distribution Oversight, which includes Distribution Policies and Compensation and Distribution Practices. Mr. Stevenson will also oversee the AMF's systems modernization and integration project (MISA, Modernisation et intégration des systèmes d'affaires), which will enhance its effectiveness and efficiency by delivering integrated, high performance information systems. Philippe Lebel was appointed to the position of Executive Director, Legal Affairs.



## Review of Insurance Distribution

The Finance Minister announced at the recent “Rendez-vous with the AMF” that the province would be undertaking a review of the *Act Respecting the Distribution of Financial Products and Services*. In November 2010, the AMF began a review of distribution of insurance other than through a representative (DWR) which is part of the Act. The consultation has resulted in planned changes to the distribution guide as well as other possible changes which have not yet been finalized. The AMF has shared preliminary recommendations on further changes with the Finance department but any changes will be part of the overall review of the Act. The AMF does not anticipate any major changes to the representative distribution channel. Internet distribution recommendations will be part of the review. Eric Stevenson met with CAFII in November to discuss these matters.

## New Consumer Insurance Guide

The AMF has produced a practical guide to answer consumer questions and to help consumers understand insurance. It focuses on two broad insurance classes: damage insurance, which includes automobile and home insurance, and insurance of persons, which includes life insurance. It is currently available in bookstores and on-line at [www.protegez-vous.ca/boutique](http://www.protegez-vous.ca/boutique).

## **Canadian Council of Insurance Regulators**

### Final MGA Paper released

At its fall meeting, CCIR adopted the final version of the position paper on the MGA distribution channel in the life insurance industry. It was given a new title - *Strengthening the Life MGA Distribution Channel*. The paper is otherwise the same as was released in March 2012. The paper does not apply to distribution of group products; it applies to MGA distribution of life, accident and sickness insurance and annuities. The paper contained four recommendations as follows:

- Insurer Relationship with MGAs - Insurers must have in place effective systems and controls whenever they use the services of an MGA
- Agent Supervision - Insurers should incorporate the principles in CLHIA Guideline G8 - *Screening Agents for Suitability and Reporting Unsuitable Agents* into all of their business across Canada, including any contracts involving the outsourcing of these functions to an MGA.
- Product Suitability- Regular market conduct reviews should be undertaken by regulators to determine if insurers and their agents are providing consumers with adequate information to make informed decisions, and suitable product recommendations.
- Information needs of regulators- Regulators will develop options and an action plan to make sure that adequate information on life agents and MGAs is obtained in a timely manner.

The paper also contained *Best Practices for Insurer-MGA Relationships* (core principles). Strategies for achieving each principle are included.

### Third Party Administrator (TPA) Regulation

The Agencies Regulation Committee (ARC) will commence a review of TPA regulation for group life, accident and sickness, creditor's group insurance, and travel insurance to determine potential risks to consumers.

### Review of Canada's Adherence to Insurance Core Principles

According to the CCIR fall meeting highlights, "The International Monetary Fund will be conducting a financial stability assessment of Canada in 2013 under the Financial Sector Assessment Program (FSAP). The FSAP will assess Canada's adherence with international standards and insurance core principles (ICPs) in the areas of insurance, banking, securities, payment/settlement systems and fiscal transparency. Federal and provincial regulators, including CCIR, are working together to assemble the necessary documentation for the review team."

### Credit Score Project Completed

At the fall meeting, CCIR approved the release of the Credit Scoring Working Group *Findings Report – Use of Credit Scores by Insurers* which summarizes the summer 2011 consultation which compiled research and facts surrounding credit-based insurance scores and how they are used. The report notes that the input was largely from 2 camps -brokers who are against the use of credit information and insurers who support continued use. It was felt that both groups produced little in the way of supporting evidence for their opinion. The CCIR will not be making recommendations or issuing a Position paper. The report can be found on the CCIR website.

### Webinar on Underserved Insurance Market

In September, CAFII made a presentation to CCIR on the Underserved Insurance Market. The presentation was web-based and attended by over 40 participants from regulators offices coast to coast.

### Electronic Commerce

The CCIR fall highlights report that the Electronic Commerce Committee (ECC) presented preliminary recommendations arising from its consultation earlier this year on Electronic Commerce in Insurance Products.

Topics for recommendations include:

- Consumer access to additional information/advice from a licensed intermediary when using electronic channels
- The role and regulation of comparison shopping sites
- Designating Beneficiaries through electronic means, and
- Termination of insurance by the insurer through electronic means.

The ECC will now proceed to prepare a Position Paper for consultation in 2013.

### CCIR to Become Involved with Dispute Resolution

The CCIR fall highlights notes that “the Joint Forum of Financial Market Regulators (JF) has asked CCIR to play a greater role in working with the two insurance Ombudservices - OmbudService for Life and Health Insurance (OLHI) and the General Insurance OmbudService (GIO) - in the interests of Canadian consumers. CCIR recognizes the importance of dispute resolution mechanisms for consumers and the role of regulators in providing some oversight. CCIR intends to engage representatives of OLHI and GIO as well as other members of the JF Dispute Resolution Committee to consider next steps.”

### Upcoming CCIR Meetings

CCIR will hold a winter conference call meeting on January 24, 2013. The CCIR Spring meeting will be held April 11 and 12, 2013 in Toronto. **The CCIR has agreed that they would like to have a function with CAFII, potentially on April 10, as part of the CAFII 15 year celebration.**

### **Canadian Insurance Services Regulatory Organizations (CISRO)**

#### New CISRO Website Launched

Stakeholders can be kept up to date on CISRO activities by visiting its website at <http://www.cisro-ocra.com/>

#### Life License Qualification Program (LLQP) Redesign

As announced in July 2012, a new national life training program is being developed. The CISRO project is being coordinated by the AMF. The program is to be ready by September 2015. Currently the LLQP does not include BC and Quebec but both provinces will be included in the new program.

### **International**

#### Gender to be Banned as Insurance Variable in Europe

The European Court of Justice ruled in March 2011 that insurance pricing cannot take gender into account. The ruling comes into effect in December 2012. The Association of British Insurers (ABI) has published a document to advise consumers of the products affected by the ruling including auto insurance, life, critical illness and annuities as well as to advise that pricing will be affected. Women typically had lower rates for automobile insurance and for annuities but with gender –neutral pricing, this differential will not be maintained.

#### British Brokers Call for a Canadian-style Ban on Bank Sales of Insurance

In September 2012, the British Insurance Brokers' Association (BIBA) Chief Executive Eric Galbraith said that the Financial Services Authority should “explore the merits of adopting a similar approach to Canada where banks are prevented from directly selling general insurance products altogether. Advice is the area of the professional insurance broker and intermediary whose business is insurance and not a bank or other organization whose main business is not insurance.”

### Systemically Important Financial Institutions

The Basel Committee and the Financial Stability Board (FSB) have developed a policy framework for systemically important financial institutions. In November, 2011, a group of 29 banks were identified as globally Systemically Important Banks (G- SIBs). (No Canadian banks were on the list.) Final rules were adopted for dealing with these banks. In October 2012, the Basel committee set out a framework for how national regulators will identify and deal with Domestic Systemically Important Banks (D-SIBs). D-SIBs will be required to have higher loss absorbency (HLA) requirements. This would entail increasing their capital levels and thus costs. The Basel committee recommends that D-SIBS be required by their national regulators to comply with G-SIB principles beginning in January 2016.

CONFIDENTIAL



November 15, 2012

Ms. Carolyn Rogers,  
Chair, Canadian Council of Insurance Regulators  
5160 Yonge Street, Box 85  
Toronto ON M2N 6L9

Dear Carolyn:

I am writing to thank you and the members of the CCIR Executive for making time in your busy schedule on October 25 to meet with David Minor (TD Insurance), Rick Lancaster (CIBC Insurance), Julie Barker-Merz (BMO Insurance), Brendan Wycks (CAFII Executive Director) and myself (RBC Insurance), as representatives of the Canadian Association of Financial Institutions in Insurance.

We greatly appreciated the opportunity to meet face-to-face to foster an open dialogue on shared priorities and strengthening the insurance industry. We would welcome continued opportunities in the future, formal or informal to further develop communication.

We were pleased to receive the positive feedback from CCIR members on our first CAFII webinar on September 14, on the topic of "The Under-Served Market." As discussed, we will continue to work with Carol on developing the 4 topics of the future webinar series and noted that you would find particular value in the webinar on "E-Commerce."

With respect to the regulatory and legislative issues we discussed in the meeting, several provinces have made or are planning to make major revisions to their Insurance Acts. CAFII members have appreciated the open consultative approach that has typically been used for provincial reviews. When provinces are finalizing new regulations, we request that lead time of 12 to 18 months be provided to facilitate CAFII members' implementation of changes. These changes inevitably become major projects within our member organizations and it takes time to ensure that necessary systems changes are made, forms revised, staff trained, and consumers notified of how the changes affect them.

CAFII was pleased to learn from our meeting that:

- CCIR supports Alberta's and B.C.'s lead in allowing electronic beneficiary designations for policies. CAFII strongly supports this direction; and
- CCIR supports the Canadian Insurance Services Regulatory Organisations (CISRO) in its mandate and initiatives related to developing a system for harmonized, inter-jurisdictional licensing of insurance advisors. This is an important issue for our members who have client contact centre staff who must be licensed in multiple jurisdictions. A nationally harmonized

licensing regime would create much-needed flexibility for our members, and lead to productivity gains through better allocation of scarce resources and reduced costs.

- We also understand that CCIR is focussed on the International Association of Insurance Supervisors' Financial Sector Assessment Program (FSAP), covering compliance in Canada with international standards and insurance core principles (ICPs). We understand the increasing onus being placed upon insurance providers and regulators to ensure adherence with ICPs around "Treat the Customer Fairly," including the sections on compensation/commission disclosure. CAFII would be pleased to assist CCIR in any way with this work and will look for possible speaker topics around this for our webinars, web site and receptions.

Finally, as discussed in the meeting, CAFII will be celebrating its 15<sup>th</sup> anniversary in 2013, and we will align our Anniversary event to the evening of April 10, 2013, just prior to your spring CCIR meeting in Toronto, so that we can invite all of your CCIR members who are in town. We'll be back in touch with CCIR in early 2013 to discuss the event details.

Once again, thank you for your time and discussion. Feel free to contact me directly if you have any questions or need any further information in the future. Also, effective December 3, 2012, any member or representative of the CCIR may also feel free to contact Brendan Wycks, our new Executive Director, at [brendan.wycks@cafii.com](mailto:brendan.wycks@cafii.com) or at 647-218-8243.

Best regards,



Cathy Honor

Chair CAFII

c.c. Carol Shevlin, Policy Manager, CCIR

### CAFII Regulator Visit Plan 2012

updated November, 2012

Jurisdiction	Regulator	Annual Courtesy Call	Purpose	Attendees	Org	Date/Venue	Status
British Columbia	<b>Insurance Council of BC:</b> Gerry Matier, Exec. Dir.	X	Update on Council priorities			TBD Toronto	
	Carolyn Rogers , Superintendent ( interim CCIR chair)  Doug Mclean, Deputy Superintendent		-meet when in BC, was invited as CAFII speaker for October 2012 -part of CCIR contingent Oct 25	Cathy Honor			
Alberta	<b>Alberta Insurance Council :</b> Joanne Abram, CEO	X	Update on Council priorities Council Representation Licensing for 3 <sup>rd</sup> party providers			May 8 Montreal	complete
	<b>Alberta Insurance Council :</b> Tom Hampton, Chief Operating Officer		Present to CAFII AIC's Business number registration system				
	<b>Ministry of Finance:</b> Mark Prefontaine, Superintendent		Courtesy call to introduce New Chair	Cathy Honor Moira Gill	RBC TD	Jan 13 12:30 – 2pm Edmonton	complete
	<b>Council:</b> Joanne Abram		Council representation, other issues to be determined	Cathy Honor Moira Gill	RBC TD	Jan 13 10:30 AM Edmonton	complete
	<b>New Minister of Finance</b>					after the election	
Saskatche wan	<b>Sask. Insurance Council:</b> Ron Fullan, Chair	X	Review Council priorities Council Representation	Moira Gill Sara Gelgor	TD Scotia	Friday July 6 8:30	complete
						September 24	complete
	<b>Consultant ( ex Superintendent )</b> Jim Hall		Insurance Act review			Conference call	On hold until review starts

Jurisdiction	Regulator	Annual Courtesy Call	Purpose	Attendees	Org	Date/Venue	Status
Manitoba	<b>Ministry of Finance:</b> Jim Scalena, Superintendent	X	Update on Insurance Act review. ISI regime	Moira Gill Sara Gelgor	TD Scotia	Winnipeg August 8	complete
	<b>Manitoba Insurance Council:</b> Erin Pearson, Exec Director;	X	Review Council priorities Restricted cert holder representation on council	Moira Gill Sara Gelgor	TD Scotia	Winnipeg August 8	complete
	<b>Ministry of Finance</b> Minister Stan Struthers		Letter of introduction sent, include on a visit of Chair to Manitoba. Sept 2012 – eoc recommends waiting until issues with Insurance act review are resolved				
Ontario	<b>FSCO:</b> Phil Howell, CEO & Superintendent	X				Toronto	To be set up
	<b>FSCO:</b> Director, Market Conduct; Grant Swanson, Exec Dir Licensing & Market Conduct and new staff		FSCO has hired new staff, introduce CAFII, cover current files, Insurance act review			September 13	complete -DMC to follow up re call center tour
	<b>FSCO</b> Company Complaint Officer day		Annual – individual companies to attend			Nov 23	
	<b>Ministry of Finance :</b> Paul Braithwaite		Update on trade negotiations/agreements (e.g. Canada-EU, ON-QB)			May 28	complete
	<b>Ministry of Finance :</b> Michael Weiss		Technical review of AMP regulations	A Riley M Gill		Nov 19	complete
Quebec	<b>AMF:</b> Mario Albert, CEO; Superintendents and key directors	X		Board		June 19, Quebec City Board lunch	complete
	<b>AMF:</b>		ECommerce consultation paper meeting			April 4	Part of CCIR meeting



Jurisdiction	Regulator	Annual Courtesy Call	Purpose	Attendees	Org	Date/Venue	Status
	<b>AMF:</b> Superintendent; Eric Stephenson, Director, SROs and Distribution Practices		Meeting to discuss DWR distribution guide format , compensation disclosure	Moira Gill Andre Duval John Lewsen Greg Grant Rose Beckford Jennifer Hines	TD Des BMO CIBC ScotiaLF RBC	May 10 Montreal, lunch at RBC place Ville Marie	complete
	<b>AMF:</b> Eric Stephenson, Superintendent,		Discuss distribution			November 15	Notes and follow up required
	<b>AMF:</b> Superintendent, Solvency	X		Board		With M Albert June 19	complete
	<b>AMF :</b> Rendez-vous			-individual companies		October 15	complete
New Brunswick	Superintendent		Review priorities Discuss /educate on creditor's group insurance (CGI) and Avalon; Licensing issues, electronic licensing; Insurance Act Review Status ; David Weir (Deputy Super)- Atlantic Taskforce on ISI (chair)	Check board member travel plans		TBD Fredericton	
	Consumer Advocate		Review priorities, Discuss /educate on creditor's group insurance (CGI) and Avalon;	Check board member travel plans		TBD Fredericton	
Nova Scotia	Superintendent		Review priorities, Discuss /educate on creditor's group insurance ( <b>CGI</b> ) and Avalon; Atlantic Taskforce on ISI	Check board member travel plans		TBD Halifax	
PEI	Superintendent		Courtesy- Low priority for 2012 ( if member is in Charlottetown)	Check board member travel plans		Charlottetown	

Jurisdiction	Regulator	Annual Courtesy Call	Purpose	Attendees	Org	Date/Venue	Status
Newfoundl and	Superintendent		Review priorities, Discuss /educate on creditor's group insurance (CGI) and Avalon; Atlantic Taskforce on ISI	Check board member travel plans		TBD St John's	
CCIR	Carol Shevlin, Policy Manager	X	Review CCIR Priorities CAFII webinar curriculum	Greg Grant Jennifer Hines John Lewsen Anne Riley		May 31	complete
	Ecommerce Committee		Review issues paper			April 4	complete
	CCIR members		Webinar presentation - underserved market			Sept 14	complete
	CCIR executive and members		CCIR initiative – request personal contact to discuss industry issues, concerns and workplans			Oct 25 AM	Thankyou letter sent meeting notes needed
CISRO	Ron Fullan Chair		Chair requested a face to face presentation of Ecommerce –Sept 2012				To be set up
Federal	<b>Federal Finance</b>		Educational – marketing of CGI				
	<b>OSFI:</b> Julie Dickson, Superintendent		Declined offer to be Guest speaker at CAFII event				
	<b>OBSI:</b> Doug Melville Ombudsman		Educational – marketing of CGI				
	<b>Financial Consumer Agency of Canada (FCAC)</b>		Financial Literacy re insurance	John Lewsen Maira Gill Maria Sanchez-Chung	BMO TD TD	January	complete

<b>Jurisdiction</b>	<b>Regulator</b>	<b>Annual Courtesy Call</b>	<b>Purpose</b>	<b>Attendees</b>	<b>Org</b>	<b>Date/Venue</b>	<b>Status</b>
	<b>FCAC compliance group</b>		Financial Literacy re insurance (at FCAC request)	John Lewsen Moira Gill	BMO TD	April 4	complete

### CAFII Regulator Visit Plan 2013

updated November, 2012

Jurisdiction	Regulator	Annual Courtesy Call	Purpose	Attendees	Org	Date/Venue	Status
British Columbia	<b>Insurance Council of BC:</b> Gerry Matier, Exec. Dir.	X	Update on Council priorities			Invite when in Toronto	
	<b>Financial Institutions Commission(FICOM)</b> Carolyn Rogers , CEO FICOM, Superintendent (interim CCIR chair) Doug McLean, Deputy Superintendent	X	CLHIA Compliance Conference in BC in May, Meetings to be coordinated around conference.			Surrey When Carolyn is in Toronto or CAFII chair is in BC	
Alberta	<b>Alberta Insurance Council :</b> Joanne Abram, CEO, Tom Hampton, Chief Operating Officer	X	Update on Council priorities Council Representation Licensing for 3 <sup>rd</sup> party providers Business number registration system			Edmonton	
	<b>Ministry of Finance:</b> Mark Prefontaine, Superintendent					Edmonton	
	<b>New President of Treasury Board and Minister of Finance</b> Doug Horner						
Saskatchewan	<b>Sask. Insurance Council:</b> Ron Fullan, Chair	X	Review Council priorities Council Representation			Invite when in Toronto	
	<b>Financial and Consumer Affairs Authority, David Wild,</b> Chairperson Superintendent of Insurance, Ian McIntosh Deputy Superintendent of Insurance		Courtesy visit, Introduction of CAFII Insurance Act review, ISI council representation			Regina	
	<b>Consultant ( ex Superintendent )</b> Jim Hall		Insurance Act review				

Jurisdiction	Regulator	Annual Courtesy Call	Purpose	Attendees	Org	Date/Venue	Status
Manitoba	<b>Ministry of Finance:</b> Jim Scalena, Superintendent	X	Update on Insurance Act review. ISI regime			Winnipeg	
	<b>Manitoba Insurance Council:</b> Erin Pearson, Exec Director;	X	Review Council priorities Restricted cert holder representation on council				
	<b>Ministry of Finance</b> Minister Stan Struthers		Letter of introduction sent, include on a visit of Chair to Manitoba. Wait until issues with Insurance act review are resolved				
Ontario	<b>FSCO:</b> Phil Howell, CEO & Superintendent	X				Toronto	
	<b>FSCO:</b> Grant Swanson, Exec Dir Licensing & Market Conduct division						
	FSCO: Company Complaint Officer Day			-individual companies		Toronto November	
Quebec	<b>AMF:</b> Mario Albert, CEO;	X				Quebec City	
	<b>AMF:</b> Superintendent, Eric Stephenson	X					
	<b>AMF :</b> Rendez-vous			-individual companies		October	
New Brunswick	Superintendent		Review priorities Discuss /educate on creditor's group insurance (CGI) and Avalon; Licensing issues, electronic licensing; Insurance Act Review Status ; David Weir (Deputy Super)- Atlantic Taskforce on ISI (chair)			TBD Fredericton	
	Consumer Advocate		Review priorities, Discuss /educate on creditor's group insurance (CGI) and Avalon;			TBD Fredericton	

Jurisdiction	Regulator	Annual Courtesy Call	Purpose	Attendees	Org	Date/Venue	Status
Nova Scotia	Superintendent		Review priorities, Discuss /educate on creditor's group insurance ( <b>CGI</b> ) and Avalon; Atlantic Taskforce on ISI			TBD Halifax	
PEI	Superintendent		Courtesy- Low priority for 2013 ( if member is in Charlottetown)			Charlottetown	
Newfoundland and	Superintendent		Review priorities, Discuss /educate on creditor's group insurance ( <b>CGI</b> ) and Avalon;			St John's	
CCIR	Carol Shevlin, Policy Manager	X	Annual lunch. Discuss priorities			May Toronto	
	CCIR Executive						
CISRO	Ron Fullan Chair					-invite when in Toronto	
Federal	<b>Federal Finance</b>		Educational – marketing of CGI				
	<b>OSFI:</b> Julie Dickson, Superintendent						
	<b>OBSI:</b> Doug Melville Ombudsman		Educational – marketing of CGI				
	<b>Financial Consumer Agency of Canada (FCAC)</b>		Financial Literacy re insurance				

# CAFII Priorities by Committee –November 2012

## 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 <b>Financial Reports</b>	
Keep environment open to key products	Be aware of current and emerging issues ( <b>Regulatory Update</b> ).	
	Develop responses to regulatory initiatives. Forward to board for approval as necessary. Oversight of <b>Distribution and Market Conduct Policy Committee (DMC)</b>	Regulation of ISI
		International regulation of creditor products
		Market Conduct Regulation
		Electronic Commerce
Keep environment flexible /efficient	Identify barriers to efficient operations. Oversight of <b>Licensing Efficiency committee</b>	Provincial Insurance Act Reviews
		Licensing Irritants
		Provincial Insurance Councils and CISRO issues
		Electronic licensing
Develop communication plans and tools	Oversight of <b>Media and Advocacy Strategy Committee(MAC)</b>	Multi-jurisdictional licensing/mutual recognition
		Communications strategy, CAFII Branding Advocacy Strategy Website
Build relationships with key stakeholders	Connect with regulators. Manage and conduct regulator visits. (Manage <b>Regulator Visit Schedule</b> ) Approve attendees at regulator meetings, review meeting notes and manage follow-up actions	
	Oversight of <b>Networking and Events committee</b>	
Other items	Continuance under new Not for Profit Corporations Act	Changes to be made before 2014
	Changes to CAFII Management structure – development of Executive Director role and hiring of ED	Hire of new Executive Director effective December 2012

CAFII Priorities by Committee –November 2012

**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) Wayne Eccles TD Other members: 3)Emily Brown BMO 4) John Poolman, Assurant

5) Andre Duval, DSF 6) Rose Beckford Scotialife Financial

**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

Priorities	Issues	Currently Active Issues	Status
<b>Regulation of ISI</b>	Quebec DWR, distribution guide review, review of Distribution Act	✓	Input provided on Guide ( signature, remuneration) <b>letter sent June 2012</b> , meeting Nov 2012
	Alberta – review of medical questions on applications	✓	Project for review required by CAFII, response to Superintendent required -recommend referral to CLHIA
<b>AML/ATF paper</b>			<b>Complete- Response sent March 1, 2012, follow up questions answered</b>
<b>Intn'l regulation of creditor</b>	PPI	✓	review developments
	US Debt protection products		review developments
	IAIS core principles		Watch file - CCIR committee announced
<b>Market Conduct Regulation</b>	Quebec Commercial Practices Guideline		Awaiting re-release for comment, remove from priorities as AMF has lost interest in this
	MGA CCIR consultation		<b>Complete-Letter of input -June 30 2012</b>
	Input to provincial strategic plans and priorities		<b>Complete- FSCO priorities submitted May 2012</b>
<b>Electronic Commerce</b>	CCIR consultation released Feb 2012 -CCIR to produce a position paper for consultation on key issues spring 2013		<b>Complete- Submission made May 2012</b>
	AMF consultation released Feb 2012		<b>Complete- Submission made May 2012</b>
<b>Provincial Insurance Act Reviews</b>	Manitoba Insurance Act Review	✓	Insurance act changes made spring 2012
	Saskatchewan Insurance Act	✓	<b>Comments sent November 2012</b>
	Ontario Insurance Act review , AMP regulations		Insurance act changes made with budget bill
<b>Research</b>	Undertake research to support policy positions. Consider updating Avalon research on CGI		



**AMF Distribution Guide Task Force**

(Task Force of Distribution and Market Conduct Policy Committee)

**Members:** Emily Brown, John Poolman, Rose Beckford, Moira Gill, Sue Manson

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

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# CAFII Priorities by Committee –November 2012

## Licensing Efficiency Issues Committee

**Membership** – 1 Chair who is a member of EOC and 3 members from representative companies.

Chair: Moira Gill TD 2) John O’Hoski Cdn Premier 3)Sara Gelgor , ScotiaLife Financial 4) John Poolman, Assurant 5)Greg Grant CIBC

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

Priorities	Issues	Currently active issues	Status
<b>Licensing operation issues</b> Streamlining and harmonizing licensing requirements (training, CE, other)	Request for restricted certificates for 3 <sup>rd</sup> parties 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 in 2012.
	CISRO project to redesign LLQP – project completion target Sept 2014		
	Licensing process -streamlining and harmonization		Identification of issues on going.
<b>ISI regime implementation</b>	Manitoba – issues to be resolved with implementing regulations		Included in Insurance Act spring 2012 <b>Letter sent in August 2012</b>
<b>Provincial Insurance Councils and CISRO issues</b>	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	v	Legal assistance engaged and analysis of options underway. <b>Meeting with AIC Jan 2012.</b> <b>Meeting with Sask. held</b> <b>Meeting with Manitoba held</b>
<b>Electronic licensing</b>	Promote use of electronic licensing systems by provincial regulators Possible use of “business numbers” to link		<b>Letter of support sent to CISRO May 2012</b>
<b>Multi-jurisdictional licensing/ mutual recognition</b>	Trade Agreements - promote mutual recognition ( Ontario – Quebec, New West Partnership )		Attended trade agreement update meeting May 2012

**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) Sara Gelgor 2) John Lewsen

**Members:** 3) Paul Yeung, 4) Moira Gill 5) Greg Grant

**Resources:** L. Duigu, Rick Evans

**Mandate:** Identify key stakeholders and develop, recommend and implement communication and advocacy strategy. Oversee CAFIL branding. Oversight of Media Response taskforce.

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

Initiatives	Status/Explanation	Resp	Next steps
Develop a communications strategy	Update communications strategy-CAFIL 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.  -bring strategy up to date, should be a refresher at every board meeting	ED	Develop ideas at MAC cttee Nov 20
<u>Website</u> -collect testimonials, post on site  -Refresh CAFIL mission statement  -expand tabs to include other products&regulators/industry	Testimonial ( written or video)- 1 per member , have 7 or 8 available and determine how to rotate through ( value –add to members)  review mission statement to ensure it is in line with branding,  -incorporate alternate distribution ( underserved market)  - Travel product – ED to reach out to travel	J Lewsen  ED  ED  ED	Website live May 2012 Email reminder sent w/o Oct 22 2012 1written testimonial received to date   Underserved market material drafted , to be approved for website

CAFII Priorities by Committee –November 2012

Initiatives	Status/Explanation	Resp	Next steps
-Develop CAFII “Did you know” video to convey important facts  -what’s new	association and clhia, look at it from distribution perspective  (Charles Blaquiere suggestion ) <b>Budget allocation request \$10,000</b>  In place, ongoing update of news	ED	Updating
<b>CAFII Branding</b> -develop marketing tagline	several taglines to be sent to Board, -identify differentiating factor, eg advocating for insurance access , choice, all Canadians, - include tagline on all submissions, website, swag, and letters to regulators	J Lewsen	3 recommendations to be sent to board for Dec 2012
-CAFII newsletter for regulators	Insurance regulatory news to be collected monthly and shared with regulators as a value added service <b>Budget Request re formatting?</b>	ED	December 2012– first month
-CAFII “look”	Develop a font and layout unique to CAFII to be used in letters, submissions and newsletter , assess if new logo needed <b>Budget allocation request \$10,000</b>	ED	
-Acquire soft marketing tools (pads, pens etc),	Coasters suggested– include tagline and web address on next re-order - <b>Budget allocation request</b>	P Yeung	Pens, mugs and iphone holders are in stock
Media Protocol -Develop and manage protocol for handling media requests  -media training for ED	Protocol needs to be revised for arrival of ED  <b>Budget allocation request \$2,000</b>	ED	Schedule training for March 2013
-Monitor Media		ED	
-Develop List of Friendly media			Paul & Moira have the list
-Notify communications	To be done when messaging is reviewed		

CAFIL Priorities by Committee –November 2012

Initiatives	Status/Explanation	Resp	Next steps
department s of member firms			
-News Release	Send out notification of new ED		To each regulator and industry associations
<b>Develop 2-3 likely scenarios</b>		G Grant	By October 26, 2012
Key Message Development - identify issues and develop key messages	Key message document Develop and review stock messages to be used in communication opportunities	A Riley	Key messages document drafted for review
<b>Regulator kit</b>  -develop booklet /brochure         -key facts sheet	For new regulators.( Do not want to be proactive with media.) 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 booklet that can be given out with business cards.    -develop a “Key facts” sheet to be part of regulator package	         ED         ED	Possible RBC intern to do kit, testimonials         To be developed by ED as he reviews CAFIL materials
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 in place		
Industry Statistics	- identify and keep current statistics from LIMRA and CAFIL research	ED	
Webinars Develop and offer webinar	-develop / oversee development of new webinars -review and keep webinars current		Digital, apps and social media webinar to be developed by an outside consultant.

CAFII Priorities by Committee –November 2012

Initiatives	Status/Explanation	Resp	Next steps
education Determine distribution of webinar material	-track who has seen which webinars -plan number of webinars per year, have list of upcoming webinars -deliver webinars  <b>Budget allocation request \$10,000</b>		

**Media Response Taskforce**

**Membership:** Taskforce consists of any 2 members of the Media and Advocacy Strategy committee plus Rick Evans.

**Purpose:** Deal with media issues as they arise. Make recommendation to Board communications committee ( Members: Cathy Honor, RBC; Mark Cummings, Scotia; Dave MinorTD; Rick Lancaster, CIBC, Julie Barker-Merz BMO)

## CAFII Priorities by Committee –November 2012

### 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: John Lewsen Resources: Leya Duigu

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

Priority	Activities	Status
<b>Plan Quarterly Speaker and reception events, and member-only event</b>	February Speaker Event ( members only)	Derek Yoo PWC on Ecommerce
	March/April	Byren Innes, NewLink Group Emerging products in Insurance and distribution trends
	June AGM	no speaker, Board meeting with AMF in Quebec city
	October	Janet Ecker, TFSA
	December Reception	
<b>Keep current lists of key contacts</b>		
<b>Christmas cards to key contacts?</b>		
<b>Seek out other opportunities to meet with contacts (eg corporate table)</b>		

## **CAFII Tag Lines Short List**

Short List of Tag Lines:

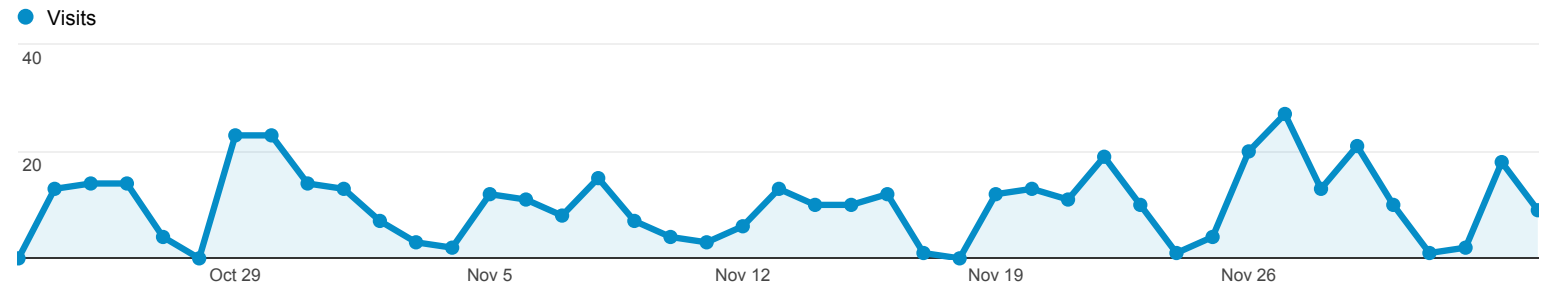
1. Insurance for all Canadians
2. Insurance: Options, choices and access for all Canadians
3. Making Insurance simple and accessible for Canadians!



Audience Overview

% of visits: 100.00%

Overview



294 people visited this site

- Visits: 433
- Unique Visitors: 294
- Pageviews: 2,360
- Pages / Visit: 5.45
- Avg. Visit Duration: 00:04:22
- Bounce Rate: 44.34%
- % New Visits: 63.05%



63.05% New Visitor  
273 Visits

36.95% Returning Visitor  
160 Visits

Language		Visits	% Visits
1. en-us		350	80.83%
2. en-gb		39	9.01%
3. fr		32	7.39%
4. fr-fr		3	0.69%
5. zh-tw		2	0.46%
6. c		1	0.23%
7. cs-cz		1	0.23%
8. de		1	0.23%
9. en		1	0.23%
10. en-ca		1	0.23%

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255-55 St. Clair Ave West  
Toronto, Ontario M4V 2Y7  
Telephone: (416) 494-9224  
Fax: (416) 967-6320  
Email: [cafii@cafii.com](mailto:cafii@cafii.com)

## 2013 SCHEDULE OF MEETINGS

### EOC:

**All meetings will be held at 1pm (Tuesday) unless otherwise specified**

January 8, 2013 – EOC Luncheon at 12:00 pm prior to meeting

February 19, 2013

March 26, 2013

April 23, 2013

May 28, 2013

June 25, 2013

*August 13, 2013 (optional conference call)*

September 24, 2013

October 29, 2013

November 26, 2013

### BOARD:

**All meetings will be held at 2pm unless otherwise specified**

Wednesday, April 10, 2013

HOST: RBC (coordinate with 15<sup>th</sup> Anniversary)

Tuesday, June 11, 2013

HOST: *BMO Insurance* (CAFII AGM)

Tuesday, Oct 8, 2013

HOST: *AMEX*

Tuesday, December 10, 2013

HOST: *CIBC Insurance (venue booked-Feb 2012)*

**AGM: June 11, 2013**

**Host: BMO Insurance**

### Receptions

#### Spring Member Luncheon and Speaker Forum

February 5, 2013

Toronto 12-2:00 pm

*Venue: The Albany Club (suggested)*

*Speaker: tba*

#### CAFII 15<sup>th</sup> Anniversary Celebration

April 10, 2013 (tentative)

Toronto

*Venue: tba*

#### CAFII Member, Associate Member and Regulator Receptions (following Board meetings)

Jun 11, Oct 8, Dec 10, 2013

Toronto

#### 2012 Board Meetings Hosted by:

National Bank, Desjardins Financial Security, TD Insurance, ScotiaLife Financial; AGM: *Desjardins Financial Security*

#### 2011 Board Meetings Hosted by:

Assurant Solutions, RBC Insurance, Canadian Premier Life Insurance Co., BMO Insurance; AGM: *RBC Insurance.*