

CAFII Board of Directors Meeting

Tuesday, October 7, 2014

Location: TD Bank Tower

66 Wellington St. W, 54th Floor, Toronto, ON

2:00 – 4:45 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. Approval of Agenda 1.2. Confirmation of Appointments (Chair & Vice Chair) 1.3. Appointment of New Director	I. Sananes	Approval
2. Adoption of Minutes: 2.1. Draft Board Meeting Minutes, April 8, 2014 2.2. Draft Board Meeting Minutes, June 10, 2014 2.2.1. Board Discussion Notes, June 10, 2014 (prior to achieving quorum) 2.3. Summary of Board Action Items 2.4. Summary of Board & EOC Action Items	All All G. Grant	Approval Approval Information Review Information
3. Financial Update: 3.1. Financial Statements as at August 31, 2014	R. Rajaram	Approval
4. Balanced Scorecard	B. Wycks	Information
5. Matters Arising From CNCA: 5.1. CAFII CNCA Compliance Confirmation 5.2. Draft Competition Policy 5.3. Draft Associates Policy	B. Wycks B. Wycks B. Wycks	Update Approval Approval
6. Regulatory: 6.1. Travel Insurance Pan-Industry Project Group (TIPIP) 6.2. Joint Visit to Atlantic Canada Regulators: Oct 1/14 6.3. Stakeholder Meeting with CCIR: 2014-17 Strategic Plan 6.4. Regulatory Update	B. Wycks B. Wycks, G. Grant B. Wycks, G. Grant B. Wycks	Update Update Update Update
7. Committee Reports Addressing CAFII Priorities: 7.1. Distribution and Market Conduct Policy Committee 7.1.1. CAFII Value Proposition Project 7.2. Licensing Efficiency Issues Committee 7.2.1. NS Bill 43 7.2.2. Representation for Restricted Licensees in SK 7.3. Media and Advocacy Strategy Committee 7.3.1. External Communications Strategy Summary • 2014 External Communications Strategy, approved December 2013 7.3.2. Update on Media Outreach 7.4. Networking and Event Hosting Committee 7.4.1. Events & Speakers: Oct 7/14 and Feb 10/15	S. Manson M. Gill M. Gill J. Lewsen, M. Gill B. Wycks P. Yeung / M. Sanchez-Chung	Update Update Update Update Information Update Update
8. Other Business		

Next Board Meeting: Tuesday, December 2, 2014 hosted by ScotiaLife Financial in Toronto, ON

CAFII Board Meeting Minutes
Tuesday, April 8, 2014
Location: National Bank
600, rue de la Gauchetière Ouest, 4th floor
Montréal, Québec

Present:	Peter McCarthy Chris Knight Rick Lancaster Isaac Sananes Linda Fiset Vivianne Gauci Richard Hebert Rino D'Onofrio	BMO Insurance TD Insurance CIBC Insurance Canadian Premier Life Insurance Co. Desjardins Financial Security Life Assurance AMEX Bank of Canada <i>(by teleconference)</i> National Bank Insurance Co. RBC Insurance <i>Vice-Chair</i>
EOC Present:	Rose Beckford Derek Blake Andre Duval Eleanore Fang Moiria Gill Greg Grant Jennifer Hines John Lewsen Sue Manson Raja Rajaram Maria Sanchez-Chung Cecilia Xiao Paul Yeung	ScotiaLife Financial <i>(by teleconference)</i> RBC Insurance Desjardins Financial Security Life Assurance TD Insurance <i>(by teleconference)</i> TD Insurance CIBC Insurance RBC Insurance <i>Secretary</i> BMO Insurance CIBC Insurance <i>(by teleconference)</i> CIBC Insurance <i>Treasurer (by teleconference, for part)</i> TD Insurance Assurant Solutions <i>(by teleconference)</i> RBC Insurance
Also Present:	Kathryn Beck Hudson Lopez Pamela Smith Vivienne Chen Leya Duigu Brendan Wycks	Fasken Martineau <i>(by teleconference, for part)</i> KPMG <i>(by teleconference, for part)</i> T•O Corporate Services <i>(by teleconference, for part)</i> KPMG <i>(by teleconference, for part)</i> T•O Corporate Services <i>Recording Secretary</i> CAFII <i>Executive Director</i>
Regrets:	Mark Cummings Robert Zanussi Charles Blaquiére Emily Brown Brian Wise	ScotiaLife Financial <i>Chair</i> Assurant Solutions Canadian Premier Life Insurance Co. BMO Insurance Assurant Solutions

1. Call to Order and Welcome

The meeting was called to order at 2:30 p.m. R. D'Onofrio acted as Chair; J. Hines acted as Secretary; and L. Duigu acted as Recording Secretary.

1.1. CAFII Competition Guidelines

1.2. Approval of Agenda

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

the Meeting Agenda be approved as circulated.

2. Welcome and Appointment of New Directors

2.1. Appointment of New Directors

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

Peter McCarthy from BMO Insurance and Chris Knight from TD Insurance be and are appointed to the CAFII Board of Directors until the next Annual General Meeting in 2014.

3. Consent Items

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

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

- Regulatory Update
- Regulatory Visit Plan;

IT WAS FURTHER RESOLVED that:

the Minutes of the meeting of the Board of Directors held December 4, 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.

4. Financial Update

4.1. Financial Statements as at February 28, 2014

Raja Rajaram, Treasurer, presented the Financial Statements as at February 28, 2014 which were included in the meeting materials.

He noted that the Assets side of the Balance Sheet was a bit misleading at this early point in a new fiscal year. It appears quite high, as we have received the first instalment of 2014 membership dues without having incurred any significant expenses, being just two months into the year. At this time,

all Foundation and Voting Members have paid their first instalment dues; and we will be following up with three Associate Members whose dues are still outstanding.

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

the financial statements for CAFII as at February 28, 2014 be and are approved in the form presented.

4.2. 2013 Draft Audited Financial Statements

Raja Rajaram, Treasurer, presented the draft audited financial statements which were included in the meeting materials.

Hudson Lopez, CPA and Victoria Chen, CPA from KPMG, CAFII's auditor, were in attendance by phone to assist in answering any Board member questions on the draft audited statements. It was noted that KPMG had rendered a clean audit opinion on CAFII's financials and the ensuing process was identical to that followed in previous years: the audited financial statements were being presented in draft form for approval by the Board today, in order for the auditors to be in a position to issue the final financial statements for approval at the Annual Meeting on June 10, 2014.

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

the 2013 Draft Audited Financial Statements be and are hereby approved in the form presented.

5. Policy Issues and Decision Items

5.1. Balanced Scorecard

Jennifer Hines provided an overview of the Balanced Scorecard document provided in the meeting materials. The goal of the Balanced Scorecard, developed by Brendan Wycks and the EOC, is to establish agreed-upon benchmarks for measuring and evaluating the Association's performance throughout the year and whether we were successful in achieving our goals and objectives. Target completion dates have been provided throughout the year; however, these may change depending upon intervening and/or competing priorities, as determined by the EOC.

Action: Brendan Wycks and the EOC to refine the Balanced Scorecard, to the degree possible, to reflect the following feedback:

- Identify top three (3) priorities for 2014 in each area of activity;
- Use colour coding to aid in identifying importance and risk, for example: red (high risk) and blue (low risk);
- Add percentage weightings to each broad area of activity/audience and to sub-items; and
- Identify key persons responsible, primary and secondary, for each item.

It was noted that the Board's feedback on the Balanced Scorecard would apply also to the Communications Tactics Implementation Timelines.

5.2. Communications Strategy Tactical Implementation Timelines

Brendan Wycks provided an update based on the document included in the meeting materials.

The External Communications Strategy and its Tactical Implementation Timelines are an extension of the Balanced Scorecard and also have linkages to the Regulatory Visit Plan, he advised. The Regulators and Policy-Makers section is the dominant section of the Tactical Implementation Timelines document, as they are, by a wide margin, the Association's primary audience.

It was noted that the Board's feedback on the Balanced Scorecard would apply also to the Communications Tactics Implementation Timelines.

5.3. Approval of Proposed By-Law 2014-5

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

1. *By-law 2014-5A, being a by-law to amend By-law 2009-5, be and 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.*

The Board Meeting was adjourned at 3:07 p.m. to allow for the conduct of a Special Meeting of Foundation Members.

The Board Meeting was called to order and resumed at 3:10 p.m.

5.4. CAFII Continuance Under Canada Non-Profit Corporations Act (CNCA)

Pamela Smith, Governance Officer at TO Corp. who had been engaged by CAFII to assist the Association in CNCA compliance and continuance requirements, provided an overview of CAFII's

CNCA transition initiatives to date. She advised that John Lewsen (BMO Insurance) was a key member of the task force was a key member of the task force working on this project, along with Kathryn Beck (Fasken Martineau), Koker Christensen (Fasken Martineau), Leya Duigu (T•O Corporate Services), Brendan Wycks (CAFII), and herself.

She highlighted the areas within proposed By-law No. 1, under which CAFII would achieve compliance with the CNCA and could receive a Certificate of Continuance, which were changes to the current By-law 2009-5. The elimination of the current Associate Member class was the most significant change, and was necessary because the new Act would confer voting rights on all members in certain circumstances.

On a motion duly made, seconded and unanimously carried

IT WAS 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 of the Corporation 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.*

6. Committee Reports Addressing CAFII Priorities

6.1. Distribution and Market Conduct Committee (DMC)

Sue Manson, Chair of the Distribution and Market Conduct Committee, reported on her committee's achievements to date. She noted that the subcommittee working on the Comparative Value of Creditor's Group Insurance Project was currently finalizing the contract with Towers Watson, as independent actuarial services provider. She noted that, as usual, generating the input data for this project would require considerable work on the part of each member FI, particularly their IT

departments. The survey instrument for CAFII members will be ready in May and at least eight (8) weeks will be provided for its completion and submission to Towers Watson.

CAFII's recent response to Finance Canada's consultation on a proposed federal financial consumer code was first developed by the DMC; and a subcommittee is also nearing completion of a significant project on a matrix analysis of the IAIS' Insurance Core Principles that are relevant to our sector of the industry. In future, the DMC will be working with Brendan Wycks on materials for the Joint Visit with the Atlantic Canada Regulators on May 15; and a submission in response to FSCO's 2014 Statement of Priorities, which is due by May 30.

6.2. Licensing Efficiency Issues Committee (LEIC)

Moira Gill, Chair of the Licensing Efficiency Issues Committee, reported that her committee was currently active in two key licensing-related issues: CISRO's Life License Qualification Program (LLQP) modernization initiative; and Manitoba's Incidental Sellers of Insurance (ISI) Regulation.

6.2.1. Representation for Restricted Licensees in SK and AB

The Saskatchewan and Alberta representation for restricted licensees item relates to corporate licensing, in particular the ability of corporate licensees to be represented on the Insurance Councils in those provinces. A CAFII proposal is currently being considered by Ron Fullan, Executive Director of the Insurance Councils of Saskatchewan, but his response has been delayed by his heavy involvement as Chair of CISRO.

In addition, CAFII representatives have recently discussed this issue with the Alberta Insurance Council, and the CEO has expressed interest in moving forward on it. However, Alberta would like to see what direction Saskatchewan will be taking on this matter, with the goal of taking a harmonized approach.

6.3. Media and Communications Committee (MAC)

John Lewsen, Co-Chair of the Media and Communications Committee, reported that most of the committee's work was discussed earlier under Policy Issues and Decision Items. It was noted that Brendan Wycks is doing the bulk of the work on the committee's initiatives, with support from committee members. The visual identity and rebranding project has been completed and the results can be seen in the materials that have been developed.

Brendan Wycks and two members from the MAC attended a media training session last week that was extremely valuable.

Brendan Wycks reported that the strongest message received was the importance of humanizing our communications, whether they are direct to the consumer or through media. The consumer testimonials, for example, are an important tool and we have in-hand three (3) video testimonials and one (1) written testimonial from member FIs.

Paul Yeung added that trainer Patrick McGee did a great job of ensuring that our messaging was focused, noting it should be human and highlighting the top three (3) messages. Brendan Wycks did a great job in the mock interviews and CAFII is well-positioned to use him as a spokesperson.

In future, the MAC will be proposing media educational sessions through round table discussions. The goal being that when something does come up in the media, they will turn to CAFII as a source of information, Mr. Yeung advised.

Action: CAFII Member FIs to be approached about providing additional testimonials for display on www.cafii.com.

6.4. Events and Networking Committee

Maria Sanchez-Chung provided an update on the speaker line up for the remainder of 2014. A potential speaker is being confirmed for June 10 from the FCAC; and Carolyn Rogers, BC Superintendent of Insurance and Chair of CCIR, is a potential speaker for the October 7 event.

Action: Brendan Wycks to approach Carolyn Rogers informally about speaking on October 7, 2014.

7. Other Business

7.1. Recognition of a Retiring Director

Rick Lancaster, CAFII Director from CIBC Insurance, has announced that he will be retiring soon and today's meeting will be his last as a CAFII Director. The Board and the EOC thanked Rick for his many contributions to the Association.

8. Termination

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

the meeting be terminated at 3:45 p.m.

Date

Chair

Recording Secretary

CAFII Board Meeting Minutes

Tuesday, June 10, 2014

Location: AMEX Bank of Canada

One King West, 1 King Street West, Toronto, ON M5H 1A1

DRAFT

Present:	Mark Cummings	ScotiaLife Financial	<i>Chair</i>
	Chris Knight	TD Insurance	
	Todd Lawrence	CIBC Insurance	
	Isaac Sananes	Canadian Premier Life Insurance Co.	
	Vivianne Gauci	AMEX Bank of Canada	
	Richard Hebert	National Bank Insurance Co. (present by teleconference at 3:30 pm)	
EOC Present:	Rose Beckford	ScotiaLife Financial	
	Charles Blaquiere	Canadian Premier Life Insurance Co.	
	Andre Duval	Desjardins Financial Security Life Assurance	
	Eleanore Fang	TD Insurance (by teleconference)	
	Moiria Gill	TD Insurance	
	Greg Grant	CIBC Insurance	
	Jennifer Hines	RBC Insurance	<i>Secretary</i>
	John Lewsen	BMO Insurance	
	Sue Manson	CIBC Insurance	
	Maria Sanchez-Chung	TD Insurance	
	Paul Yeung	RBC Insurance	
Also Present:	Leya Duigu	T•O Corporate Services	<i>Recording Secretary</i>
	Brendan Wycks	CAFII	<i>Executive Director</i>
Regrets:	Rino D'Onofrio	RBC Insurance	
	Linda Fiset	Desjardins Financial Security Life Assurance	
	Peter McCarthy	BMO Insurance	
	Robert Zanussi	Assurant Solutions	
	Derek Blake	RBC Insurance	
	Emily Brown	BMO Insurance	
	Raja Rajaram	CIBC Insurance	<i>Treasurer</i>
	Brian Wise	Assurant Solutions	
	Cecilia Xiao	Assurant Solutions	

1. Call to Order

It being noted that a quorum of Directors was now present, the meeting was called to order at 3:35 p.m. Jennifer Hines acted as Secretary, and Leya Duigu acted as Recording Secretary.

1.1. Approval of Chair

It was noted that CAFII's Directors for 2014-15 had been appointed during the Annual and Special Meeting held earlier, during which Mark Cummings had announced that he would not be continuing

as ScotiaLife Financial's Director on the Board; therefore, he had not been re-appointed as a Director.

Mr. Cummings advised that given that he was no longer a member of the Board, a special motion of the Board was required to allow him to chair the meeting.

On motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

Mark Cummings shall act as Chair of this Board meeting.

1.2. Approval of Agenda

On motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

The Meeting Agenda be approved as circulated.

1.3. Consent Items

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

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

- Regulatory Update; and
- Regulator and Policy-Maker Visit Plan.

2. Policy Issues and Decision Items

2.1. Director and Officer Appointments

2.1.1. Welcome to New Directors

Mr. Cummings recalled that during the previous Board meeting held April 8, 2014, Rick Lancaster, CAFII Director from CIBC Insurance, had announced that due to his imminent retirement, he would be stepping down from the CAFII Board.

Todd Lawrence, the successor Director from CIBC Insurance, was appointed during the Annual and Special Meeting earlier today.

In addition, Darrell Bruce was appointed to succeed Mark Cummings as the CAFII Director from ScotiaLife Financial during the Annual and Special Meeting.

On behalf of all members of the Board of Directors and the Executive Operations Committee, Mr. Cummings welcomed Todd Lawrence and Darrell Bruce to the CAFII Board.

2.1.2. Board Chair

Mr. Cummings advised that *Clause 7.01 Appointment of Officers* in CAFII's existing bylaw specifies that "the Board shall from time to time appoint a Chair," and that the filling of a vacancy in the Chair position is the responsibility of the Board. Since this is the first Board meeting following the election of Directors, it is also the most appropriate time to appoint the new Chair.

However, circumstances have dictated that the Association is not yet in a position to appoint a new Chair as his successor for 2014-15.

Mr. Cummings advised that he had reached out to two Directors about their interest in becoming Chair of the Association. However, those efforts had not yet reached a definitive outcome.

In Board discussion of this matter, it was recommended and agreed that in order to facilitate the appointment of a new Chair prior to the next regularly scheduled Board meeting on October 7, 2014 a nomination motion should be put forward for an electronic approval vote of the Board during the summer months.

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

The appointment of a new CAFII Board Chair shall be conducted via an electronic vote of Directors prior to the next regularly scheduled Board meeting on October 7, 2014.

Action Item: In conjunction with Mr. Cummings, as Immediate Past-Chair, the EOC Chair and Executive Director Brendan Wycks to oversee the circulation of a Board Chair nomination motion for an electronic approval vote by Directors prior to the next regularly scheduled Board meeting on October 7, 2014.

2.1.3. Secretary and Chair of Executive Operations Committee

Mr. Cummings advised that Jennifer Hines would be stepping down as CAFII Secretary and Executive Operations Committee Chair, after today's meeting.

Therefore, a nomination recommendation was being brought forward to the Board to appoint Greg Grant of CIBC Insurance as the Association's Secretary and EOC Chair for 2014-15.

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

Greg Grant be appointed as CAFII Secretary and Chair of the Executive Operations Committee effective at the conclusion of this meeting, until the next Annual General Meeting in 2015.

In concluding discussion of this matter, it was noted that Jennifer Hines had joined CAFII's EOC in 2007 and served as EOC Chair since 2012. On behalf of the Board, EOC, and all members of the Association, Mr. Cummings presented Ms. Hines with a thank you gift, to the warm applause of all present. Jennifer thanked everyone for their support during her time on the EOC and wished the Association much success in future.

2.2. LLQP Modernization

Brendan Wycks provided an update on a recent meeting with Gerry Matier, Executive Director of the Insurance Council of BC. In order to provide some counter-balancing perspective to the oppositional lobbying campaign being waged by Primerica and Oliver's, Mr. Matier encouraged CAFII to take further action in support of the Canadian Insurance Regulatory Organisations (CISRO)'s current Life License Qualification Program (LLQP) modernization effort.

Moira Gill added that the LLQP was introduced over a decade ago and the program is currently comprised of a single, four hour exam with pass grade of 60%. At present, an individual could fail the segregated fund section of the exam but still be able to sell those products if they received an overall grade of 60%.

The provincial insurance regulators in CISRO have been working to modernize program and make it more meaningful as a qualification standard, without making it unduly more onerous or costly to pass. The modernized LLQP will be restructured into four separate modules, each with its own multiple choice question exam.

In addition, Quebec refused to participate in the original LLQP due to its shortcomings; but with the adoption of the changes proposed, it has been a leader in the modernization effort that will lead to a truly national program and a uniform standard.

CAFII is supportive of the new program, which will be more flexible and better for member companies and the marketplace overall.

Having already provided a letter of support for LLQP modernization to CISRO, which was shared with relevant provincial Ministers across the country, there is value for CAFII in increasing and escalating its level of support for the new program. However, there are also risks associated with any action that the Association might take. CAFII has already been the subject of Freedom of Information requests filed with Ron Fullan in Saskatchewan, Chair of CISRO, and with FSCO in Ontario, seeking information that might serve to undermine the validity of CAFII's stated support for LLQP modernization.

The purpose of today's discussion was to provide Directors with an update and establish what degree of risk the Board is willing to accept on the issue.

The Board of Directors discussed possible approaches and the risks associated with them, and resolved upon the following steps:

Action Items:

- EOC is tasked with developing a list of relevant policy-makers and legislators; and drafting a letter to them focusing on the fact that CAFII members focus on simple, accessible, cost-

effective insurance solutions to the vast, underserved middle market of Canadians in the channel of their choice; the need for greater interprovincial harmonization; and highlighting LLQP modernization as a great solution and vehicle for harmonization.

- EOC to continue to monitor developments on this issue and, after assessing the impact of the letter to policy-maker and regulators, consider scheduling follow-up meetings with the recipients of the letter.

2.3. Pan-Industry Project Group on Travel Insurance Issues

Jennifer Hines reminded Directors of a discussion that occurred at the April 8, 2014 Board meeting and Directors' agreement to begin preliminary work on a possible pan-industry project group on travel insurance issues.

Since then, CAFII has proactively reached out to the Canadian Life and Health Insurance Association (CLHIA) and to the Travel Health Insurance Association (THiA). Both those Associations were receptive to CAFII's proposal, and are willing and eager to collaborate.

However, CAFII needs to do some preparatory position formulation work on the relevant issues around travel insurance before our Association can fully participate in a pan-industry group.

In Board discussion of this matter, Directors reaffirmed support for the pan-industry project group initiative and indicated that CAFII's ability to become fully immersed in such a group need not wait for the next Board meeting in October. While it would have been ideal to have the Association's policy positions on the key issues related to travel insurance already formulated, it is still possible to be engaged without having all of the answers ahead of time.

CAFII should be a full participant in the pan-industry group, while doing its policy development work on the side, as it's better to be at the table than not.

Following Board discussion of this matter, there was broad agreement in support of the following Action Items.

Action Items:

- Given the urgency of the issue, the Board agreed that this can't wait until the Fall and CAFII should participate in the pan-industry group and assess its position as the group's work progresses.
- EOC to prepare proposed CAFII positions on the key travel insurance issues. This proposal development work will proceed in tandem with the pan-industry project group's meetings and discussions. Given the urgency of the issue, the Board agreed that this can't wait until the fall and CAFII should participate and assess its position as the group's work progresses.
- Directors agreed to be ready to provide approval of such proposals via electronic means, before the next regularly scheduled Board meeting on October 7, 2014, with the possibility of meeting via conference call to discuss the issues if necessary. EOC to prepare proposed CAFII

positions on the key travel insurance issues. This proposal development work will proceed in tandem with the pan-industry project group's meetings and discussions.

- Directors to communicate any hot button issues or any particular sensitivities related to travel insurance, through their EOC members or directly to Brendan Wycks.

2.4. Fasken Martineau Invoice Re CNCA Continuance

Brendan Wycks reported on the issue regarding the Fasken Martineau invoice for the work related to CAFII's continuance under the Canada Non-Profit Corporations Act, which the firm's *pro forma* invoice indicates exceeded their initial quote by more than \$13,000. The EOC agreed that work outside the scope of the initial proposal was requested, but CAFII was never notified of the potential to exceed the quote before this work was undertaken.

Fasken Martineau has been a long-time supplier of legal services to CAFII and, in the interests of preserving this relationship, has indicated a willingness to negotiate on the charges. Therefore, it was recommended that CAFII counter-propose to meet Fasken Martineau halfway on the excess charges of approximately \$13,000. This would result in CAFII paying charges of slightly over \$15,567.55 plus disbursements plus applicable HST.

Members were reminded that this is the second time that this issue has come up. In future, CAFII will need to provide consultants with more clarity on the circumstances around the Association's decision-making, as they are, in effect, dealing with 10 stakeholders simultaneously rather than one. In addition, it should be made clear that the Association must receive notice of any potential overage before it is incurred.

On motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

CAFII shall counter-offer to Fasken Martineau that the Association will pay half the excess charges that are over and above the firm's initial quote of \$9,000, amounting to a payment of \$15,567.55 plus disbursements plus applicable HST.

2.5. Balanced Scorecard

Jennifer Hines provided an update, noting that, along with herself and Brendan Wycks, Greg Grant had been actively involved in the development of the Balanced Scorecard.

The revised Scorecard outlines the objectives and initiatives to be achieved in 2014, in three broad categories. A Status column has been added to indicate whether initiatives are on target or not.

A Director suggested that for Board reporting purposes, it would be ideal to move towards a higher level version of the Balanced Scorecard in which each section has just two or three major goals. Greg Grant noted that the Balanced Scorecard would continue to evolve as CAFII applied and used it; and he agreed to work with Brendan Wycks on a high level version for Board reporting.

Action Item: Greg Grant and Brendan Wycks to continue refining the Balanced Scorecard to highlight major goals within each section, for purposes of reporting at Board meetings.

3. Other Business

3.1. CAFII Compliance with Canada's Anti-Spam Legislation (CASL)

Brendan Wycks provided an update on CAFII's compliance with Canada's Anti-Spam Legislation (CASL), which comes into force on July 1, 2014. The legislation applies to both for-profit and non-profit organizations.

CAFII is not required to seek consent from members due to their existing relationship with the Association. However, CAFII is required to seek consent from regulators and other industry contacts, which it will be obtaining prior to July 1. Moving forward, the Association will maintain a record of those who have provided consent, continue to include permission reminders in electronic messages to these groups, and seek permission to communicate with new contacts.

Mr. Wycks thanked Leya Duigu for her diligent work in getting CAFII into a position of readiness to achieve CASL compliance.

3.2. *In Camera* Discussion

The Board of Directors met *in camera* to discuss a proposal with respect to CAFII administrative support.

4. Termination

The Board of Directors meeting was terminated upon completion of the *in camera* discussion. The next CAFII Board of Directors meeting will be held on October 7, 2014, in Toronto.

Date

Chair

Recording Secretary

CAFII Board Meeting Discussion Notes
Tuesday, June 10, 2014
Location: AMEX Bank of Canada
One King West, 1 King Street West, Toronto, ON M5H 1A1
3:10 – 3:35 pm

1. Welcome

The meeting began without a quorum of Directors present. Immediate-past Chair Mark Cummings therefore advised that, at this time, a number of items would be presented as information updates only; and the meeting would be called to order once a quorum had been achieved.

1.1. CAFII Competition Guidelines

Mr. Cummings briefly summarized the competition guidelines contained in the Board package (originally adopted at the April 3, 2008). He noted the practice of reviewing the guidelines at the beginning of each Board meeting to ensure that the Board's deliberations adhere to the guidelines.

2. Committee Reports Addressing CAFII Priorities

2.1. Distribution and Market Conduct Committee – Sue Manson, Chair

2.1.1. Comparative Project on Creditor Insurance

Sue provided an update on the Customer Value Proposition of Creditor's Group Insurance Comparative Project.

The subcommittee working with consultants from Towers Watson has nearly completed the development of surveys for CAFII member Financial Institutions and for individual insurers. It is anticipated that the survey for CAFII members will be ready for release in the first week of July and the survey for individual insurers will be ready for release shortly afterward.

Member companies will have between six and eight weeks to complete the survey. It is anticipated that the new survey will take less time to complete as compared to the survey used when this project was previously executed.

For the benefit of new Directors, Mr. Cummings advised that the Customer Value Proposition of Creditor's Group Insurance Comparative Project has been done in the past and this independent, third party research has supported the Association's advocacy work. Members were reminded that a significant amount of discussion of the project has already occurred at the Board level, and all seven Financial Institution members are encouraged to participate.

2.2. Licensing Efficiency Issues Committee – Moira Gill, Chair

2.2.1. New Brunswick Licensing Issues

Moira reported that her committee has focused on New Brunswick insurance agent licensing issues, which have been marked by lengthy delays for both initial and renewal licenses. Discussions with the Superintendent's Office and with Invest New Brunswick (a

Crown Corporation mandated to attract jobs-producing investment to the province) have been successful in securing a commitment for the introduction of an online licensing system within the next year; and to help eliminate the current backlog, the Superintendent's Office has hired two additional staff to focus exclusively on insurance licences.

2.2.2. Manitoba Restricted License Regulation

Moira reported that she, Paul Yeung, and Brendan Wycks had a productive meeting in Winnipeg with Manitoba Minister of Finance Jennifer Howard on April 29, 2014, preceded by an equally useful meeting with Superintendent of Insurance Jim Scalena, Deputy Superintendent Scott Moore, and Erin Pearson, Executive Director of the Insurance Council of Manitoba. The committee continues to liaise with Manitoba and is monitoring its timelines for introducing its Restricted License Regime.

2.3. Media and Communications Committee – John Lewsen and Moira Gill, Co-Chairs

Noting that a summary of the committee's work and upcoming activities can be found in the Board-approved Communications Strategy, John reported that and we are making progress on implementing the strategy.

Much time was spent on defining and reaching consensus on how proactive the Association wants to be in its external communications; and the committee is now into the stage of implementing tactics to execute on the strategy. In March, Brendan Wycks participated in media training.

For the benefit of new Directors, Mr. Cummings briefly recapped some of the work and Board deliberations that have occurred in this area to date.

Feedback was provided by Directors on the CAFII website, remarking that it was informative and easy to navigate. Mr. Wycks advised that similar comments had been received from tonight's guest speaker Brigitte Goulard, Deputy Commissioner of the Financial Consumer Agency of Canada.

Directors also discussed CAFII's ability to field calls from media. It was agreed that CAFII is not yet ready to engage the media but there is a desire to do so in the future. The current media strategy is to be reactive and the Board has held some lively discussions in the past on this issue and reached a consensus on moving toward being selectively proactive with the media.

Based on a suggestion by Mr. Lewsen, it was agreed that there would be benefit in providing a high level re-presentation of the Association's Communications Strategy at the October 7, 2014 Board meeting.

Action Item: Media and Communications Committee to prepare and deliver a high level recap of the CAFII Communications Strategy at the October 7, 2014 Board meeting.

2.4. Events and Networking Committee

2.4.1. Speaker and Reception Event: June 10/14

Paul Yeung, Co-Chair of the Events and Networking Committee, reported on this evening's CAFII event, at which Brigitte Goulard, Deputy Commissioner of the Financial Consumer Agency of Canada, would be speaking.

Nine regulators have confirmed their attendance. And with representatives from CAFII member FIs, associates, and representatives from allied industry organizations, the expected attendance is 84 people.

Mark Cummings congratulated all those involved in organizing today's event, noting that 84 people is a very good turnout for the June CAFII presentation and reception.

2.4.2. Next Speaker: October 7/14

Maria Sanchez-Chung, Co-Chair of the Events and Networking Committee, reported that Carolyn Rogers, BC Superintendent of Insurance and Chair of the Canadian Council of Insurance Regulators, has been confirmed as the guest speaker for the October 7, 2014 CAFII event.

In discussion of possible topics and speakers for future CAFII events, Consumer Financial Literacy was suggested as a possible topic for the February 2015 Annual Members' Luncheon or another upcoming event.

Summary of Meeting Action Items: BOARD & EOC

Source	Action Item	Responsible	Deadline	Status as of 19-Sep-14
B)	Congratulatory Letters to New Ministers			
Board Meeting, June 10, 2014 item 2b.	<ul style="list-style-type: none"> Prepare and send a CAFII letter of congratulations to the new Ministers of Finance in Newfoundland, Ontario and Quebec (Mr. Carlos J. Leitão), as well as the Premier of Newfoundland once s/he is appointed. 	Brendan	31-Jul-14	In progress
F)	Communications Strategy			
Board Meeting, June 10, 2014 item 2.3	<ul style="list-style-type: none"> Prepare and deliver a high level recap of the CAFII Communications Strategy at the October 7, 2014 Board meeting. 	John, Moira	30-Sep-14	Pending
G)	Balanced Scorecard			
Board Meeting, April 8, 2014 item 5.1.	Brendan Wycks and the EOC to refine the Balanced Scorecard to reflect the following feedback:	B. Wycks, EOC		Pending
	<ul style="list-style-type: none"> Identify top three (3) priorities for 2014 in each area of activity Use colour coding to aid in identifying importance and risk, for example: red (high risk) and blue (low risk); Add a percentage weighting to each broad area of activity/audience; and to sub-items: and Identify key persons responsible, primary and secondary, for each item 			
Board Meeting, June 10, 2014 item 4.5	<ul style="list-style-type: none"> Continue refining the Balanced Scorecard to highlight major goals within each section, for purposes of reporting at Board meetings. 	Greg, Brendan	Ongoing	n/a
I)	CAFII Board Chair			
Board Meeting, June 10, 2014 item 4.1.2	<ul style="list-style-type: none"> In conjunction with Mr. Cummings, the EOC Chair and Executive Director to oversee the circulation of a Board Chair nomination motion for an electronic approval vote by Directors prior to the next regularly scheduled Board meeting on October 7, 2014. 	Greg, Brendan	30-Sep-14	In progress
J)	LLQP Modernization			
Board Meeting, June 10, 2014 item 4.2	<ul style="list-style-type: none"> EOC is tasked with developing a list of relevant policy-makers and legislators; and drafting a letter to them in support of the LLQP modernization 	Brendan, EOC		In progress
	<ul style="list-style-type: none"> EOC to continue to monitor developments on this issue and consider scheduling follow-up meetings with the recipients of the letter. 	EOC	Ongoing	n/a
K)	Pan-Industry Group on Travel Insurance Issues			
	<ul style="list-style-type: none"> Given the urgency of the issue, the Board agreed that this can't wait until the fall and CAFII should participate in the pan-industry group and assess its position as the group's work progresses. 	EOC, Brendan	Ongoing	In progress

Source	Action Item	Responsible	Deadline	Status as of 19-Sep-14
Board Meeting, June 10, 2014 item 4.3	• EOC to prepare proposed CAFII positions on the key travel Insurance issues. This proposal development work will proceed in tandem with the pan-industry project group's meetings and discussions.		Tentative	n/a
	• Directors agreed to be ready to provide approval of such proposals via electronic means, before the next regularly scheduled Board meeting on October 7, 2014, with the possibility of meeting via conference call to discuss the issues if necessary.		Tentative	n/a
	• Directors to communicate any hot button issues or any particular sensitivities related to travel insurance, through their EOC members or directly to Brendan Wycks.		Ongoing	In progress
P)	CAFII Testimonials			
CAFII Board Meeting, April 8, 2014 item 6.3.	• CAFII Member FIs to be approached about providing additional testimonials for display on www.cafii.com.	B. Wycks, L. Duigu	6-May-14	Completed
Q)	Events & Networking Committee			Done
CAFII Board Meeting, April 8, 2014 item 6.4	• Brendan Wycks to approach Carolyn Rogers informally about speaking on October 7, 2014.	B. Wycks	30-Apr-14	Completed

Summary of Meeting Action Items: BOARD & EOC

Source	Action Item	Responsible	Deadline	Status as of 19-Sep-14
A)	Application for Voting Membership from The CUMIS Group Ltd			
EOC Meeting, June 19, 2014 item 2.a.	<ul style="list-style-type: none"> Prepare briefing package on CUMIS' application for Regular Membership. The package should document CAFII's membership application process including pertinent by-laws and past practices regarding new members. A list of current voting and non-voting members should be included along with analysis of relevant issues pertaining to the balance of Foundation versus Regular members. Finally, steps taken to-date with regard to the CUMIS application should be outlined along with the relevant information uncovered during our investigation. Briefing package to be vetted with EOC Chair Greg Grant and then disseminated to Board and EOC members. 	Brendan, Leya	4-Jul-14	Completed
	<ul style="list-style-type: none"> Pose the following questions to their Board Members: "Are they familiar with The CUMIS Group Ltd.? Would they consider sponsoring CUMIS' application to become a Regular (voting) Member of the Association? If sponsoring isn't an option, would they support the application?" 	Foundation EOC members	21-Jul-14	Completed
EOC Meeting, July 22, 2014 item 3.	<ul style="list-style-type: none"> BMO Insurance sponsorship of The CUMIS Group membership application by to be confirmed by John. Upon confirmation, Brendan to arrange an interview with CUMIS representatives as outlined in step #3 of the briefing document 	John, Brendan	tba	In progress
B)	Congratulatory Letters to New Ministers			
Board Meeting, June 10, 2014 item 2b.	<ul style="list-style-type: none"> Prepare and send a CAFII letter of congratulations to the new Ministers of Finance in Newfoundland, Ontario and Quebec (Mr. Carlos J. Leitão), as well as the Premier of Newfoundland once s/he is appointed. 	Brendan	31-Jul-14	In progress
C)	CAFII Financial Reserves			
EOC Meeting, June 19, 2014 item 3.b.	<ul style="list-style-type: none"> Update minimum and maximum reserve descriptions to indicate that they are target numbers. In addition, add a note to the monthly financial statements to indicate the actual level of reserves as at the particular month-end. 	TO Corp, Raja	18-Jul-14	Completed
EOC Meeting, July 22, 2014 item 3.	<ul style="list-style-type: none"> Include the June 2014 balance sheet, showing the updated description of the financial reserves policy, when circulating the draft EOC Meeting Minutes for July 22, 2014 	Leya	15-Aug-14	Completed
D)	Joint Visit with Atlantic Canada Insurance			Done
EOC Meeting, June 19, 2014 item 5.a (i)	<ul style="list-style-type: none"> Provide the Atlantic Canada Overview and Agenda to interested board members, Peter McCarthy (BMO) and Chris Knight (TD). 	Brendan, Leya	18-Jul-14	Completed
E)	Licensing Committee Issues			
	<ul style="list-style-type: none"> Make recommendation to EOC on BC representation for banks-in-insurance sector. 	LEIC	15-Sep-14	In progress

Source	Action Item	Responsible	Deadline	Status as of 19-Sep-14
EOC Meeting, June 19, 2014 item 6.b.	<ul style="list-style-type: none"> Submit a letter on the potential changes to the New Brunswick Insurance Act to Invest New Brunswick. 	LEIC	30-Sep-14	In progress
	<ul style="list-style-type: none"> Book a Licensing Committee Meeting. 	Leya	18-Jul-14	Completed
F)	Communications Strategy			
Board Meeting, June 10, 2014 item 2.3	<ul style="list-style-type: none"> Prepare and deliver a high level recap of the CAFII Communications Strategy at the October 7, 2014 Board meeting. 	John, Moira	30-Sep-14	Pending
G)	Balanced Scorecard			
Board Meeting, April 8, 2014 item 5.1.	Brendan Wycks and the EOC to refine the Balanced Scorecard to reflect the following feedback:	B. Wycks, EOC		Pending
	<ul style="list-style-type: none"> Identify top three (3) priorities for 2014 in each area of activity 			
	<ul style="list-style-type: none"> Use colour coding to aid in identifying importance and risk, for example: red (high risk) and blue (low risk); 			
	<ul style="list-style-type: none"> Add a percentage weighting to each broad area of activity/audience; and to sub-items: and 			
	<ul style="list-style-type: none"> Identify key persons responsible, primary and secondary, for each item 			
Board Meeting, June 10, 2014 item 4.5	<ul style="list-style-type: none"> Continue refining the Balanced Scorecard to highlight major goals within each section, for purposes of reporting at Board meetings. 	Greg, Brendan	Ongoing	n/a
H)	EOC Meetings			Done
EOC Meeting, June 19, 2014 item 7.	<ul style="list-style-type: none"> Secure meeting room for a July 22, 2014 EOC Meeting. 	Leya	4-Jul-14	Completed
I)	CAFII Board Chair			
Board Meeting, June 10, 2014 item 4.1.2	<ul style="list-style-type: none"> In conjunction with Mr. Cummings, the EOC Chair and Executive Director to oversee the circulation of a Board Chair nomination motion for an electronic approval vote by Directors prior to the next regularly scheduled Board meeting on October 7, 2014. 	Greg, Brendan	30-Sep-14	In progress
J)	LLQP Modernization			
Board Meeting, June 10, 2014 item 4.2	<ul style="list-style-type: none"> EOC is tasked with developing a list of relevant policy-makers and legislators; and drafting a letter to them in support of the LLQP modernization 	Brendan, EOC		In progress
	<ul style="list-style-type: none"> EOC to continue to monitor developments on this issue and consider scheduling follow-up meetings with the recipients of the letter. 	EOC	Ongoing	n/a
EOC Meeting, July 22, 2014 item 3.	<ul style="list-style-type: none"> Draft letter of support for LLQP modernization for review at the July 30 MAC meeting 	Brendan	30-Jul-14	Completed
K)	Pan-Industry Group on Travel Insurance Issues			

Source	Action Item	Responsible	Deadline	Status as of 19-Sep-14
Board Meeting, June 10, 2014 item 4.3	<ul style="list-style-type: none"> Given the urgency of the issue, the Board agreed that this can't wait until the fall and CAFII should participate in the pan-industry group and assess its position as the group's work progresses. 	EOC, Brendan	Ongoing	In progress
	<ul style="list-style-type: none"> EOC to prepare proposed CAFII positions on the key travel Insurance issues. This proposal development work will proceed in tandem with the pan-industry project group's meetings and discussions. 		Tentative	n/a
	<ul style="list-style-type: none"> Directors agreed to be ready to provide approval of such proposals via electronic means, before the next regularly scheduled Board meeting on October 7, 2014, with the possibility of meeting via conference call to discuss the issues if necessary. 		Tentative	n/a
	<ul style="list-style-type: none"> Directors to communicate any hot button issues or any particular sensitivities related to travel insurance, through their EOC members or directly to Brendan Wycks. 		Ongoing	In progress
EOC Meeting, July 22, 2014 item 3.	<ul style="list-style-type: none"> Setup a 30 minute briefing of the CAFII working group on Thursday, July 24 at 8:30 a.m. and following each pan-industry group meeting moving forward. Attendees shall include John, Greg, Brendan from the working group and Derek, Andre (or Isabelle Choquette), Rosemary, Rose and Eleanor 	Leya	23-Jul-14	Completed
	<ul style="list-style-type: none"> Confirm subject matter experts on travel insurance from CAFII members to serve on CAFII working group 	Brendan	15-Aug-14	In progress
	<ul style="list-style-type: none"> Identify a DMC leader for the CAFII working group on travel insurance 	Greg	8-Aug-14	Completed
L)	FICOM, British Columbia Meeting			Done
EOC Meeting, July 22, 2014 item 6.	<ul style="list-style-type: none"> Schedule a pre-meeting for CAFII attendees to discuss the proposed agenda and CAFII's responses for the conference call with Harry James, BC FICOM 	Leya	23-Jul-14	Completed
M)	Quebec Distribution Guide			
EOC Meeting, July 22, 2014 item 6.	<ul style="list-style-type: none"> Circulate the English template of the Guide to EOC members when received from the AMF. 	Brendan	5-Aug-14	Completed
	<ul style="list-style-type: none"> Convene a meeting of AMF Distribution Guide Task Force to discuss the Guide. 	Leya	13-Aug-14	Completed
N)	CISRO Presentation on Multi-Jurisdictional Licensing Issues			
EOC Meeting, July 22, 2014 item 6.	<ul style="list-style-type: none"> Inform Ron Fullan, Chair of CISRO, that CAFII is withdrawing its offer to present on multi-jurisdictional licensing issues. 	Brendan	8-Aug-14	Completed
O)	Response to Ellen Roseman, Toronto Star Article			
EOC Meeting, July 22, 2014 item 9.	<ul style="list-style-type: none"> A plan to be developed leading to a future lunch meeting with Ms. Roseman, including documenting key messages and collecting data and, if appropriate, recommending an alternate media contact(s) to engage 	MAC, Brendan	30-Jul-14	Completed
P)	CAFII Testimonials			

Source	Action Item	Responsible	Deadline	Status as of 19-Sep-14
CAFII Board Meeting, April 8, 2014 item 6.3.	• CAFII Member FIs to be approached about providing additional testimonials for display on www.cafii.com .	B. Wycks, L. Duigu	6-May-14	Completed
Q)	Events & Networking Committee			Done
CAFII Board Meeting, April 8, 2014 item 6.4	• Brendan Wycks to approach Carolyn Rogers informally about speaking on October 7, 2014.	B. Wycks	30-Apr-14	Completed
EOC Meeting, July 22, 2014 item 10.	• Maria to be provided with possible dates for the February 2015 speaker series event	Leya	29-Jul-14	Completed

CAFII

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

Statement of Operations

As at August 31, 2014

REVENUE	Current Month	Current YTD	Budget 2014	% Used	YTD 2013 Balance	% Used YTD 2013
Membership Fees	\$0	\$233,625	\$400,500	58%	\$270,200	71%
Interest Revenue	\$36	\$277	\$720	38%	\$430	430%
TOTAL REVENUE	\$36	\$233,902	\$401,220	58%	\$270,630	61%
EXPENSE						
Association Operating Expenses						
Management Fees	\$18,375	\$150,906	223,380	68%	\$146,309	212%
Lawrie Savage Fees	\$0	\$0	-		\$0	0%
CAFII Legal Fees/Corporate Governance	\$0	\$20,569	19,500	105%	\$0	0%
Audit Fees	\$0	\$0	14,000	0%	\$1,617	16%
Insurance	\$432	\$3,489	5,368	65%	\$1,892	44%
Website (incl translation)	\$594	\$924	540	171%	\$333	62%
Telephone/Fax/Internet	\$670	\$3,778	2,250	168%	\$2,184	101%
Postage/Courier	\$51	\$366	500	73%	\$173	16%
Office Expenses	\$86	\$1,887	4,500	42%	\$1,738	64%
Bank Charges	\$0	\$0	38	0%	\$70	3%
Miscellaneous Expenses	\$0	\$0	-	0%	\$0	0%
Amortization Expense	\$0	\$0	-	0%	\$0	0%
Depreciation Computer/Office Equipm ¹	\$39	\$156	640	0%	\$467	17%
Sub Total Association Operating Expenses	\$20,246	\$182,074	\$270,716	67%	\$154,783	
Distribution & Market Conduct Committee						
Provincial Regulatory Review	\$0	\$2,586	3,000	86%	\$2,861	5%
Research/Studies	\$0	\$25,201	50,000	50%	\$4,996	12%
Sub Total Distribution & Market Conduct Committee	\$0	\$27,787	\$53,000	52%	\$7,857	
Licensing Efficiency Issues Committee						
Regulatory Model (s)	\$2,644	\$4,699	12,000	39%	\$244	8%
Federal Financial Reform	\$0	\$101	3,000		\$0	0%
Sub Total Licensing Efficiency Issues Committee	\$2,644	\$4,800	\$15,000	32%	\$244	
Media & Advocacy Strategy Committee						
Tactical Communications Strategy	\$0	\$2,134	51,500	4%	\$72	0%
Association Branding	\$0	\$1,130	2,500	45%	\$2,802	11%
Sub Total Media & Advocacy Strategy Committee	\$0	\$3,264	\$54,000	6%	\$2,874	
Networking & Events Committee						
Board/EOC/AGM Expense ²	\$879	\$12,693	20,500	62%	\$12,528	60%
Networking Events	\$0	\$9	1,756	1%	\$0	0%
15th Anniversary Event	\$0	\$0	-	\$0	\$15,566	74%
Sub Total Networking & Events Committee	\$879	\$12,702	\$22,256	57%	\$28,095	
Media Relations, CAFII Consultant						
Media Relations, CAFII Consultant	\$0	\$0	-		\$0	0%
Sub Total Media Relations, CAFII Consultant	\$0	\$0			\$0	
TOTAL EXPENSE	\$23,769	\$230,626	414,972	56%	\$193,853	53%
EXCESS OF REVENUE OVER EXPENSES	(\$23,733)	\$3,276	(\$13,752)		76,777.60	

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 August 31, 2014

	<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	August 21,2014
CIBC Insurance	\$ 23,500.00	Mar20,2014	\$	23,500.00	August 21,2014
RBC Insurance	\$ 23,500.00	Mar17,2014	\$	23,500.00	August 06,2014
ScotiaLife Financial	\$ 23,500.00	Mar7,2014	\$	23,500.00	July 25,2014
TD Insurance	\$ 23,500.00	Mar7,2014	\$	23,500.00	July 25,2014
AMEX Bank of Canada	\$ 11,750.00	Apr7,2014	\$	11,750.00	September 24,2014
Assurant Solutions	\$ 11,750.00	Apr7,2014	\$	11,750.00	August 21,2014
Canadian Premier Life Insurance Company	\$ 11,750.00	Apr7,2014	\$	11,750.00	August 21,2014
Desjardins Financial Security Life Assurance Company	\$ 11,750.00	Apr7,2014	\$	11,750.00	Apr7,2014
National Bank Insurance Company	\$ 11,750.00	Apr7,2014	\$	11,750.00	July 25,2014
Aimia	\$ 4,800.00	Mar7,2014			
Avalon Actuarial	\$ 4,800.00	Mar20,2014			
Collins Barrow Toronto Actuarial Services	\$ 4,800.00	June6,2014			
CSI Brokers Inc.	\$ 4,800.00	May23,2014			
KPMG	\$ 4,800.00				
Laurentian Bank of Canada	\$ 4,800.00	Mar20,2014			
Munich Re	\$ 4,800.00	Mar7,2014			
Optima Communications	\$ 4,800.00	Mar20,2014			
RGA Life Reinsurance Company of Canada	\$ 4,800.00	Apr7,2014			
The Canada Life Assurance Company	\$ 4,800.00	Mar20,2014			
January Invoices	\$224,250			\$176,250	
July Invoices	\$176,250				
Total Membership Fees	\$400,500				
Total amount to realocate monthly Jan-Dec	\$33,375				

CAFI

55 St Clair Ave West, Suite 255

Toronto, ON M4V 2Y7

Balance Sheet

As at August 31, 2014

	Current 2014
ASSETS	
Current Assets	
Bank Balance	\$386,614
Investments ^A	\$53,381
Accounts Receivable	\$16,550
Interest Receivable	\$92
Prepaid Expenses	\$3,888
Computer/Office Equipment	\$2,334
Accumulated Depreciation -Comp/Equip	(\$817)
Intangible Assets-Trademarks	\$0
Accumulated Amortization-Trademark	\$0
Total Current Assets	\$462,042
TOTAL ASSETS	\$462,042
LIABILITIES	
Current Liabilities	
Account Payable ^B	\$3,755
Deferred Revenue	\$166,875
Total Current liabilities	\$170,630
TOTAL LIABILITIES	\$170,630
UNRESTRICTED NET ASSETS	
Unrestricted Net Assets, beginning of year	\$288,136
Excess of revenue over expenses	\$3,276
Total Unrestricted Net Assets	\$291,412
Total Unrestricted Net Assets	\$291,412
TOTAL LIABILITIES AND UNRESTRICTED NET ASSETS	\$462,042

Financial Reserves Targets:

Minimum 3 months (25%) of Annual Operating Expenses =	\$ 103,743
Maximum 6 months (50%) of Annual Operating Expenses =	\$ 207,486

Current Level of Financial Reserves:	\$291,412
Current Level of Financials Reserve (%):	70%

C A F I I
55 St Clair Ave West, Suite 255
Toronto, ON, M4V 2Y7
Balance Sheet Items
As at August 31, 2014

Item A

Investment Portfolio

Investment Type	Issue Date	Principal	Rate	Deemed Interest	Maturity Date
Cashable GIC #0087-8019718-12	June-17-14	\$53,380.92	0.80%	\$427.05	June-17-15
Total		\$53,380.92		\$427.05	

Item B

Accounts Payable

	Total
	232.11
	2,644.20
	878.58
Total outstanding:	<u>3,754.89</u>

2014 Executive Director Balanced Scorecard - Oct. 3/14		H = High; M = Medium; L = Low. # = Prioritization within High Category			
		H without number assigned = Ongoing, "Table Stakes" High Priority			
Objectives	Measures	Priority	Timing	Oct.3/14 Status	Outcome
Regulatory and Advocacy					
Deliver on Regulator and Policy-Maker Strategy and Tactics within timelines set out in the Board-approved Communications Strategy	Successful execution of tactics within specified timelines as itemized in Board-approved Communications Strategy				
Joint Visit with Atlantic Canada Insurance Regulators	Organize and execute successful CAFII meeting with four Atlantic Canada Insurance Regulators, with education and information-sharing focus	#1 (H)	Q3 2014	Completed on October 1/14	
Regulator Kit	Develop and finalize content and design of materials for Regulator Kit for inclusion in Regulatory Kit	#2 (H)	Q3 and Q4 2014	In process	
Produce an informative, "industry intelligence"-focused Regulatory Update targeted at regulators and policy-makers	Prepare first issue of quarterly Regulatory Newsletter, for inclusion with Regulator Kit	#3 (H)	Q3 2014 and Ongoing	In process	
Comparative Project on Consumer Value of Creditor's Group Insurance	Oversee successful completion of project, in conjunction with DMC subcommittee and Towers Watson consultants	#4 (H)	Q2 thru Q4 2014	In process	
Manitoba Draft ISI Regulation	Monitor to ensure that Regulation passed is as promised	H	Ongoing	Completed effective Sept. 1/14	Reasonable implementation timeline secured
Ensure that Regulator and Policy-Maker Visit Plan is well-maintained, updated for every EOC and Board meeting, and executed/achieved	Face-to-face meetings are secured with regulators and policy-makers in accordance with plan, at least once every 18 months even for those receiving a "courtesy visit"; they are willing to take advocacy arguments into account; favourable legislative and regulatory action or inaction	H	Ongoing	On Target	
Produce an informative, "industry intelligence"-focused Regulatory Update for each EOC & Board meeting	Regulatory Update is produced for each EOC and Board meeting, containing outside-of-the-public-domain information on regulatory actions, pronouncements, trends and leading indicators	H	Ongoing	On Target	
	Communiques to EOC members on issues & developments, in between EOC & Board meetings	H	Ongoing	On Target	
	Direct communiques selectively sent to EOC members on time-sensitive issues; other news consolidated into weekly e-newsletter	H	Ongoing	On Target	
Draft and deliver highly quality regulatory submissions	Regulatory submissions are well-written, comprehensive & produced on time; Board and EOC have sufficient time to review and provide input; which is given due and equitable consideration and included where appropriate; submissions reflect prior consultation with allied industry Associations where appropriate	H	Ongoing	On Target	
CISRO education around multi-jurisdictional licensing issues and compliance challenges	Presentation to CISRO on multi-jurisdictional licensing and other compliance challenges faced by national contact centres, at meeting in Fredericton, September 29-30	M	Q3 2014	Cancelled due to proprietary information concerns	
Pan-industry project group to address travel insurance concerns Identified by regulators	If fully supported by Board, manage CAFII's effective participation in pan-industry project group on travel insurance in concert with CLHIA and THIA.	M	Q2 thru Q4 2014	In process	
Maintain productive, collegial, mutually beneficial working relationships with allied industry Associations (egs. CLHIA, CBA)	Demonstrable collaboration & productive working relationships with allied Associations, particularly around regulatory submissions. Leadership in forming joint cross industry working groups, where appropriate	M	Ongoing	On Target	
Independent consumer research on insurance topics and issues	Lead formulation of a plan and budget and obtain approval for increased use of independent consumer research, to provide communications content for Regulators/Policy-Makers and other audiences	M	Q4 2014	Not Started	

H without number assigned = Ongoing, "Table Stakes" High Priority					
Objectives	Measures	Priority	Timing	Oct.3/14 Status	Outcome
Media and Communications					
Deliver on Media and Communications Strategy and Tactics within timelines set out in Board-approved Communications Strategy	Successful execution of tactics within specified timelines as itemized in Board-approved Communications Strategy				
<i>Media: Improve, Consolidate, & Confirm "Readiness" to Respond to Media Requests</i>					
Key Messages/Story Scenarios/Stock Answers	Complete Key Messages/Stock Answers/Story Scenarios with strong emphasis on "human touch" aspects of how CAFII members meet consumers' needs	#1 (H)	Q3 and Q4 2014	First draft of Key Facts/Messages re CGI completed	
Short articles on case for Creditor Insurance & 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.	#2 (H)	Q3 and Q4 2014	In process	
Media Kit	Develop "About Creditor Insurance" Media Kit, using existing web site content and other resources	#3 (H)	Q3 and Q4 2014	In process	
Independent consumer research on insurance topics and issues: Medium Priority	Lead formulation of a plan and budget and obtain pproval for increased use of independent consumer research, to provide communications content for media and other audiences	M	Q4 2014	Not Started	
<i>Selective Pro-active Engagement With Media</i>					
Roundtable Discussion meeting with "friendly media": Low Priority	Roundtable with targeted "friendly media" to discuss and educate around Creditor's Group Insurance; the under-served market; and alternate distribution, utilizing the Media Kit as a discussion guide	M	Q3 and Q4 2014	Moved forward from 2015 priorities	
<i>The Public and Consumer Interest Groups: Monitoring and Engagement</i>					
Financial Literacy Month	Obtain approval and execute a plan to increase CAFII profile/involvement in Financial Literacy Month (November) to raise CAFII's profile with FCAC and/or other regulators	M	Q3and Q4 2014	In process	
FAQs on Creditor Insurance for FCAC web site: High Priority	Develop approved FAQs using existing CAFII content and provide to FCAC for use on their site	#4 (H)	Q3 and Q4 2014	In process	
Monitoring of Consumer Interest Groups: Ongoing High Priority	Include intelligence on Consumer Interest Groups' issues and activities in Regulatory Update for EOC and Board meetings	H	Ongoing	On Target	

Association Oversight and Management Metrics					
Ensure that CAFII successfully and optimally "continues" under Canada Non-Profit Corporations Act (CNCA)	"Articles of Continuance" and Revised Bylaw filed with Industry Canada by October 17/14 deadline;Certificate of Continuance is received	#1 (a) (H)	Q1 thru Q3 2014	Completed	Successful
	Revised By-law is optimally structured, within constraints imposed by CNCA, leading to no major operational or governance issues encountered	#1 (b) (H)	Ongoing	On Target	
Ensure that Association adheres to good governance practices in Board, EOC, and committee appointments; conducts annual and special meetings of members; required policies and procedures are in place and followed	Smooth, successful, non-controversial conduct of Board and EOC succession appointments; and of annual meeting	H	Ongoing	On Target	
Completion of the "rebranding" of the Association. New brand becomes synonymous with CAFII's name in the eyes of key stakeholders and members	All print and collateral materials updated with agreed-upon new logo/tagline and communicated to all members, regulators and policy-makers, and other stakeholders/audiences	#2 (H)	Q1 thru Q4 2014	On Target	
ED becomes a "go-to" information source	Plays lead role in agenda preparation for Board and EOC meetings, and attends all scheduled Board, EOC, and subcommittee meetings	H	Ongoing	On Target	
	Board and EOC increasingly view ED as "go to" resource on governance and strategic decision matters	M	Ongoing	In process	
Ensure that CAFII prepares an annual operating budget that is well-grounded in approved strategic and operational plans; funds are spent according to plan; and financial control policies and procedures are appropriate and adhered to	Play a leadership role in development, management, and tracking/monitoring of CAFII's annual operating budget, and committee and project budgets. Budget targets are met, except for explainable/approved variances	#3 (H)	Q4 2014 & Ongoing	On Target	
With EOC Chair, oversee forming and activities of standing EOC subcommittees and adhoc working groups; and monitor and foster their progress	Participate in all EOC subcommittees; helps to determine priorities and budgets, and works to support their activities and success in the achievement of objectives	H	Ongoing	On Target	
Ensure that CAFII's daily operations and ongoing administration function smoothly	Complete assessment of workload allocation and resourcing; time tracking, compilation of results and development of insights and recommendation for Board review and approval	#4 (a) (H)	Q2 2014	Completed	
	Engage with TO Corp and EOC Chair to identify opportunities to streamline processes and realign workloads to ensure smooth and timely completion of all deliverables	#4 (b) (H)	Q2 2014 and Ongoing	On Target	
Efficient, effective CAFII meetings: With EOC Chair and standing committee Chairs, ensure agendas are focused and goal-oriented and meetings are well managed	Agendas and meeting materials are distributed with appropriate lead time	H	Ongoing	In process	
	Committee members are engaged in meeting discussions and feel meetings are productive		Ongoing	In process	
	Meeting outcomes are productive and advance CAFII's objectives.		Ongoing	On Target	
Ensure that "CAFII Priorities By Committee" document is kept up-to-date and well-utilized as an operations plan for the Association	ED demonstrates engaged "ownership" of "CAFII Priorities By Committee" document	H	Ongoing	On Target	
	" Priorities By Committee" document is updated for every EOC and Board meeting and used as a roadmap for Committee activity		Ongoing	On Target	

	H without number assigned = Ongoing, "Table Stakes" High Priority				
Objectives	Measures	Priority	Timing	Oct.3/14 Status	Outcome
Provide strategic and operational support to the EOC Chair in management of CAFII priorities and activities, and accountability reporting thereon	Engaged strategic and operational support to EOC Chair; escalates appropriate matters to EOC Chair for review and decision-making	H	Ongoing	On Target	

Evergreen/Bring Forward Items For 2015

Regulatory and Advocacy

	Formulate plan and budget for engaging with non-FI Creditor Insurance Groups around regulatory risk and industry education	L	2015		
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Media and Communications

<i>Media: Improve, Consolidate, & Confirm "Readiness" to Respond to Media Requests</i>					
Media section on CAFII web site	Develop a media-focused section on web site, using Media Kit materials and other content	L	2015		
<i>The Public & Consumer Interest Groups: Enhanced Consumer-Friendly Web Presence</i>					
Consumer Testimonials	Secure additional Consumer Testimonials from CAFII members and post to CAFII site, and regularly refresh	L	2015		
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	L	2015		
	Post Kit materials developed for other audiences that are directly relevant to consumers to the CAFII site; Revamp "Contact Us" section of site to encourage consumer questions and develop process for prompt responses	L	Q1 and Q2 2015		
<i>The Public & Consumer Interest Groups: Monitoring & Engagement</i>					
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)	L	2015		

Leya Duigu

From: Koker Christensen <kchristensen@fasken.com>
Sent: August-31-14 9:14 PM
To: brendan.wycks@cafii.com; leya@cafii.com; 'Pamela Smith' (pamela@tocorp.ca)
Cc: Kathryn Beck
Subject: Continuance
Attachments: Canadian Association of Financial Institutions in Insurance - Certificat....pdf

CAFII has continued under the *Canada Not-for-profit Corporations Act* effective August 25, 2014. I attach a copy of the Certificate of Continuance. It was a pleasure to have assisted you with this.

Best regards,

Koker

Koker Christensen | Partner

T. +1 416 868 3495 | M. +1 647 286 9618 | F. +1 416 364 7813
kchristensen@fasken.com | <http://www.fasken.com/en/koker-christensen>

Fasken Martineau DuMoulin LLP
333 Bay Street, Suite 2400, Toronto, Ontario M5H 2T6



VANCOUVER CALGARY TORONTO OTTAWA MONTRÉAL QUÉBEC CITY LONDON PARIS JOHANNESBURG

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Certificate of Continuance

Canada Not-for-profit Corporations Act

Certificat de prorogation

*Loi canadienne sur les organisations à but non
lucratif*

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

Corporate name / Dénomination de l'organisation

342486-3

Corporation number / Numéro de
l'organisation

I HEREBY CERTIFY that the above-named corporation, the articles of continuance of which are attached, is continued under section 211 of the *Canada Not-for-profit Corporations Act*.

JE CERTIFIE que l'organisation susmentionnée, dont les statuts de prorogation sont joints, a été prorogée en vertu de l'article 211 de la *Loi canadienne sur les organisations à but non lucratif*.

Virginie Ethier

Director / Directeur

2014-08-25

Date of Continuance (YYYY-MM-DD)
Date de prorogation (AAAA-MM-JJ)

Document Owner:	CAFII Executive Operations Committee
Practice Applies to:	CAFII Members
Process Responsibility:	CAFII Secretary
Final Accountability:	CAFII Board of Directors

DEFINITION:

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

COMPETITION LAW POLICY

1. 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.

2. Guidelines for Competition Act Compliance

At each Annual and Special Meeting of members of the Corporation, members shall be furnished with the Corporation's Guidelines for Competition Act Compliance ("Competition Law Policy") and a summary of the policy shall be read into the record at the beginning of the meeting as a reminder of members' undertakings with respect to Competition Act compliance. At meetings of the Board of Directors of the Corporation and of its Executive Operations Committee, this policy shall be referenced and acknowledged at the beginning of each meeting.

3. 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.

4. Annual Review of Guidelines

The Guidelines shall be reviewed annually by the Corporation and shall be amended from time to time, as necessary or considered desirable by the Board of Directors.

Any changes to the Competition Law Policy may not be ratified by electronic means.

If you have any questions, comments or suggestions regarding this document, contact the Executive Director, Brendan Wycks at Brendan.wycks@cafii.com.

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 Activities²

(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.

(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.

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.

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.

Document Owner:	CAFII Executive Operations Committee (EOC)
Practice Applies to:	CAFII Associates
Process Responsibility:	CAFII Secretary
Final Accountability:	CAFII Board of Directors

1. Definition

Associates shall consist of any individual, corporation, partnership and other legal entities who have an interest in furthering the objects of the Corporation, who have been sponsored by a Foundation or Regular Member and whose applications for admission have been accepted by the Secretary.

2. Fees

The fees payable by Associates shall from time-to-time be fixed by resolution of the Board. When fixing these fees, the Board shall take into consideration:

- a) the Corporation's need for stability of funding;
- b) the overall administrative costs of the Corporation's operations;
- c) administrative ease;
- d) the potential impact of fees upon applicants for Associate status in the Corporation.

A notice of the fees payable at any time shall be sent to each Associate by the Executive Director promptly before the due date.

3. Resignation

Associates may resign at any time by resignation in writing, which shall be effective upon any date or time on or after the execution of the instrument of resignation. An Associate shall remain liable for payment of any assessment of other sum levied or which became payable by the member to the Corporation prior to acceptance of such resignation.

4. Termination for Non-payment

If Associate fees are levied by the Board, the status of any Associate who is in arrears may be terminated by or under the authority of the Board if such arrears of fees are not paid within a designated time; and if such arrears are not paid by such designated time the Board may pass a resolution authorizing the removal of such Associates from the register of Associates of the Corporation and thereupon such person shall cease to be an Associate of the Corporation. Any such Associate may re-apply for Associate status in the Corporation.

5. Removal

Upon thirty days' notice in writing to an Associate of the Corporation, the Foundation Members may, after giving the Associate an opportunity to be heard, pass a resolution authorizing the removal of such Associate from the register of Associates of the Corporation and thereupon such person shall cease to be an Associate of the Corporation.

6. Transferability and Termination of Associate Status

Associate status in the Corporation shall not be transferable and shall automatically lapse upon the occurrence of any one of the following events:

- (a) the death or dissolution of the Associate;
- (b) the expiry of the Associate's period of Associate status, if any;
- (c) the failure of the Associate to pay the prescribed fees as per section 2;
- (d) the resignation of the Associate in accordance with section 3; and
- (e) the removal of the Associate pursuant to section 5.

Authorization

The Board of Directors has the authority to change or modify this policy on Associates as it may deem necessary from time-to-time.

This policy will be reviewed by the Board of Directors from time-to-time. At a minimum, it will be reviewed every five (5) years.

Any changes to the Associates Policy may not be ratified by electronic means.

If you have any questions, comments or suggestions regarding this document, contact the Executive Director, Brendan Wycks at Brendan.wycks@cafii.com.

Agenda Item 5(b)
September 23, 2014 EOC Meeting

Briefing Document On
Progress of Travel Insurance Pan-Industry Project Group (TIPIP)
September 19, 2014

CAFII, the Travel Health Insurance Association (THiA), and the Canadian Life and Health Insurance Association (CLHIA) have formed a Travel Insurance Pan-Industry Project Group (TIPIP). The essence of TIPIP's mandate is to develop a pan-industry response to issues related to travel health insurance that have been articulated by the Canadian Council of Insurance Regulators (CCIR).

While the 2014-2017 CCIR Strategic Plan has not yet been published, TIPIP has been advised that when it is published imminently it will set out a review initiative related to travel health insurance with a particular focus on policy wording and pre-existing condition exclusions, disclosure, and general fair treatment of customers in on-line, call centre and in-person sales and support.

TIPIP is owned by the three participating associations and chaired by CLHIA. Participation in its meetings has been limited to a maximum of four representatives per Association to keep the group to a manageable number. CAFII's representatives participating are Greg Grant, Emily Brown, and Brendan Wycks. TIPIP is also supported by Jill McCutcheon of Borden Ladner Gervais as legal counsel (under a retainer relationship with THiA, so at no incremental cost to TIPIP or the participating Associations).

TIPIP has been meeting every two weeks since late June and is focused on developing a briefing document on the travel health insurance industry in Canada for the CCIR, and having it ready to be the focus of a stakeholder group meeting with CCIR in early November. The document may also include some recommendations.

TIPIP is targeting completion of a near-final draft of the briefing document by early October and will be seeking feedback from the memberships of the three participating Associations before it is finalized.

In the meantime, TIPIP has provided to CCIR, for its October 2-3/14 Fall Meeting, the progress report set out on the following page. CCIR is aware of TIPIP's work and supportive of the pan-industry initiative.

Travel Insurance Pan-Industry Project Group (TIPIP): Update for CCIR

About TIPIP:

- The industry is giving serious consideration to the travel health insurance issues recently identified through CCIR
- As a result, TIPIP was developed in June 2014 to respond to CCIR regarding issues relating to travel health insurance. TIPIP is looking forward to working in consultation with CCIR on this initiative.
- TIPIP is owned by the participating Associations:
 - Travel Health Insurance Association (THIA)
 - Canadian Association of Financial Institutions in Insurance (CAFII)
 - Canadian Life and Health Insurance Association (CLHIA)
- TIPIP is chaired by CLHIA who will act as primary contact for CCIR on behalf of the group. Please contact Karen Voin at (416)-359-2020 or kvoin@clhia.ca.

Status:

- TIPIP has been meeting every two weeks since June to develop an industry response to CCIR.
- As a first step, TIPIP is preparing a briefing document that will provide CCIR with an overview and discussion of issues related to the travel health insurance industry. This will include the role the industry plays in providing disclosure to consumers including Call Centre support, policy wording with a specific focus on pre-existing condition clauses, medical questionnaires, training and licensing, and "white-labelling". The report will also outline areas where the industry is currently considering potential change to assist in improving the consumer experience and providing "peace of mind".
- While we've made significant progress in a number of areas, some of the issues are complex and there are areas where further deliberations, dialogue (including with CCIR), and consensus building will be required.

Next Steps:

- TIPIP's work continues, including engaging the memberships of the three participating Associations in the deliberations.
- TIPIP will circulate the briefing document referenced above to CCIR in October
- TIPIP representatives will attend a stakeholder group meeting with CCIR in early November, to share more insight into the work being done, dialogue, and seek feedback from CCIR.



October 1, 2014

Mr. Rino D'Onofrio
President
Canadian Association of Financial Institutions in Insurance
55 St. Clair Avenue West
Suite 255
Toronto Ontario
M4V 2Y7

Re: CCIR 100th Anniversary and publication of *Strategic Plan 2014-2017*

Dear Mr. D'Onofrio,

One hundred years ago this year, four provincial insurance regulators gathered in Calgary to discuss ways to promote compatibility in the laws governing insurance contracts. It was the beginning of what today is known as the Canadian Council of Insurance Regulators (CCIR).

CCIR is working to continue this history of inter-provincial collaboration. Through cooperation, we're making the insurance regulatory and supervisory system in Canada more efficient and effective in serving the public interest.

As you can imagine, the challenges of 1914 were sometimes different from what we face today. While the sinking of the Titanic two years before demonstrated how international events could impact Canadian insurers, most of the issues were more domestic in nature: the growing popularity of automobiles and the demand for affordable coverage, requirements for sufficient reserves to cover risks, and the new market in insurance for women and the enlistment of women to sell that insurance.

By the end of the year World War 1 broke out and the insurance industry was called upon to pay out for the deaths and injuries that resulted as well as for the death toll from the influenza outbreak that followed in 1918.

In the 100 years since then, the organization that became the CCIR, with the continuing support of provincial ministries and governments, has been at the forefront: promoting consistent regulation across jurisdictions and leading the way in reforms to protect consumers and maintain confidence in the insurance sector.

Today the CCIR is focused on improving the insurance regulatory and supervisory system in Canada to make it more efficient and effective in serving the public interest.

A renewed interest in fair treatment for consumers and recent changes to international supervisory standards underline the need to re-examine what we do and how we work together. While today's challenges can be global, they also include issues like protecting consumers concerned about travel insurance coverage and insurance against a wide range of natural disasters.

For our new *Strategic Plan 2014-2017*, CCIR considered input from stakeholders and members, as well as the current insurance environment in deciding on both strategic priorities and strategic initiatives for the coming three years. We have established three equally important strategic priorities, one priority each focused on consumers, regulators, and industry:

- Align supervision with international best practices to enhance consumer protection.
- Work collaboratively with regulatory partners to grow and leverage national regulatory capacity.
- Partner with industry stakeholders to identify opportunities to reduce inter-jurisdictional barriers.

We're proud of our accomplishments over the last 100 years and we're looking forward to new opportunities to protect consumers and build confidence in our insurance sector.

We have attached a copy of the *Strategic Plan 2014-2017*. We hope you'll take a moment to visit our website to learn more about what we do and our plans for the future: <http://www.ccir-ccrra.org/en/>

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Carolyn Rogers', with a large, stylized initial 'C'.

Carolyn Rogers, Chair

cc: Brendon Wycks



Strategic Plan 2014-2017

Foreword

On behalf of all members of the Canadian Council of Insurance Regulators (CCIR), it is my pleasure to present our Strategic Plan for the period April 1, 2014 to March 31, 2017.

The CCIR traces its history back to 1914 when the Superintendents of Insurance from the four western provinces met “to discuss ways and means to secure uniformity in the laws relating to contracts of insurance.” Over the past century, the focus of CCIR has changed and evolved many times. With legislation long in place, we now focus on improving the insurance regulatory and supervisory system in Canada to make it more efficient and effective in serving the public interest.

This Strategic Plan reflects the latest round of evolution in market conduct supervision and regulation. This evolution has been brought about both through increasing expectations by consumers around the protection they receive and through a heightened awareness of the importance to the stability of the financial system of proactively protecting consumers from unfair or abusive business practices.

While CCIR members have always been active in market conduct regulation and supervision, this renewed interest in fair treatment of consumers and recent changes to international supervisory standards have caused us to revisit what we do, how we work together, and what we expect from CCIR.

We have a lot of work to do, but, taken altogether, we are confident that we will be building a better regulatory system that is more closely harmonized and better meets the needs of all our stakeholders.

Carolyn Rogers

Chair



Carolyn Rogers
Chair
Canadian Council of
Insurance Regulators

Mandate – Who We Are

CCIR is a forum for Canadian insurance regulators to collaborate to improve insurance supervision and regulation to serve the public interest.

Mission

We work collaboratively to find solutions to common regulatory issues and promote harmonization in conjunction with financial services regulators, policy makers and stakeholders.

Vision

Efficient and effective regulation that supports consumer protection and enhances confidence in the Canadian insurance marketplace.

Values

Organizations are driven by the shared values of their members.

We have a shared commitment to:

- Cooperation
- Accountability
- Responsiveness
- Respect
- Integrity
- Accessibility
- Creativity

Approach

- We coordinate our regulatory activities and share information.
- We conduct ongoing market intelligence to keep abreast of emerging consumer issues.
- We undertake research to stay informed.
- We engage with our stakeholders to understand key issues facing the industry.

Strategic Priorities

In setting our overall direction and strategic priorities for the next three years, we have considered the relative risks among all the challenges we have identified and used this assessment to focus on the directions that will drive the organization for the next three years.

As a result, we have established three equally important strategic priorities, one priority each focused on consumers, regulators, and industry:

- Align supervision with international best practices to enhance consumer protection.
- Work collaboratively with regulatory partners to grow and leverage national regulatory capacity.
- Partner with industry stakeholders to identify opportunities to reduce inter-jurisdictional barriers.

Strategic Initiatives

In order to pursue our strategic priorities, we will work with stakeholders to undertake or to continue the following initiatives over the next three years:

Priority: Align supervision with international best practices to enhance consumer protection

- **Develop and Implement Market Conduct Supervisory Framework**

Development a Supervisory Framework based on shared responsibility, where CCIR members work together in a manner similar to a Supervisory College (as described in ICP 25). The framework will be built on the following principles:

- Comprehensive with respect to international standards;
- Cost effective for CCIR members;
- Efficient in regard to administrative burden on the regulated industry; and
- Equitable in terms of the distribution of responsibility among participating jurisdictions.

Priority: Work collaboratively with regulatory partners to grow and leverage national regulatory capacity

- **Improve Market Intelligence Gathering**

Develop processes with industry to keep regulators informed of changes and trends in the industry

Priority: Partner with industry stakeholders to identify opportunities to reduce inter-jurisdictional barriers.

- **Identify Harmonization Opportunities**

- Work with stakeholders to identify barriers to trade and look at how the barriers could be eliminated.
- Work with CISRO to harmonize licensing requirements.

- **Complete current strategic initiatives and undertake new initiatives related to:**
 - ***Travel Insurance***

Review of the industry including the activities of call center support providers, policy wording and pre-existing condition exclusions, and adequacy of information being provided to consumers in both on-line sales and in-person sales.
 - ***Electronic commerce***

Review and address issues arising from evolving use of technology e.g. electronic pink cards for auto, telematics, claims handling, underwriting, data collection.
 - ***Financial Literacy***

Consider messages and delivery methods to help consumers make informed insurance choices.
 - ***Segregated Funds***

Review the regulatory landscape and assess potential regulatory arbitrage.
 - ***Longevity Risk Transfer Markets***

Work with pension regulators, policy makers and pension and insurance stakeholders to develop a common understanding of longevity risk transfer markets in Canada.
 - ***Property Insurance***

Review property insurance policy wording and disclosure issues relating to natural disaster coverage.

Ongoing CCIR Responsibilities

We also pursue our mission and vision by carrying out the following responsibilities:

- **Identify and Address Common Emerging Issues in a Timely Manner**

Although we cannot predict what these issues will be, we know they will arise and we will strive to identify them early and deal with them promptly.

- **Oversee Insurance OmbudServices**

CCIR has assumed responsibility to ensure that third party dispute resolution systems in the insurance sector, including General Insurance OmbudService (GIO) and the OmbudService for Life and Health Insurance (OLHI), fulfill the public interest objectives of complaint resolution as an important component of a well-functioning consumer protection policy framework.

- **Review Industry proposed standards and guidelines**

With the increased focus on risk-based regulation, regulators are putting increased emphasis on industry continuing the development and implementation of sound governance practices, standards and guidelines. As CCIR wishes to encourage industry's efforts, our Standards of Practice Standing Committee was formed to allow both thorough reviews and responses in a timely fashion to such documents that are submitted to us.

- **Develop Regulatory Responses to Assuris and the Property and Casualty Insurance Compensation Corporation (PACICC)**

In accordance with the governance bylaws of both Assuris and PACICC, the compensation corporations for life and general insurers respectively, any regulator may reject a proposed bylaw change but must register its objection in a timely manner. Our Assuris-PACICC Committee ensures that all such changes are reviewed on a timely basis and all regulators have the information they need to make appropriate decisions.

The Committee also advises Assuris and PACICC of any changes that we would like to see them make.

- **Liaise with the Facility Association**

Our Facility Association Standing Committee has been established to streamline the communications between regulators and the Facility Association, the provider of automobile insurance to drivers who are unable to obtain automobile insurance through the voluntary insurance market.

- **Update Forms and Instructions**

Chaired by OSFI, the Forms Committee is charged with updating as required the annual and interim return forms and instructions for both P&C and Life required from every insurer registered in Canada.

- **Review Capital Requirements**

Chaired by OSFI, the Capital Requirements Information Committee is charged with sharing information regarding developments in regulatory capital requirements.

- **Hold Powers of Attorney and Undertakings (PAUs)**

The CCIR Secretariat maintains and provides access to the repository of PAUs filed by insurance companies all over North America. This function means that insurers filing PAUs with respect to private automobile insurance do not have to file that document in each province or territory the policyholder might visit.

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Regulatory Update –September 19, 2014

Prepared By Brendan Wycks, CAFII Executive Director

Executive Summary

- **BC FICOM**
 - **Directive Letter to Insurers and Lenders on “Creditor’s Group Insurance Issue” Delayed (page 2):** Harry James of BC’s FICOM is arranging a dialogue with Alberta, Saskatchewan, and Manitoba regulator counterparts before issuing the directive letter previously promised on this matter.
 - **10-Year Review of Financial Institutions Act to be launched this Fall (pages 2-3):** BC will be launching a mandated review of its FIA this Fall. FICOM has recommended to the Minister that CAFII be invited to participate in one of two roundtable meetings with industry stakeholders that will be held prior to the formal consultation.
 - **Consultation on Draft Guideline for *Non-Compliant Filings Administrative Penalty* (page 3):** CAFII needs to decide whether it should respond to this consultation as an industry Association; or if the industry’s interests would be better served by leaving it up to interested member FIs to respond individually.
- **Manitoba Regulatory Framework For Incidental Sellers of Insurance Regime (page 4):** Insurance Council Publishes Bulletin On Implementation Of New Restricted Licence Holders Regulation.
- **Ontario To Level Insurance Playing Field For Credit Unions (page 5):** Ministry of Finance Review Leads to Ban on “Online Promotion of Insurance Products By Credit Unions.”
- **New Brunswick (page 6):** Position Paper Is Next Step in Consultation on “Opportunities for Reforming the New Brunswick Licensing Framework for Other-than-Life Agents and Brokers”
- **Financial Consumer Agency of Canada (pages 7-8):** Terry Campbell, President of the Canadian Bankers Association and Leslie Byrnes, Vice President Distribution & Pensions, CLHIA appointed to 15-member National Steering Committee on Financial Literacy.

British Columbia

Financial Institutions Commission (FICOM)

Directive Letter to Insurers and Lenders on “Creditor’s Group Insurance Issue” Delayed

In an update discussion on September 18, Harry James, Director, Policy Initiatives at FICOM, advised Brendan Wycks that the plan to issue a “directive letter” in mid-September to insurers and lenders involved in Creditor’s Group Insurance in the province has been delayed, and the letter will now likely be issued in October.

Harry is trying to arrange a teleconference dialogue with regulator counterparts in the three other Western provinces, and noted that the term ‘effected’ is common to the insurance legislation in all four provinces as it relates to CGI.” “That dialogue will help to finalize either a harmonized approach that we take collectively as four neighbouring provinces , or individually as provinces taking substantively similar approaches.”

“If there are substantive differences in opinion on the best way to move forward, we may decide to reach out to the industry Associations one more time.”

While there have been logistical difficulties in scheduling that dialogue among the four provinces, “we’re hoping to have that discussion within the next couple of weeks, before the CISRO and CCIR meetings in Fredericton early October.”

(In summarizing comments at the end of CAFII’s July 28 consultation teleconference with him (which Laurie Balfour, Alberta’s Acting Deputy Superintendent of Insurance, and Ian McIntosh, Saskatchewan’s Deputy Superintendent of Insurance, attended as observers), Harry advised that a directive letter would likely be FICOM’s next step, as follows:

Our plan going forward is to provide clarity on the roles of insurers and lenders involved in CGI in BC, which will likely be issued in the form of a directive letter in mid-September 2014.

The two question survey in the open letter that we sent to all entities that offer creditor’s group insurance in BC identified that there are 10 or 11 insurers with a CGI product in the market where the group policyholder is not the lender.

The letter, which will allow a one year transition period for parties to come into compliance with the terms set out, will be sent to all insurers who identified themselves as having a product in the market where the lender is not the group policyholder; and to industry Associations such as CAFII and CLHIA.)

10-Year Review of Financial Institutions Act to be launched this Fall

A mandated 10-year Review of BC’s *Financial Institutions Act* (FIA) will be announced this Fall. Harry James advised that as part of the FIA Review announcement, likely within the next few weeks, the Minister will indicate that FICOM will hold two roundtable meetings with industry stakeholders – to gather input on desired modernizations and other changes to the Act – prior to the launch of the formal consultation phase of the Review.

He indicated that FICOM has put forward “Brendan Wycks, Executive Director of CAFII” as a recommended stakeholder participant in the roundtable meetings. The decision as to who is invited to participate in the roundtable meetings rests entirely with the Minister’s office; “so while there is no guarantee, we wanted you to know that we had recommended that you be invited as a stakeholder participant from CAFII. So you may be hearing about this in the next little while if the Minister’s office does select you.”

BC’s FIA dates from 1989 when it was decided to have a comprehensive Act that would cover governance and the regulatory framework for FIs operating in the province, including the insurance industry. In contrast, BC’s Insurance Act is strictly limited to terms and definitions. Because the FIA is the key piece of legislation for the financial sector in the province, a mandatory 10-year review clause was built-in.

Consultation on Draft Guideline for Non-Compliant Filings Administrative Penalty

On September 9, BC’s FICOM issued, for industry consultation, a draft guideline on the province’s new Non-Compliant Filings Administrative Penalty (NFAP). The notice about this consultation was addressed to all CEOs/General Managers/Chief Agents of British Columbia Authorized Financial Institutions (credit unions, trust companies, P&C and life insurers).

The NFAP guideline is based on provisions set out in the FIA and is intended to provide clarity regarding these sections and some guidelines for penalty amounts.

Under the legislation, FICOM or its delegate can order an administrative penalty for any breach of a prescribed provision of the FIA, or for failure to comply with any order or undertakings given. The *Administrative Penalty Regulation* sets out the maximum penalty that can be charged for a contravention, but the amount of penalty is discretionary, subject to a maximum. FICOM or its delegate has the discretion to issue an administrative penalty or a warning.

In this consultation, FICOM is seeking feedback on the quantum to recommend for an administrative penalty under normal circumstances. It is also seeking feedback on the types of filings that it has identified as being subject to a penalty.

FICOM has developed three potential options for administrative monetary penalties: a *per diem* basis; a flat rate basis; and an escalating by contravention basis. It is seeking feedback on both the basis to be used and the rates being suggested.

The deadline for response submissions to this consultation is October 31, 2014.

CAFII should consider whether it should respond to this consultation as an industry Association; or if the industry’s interests would be better served by leaving it up to interested member FIs to respond individually.

Insurance Council of BC

Notice Re Corporate or Partnership (“Entity”) Licensing

On September 18, the Insurance Council of BC issued a Notice advising that it is regularly encountering problematic situations where an Entity applies for a licence or licence amendment, with a request that Council’s approval be effective on a pre-established date.

These types of situations usually arise as a result of a merger or acquisition, and it is not uncommon for non-standard issues to exist which require the Entity to provide additional information. This can result in the new Entity not being able to commence insurance operations when originally planned.

Therefore, the Council strongly recommends that an Entity submit its application a minimum of 60 days prior to the date on which the Entity wishes to commence operations. By submitting the application 60 days in advance, there is a greater possibility that the requested date will be met.

The Council's review of an Entity's application includes a suitability review of its officers, directors, major shareholders, and partners; the name(s) under which the Entity intends to operate; and any other information that may be material to the application.

Manitoba

Insurance Council of Manitoba

Insurance Council Publishes Bulletin On Implementation Of New Restricted Licence Holders Regulation

On August 26, Scott Moore, Deputy Superintendent of Insurance, issued a Fact Sheet on Manitoba's Amended Insurance Act (previously circulated), which announced that the legislative and regulatory changes developed to create an Incidental Sellers of Insurance (ISI)/Restricted Licence Holders regime would become effective January 1, 2015, but transitional provisions would see its implementation line up with the Insurance Council of Manitoba's licensing renewal cycle that has June 1, 2015 as its operative date.

As a follow-up to that, the Insurance Council of Manitoba has issued a bulletin that provides greater detail on implementation of the province's new ISI regime. The bulletin sets out the fee schedule for a Restricted Insurance Agent Licence, a schedule that is tiered and based on the number of employees offering insurance products in the eligible organization.

This bulletin, available on the Insurance Council's website, has been included in the materials for September 23 CAFII EOC meeting.

Superintendent of Insurance

2014 Annual Report Of The Superintendent Of Insurance On The Business Of 2013

Superintendent of Insurance Jim Scalena recently published his annual report on the insurance business in Manitoba in 2013.

The Report includes the following information:

- the types of licence held by each insurance entity licenced in the province;
- total premium income and claims payouts for each class of insurance for 2013;
- direct written premium and direct claims payouts (loss ratio calculated) for each insurance entity operating in the province, for 2013 and 2012; and
- gross insurance in force (number of policies and dollar value) by company at end of 2013 and end of 2012.

Ontario

Ontario Ministry of Finance

Ontario To Level Insurance Playing Field For Credit Unions

Following a Ministry of Finance review at the beginning of 2014, which included industry roundtable meetings for consultation and input, the Ontario government has decided to ban “online promotion of insurance products by credit unions” by harmonizing the province’s credit union legislation with the federal Bank Act which governs such activities for FRFIs. Here is the relevant excerpt from the Ontario budget that was re-introduced and passed in July following the election of the Wynne majority government:

Online Promotion of Insurance

In recent years, credit unions and other deposit-taking institutions have been providing an increasing array of online services to their customers. Many services that used to be exclusively accessed in a credit union’s “bricks and mortar” branches are now being accessed by consumers online. It is important to ensure that Ontario’s policies regarding the online insurance activities of credit unions keep consumers’ best interests in mind.

To this end, in late 2013, the Province initiated an examination of insurance-product promotion on credit union websites. In addition to seeking the views of the insurance and credit union sectors, recent federal government action affecting federally incorporated financial institutions was also considered. As a result, the Province is proposing to prohibit credit unions from online promotion of insurance products such as home and auto insurance, which they are not permitted to promote in their branches.

This Ministry of Finance review initiative was brought to the CAFII EOC’s attention in January by Moira Gill, as an issue to be watched. CAFII did not receive an invitation to the roundtable meetings so we did not participate directly.

Directly related to the decision to ban online promotion of insurance by credit unions,, the government has also announced that a review of Ontario’s *Credit Unions and Caisses Populaires Act, 1994* will be launched this Fall, likely in October. Following is the relevant excerpt from the July budget:

Credit Unions

Credit unions and caisses populaires play an important role in Ontario’s economy. They have over 1.5 million members and, at the end of 2013, had provided \$33.4 billion in loans to households and businesses throughout the province. A modern regulatory framework that enables the credit union system to flourish and protect members is essential.

A review of the Credit Unions and Caisses Populaires Act, 1994, will be launched in the fall. This will provide an opportunity to update the legislation and regulations so credit unions can continue to meet the needs of their members and the economy into the future.

Financial Services Commission of Ontario (FSCO)

CAFII Invited To Participate In Panel At FSCO's Annual Symposium For Life & Health Insurance Sector

CAFII has accepted an invitation from FSCO to have a representative participate on a panel at its 7th Annual Market Conduct Symposium for the Life & Health Insurance Sector to be held on the morning of Friday, November 21 at Novotel in North York.

The theme for this year's FSCO symposium is "Hot Topics in Life and Health Insurance". The panel that CAFII has been invited to participate in is on the inter-related topics of financial literacy, sales to seniors, and financial planning. Other panel participants are likely to be from CAILBA, CLHIA, Advocis, and OLHI.

The Media and Communications Committee has determined that Brendan Wycks, as Executive Director, will be CAFII's participant on the panel, utilizing a script of approved CAFII Key Messages.

New Brunswick

Financial and Consumer Services Commission (FCNB)

Position Paper Is Next Step in Consultation on "Opportunities for Reforming the New Brunswick Licensing Framework for Other-than-Life Agents and Brokers"

In a recent update telephone conversation with Brendan Wycks, David Weir, New Brunswick's Deputy Superintendent of Insurance, advised that the next step in this consultation, to which CAFII responded on October 31, 2013, will be the following:

Based on analysis of the response submissions to the consultation paper, David is nearing completion of a "Position Paper" in which concrete recommendations will be made on each of the key issues set out in the consultation document. His draft Position Paper will be vetted, discussed, and approved by the FCNB's executive team, including Superintendent of Insurance Angela Mazerolle, which has yet to occur.

He expects that the Position Paper will be finalized and released this Fall, in October or November, with a 30 day period likely provided for stakeholder response feedback.

Saskatchewan

Financial Consumer Affairs Authority (FCAA)

Completion of Insurance Act Re-Write in 2014-15

Saskatchewan's FCAA recently published its 2013-14 Annual Report on its website.

In his transmittal letter to the Minister, David Wild, Chair and CEO of the FCAA and Superintendent of Insurance, highlights that one of its objectives for next year is to "complete the re-write of the Saskatchewan Insurance Act."

In the Report, the FCAA indicates that it made significant progress on the re-write initiative in 2013-14 by consulting with legislators and regulators in the three other Western provinces – with a view to harmonizing Saskatchewan's Act with those of its neighbours, to the maximum degree possible – and with its own Insurance Councils of Saskatchewan.

Statistical Report of Superintendent of Insurance for 2013

On August 7, David Wild, Superintendent of Insurance, submitted the *Statistical Report of the Superintendent of Insurance For The Year Ended December 31, 2013*; and it is posted on the FCAA's website.

The Report includes the following information from the Insurance Councils of Saskatchewan:

- trends in the number and types of insurance licences issued over the past five years;
- complaints received and dealt with by each of the three Councils for the past five years;
- the types of licence held by each insurance entity licenced in the province;
- aggregate direct written premium and direct claims payouts (loss ratio calculated) for each class of insurance for the past 20 years; and
- direct written premium and direct claims payouts (loss ratio calculated) for each insurance entity operating in the province in 2013.

Federal/National

Canadian Council of Insurance Regulators (CCIR)

Publication of 2014-17 Strategic Plan Delayed

CCIR's new 2014-17 Strategic Plan, which it had expected to publish mid-summer on its website, has not yet been released. Publication is now likely delayed until immediately following the Council's Fall meeting, which takes place October 2-3 in Fredericton.

Carolyn Rogers, CCIR Chair, will be the guest speaker at CAFII's October 7 Regulator Reception event, where she will share highlights of the new Strategic Plan along with hot-off-the-presses news about implementation plans.

Third Annual Stakeholder Meetings: November 5-6, 2014 in Toronto

CAFII has accepted CCIR's invitation to meet during its annual stakeholder meetings being held November 5 and 6 in Toronto. Based on availability times offered by several CAFII Board members, Brendan Wycks proposed three date/time options to Carol Shevlin, CCIR Policy Manager, and is awaiting her confirmation.

This year, due to capacity restrictions at the venue where CCIR is holding the stakeholder meetings, the size of CAFII's delegation will be limited to a maximum of six individuals. In 2013, CAFII's delegation for this stakeholder meeting comprised seven representatives.

Financial Consumer Agency of Canada

Terry Campbell, President of the Canadian Bankers Association and Leslie Byrnes, Vice President Distribution & Pensions, CLHIA Appointed To 15-member National Steering Committee On Financial Literacy

On July 30, Minister of State (Finance) Kevin Sorenson and Financial Literacy Leader Jane Rooney announced the membership of FCAC's new National Steering Committee on Financial Literacy. The 15 members selected from more than 100 applicants represent a broad range of public, private and non-profit organizations from across Canada.

Of particular note, Terry Campbell, President of the Canadian Bankers Association, and Leslie Byrnes, Vice-President, Distribution & Pensions, Canadian Life and Health Insurance Association, are among the 15 members selected.

The mandate of the Steering Committee is to provide advice to the Financial Literacy Leader on the development and implementation of a national strategy for financial literacy. The members will champion the national strategy for financial literacy, provide leadership within their sectors, and engage broad stakeholder communities in working to advance the Strategy's goals and priorities. They will also report to the Financial Literacy Leader on progress being made in their sectors.

The Steering Committee will meet at least three times a year. The initial term of membership will be for a two-year period. Members may be re-appointed at the discretion of the Financial Literacy Leader.

Erica Hiemstra of CLHIA has advised that the Steering Committee met for the first time on September 19 in Toronto. She surmised that the major focus of its agenda would be on the program for the National Financial Literacy Conference scheduled for November 6-7, 2014 in Vancouver.

National Financial Literacy Conference

The program for the FCAC's National Financial Literacy Conference scheduled to take place in Vancouver on Thursday, November 6 and Friday, November 7 has not yet been released.

However, FCAC has advised Brendan Wycks that there will be no registration fee charged for the conference – in effect, it will be a “by invitation only” event – and that CAFII will definitely be invited.

Erica Hiemstra of CLHIA has advised that, contrary to her earlier indication, CLHIA ultimately did decide to sponsor the FCAC's Financial Literacy Conference. Given that CLHIA's “sponsorship benefits” include Corporate Kiosk (ie. booth/display table) space, it has sponsored at either the Gold level (\$25,000) or Platinum level (\$35,000).

With a Corporate Kiosk to look after, CLHIA will likely have three representatives attending the Conference: Leslie Byrnes, Wendy Hope, and Erica Hiemstra.

CAFII External Communications Strategy Review Presentation to Board

Moira Gill and John Lewsen
October 7, 2014 | Toronto, ON

Table of Contents

1. Why a Communications Strategy
2. Four challenges in launching a Communications Strategy
3. External Communications Strategy last revised, December 2013
4. Communications Objectives
5. Key Audiences
6. Key accomplishments
7. Build on a strong foundation

Why a Communications Strategy

Regulators and Policy-Makers

- Majority of CAFII's positions and recommendations are reflected in policy recommendations and amendments by regulators.
- Frequency of regulator initiated meetings and communications increases because CAFII is recognized as a credible and well-informed resource on creditor insurance matters.

Media

- Increased instances of creditor insurance stories and articles in the media that are more balanced and positive (ie. CAFII key messages and stock answers cited more frequently).
- Enquiries from media sources increases as CAFII becomes a recognized voice on creditor insurance issues.

Public and Consumer Interest Groups

- Increase in consumer friendly information and resources on www.cafii.com
- Increased instances of creditor insurance stories and articles that are balanced and positive in consumer publications and websites.

Four Challenges in launching a Communications Strategy

- Reaching a consensus on whether to engage
 - Different visions, experience and risk appetites
 - Climate during lead up to last bank review
- Pro-active or reactive
 - Creating an issue that doesn't exist by engaging
 - Allowing opponents to define the issues
- The Right Resources and Expertise
 - In house
 - Media relations firm on retainer
 - Spokesperson on retainer
 - ED accountability
- Approval process
 - Board Communications Committee (now defunct)
 - Media and Communications Committee

External Communications Strategy

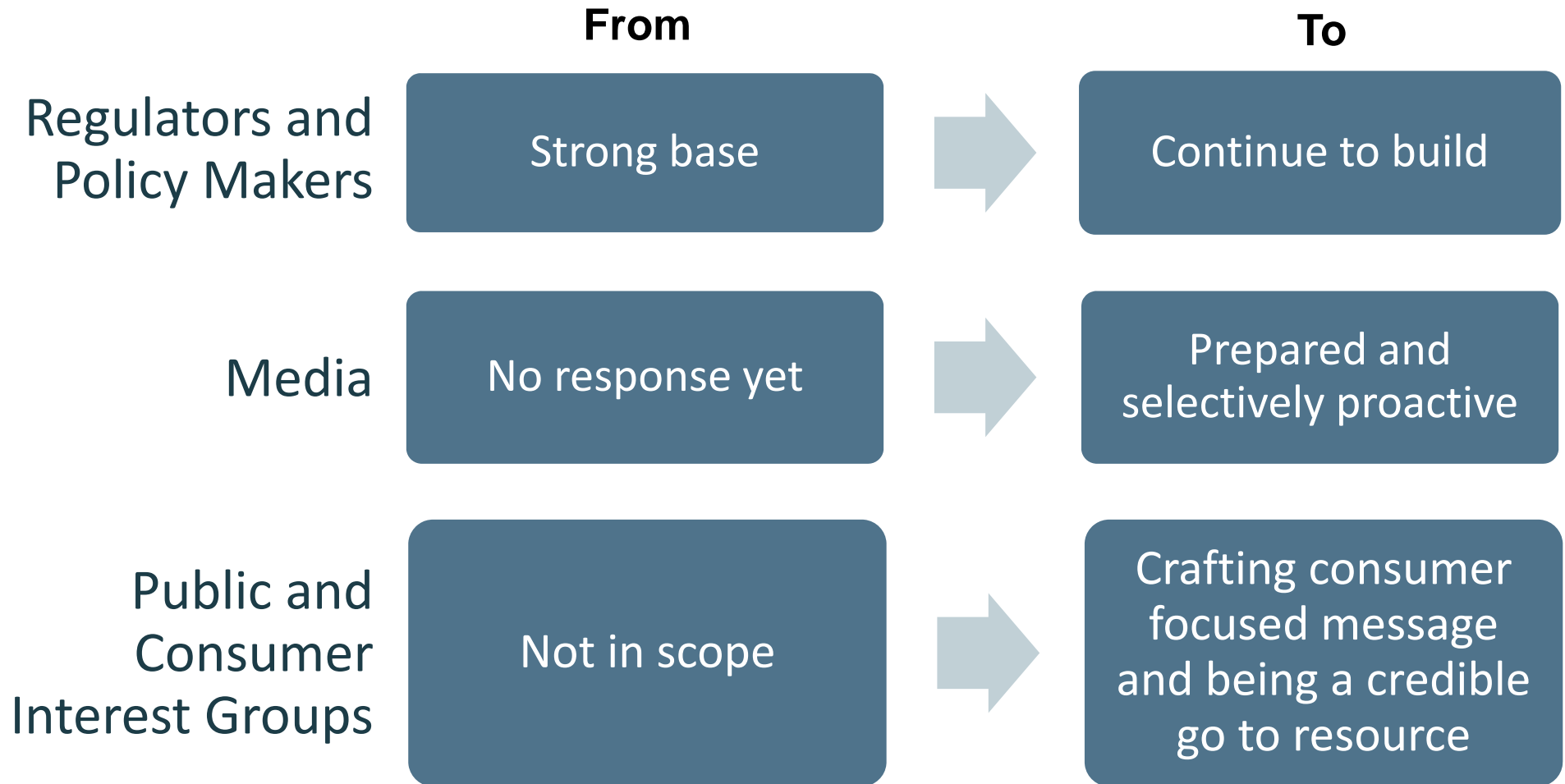
last revised, December 2013

- Support strategic Objectives
- Demonstrate value proposition
- Gain control of the Communications Agenda

Communications Objectives

- Build on successful regulator communications approach
- Educational focus
- Develop a profile
- Ready to respond

Key Audiences



Key Accomplishments

- Established EOC Media & Communications Committee to expand communications focus beyond regulator audience, December 2011
- New website launched in May 2012
- Commissioned various independent studies to support messaging (Pollara, Avalon and LIMRA)
- Enhanced website content - ongoing
- CAFII Rebranding launched with 15th anniversary
- Approval of External communications strategy: December 2013
- ED completed CAFII focussed media training March 2014
- Increased engagement of stakeholders through events

Building on a strong foundation

- Discussion
 - How far
 - How fast
- Model for Board engagement and decision making
 - Re-establish Board Communications Committee membership
- Next steps

CAFII

2014 External Communications Strategy

Revised December 4, 2013



Executive Summary

Overall Communications Strategy

- Support achievement of CAFII's strategic objectives by communicating and effectively engaging with key external audiences
- Demonstrate the value of the insurance solutions and channels offered by CAFII members by creating greater awareness and understanding
- Gain control of the "communications agenda" and change perceptions among key audiences

2014 External Communications Objectives

- Build on CAFII's current proactive communications strategy with regulators, while broadening audience focus and resource allocation to include policy-makers
- Ensure all audiences are well-informed about both the benefits of Creditor Insurance and alternate distribution channels
- CAFII and its members are seen to be advocates for alternate distribution channels and easy access to insurance solutions
- Be better prepared and positioned to respond strategically and effectively to the media and consumers

	Regulators and Policy-Makers	Media	Public and Consumer Interest Groups
Current State	<ul style="list-style-type: none"> •CAFII has strong relationships, a good reputation and regular interaction with regulators. •Inconsistent relationships with policy-makers 	<ul style="list-style-type: none"> •Little or no interaction with media and varying views amongst members about 'how far should we go?' •Selectively reactive with media 	<ul style="list-style-type: none"> •Enhanced CAFII web site serves a passive communications vehicle for Key Messages about Creditor Insurance and alternate distribution
	Short to mid-term objectives Proactive Advocacy	Mid to long-term objectives Prepared And Selectively Proactive	Mid to long-term objectives Prepared And Selectively Proactive
Future Vision	<ul style="list-style-type: none"> •CAFII interacts even more frequently with regulators and regularly with policy-makers, through a variety of approaches. •They are fully aware of the needs of Canadians regarding Creditor Insurance and the role CAFII members play in providing ease of access to valuable products. 	<ul style="list-style-type: none"> •The benefits of Creditor Insurance are clearer. •Myths regarding Creditor Insurance are dispelled. •CAFII is seen to be a consumer advocate related to easy, convenient access to a straightforward product. •CAFII is regarded as a "go to" resource for credible information on Creditor Insurance 	<ul style="list-style-type: none"> •CAFII Members are proud to serve Canadians with products that meet their needs in terms of both protection and availability. •CAFII Members are seen as proponents of consumer access to simple, convenient insurance products; <u>and of Consumer Financial Literacy</u> •CAFII is regarded as a "go to" resource for credible information on Creditor Insurance

Contents

- Overall Strategy and 2014 External Communications Objectives
- Current Situation and SWOT Analysis
- External Communications Objectives and Future Vision
- Future State
- Measures of Success

APPENDICES

(Samples for illustration purposes – to be updated once Communications Strategy approved)

A: 2014 Communications Tactics

B: Implementation Timelines For New Tactics – Regulators and Policy-Makers

C: Key Message Map : Benefits/Value of Creditor's Insurance

Objectives

Overall Communications Strategy

- Support achievement of CAFII's strategic objectives
- Communicate and effectively engage with key external audiences
- Demonstrate the value of the insurance solutions and channels offered by CAFII members:
 - Creditor insurance
 - Alternate distribution channels (non-broker driven)
- Create greater awareness and understanding
- Gain control of the “communications agenda” and change perceptions among key audiences

2014 External Communications Objectives

- Build on past strengths by enhancing CAFII's current proactive communications strategy with regulators, while broadening the audience focus and resource allocation to include policy-makers
- Ensure all audiences are well-informed about the benefits of Creditor Insurance and alternate distribution channels
- Enhance the perception of CAFII among key audiences so that:
 - CAFII begins to be regarded as the “go to” resource for credible information related to Creditor Insurance
 - CAFII and its members are seen to be advocates for alternate distribution channels, easy access to insurance solutions, and Consumer Financial Literacy
- Be better prepared and positioned to respond strategically and effectively to the media and consumers re mis-information about Creditor Insurance products and alternate distribution channels
- Assess opportunities and tactics to begin outreach to and to influence non-FI Creditor Insurance players whose practices could give rise to PPI-type regulations, around adopting industry best practices

Current Situation:

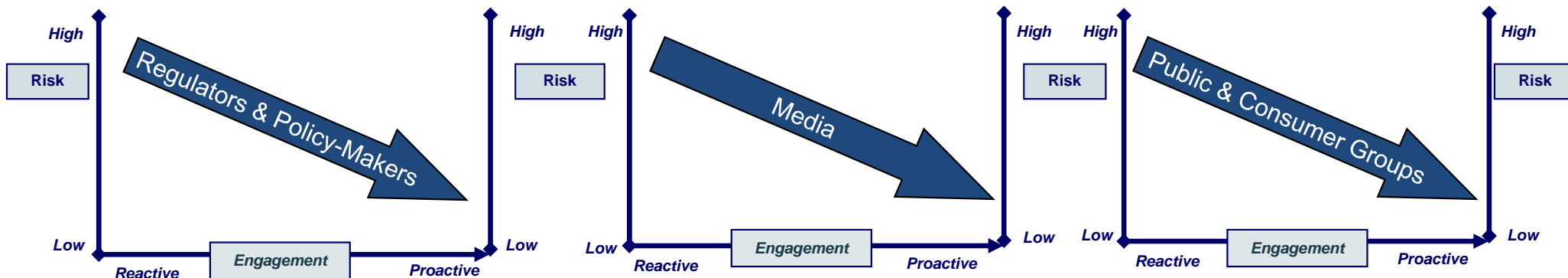
External Communications SWOT Analysis

Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> • Respect from most regulators. • CAFII is a “go to” resource for regulators on issues related to Creditor Insurance and, in many cases, insurance distribution. 	<ul style="list-style-type: none"> • Limited profile with all audiences except Regulators. • CAFII is not a “go to” resource for the media, the public, consumer interest groups, or other industry players when issues arise related to Creditor Insurance. 	<ul style="list-style-type: none"> • Strengthening relationships with policy-makers on a consistent basis. • Developing relationships with some consumer interest groups and media. • Both actions would better protect CAFII members for the future. 	<ul style="list-style-type: none"> • Lack of more visible messaging may make CAFII a target for opponents.
<ul style="list-style-type: none"> • CAFII has completed occasional research that reinforces the benefits of Creditor Insurance. 	<ul style="list-style-type: none"> • CAFII currently does not have a clear consensus among members for a well-articulated strategy related to external communications to media and consumers, except for media contact contingencies. 	<ul style="list-style-type: none"> • Research will provide a valuable foundation for potential advocacy and/or rebuttal points when Bank Act consultations commence in 2015. • More frequent reinforcement of messaging to regulators and policy-makers utilizing a variety of approaches, including in-person meetings, website content and webinars. 	<ul style="list-style-type: none"> • CAFII does not control the communications agenda related to Creditor Insurance.
<ul style="list-style-type: none"> • CAFII has additional capacity to deal with adverse media developments. (i.e. Executive Director) 	<ul style="list-style-type: none"> • Existing research has a limited shelf life. 	<ul style="list-style-type: none"> • New website provides a rationale for introducing CAFII and our key messages to a broader audience. 	<ul style="list-style-type: none"> • Publicizing positive research results could provide opponents with new “intelligence.” Being more proactive may attract more negative attention.
<ul style="list-style-type: none"> • New web site initiative provides better communication potential. 	<ul style="list-style-type: none"> • Without a strong advocacy position, CAFII member employees may not be as confident in Creditor Insurance as they should be. 	<ul style="list-style-type: none"> • Enhanced advocacy may facilitate a better public awareness of Creditor Insurance and alternate distribution, and support member sales efforts. 	<ul style="list-style-type: none"> • Unexpected media or regulatory action.
<ul style="list-style-type: none"> • The external environment related to Creditor Insurance has been relatively quiet. 	<ul style="list-style-type: none"> • CAFII does not influence the practices of a segment of Creditor Insurance that regulators could target (egs. auto dealers, payday loan companies, non-FIs) 	<ul style="list-style-type: none"> • Potential to engage with consumer interest groups for monitoring and environmental scanning purposes. • Potential to engage with non-FI Creditor Insurance players to fend off broad brush PPI-type regulations. 	<ul style="list-style-type: none"> • Regulators might introduce broad brush new regulations for Creditor Insurance, to address concerns not being caused by CAFII members.

External Communications Audiences and Approaches: Current State and Future Vision

	Regulators and Policy-Makers	Media	Public and Consumer Interest Groups
Current State	CAFII has strong relationships, a good reputation and regular interaction with regulators. Inconsistent contact and relationships with policy-makers	Little or no interaction with Media and varying views amongst members about 'how far should we go?' Prepared to be selectively reactive with media	No specific current objective or strategy
	Selective use of CAFII research in: <ul style="list-style-type: none"> •Regulatory submissions •Meetings occasioned by regulatory consultations 	Selective use of CAFII research in "defence scenarios" currently contemplated	New website contemplates content designed for the public
Future Vision	Short- to Mid-term Objectives	Mid- to Long-term Objectives	Mid- to Long-term Objectives
	<ul style="list-style-type: none"> •CAFII interacts even more frequently with regulators and policy-makers through a variety of approaches. •They are fully aware of the needs of Canadians regarding Creditor Insurance and the role CAFII members play in providing ease of access to valuable products. 	<ul style="list-style-type: none"> •The benefits of Creditor Insurance are clearer. •Myths regarding Creditor Insurance are dispelled. •CAFII is seen to be a consumer advocate for easy, convenient access to a straightforward product; <u>and for Consumer Financial Literacy</u> 	<ul style="list-style-type: none"> •CAFII Members are proud to serve Canadians with products that meet their needs in terms of both protection and availability. •CAFII Members are seen as proponents of consumer access to simple, convenient insurance products; <u>and of Consumer Financial Literacy.</u>
	<ul style="list-style-type: none"> •Targeted research is regularly conducted on strategic issues •Research is regularly leveraged. •Messages for other stakeholders are tested with regulators and policy-makers. •Assess opportunities and tactics to begin outreach and influence non-FI Creditor Insurance players whose practices could give rise to PPI-type regulations 	<ul style="list-style-type: none"> •CAFII (and not others) is the "go to" place for credible information related to Creditor Insurance. •Detailed research findings are available to support messaging. 	<ul style="list-style-type: none"> •Better information and facts are available regarding Creditor Insurance and alternate distribution.

Future State Engagement with Key Audiences: From Reactive to Proactive – How Far to Move?



Future Vision			
Target Audience & Approach	Regulators and Policy-Makers	Media	Public and Consumer Interest Groups
Rationale	Proactive Advocacy <ul style="list-style-type: none"> •Reduces risk and increases opportunities to influence. •Receptive to understanding the value that Creditor Insurance and alternate distribution channels provide to under-served consumers, despite strong broker advocacy •Absence of this advocacy and CAFII messaging could lend credibility to broker messaging amongst this audience 	<u>Prepared and Selectively Proactive</u> <ul style="list-style-type: none"> •<u>CAFII has not previously engaged with media, and therefore has no earned credibility with this audience</u> •<u>If CAFII remains solely reactive and makes first media appearance in a defensive posture, that will be a long-lasting, negative impression</u> •<u>A reactive-only approach is the high risk strategy</u> •<u>Starting to engage proactively is the only way to build credibility with media and enter the marketplace in the right way</u> 	<u>Prepared And Selectively Proactive</u> <ul style="list-style-type: none"> •<u>CAFII has not previously engaged with the public or consumer interest groups, and therefore has no earned credibility with this audience</u> •<u>If CAFII remains solely reactive and has a defensive posture in first exposure with public and consumer groups, that will be a long-lasting, negative impression</u> •<u>A reactive-only approach is the high risk strategy</u> •<u>Starting to engage proactively is the only way to build credibility with the public and consumer interest groups and enter the marketplace in the right way</u>
Future Vision	<ul style="list-style-type: none"> •CAFII is increasingly proactive in its strategic use of facts and research findings to advocate for Creditor Insurance and the related public policy benefits of providing ease of access to simple insurance products 	<ul style="list-style-type: none"> •<u>CAFII is well-prepared to respond to media inquiries and to be selectively proactive, using strategic Key Messages and scenario-based Stock Answers, based on facts and research. CAFII takes advantage of media exposure opportunities where it "controls the pen" and earns "go to" credibility through selective proactive engagement.</u> 	<ul style="list-style-type: none"> •<u>CAFII is well-prepared to respond to public and consumer interest group inquiries and to be selectively proactive, using strategic Key Messages and scenario-based Stock Answers, based on facts and research. Having earned credibility with this audience, CAFII proactively engages on a selective basis. The Association and its members are seen as advocates for Consumer Financial Literacy.</u>

Future State:

2014 External Communications Tactics

Regulators and Policy-Makers

Proactive Advocacy

- Expand Regulator contact to include policy-makers
- Enhanced Regulator and Policy-Maker Visit Plan
- Regulator events /webinars
- Proactive written contact
- Strategic submissions
- Enhanced web content
- 'Regulator Kit'
- Targeted research to support messaging
- Commitment to face-to-face meetings with targeted regulators and policy-makers plus ongoing written contact
- Assess opportunities to influence non-FI Creditor Insurance groups on industry best practices

Media

Prepared and Selectively Proactive

- Respond strategically and selectively to media and social media misinformation
- Apply approved Media Protocol
- Deploy targeted Key Messages, written from a Consumer Financial Literacy lens
- Develop Media section on website.
- Develop "About Creditor Insurance" Media Kit, for friendly media.
- Participate in "pen control" media opportunities
- Build and sustain CAFII credibility by using independent research for Media Release content on targeted insurance topics.

Public and Consumer Interest Groups

Prepared and Selectively Proactive

Enhanced targeted web site:

- Key Messages
- FAQs
- Revamped "Contact Us"
- Consumer testimonials
- Search Engine Optimization to drive traffic to CAFII site
- Leverage targeted research to support messaging
- Monitoring/environmental scanning of consumer interest groups
- CAFII engages proactively, on a selective basis, with the public and consumer interest groups, mainly in support of Consumer Financial Literacy

Q4 of 2014

For each audience, revisit and assess strategy, level of engagement, and tactics for 2015

Measures of Success

We will know we have been successful when.....

Regulators and Policy-Makers

This Audience:

- Accepts and acts on policy recommendations and positions advocated by CAFII in a great majority of cases
- Recognizes CAFII as a credible, well-prepared “go to” resource on matters pertaining to Creditor Insurance and alternate distribution
- Regulators and Policy-Makers differentiate between CAFII members and other non-FI players that ‘dabble’ in certain forms of Creditor Insurance (egs. car dealers; payday loan companies; retailers)
- Becomes more fully aware of the benefits and value of Creditor Insurance to a broad, under-served segment of Canadian consumers
- Recognizes CAFII and its members as leading industry advocates and providers of convenient consumer access to simple, straightforward insurance products
- Has “first name basis” relationships with key CAFII representatives
- Knows that CAFII will meet with them regularly (minimum every 18 months) to maintain a face-to-face relationship, and will have ongoing written and phone contact
- Knows that interaction will be informative and worthwhile and include new industry insights, updates on important issues, and/or significant and reasonable “asks”
- Looks forward to receiving the results of CAFII’s independent research on insurance issues, and respects the credibility of the data
- Non-FI Creditor Insurance Players look to CAFII as the “go to” source re industry practices; some/all have become Associate members; and practices of concern to regulators are modified

Media

CAFII has:

- Made progress on changing media perceptions about Creditor Insurance through well-prepared handling of reactive media situations; acting and communicating to correct misinformation published about Creditor Insurance; and selective dissemination of well-developed Media Kit materials
- Delivered Key Messages and Stock Answers that resonate with media and are quoted in resulting media coverage
- Participated in “pen control” media communication opportunities and maximized the utility and impact of the resulting exposure
- Launched a program of Media Releases based on independent, third party consumer research on targeted insurance topics, and measured its effectiveness
- Monitored media coverage and social media posts; and responded when appropriate, thereby achieving initial progress on dispelling media myths about Creditor Insurance and alternate distribution channels
- Begun to be seen as a consumer advocate identified with the Association’s tagline: “Making Insurance Simple and Accessible for all Canadians” and as a proponent of Consumer Financial Literacy

The Public and Consumer Interest Groups

CAFII has:

- Leveraged enhanced information on the web site for responding to questions about Creditor Insurance and alternate distribution
- Web site stats that show consistent growth in traffic, especially to consumer testimonials
- When and if appropriate, engaged proactively with the public and/or consumer interest groups around Consumer Financial Literacy or other targeted insurance topics
- Become identified with the Association’s tagline: “Making Insurance Simple and Accessible for all Canadians” and as a proponent of Consumer Financial Literacy

APPENDICES

APPENDIX A: 2014 Communications Tactics

- Regulators and Policy-makers
- Media
- Public and Consumer Interest Groups

APPENDIX B: Implementation Timelines For New Tactics – Regulators and Policy-Makers

APPENDIX C: Key Message Map : Benefits/Value of Creditor's Insurance

Samples for illustration purposes – to be confirmed once plan approved

Appendix A: 2014 Communications Tactics

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 against 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

Appendix A: 2014 Communications Tactics

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><u>New /Enhanced Activity:</u></p> <ul style="list-style-type: none"> • <u>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)</u> • <u>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</u> • <u>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</u> • <u>Identify “friendly” media representatives</u> • <u>Respond to media requests for information and interviews, in accordance with Board-approved Media Protocol</u> • <u>Monitor media coverage and social media posts (English and French) re Creditor’s Insurance and related CAFII-relevant issues</u> <ul style="list-style-type: none"> – <u>Strategically and selectively respond to published misinformation about Creditor’s Insurance products, using Key Messages and Stock Answers</u> • <u>Provide media training session for Executive Director and available Board members, based on approved Key Messages and Stock Answers</u> • <u>Create “About Creditor Insurance” Media Kit from web-based resources, for ready dissemination when need arises</u> <ul style="list-style-type: none"> – <u>some overlap with Regulator Kit content, so likely dual application of information pieces developed</u> – <u>Develop Media-focused section on CAFII web site</u> • <u>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</u>

Appendix A: 2014 Communications Tactics

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><u>New/Enhanced Activity:</u></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) • <u>When and if appropriate, engage proactively with the public and/or consumer interest groups around Consumer Financial Literacy or other targeted insurance topics</u> • <u>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</u>

Appendix B: Implementation Timelines For New Tactics

Regulators and Policy-Makers

(Sample only. To be revised – along with Implementation Timelines for other Key Audiences – once Communications Strategy approved and Tactics finalized)

				2013		2014												
			Period	oct	nov	dec	jan	feb	mar	apr	may	jun	jul	aug	sep	oct		
Objective	Comms. Objective	Audience	Activity															
Engage effectively with Key Audience	Position CAFII as the “go to” resource for credible information about Creditor Insurance	Regulators and Policy-Makers	Update Regulatory Visit Plan to achieve objective of meeting face-to-face with each relevant regulator and policy-maker at least once every 18 months	X	X													
		“	Include provision for expenses re augmented Regulatory Visit Plan in 2014 Operating Budget	X	X													
		“	Compile list of industry conferences, symposia, etc. that provide a meaningful opportunity for interaction with regulators and policy-makers	X	X													
		“	Include provision for expenses re attendance and liaison meetings at industry conferences, symposia etc. in 2014 Operating Budget	X	X													
		“	Compile list of events that provide meaningful opportunity for interaction with regulators and policy-makers	X	X													
		“	Include provision for expenses re CAFII participation in relevant events in 2014 Operating Budget	X	X													
Demonstrate the value of Creditor Insurance	Communicate the consumer benefits of Creditor Insurance, and positively influence perceptions, awareness, and understanding	Regulators and Policy-Makers	Develop Regulator Kit															
		“	Disseminate Regulator Kit	X	X	X												
		“	Formulate plan and budget for increased use of independent consumer research	X	X	X												
		(Non-FI Creditor Insurance Groups)	(Identify and engage with non-FI Creditor Insurance Groups around regulatory risk discussions and industry education; and possible Associate membership in CAFII)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X

Appendix C:

Key Message Map - Benefits/Value of Creditor's Insurance

(Sample only for illustration purposes - Key Message Map available for each Key Message)

Net Impression Takeaway:

Overall, Creditor's Insurance is a competitive and affordable product, and meets a distinct market need.

Key Message #1	Key Message #2	Key Message #3
Creditor mortgage Insurance is affordable and competitive with term life insurance, and more advantageous for some consumers	Creditor mortgage insurance's approach to pricing and payments benefits the consumer	Creditor insurance protects specific debt obligations, thereby allowing other personal and/or group coverage to take care of other financial obligations of the consumer's family
SUPPORTING PROOF POINTS		
<ul style="list-style-type: none"> ▪ Creditor offers level premium for duration of original debt, be it 5 or 35 years ▪ Creditor pricing model of initial age and initial balance, with coverage paid on declining balance, equalizes premium over mortgage term, making coverage more affordable and accessible for younger, lower net worth, lower income borrowers ▪ While individual term life provides a consistent coverage level, annual premium cost may be prohibitive for some home buyers, particularly in early years, so they don't buy coverage ▪ Creditor may be more expensive at certain ages, as it's based solely on age bands versus male/female and smoker/non-smoker for term insurance ▪ ie... term 10/20 may be cheaper for young female non-smokers, but term premiums increase at set intervals (every 10 or 20 years), which can be very costly in long run ▪ Over the life of a mortgage, the cost of creditor insurance is very competitive with term 10/20. 	<ul style="list-style-type: none"> ▪ Creditor offers level premium for duration of original debt, be it 5 or 35 years ▪ In most cases, same premium is charged for the life of the mortgage, based on client's age and mortgage amount at time of application, even if mortgage is renewed (so long as mortgage amount doesn't change) ▪ This spreads out the total cost of insurance coverage over life of the mortgage, making it easier to "budget expenses" and afford the needed coverage ▪ Premiums are conveniently paid via the regular mortgage payment and remain constant during term of mortgage ▪ This approach also protects consumers from increased insurance costs as they move to older, higher premium age bands 	<ul style="list-style-type: none"> ▪ Creditor insurance complements other insurance coverage by providing a family with full protection in the event of death or disability ▪ Creditor insurance is a cost-effective way to protect a mortgage or loan debt and one's credit rating ▪ By directly covering a specific debt obligation, creditor insurance frees up other individual and group life and disability benefits to protect a family's quality of life by covering such expenses as medical, education, childcare, burial, capital gains taxes, etc. ▪ 50% of Canadian adults under age 50 will experience a disability lasting between three months and two years before age 65, during which debt and new expenses must be covered ▪ Combined with individual and group disability coverage (typically maximum 70% of income), creditor insurance provides complementary coverage and full protection in the event of death or disability. All should be considered as part of an overall financial plan ▪ 59% of Canadians who have creditor insurance also own individual life insurance; 38% of them also have group life (Ipsos-Reid Canadian Financial Monitor for year ending December 2005)

CAFII Meeting, Presentation and Reception Summary

When:	Tuesday, October 7, 2014	Overview	2:00 – 4:30 pm	Board Meeting
Where:	TD Bank Tower		5:00 – 5:45 pm	Speaker Presentation
	66 Wellington St. W, 54 th Floor		5:45 – 7:00 pm	Reception and Networking
	Toronto, ON			

Topic: [Vision, Values, And Initiatives In CCIR's 2014-17 Strategic Plan](#)

In this presentation, Carolyn Rogers will highlight the vision and values behind CCIR's soon-to-be-published 2014-17 Strategic Plan, and its key initiatives. She'll also share hot-off-the-presses news related to implementation of the key initiatives, fresh from CCIR's Fall meeting the previous week, and insights on hot button industry issues.

Speaker: [Carolyn Rogers](#)

CEO, Financial Institutions Commission of British Columbia; and
 Chair, Canadian Council of Insurance Regulators

Carolyn Rogers became CEO of BC's FICOM in June 2010. Her chief executive role includes responsibilities as Superintendent of Insurance; Superintendent of Financial Institutions; Superintendent of Pensions; Superintendent of Real Estate; Registrar of Mortgage Brokers; and CEO of the Credit Union Deposit Insurance Corporation. Her previous career experience includes the CEO role at Hydroxyl Systems, a Victoria-based waste water treatment company, and serving as Assistant Deputy Minister at the BC Public Service Agency, which provides human resources services to government ministries and agencies.

In 2012, she was appointed Chair of the Canadian Council of Insurance Regulators, the inter-jurisdictional association of insurance regulators mandated to facilitate and promote an efficient and effective insurance regulatory system in Canada that serves the public interest. CCIR traces its ancestry back to 1914, and is celebrating its centennial this year.

A native of Winnipeg, Carolyn earned her undergraduate degree at Brandon University, followed by an MBA at Queen's University and the Certified Management Accountant (CMA) designation.

Attendance Summary

Confirmed: 100 people (as of Oct 3, 2014)

Regulator [Financial Services Commission of Ontario](#)

- Attendees:**
- **Wendy Horrobin**, Manager, Market Risk Assessment, Licensing & Market Conduct Division
 - **Phil Howell**, CEO & Superintendent of Financial Services
 - **Grant Swanson**, Executive Director, Licensing & Market Conduct Division

Other

- **Carolyn Rogers**, CEO, BC FICOM
- **Darrell Leadbetter**, Director, Property and Casualty Insurance Group, OSFI

[Ministry of Finance](#)

- **Maria Cece**, Senior Manager, Insurance Policy Unit, Ministry of Finance
- **Frank Allen**, Assistant Deputy Minister, Financial Services Division, Ministry of Finance **new*
- **David McLean**, Policy Advisory, Office of Economic Policy, Ministry of Finance
- **Michael Weisman**, Senior Policy Advisory, Insurance Policy, Ministry of Finance

- **Holly Nicholson**, General Manager, OLHI
- **Douglas Melville**, Ombudsman and CEO, OBSI