

CAFII Meetings

Date: Tuesday, April 26, 2016
Location: CIBC Insurance, Commerce Court
199 Bay Street, 4th Floor, Toronto, ON
*Please collect your security pass from
Reception to gain access to the elevator
to the 4th Floor.*

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

Agenda

Item	Presenter	Action	Document
1. Call to Order	G. Grant	Update	
2. Approval of Agenda and Previous Minutes <ul style="list-style-type: none"> a. EOC Minutes of March 29, 2016 b. Board Minutes of April 12, 2016 c. Summary of Board and EOC Action Items 	All	Approval Approval Update	✓ ✓ ✓
3. CAFII Financial Management <ul style="list-style-type: none"> a. Financial Statements as at March 31, 2016 	R. Rajaram	Approval	✓
4. Regulatory <ul style="list-style-type: none"> a. Consultations/Submissions Timetable <ul style="list-style-type: none"> i. BC “Effecting” of CGI issue ii. CCIR Annual Statement on Market Conduct iii. CCIR Review of Travel Health Insurance iv. Saskatchewan Bill 177 Regulations v. FSCO Draft 2016 Statement of Priorities b. Regulatory Update c. Regulator and Policy-Maker Visit Plan 	B. Wycks	Update	✓ ✓ ✓
5. EOC Committee Updates <ul style="list-style-type: none"> a. Research & Education b. Media Advocacy c. Market Conduct d. Licensing Efficiency Issues 	S. Manson C. Blaquiere R. Beckford M. Gill	Update Update Update Update	✓ (2)
6. Other Business <ul style="list-style-type: none"> a. .INSURANCE Registration 	J. Skeates/B. Wycks	Update	

- Next EOC Meeting: Tuesday, May 24/16 hosted by CIBC Insurance, Commerce Court
- Next Board Meeting (and Annual Meeting): Tuesday, June 7/16 hosted by Assurant Solutions at St. Andrew’s Club & Conference Centre, 150 King St. West at University Avenue (Sun Life Tower), 27th Floor, Toronto

CAFII EOC Meeting Minutes
Tuesday, March 29, 2016
Location: CIBC, Commerce Court
199 Bay Street, 4th Floor, Toronto, ON

Present:	Carol Allen	Assurant Solutions (<i>by teleconference</i>)
	Rose Beckford	ScotiaLife Financial (<i>by teleconference</i>)
	Jason Beauchamp	BMO Insurance
	Charles Blaquiere	Canadian Premier Life Insurance Co. (<i>by teleconference</i>)
	Isabelle Choquette	Desjardins Financial Security Life Assurance (<i>by teleconference</i>)
	Moira Gill	TD Insurance
	Greg Grant	CIBC Insurance, <i>Chair</i>
	John Lewsen	BMO Insurance
	Sue Manson	CIBC Insurance
	Raja Rajaram	CIBC Insurance (<i>by teleconference</i>)
	Jodi Skeates	The CUMIS Group (<i>by teleconference</i>)
	Andrea Stuska	TD Insurance
Regrets:	Eleanore Fang	TD Insurance
	Diane Quigley	The CUMIS Group
	Jerome Savard	Desjardins Financial Security Life Assurance
	Ana Vu	BMO Insurance
Also Present:	Leya Duigu	T•O Corporate Services, <i>Recording Secretary (by teleconference)</i>
	Brendan Wycks	CAFII Executive Director

1. Call to Order

The meeting was called to order at 2:00 pm. G. Grant acted as Chair and L. Duigu acted as Recording Secretary. Andrea Stuska from TD Insurance was welcomed to the EOC.

2. Approval of Agenda and Previous Minutes

a. Approval of Agenda

Approved as presented.

b. Approval of EOC Minutes of February 29, 2016

The minutes were approved with the following amendments:

- Rose Beckford's attendance to be revised to read "for part".
- 4b. Regulatory Update, 1st Bullet, Action Item to be revised as follows: Advise Martin Boyle that CAFII will be offering its independent perspective on the CCIR Annual Statement on Market Conduct. [*Brendan; tba*]
- 5a. Research & Education, 2nd sentence to be revised as follows: CAFII members recently proposed that a nine to 18 month implementation period be adopted for this, and the MOH officials were briefed on what effects a shorter implementation would have.

c. Summary of Board and EOC Action Items

- #3. Draft letters have been created and are waiting for additional statistics from Sue and review by Greg.
- #16. LIMRA Membership. A number of benefits were cited for CAFII becoming a LIMRA member, including access to the members only section of its website and to some research studies. At this time, the full list of benefits and pricing is not known; however, we expect this will be communicated by LIMRA in the near future.

3. CAFII Financial Management

a. Financial Statements as at February 29, 2016

Raja reported on the financials as at February 29, 2016. The Income Statement shows total revenue at \$72,669 and expenses at \$60,123, resulting in a small surplus of \$12,546. It is still early in the year and we expect the expenses to grow over the course of the next few months. The Balance Sheet shows a bank balance of \$257,002; accounts receivable relating to membership dues not yet collected of \$241,875; and liabilities of \$185,464. Unrestricted net assets are at \$371,537. New on the Balance Sheet is the addition of intangible assets relating to the registration of the CAFII logo and acronym as trademarks.

b. Proposed Quarterly Financial Reporting – March 2016

The Quarterly Financial Reporting document being proposed is the result of recent meetings between Brendan, Greg, Raja, and TO Corporate Services. The goal is to provide more context to the financial statements, more accurate tracking of our spending against the budget throughout the year, and more precise tracking of the Association's financial reserves. In addition, the report will provide more timely data as TO Corporate Services' financial controller now has online access to the CAFII bank statements which means she can produce the financial statements earlier in the subsequent month. This forecasting report will be presented on a quarterly basis.

c. Draft Audited Financial Statements

The 2015 draft audited financial statements will be presented to the Board at its next meeting on April 12 for approval. A meeting was held with the auditors earlier today, during which no issues were reported and CAFII has been given a clean, unqualified audit opinion. At this stage, the auditors are waiting on two things: (i) to receive a response from Borden Ladner Gervais confirming there are no legal matters not yet reported; and (ii) for CAFII officers to sign the letter of management representations, following approval of the draft audited statements at the April 12 Board meeting.

EOC members reviewed the draft audited financial statements and a change was requested to the Income Statement, so that the Market Conduct and Research and Education Committee expenses are listed separately.

Action: Contact auditors KPMG and request that the Market Conduct's and Research and Education Committee's expenses be reported separately on the Income Statement. *[Leya; April 1, 2016]*

4. Strategy and Governance

a. EOC Chair Succession Planning

Greg advised members that he will be stepping down as EOC Chair in June and is seeking a successor. In addition, Sue will be stepping down as Chair of the Research and Education Committee and is also seeking a successor.

b. 2016 Balanced Scorecard

Greg presented the updated Balanced Scorecard prepared by Brendan, noting that the document's Regulatory section closely aligns with the Consultations/Submissions Timetable. The goal of this document is to provide the Executive Director with clear goals and well-defined measures to work toward throughout the year. It was noted that good progress has been made already, with a number of initiatives completed in the first quarter of the year. Several others are in a holding pattern, as we wait on consultation documents, policy proposals, or draft regulations to be released.

c. Meetings and Events

Leya presented the CAFII meetings and events calendar for the remainder of 2016, noting a change in the hosting of Board meetings such that BMO will be hosting the Board meeting on November 29 and Assurant Solutions will be hosting the Board meeting on June 7.

Currently, there are no speakers planned for CAFII events other than the Annual Members' Luncheon. In discussion, however, EOC members acknowledged the value of speaker presentations, particularly as a benefit for CAFII's Associates and it was noted that identifying potential speakers has previously been the responsibility of the EOC in the absence of an Events and Networking Committee. Potential speaker topics suggested for CAFII Receptions included the CAFII-commissioned research by Pollara on consumer satisfaction with travel health insurance; the market conduct work being done by CCIR's Insurance Core Principles Implementation Committee (ICPiC); and FSCO's future mandate, after the government receives the final report of the Expert Panel and makes implementation decisions. The next opportunity to hold a speaker event will be on June 7 and, to this end, we should touch base with Assurant Solutions to ensure that the venue booked for CAFII's meetings on that date can accommodate a Reception with a speaker.

Action: Seek clarification on whether the venue booked by Assurant Solutions for June 7 can accommodate a speaker presentation. [Leya; April 8, 2016].

Action: The list of past CAFII speakers to be circulated to the EOC by email. [Leya; April 14, 2016]

d. Trademark Renewal

Brendan reported that Blaney McMurtry has been engaged to renew CAFII's trademark on its former logo and, in addition, to trademark both the new CAFII logo and the Association's acronym. The process is expected to take 12-16 months.

On a related topic, Jodi informed members of the introduction of .INSURANCE as an internet domain registry, and suggested that CAFII may also wish to register one or more domain names with this registry. The owner of .INSURANCE is meeting with CLHIA tomorrow.

Action: Additional information regarding the .INSURANCE internet domain registry to be provided. The EOC will then determine if it will recommend registering one or more domains.
[Jodi; April 11, 2016]

5. Regulatory

a. CAFII Consultations/Submissions Timetable 2016-17

Brendan presented the highlights of the Consultations/Submissions Timetable, 2016-17, and discussion occurred as follows:

- BC 10-Year Review. On March 24, the BC Ministry of Finance released a high level, summary report on "Input Received from Stakeholders in Response to FIA/CUIA Review Initial Public Consultation Paper" and also published 41 stakeholder submissions on its website.

In the Insurance Sector section, the report provides an extensive summary of the comments and recommendations made by the Insurance Council of BC. A reading of the summary for that section makes it plain that there are two opposed camps of stakeholders on the Insurance Retailing and Licensing Exemptions and Regulation of Insurance Intermediaries issues. CAFII, CLHIA, CADRI, CBA, and IBC are well-aligned in favouring the status quo in these areas, while the Insurance Council of BC, Advocis, the Independent Financial Brokers of Canada, the Insurance Brokers Association of BC, and the Canadian Association of Independent Life Brokerage Agencies (CAILBA), a national Association of life-focused Managing General Agents, are aligned in calling for an end to the current system of licensing exemptions for insurance sold incidentally in BC.

In the report's preamble, the Ministry stresses that "while stakeholder input is an important part of the review process and will be used to inform analysis of the issues, this summary of the feedback received from stakeholders about each issue is not intended to represent or signal future government policy, or to suggest that any particular changes will be proposed."

- BC FICOM Information Bulletin on CGI. CLHIA was to discuss industry concerns around the CGI Information Bulletin with FICOM in February, and members enquired as to the outcome. Brendan reported that no update was available at this time. One issue relates to mortgage brokers and FICOM's views on how they can be brought into compliance with the Bulletin. Members agreed that CAFII should reach out to CLHIA directly to seek clarification on this issue.

Action: Follow-up with CLHIA on the results of their discussions with BC FICOM regarding the CGI Information Bulletin. *[Brendan; April 26, 2016]*

- QC Ministry of Finance. CAFII members had agreed to reach out to the Quebec Ministry of Finance for a meeting on online distribution of insurance, in order to counter-balance the views being expressed by the broker community. In the process of requesting a meeting, Brendan was advised by Yann Nachabé, Political Counsel to Finance Minister Carlos Leitao, that the Ministry will be moving ahead in support of online distribution of insurance without the necessity of having a licensed agent or advisor involved. The Ministry subsequently offered a meeting on April 4, which CAFII will be politely declining as our concerns have been addressed.
- CCIR Annual Statement on Market Conduct. Members discussed the work on the CCIR Annual Statement on Market Conduct, noting that CAFII was initially consulted on it. However, since then CCIR's efforts to refine the draft Statement and address industry concerns have been channeled exclusively through two industry working groups: a CLHIA-led group for the Life and Health Insurance sector; and an Insurance Bureau of Canada-led group for the P&C sector.

It was determined that CAFII should reach out to Martin Boyle, the CCIR Policy Manager responsible for this file, and advise that CAFII could provide helpful perspectives on the Statement's workability for companies that offer life and health coverage through alternate distribution channels.

Action: Contact Martin Boyle and express the importance of including CAFII in any discussions about revisions to the draft Harmonized Annual Statement on Market Conduct moving forward. *[Brendan; April 12, 2016]*

- FSCO Mandate Review. The Ontario budget delivered in February announced that the Expert Panel's final report on the proposed future mandates of FSCO, DICO, and the FST would now be delivered in the Spring; and David McClean, Secretary to the Panel, has recently indicated that it will likely be another month or two before it is released. Members agreed there is some value in reaching out to David McLean at the Ontario Ministry of Finance despite this.

Action: Follow-up with David McLean, Ontario Ministry of Finance, regarding the status of the final report of the Expert Panel advising on the future mandates of FSCO, DICO, and the FST and any new information that may be available. *[Brendan; April 12, 2016]*

b. Regulatory Update

- CCIR Travel Insurance Working Group (TIWG). Greg remarked that he presented the Executive Summary of the Pollara Travel Medical Study at a joint CLHIA/CAFII meeting with the CCIR TIWG on March 16, noting that the positive quantitative results from the survey were well-received. At that meeting, we learned that the TIWG expects to release its Issues/Discussion Paper earlier than previously indicated, and there will not be an opportunity for CAFII to present the full results of the Pollara study before the Paper is released. As a result, we've decided to provide the full results report from the Pollara study to the CCIR at this time.
- Mandatory Five Year Review of the Bank Act. Rose advised that the new federal government's budget announced that this would be pushed back from 2017 to 2019. The Bank Act is at the heart of the business that CAFII members are in. Input will be driven by the CBA with input from CAFII, as in the previous round.

6. EOC Committee Updates

a. Research & Education

Sue reported that the CAFII group of travel insurance experts has been working to complete a proposal of common language for travel medical insurance limitations and exclusions. As part of CAFII's collaboration with CLHIA on the travel insurance initiative, the CAFII group expects to provide their recommendations for the CLHIA working group to build on. Limitations and exclusions is one of three components of a policy wording roadmap the CAFII group is developing to provide a starting point for CLHIA. The other two components are definitions and policy layout.

b. Media Advocacy

Charles remarked that the committee's goal was to have a media plan for review and discussion at today's meeting. However, a few setbacks were experienced with the firm that was hired to complete the work and, after a few meetings, a decision was made to cut them loose. We then approached a firm recommended by TD Insurance, Fleishman Hillard, but they were not suitable. Fortunately, committee member Brian Smith from BMO recommended a well-qualified individual who formerly worked at RBC, and a meeting has been scheduled with him to determine if there is a good fit.

c. Market Conduct Committee

No further report beyond Market Conduct issues discussed under Regulatory section.

d. Licensing Committee

Moira reported that the Licensing Committee recently worked on a CAFII submission in response to the FCNB's position paper on reforming the licensing framework for other-than-life agents and brokers; and also provided feedback directly to FCNB officials on the functionality and effectiveness of Phase 1 of its online insurance licensing system.

7. Termination

There being no further business, the meeting was terminated at 4:00 p.m.

Date

Chair

Recording Secretary

CAFII Board Meeting Minutes

Tuesday, April 12, 2016

Location: Albany Club

91 King St. East, Toronto

DRAFT

Present:	Chris Knight	TD Insurance	<i>Acting Chair</i>
	Nicole Benson	Canadian Premier Life Insurance	<i>(by teleconference)</i>
	Linda Fiset	Desjardins Financial Security	<i>(by teleconference)</i>
	Bob Grant	ScotiaLife Financial	
	Todd Lawrence	CIBC Insurance	
	Chris Lobbezoo	RBC Insurance	
	Kelly Tryon	The CUMIS Group	
	Robert Zanussi	Assurant Solutions	<i>(by teleconference)</i>
EOC Present:	Rose Beckford	ScotiaLife Financial	
	Charles Blaquiere	Canadian Premier Life Insurance Co.	
	Eleanore Fang	TD Insurance	<i>(by teleconference)</i>
	Moirra Gill	TD Insurance	<i>(by teleconference)</i>
	Greg Grant	CIBC Insurance	<i>Secretary</i>
	Sue Manson	CIBC Insurance	
	Diane Quigley	The CUMIS Group	
	Raja Rajaram	CIBC Insurance	<i>(by teleconference, for part)</i>
Also Present:	Emily Cloutier	T•O Corporate Services	<i>Recording Secretary (for part)</i>
	Leya Duigu	T•O Corporate Services	<i>Recording Secretary</i>
	Brendan Wycks	CAFII	<i>Executive Director</i>
Regrets:	Peter McCarthy	BMO Insurance	
	Joane Bourdeau	National Bank Insurance	
	Carol Allen	Assurant Solutions	
	John Lewsen	BMO Insurance	
	Jodi Skeates	The CUMIS Group	

1. Call to Order

The meeting was called to order at 3:07 p.m. C. Knight acted as Chair; G. Grant acted as Secretary; and L. Duigu and E. Cloutier acted as Recording Secretaries.

C. Knight welcomed all in attendance. He advised that CAFII Board Chair P. McCarthy and Vice-Chair J. Bourdeau were unable to attend, so he would be chairing the meeting in their absence.

C. Knight reminded Directors that, during the Approval of Agenda, he would ask if everyone was comfortable with the Consent section of the agenda. If a Director wished to discuss any of the five items placed in the Consent section, it would be moved into the regular section of the agenda and discussed at the appropriate time.

Secretary G. Grant confirmed that Notice of the meeting was sent to all Directors in accordance with the Association's By-Law; and that a quorum of Directors was present in-person or on the phone.

C. Knight declared the meeting duly convened and properly constituted for the transaction of business.

1.1. Approval of Agenda

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

The Meeting Agenda be approved as circulated.

1.2. Appointment of New Director

C. Knight advised that he had in-hand an e-mail message from Nick Bilodeau, Head of Insurance (Canada) at Amex Bank of Canada, confirming his willingness to serve as his company's Director on the CAFII Board, if so elected. Mr. Bilodeau was unable to attend this Board meeting. However, as per the CAFII Bylaw, the Board was permitted to proceed with his election to the Board, based upon his written confirmation of his willingness to serve.

On motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

Nick Bilodeau be appointed as a Director representing American Express Bank of Canada on the CAFII Board of Directors, effective April 12, 2016 until the next annual Meeting in June 2016.

Action: Notify Nick Bilodeau, American Express, of his election to the Board of Directors. *[Brendan; April 18, 2016]*

2. Consent Items

C. Knight advised that documents had been provided for each of the five items listed in the Consent section of the agenda; and it was presumed that Directors had reviewed them in advance of this meeting.

With no requests being made by Directors that any of the five items in the Consent section be moved into the regular section of the agenda, on a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

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

- Summary of Board & EOC Action Items
- Balanced Scorecard
- Regulatory Update
- Regulator and Policy-Maker Visit Plan

IT WAS FURTHER RESOLVED that:

The Minutes of the meeting of the Board held on December 8, 2015 be and are adopted in the form presented, and that a copy of these minutes be signed and placed in the Minute Book of the Corporation.

3. Financial Update

3.1 Financial Statements as at February 29, 2016

Treasurer R. Rajaram reported on the Association's financial statements as at February 29, 2016. The Income Statement shows total revenue at \$72,669 and expenses at \$60,123, leaving a small year-to-date surplus of \$12,546. In addition, the first instalment of 2016 membership dues have been received – or are en route via a wire transfer – from all members. The Balance Sheet shows a bank balance of \$257,002; accounts receivable relating to membership dues not yet collected of \$241,875; and liabilities of \$185,464. Unrestricted net assets are at \$371,537 putting the level of our Financial Reserves at 72%.

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

The CAFII financial statements as at February 29, 2016 be and are approved in the form presented.

3.2 Quarterly Financial Reporting – March 2016

Treasurer R. Rajaram presented a newly developed Quarterly Financial Reporting document, and advised that its purpose was to provide more context to the financial statements. He highlighted that it facilitates more accurate forecasting of the Association's spending throughout the year and how revenue and expenses are tracking against the budget. This report also facilitates a more precise monitoring of the Association's financial reserves against the level budgeted for the end of the fiscal year.

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

The CAFII Quarterly Financial Reporting – March 2016 document be and is approved in the form presented.

3.3 2015 Draft Audited Financial Statements

Treasurer R. Rajaram presented the Association's 2015 Draft Audited Financial Statements, with particular focus on the Statement of Operations and Changes in Unrestricted Net Assets; the Statement of Financial Position; and the Independent Auditors' Report. He noted that auditors KPMG had rendered a clean, unqualified audit opinion and none of the numbers provided in the draft 2015 year-end statements prepared by the Association's Controller had changed as a result of the audit.

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

The 2015 Draft Audited Financial Statements be and are hereby approved in the form presented and will be presented to the membership for approval at the Annual Meeting on June 7, 2016.

4. Regulatory Consultations/Submissions Timetable:

4.1. BC 10-Year Review of Financial Institutions Act

B. Wycks reported that on March 24, the BC Ministry of Finance released a high level, summary report on “Input Received from Stakeholders in Response to FIA/CUIA Review Initial Public Consultation Paper” and also published 41 stakeholder submissions on its website.

In the Insurance Sector section, it is evident that there are two opposed camps of stakeholders on the Insurance Retailing and Licensing Exemptions and Regulation of Insurance Intermediaries issues. CAFII, CLHIA, CADRI, CBA, and IBC are well-aligned in favouring the status quo in these areas, while the Insurance Council of BC, Advocis, the Independent Financial Brokers of Canada, the Insurance Brokers Association of BC, and the Canadian Association of Independent Life Brokerage Agencies (CAILBA), a national Association of life-focused Managing General Agents, are aligned in calling for an end to the current system of licensing exemptions for insurance sold incidentally in BC.

G. Grant recalled that CAFII Representatives P. McCarthy, K. Tryon, B. Wycks, and himself had met with the key Ministry of Finance policy-makers about this review on November 10/15 in Vancouver. Previously, in November 2014, he had represented CAFII at a pre-consultation roundtable meeting of stakeholders with the Minister of Finance and Ministry officials.

B. Wycks advised that as a follow-up to the November 2015 meeting with the Ministry’s leaders of this review, CAFII would soon be sending a package of follow-up information to them. G. Grant noted that this information should help the Ministry officials to gain a better understanding and appreciation of where creditor’s group insurance fits within the overall insurance landscape.

4.2. BC ‘Effecting’ of CGI Issue

B. Wycks advised that after CAFII sent a follow-up letter to BC FICOM on March 15, to pose a few follow-up questions in relation to the CGI Information Bulletin which FICOM issued last September. On April 4, Harry James, Senior Regulatory Advisor at FICOM, called to set up a teleconference on April 14 to discuss the questions raised in CAFII’s letter, and FICOM’s likely responses, before responding in writing.

B. Wycks also indicated that prior to this call, he will seek an update from CLHIA on what progress has been made, if any, in its discussions with FICOM on CGI Information Bulletin issues, particularly with respect to the mortgage broker distribution channel.

R. Beckford recalled that in January, the CLHIA had been successful in securing from FICOM a one-year extension in the deadline date for implementation of the Bulletin’s provisions, to March 31, 2017. G. Grant noted that in pursuing resolution of some outstanding questions related to the Bulletin’s scope and application, CLHIA had also been able to have them raised to the level of Carolyn Rogers, CEO of the Commission.

4.3. Quebec Review of Distribution Act

B. Wycks reported that in response to a CAFII-initiated request to the Quebec Ministry of Finance for a meeting around online distribution of insurance – which had been approved by the EOC and Board Chair P. McCarthy – he received a phone call on February 25 from Yann Nachabé, Political Counsel (Policy Advisor) to Minister Carlos Leita. Mr. Nachabé provided reassurance that, in due course, the Ministry will be moving ahead in support of online distribution of insurance without the necessity of having a licensed agent or advisor involved. He stated “I’m a millennial and there’s no way that I could recommend to the Minister what the brokers are asking for. There’s no way that we want to turn back the hands of time by 20 years.”

Confirmation of a meeting date/time was deferred, as Ministry staff were focusing on delivering the provincial budget on March 17. Subsequently, on March 22, the Ministry contacted B. Wycks again to offer a meeting in Montreal on Monday, April 4. However, in consultation with Board Chair P. McCarthy, and in light of the information communicated by Mr. Nachabé, we decided to diplomatically withdraw the meeting request.

4.4. CCIR Annual Statement on Market Conduct

R. Beckford advised that in a liaison meeting with CCIR’s two Policy Managers earlier today, CAFII was informed that in late April or early May, CCIR intends to circulate another draft of its Harmonized Annual Statement on Market Conduct to industry stakeholders for comment, with a 45 day feedback period. This is good news as it indicates that CCIR is willing to provide CAFII and other stakeholders with an opportunity for further review before the Statement is finalized.

R. Beckford also noted that over the past several months CCIR had been working with industry working groups led by CLHIA (for the life and health insurance sector) and the Insurance Bureau of Canada (for property and casualty insurance) on refining the draft Annual Statement. Martin Boyle, the Policy Manager responsible for this file, advised CAFII today that based on the feedback put forward by CLHIA, the revised version to be circulated for comment will be substantially different from the original version circulated in 2015.

B. Wycks noted that with respect to implementation of the Annual Statement, Mr. Boyle informed CAFII that because CCIR accepts that some insurers either aren’t currently tracking at all the information that regulators seek, or they aren’t tracking it in the manner that regulators want, a preliminary version of the Annual Statement will be used for the first year in 2017. This will ensure that insurers are able to provide regulators with some of the information requested. A more substantive version of the Statement will be implemented the following year.

B. Wycks also advised that in response to an outreach from CAFII, Laurie Balfour, Chair of CCIR’s Insurance Core Principles (ICPs) Implementation Committee (ICPIC), had offered to make a teleconference/webinar presentation to CAFII members on her committee’s recent work on the IAIS’ ICPs, its Co-operative Framework For Market Conduct Supervision, and the Harmonized Annual Statement on Market Conduct. That presentation will likely take place in May.

4.5. Ontario Review of FSCO Mandate

B. Wycks advised that Ontario's February 25 provincial budget states that the final report from the Expert Panel on the future mandates of FSCO, DICO, and the FST is expected in the Spring and that the government will identify and pursue necessary legislative or regulatory changes "as early as possible." Previously, the Expert Panel's final report was expected to be released by late Winter 2016.

4.6. CCIR Review of Travel Health Insurance

B. Wycks advised that in a liaison lunch earlier today with CCIR Policy Managers Martin Boyle and Sean Jacobs, they advised CAFII that the Council's Travel Insurance Working Group (TIWG) will be releasing an Issues/Discussion Paper in the early summer, for a 90 day consultation period.

From the summary of the March 16 CAFII/CLHIA joint meeting with the TIWG, B. Wycks highlighted G. Grant's presentation of the results from the CAFII-commissioned research by Pollara Strategic Insights on Canadian consumers' satisfaction with travel health insurance.

G. Grant commented that the Pollara research results present quite a good news story for the industry in terms of very high levels of consumer satisfaction with all aspects of travel health insurance. While there is skepticism on the part of some members of the TIWG about the insights generated by the Pollara study, the group seemed to appreciate the presentation and the fact that CAFII had decided to commission a study by a professional market research firm to obtain quantitative data. They acknowledged the benefits of having nationally representative consumer data to augment the anecdotal data that was previously generated by a travel insurance broker and a CCIR media release.

Subsequent to the March 16 meeting, G. Grant advised, CAFII has shared a copy of the full Pollara results report with CCIR and with the industry, through CLHIA. We are now in a holding pattern awaiting the release of the TIWG's Issues/Discussion Paper, which will have a response deadline in September or October.

5. Committee Reports Addressing CAFII Priorities:

5.1. Research and Education Committee

5.1.1. Travel Insurance Project

S. Manson, Chair of the Research and Education Committee, reported that CAFII's recent presentation of the results of its study by Pollara on consumer satisfaction with travel health insurance to CLHIA's travel insurance committee was very well-received. Several members of that committee said they were delighted to have such rigorous, quantitative, nationally representative research data available. The CCIR TIWG members also generally acknowledged the relevance of the Pollara study to their mandate, so that bodes well for its potential to inform their Issues/Discussion Paper.

She also advised that while the consumer satisfaction levels with travel health insurance revealed by the Pollara study are very reassuring, the data also shine a light on certain areas of opportunity for the industry to improve upon. These are mainly policy wording issues such as limitations and exclusions; and a general need to communicate and present information in a more consumer-friendly manner so that people will better understand what they're buying.

A CAFII travel medical insurance working group, a subcommittee of experts in this area, has been focusing on these policy wording and presentation issues in recent months, as a dedicated project. In fact, earlier in the day on April 12, the working group handed-off its recommendations report on limitations and exclusions to the CLHIA travel insurance committee, for it to build upon on behalf of the entire industry. The working group will now continue working on wording for key terms in travel health policies and a common policy layout.

5.2. Media Advocacy Committee

C. Blaquiere remarked that the committee's goal was to have a media plan for review and discussion at today's meeting. However, a few setbacks were experienced with the firm that was hired to complete the work and, after a few meetings, a decision was made to cut them loose. We then approached a firm recommended by TD Insurance, Fleishman Hillard, but they were not suitable. Fortunately, committee member Brian Smith from BMO recommended David Moorcroft who, before retiring in 2008, was SVP of Corporate Communications at RBC.

C. Blaquiere and G. Grant met with David and Brian yesterday and believe that we have now found an individual with the background and understanding of our industry who will be able to give us what we need. Before we formally engage David, he has agreed to provide an outline of his proposed strategy and deliverables. That said, G. Grant added that he and C. Blaquiere now feel comfortable that they've identified a consultant who understands the committee's direction and are confident that the Media Committee will be in a position to present a plan and strategy to the Board at its next meeting on June 7.

Action: Finalize new CAFII Communications Plan for presentation at June 7, 2016 Board meeting.
[Charles, Greg, Brendan; June 2, 2016]

5.3. Market Conduct Committee

R. Beckford, Chair of the Market Conduct Committee, reported that the March 17 Quebec provincial budget highlighted the government's intention to introduce modernizing amendments to both the Insurance Act and the Distribution Act in the near future. The comments in the budget indicated that this would include looking at how the insurance industry functions and the powers that the AMF has under provincial regulations.

In addition, in its March 22 budget, the Government of Canada proposed delaying by two years the next mandatory review of the *Bank Act*, by extending the current statutory sunset date by two years to March 29, 2019.

In Board discussion of the next *Bank Act* review, whenever it might occur, it was agreed that it will be important for CAFII to consult closely with the Canadian Bankers Association to ensure its submission is aligned with CAFII's needs.

5.4. Licensing Efficiency Issues Committee

On behalf of M. Gill, Chair of the Licensing Committee, B. Wycks reported that the Licensing Committee recently worked on a CAFII submission in response to the FCNB's position paper on reforming the licensing framework for other-than-life agents and brokers; and also provided

feedback directly to FCNB officials on the functionality and effectiveness of Phase 1 of its online insurance licensing system.

B. Wycks also advised that he had spoken with David Weir, New Brunswick's Deputy Superintendent of Insurance, at a CISRO LLQP Stakeholder Information Session the previous day. Mr. Weir advised that due to resource constraints within the FCNB, the Commission's final positions on the licensing framework modernizations were not ready for submission to the government. Mr. Weir also indicated that work is underway to address some of the online licensing system's deficiencies identified by CAFII and other stakeholders but there was no firm date yet for the release of Phase 2.

6. Other Business

6.1 CAFII Meetings and Events Calendar

B. Wycks highlighted for Directors the plans for this evening's Networking and Social Reception, as well as the dates and locations of the three upcoming Board meetings in 2016.

7. In Camera Session

The Board of Directors met *in camera* from 4:25 to 4:55 p.m. Following this, members of the EOC, B. Wycks and L. Duigu were invited back.

8. Termination

There being no further business to discuss, the meeting was terminated at 4:57 p.m. The next CAFII Board of Directors meeting will be held on June 7, 2016, hosted by Assurant Solutions at St. Andrew's Club & Conference Centre, 150 King St. West (Sun Life Tower), 27th Floor, Toronto.

Date

Chair

Recording Secretary

	Source	Action Item	Responsible	Deadline	Status as of 20-Apr-16
		BC Ministry of Finance & FICOM			
1	EOC Mar 29, 2016	• Follow-up with CLHIA on results of its discussions with BC FICOM regarding mortgage brokers issue in CGI Information Bulletin	Brendan	26-Apr-16	Completed
2	EOC Feb 16, 2016	• Investigate opportunities to engage with BC Ministry of Finance to provide information and find out more about what will be included in the Policy Paper to be released in late 2016.	Brendan	30-Apr-16	In progress
3	EOC Nov 17, 2015	• Follow-up information to be provided as requested by Brian Dillon including the three standard questions that typically appear on an application for creditor's group life insurance; statistics on CGI claims made and claims paid; and information on CAFII's proposal to Ron Fullan, Executive Director of the Insurance Councils of Saskatchewan, for a Restricted Insurance Agents Advisory Committee.	Brendan	11-Apr-16	Completed
4		• Provide BC officials with the data from CAFII's consumer survey on travel insurance.	Sue, Brendan	11-Apr-16	Completed
		CCIR			
5	EOC Mar 29, 2016	• Contact Martin Boyle and express importance of including CAFII in any discussions about revisions to draft Harmonized Annual Statement on Market Conduct.	Brendan	11-Apr-16	Completed
		FSCO Mandate Review			
6	EOC Mar 29, 2016	• Follow-up with David McLean, Secretary to the Expert Panel reviewing FSCO/DICO/FST mandates, regarding status of Panel's final report and any new information available	Brendan	12-Apr-16	Completed
		Regulator and Policy-Maker Visit Plan			
7	EOC Feb 16, 2016	• Discussion notes from regulator meetings held in Halifax to be circulated to those who aren't able to attend.	Brendan	13-May-16	Not yet started
		Consultations & Submissions Timetable			
		Media Advocacy			
8	Board Apr 12, 2016	• Finalize new CAFII Communications Plan for presentation at June 7, 2016 Board Meeting	Charles, Greg, Brendan	02-June-16	In progress
		Research and Education Committee & Travel Experts Sub-committee			
		Association Admin			
9	Board Apr 12, 2016	• Notify Nick Bilodeau, American Express, of his election to CAFII Board of Directors.	Brendan	18-Apr-16	Completed
10	EOC Mar 29, 2016	• Contact auditors KPMG and request that Market Conduct and Research and Education Committee expenses be reported separately on Income Statement	Leya	12-Apr-16	Completed
11		• Seek clarification on whether venue booked by Assurant Solutions for June 7, 2016 CAFII meetings can accommodate a speaker presentation.	Emily	26-Apr-16	In progress
12		• Circulate list of speakers at past CAFII events to EOC.	Leya	15-Apr-16	Completed

	Source	Action Item	Responsible	Deadline	Status as of 20-Apr-16
13		<ul style="list-style-type: none"> • Provide additional information about .INSURANCE internet domain registry to determine if CAFII should register a domain. 	Jodi	26-Apr-16	Completed
14	EOC Jan 12, 2016	<ul style="list-style-type: none"> • All relevant stakeholder submissions and supporting documents to be posted to the CAFII website, i.e. Insurance Council of BC, Advocis, Independent Financial Brokers. 	Leya	15-Apr-16	In progress

CAFII

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

Statement of Operations As at March 31, 2016

	Current Month	Current YTD	Budget 2016	Variance Budget to YTD
Revenue				
Membership Fees	36,313	108,939	435,750	326,811
Interest Revenue	23	66	500	434
TOTAL REVENUE	36,336	109,005	436,250	327,245
Expenses				
Management Fees	22,238	66,745	256,742	189,997
CAFII Legal Fees/Corporate Governan	3,755	3,755	5,000	1,245
Audit Fees	0	0	14,000	14,000
Insurance	437	1,310	5,374	4,065
Website (incl translation)	0	0	30,000	30,000
Telephone/Fax/Internet	177	400	8,000	7,600
Postage/Courier	41	46	500	454
Office Expenses	238	328	3,000	2,672
Bank Charges	0	25	50	25
Miscellaneous Expenses	0	0	0	-
Amortization Expense	0	0	468	468
Depreciation Computer/Office Equipm	39	117	0	- 117
Board/EOC/AGM	0	0		
Annual Members Lunch	8,451	10,530	15,000	4,470
Board Hosting (External)	0	0	15,000	15,000
Board/EOC/Meeting Expenses	2,113	2,880	5,000	2,120
Industry Events	0	0	1,500	1,500
EOC Annual Lunch	-8,089	2,079	2,000	- 79
Sub Total Board/EOC/AGM	2,475	15,489	38,500	23,011
Provincial Regulatory Visits	0	0	10,000	10,000
Research/Studies	0	0	50,000	50,000
Regulatory Model(s)	0	0	12,000	12,000
Federal Financial Reform	0	0	10,000	10,000
Media Outreach	2,486	3,729	50,000	46,271
Marketing Collateral	0	0	5,000	5,000
Tactical Communications Strategy	73	138	-	138
Networking Events	0	0		
Speaker fees & travel	0	0	8,000	8,000
Gifts	0	0	1,000	1,000
Sub Total Networking & Events	0	0	9,000	9,000
15th Anniversary Event	0	0	0	-
TOTAL EXPENSE	31,958	92,081	507,634	415,553
NET INCOME	4,378	16,924	-71,384	- 88,308

Explanatory Notes:

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

CAFI

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

Balance Sheet As at March 31, 2016

ASSETS	Current 2016
Current Assets	
Bank Balance	\$335,354
Investments ^A	\$53,808
Accounts Receivable	\$133,475
Interest Receivable	\$213
Prepaid Expenses	\$873
Computer/Office Equipment	\$2,334
Accumulated Depreciation -Comp/Equip	(\$1,556)
Intangible Assets-Trademarks	\$0
Accumulated Amortization-Trademark	\$0
Total Current Assets	\$524,501
TOTAL ASSETS	\$524,501
LIABILITIES	
Current Liabilities	
Account Payable ^B	\$15,650
Deferred Revenue	\$132,936
Total Current liabilities	\$148,586
TOTAL LIABILITIES	\$148,586
UNRESTRICTED NET ASSETS	
Unrestricted Net Assets, beginning of year	\$358,991
Excess of revenue over expenses	\$16,924
Total Unrestricted Net Assets	\$375,915
Total Unrestricted Net Assets	\$375,915
TOTAL LIABILITIES AND UNRESTRICTED NET ASSETS	\$524,501

Financial Reserves Targets as per 2016 Budget:

Minimum 3 months (25%) of Annual Operating Expenses=	\$ 126,909
Maximum 6 months (50%) of Annual Operating Expenses=	\$ 253,817

Current Level of Financial Reserves (total unrestricted net assets):	\$375,915
Current Level of Financials Reserve (%) :	74%

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

Item A

Investment Portfolio

Investment Type	Issue Date	Principal	Rate	Deemed Interest	Maturity Date
Cashable GIC #0087-8019718-13	Wednesday, June 17, 2015	\$53,807.97	0.50%	\$269.04	Thursday, June 16, 2016
Total		\$53,807.97		\$269.04	

Item B

Accounts Payable

	Total
	<hr/>
	20.17
	1,755.24
	13,560.00
	314.56
Total outstanding:	<hr/>
	15,649.97
	<hr/>

CAFII

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

Membership Fees As At March 31, 2016

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

CAFII Consultations/Submissions Timetable 2016-17

Regulatory Issue	Deliverable	Deadline	Accountable
BC FICOM 10-Year Review of FIA (consultation paper released June 2, 2015)	<ul style="list-style-type: none"> Response to Initial Consultation Paper Meetings with Ministry of Finance officials Public Report on input received on Initial Consultation Paper Policy Paper on proposals for change CAFII Response to Policy Paper <i>Meeting with Ministry of Finance officials, if necessary</i> Amendments to Act and drafting of Regulations 	<ul style="list-style-type: none"> Sep 15, 2015 Nov 10, 2015 <u>Issued March 23, 2016</u> Late 2016 Late 2016 Nov/Dec 2016 Early 2017 	<ul style="list-style-type: none"> Joint Market Conduct/Licensing Committee; ED to monitor
BC "Effecting" of CGI Issue	<ul style="list-style-type: none"> FICOM Information Bulletin on CGI Meeting with FICOM officials re Bulletin's directives CAFII follow-up letter seeking clarification on key Bulletin issues <u>CAFII teleconference with FICOM officials re follow-up letter</u> <u>CAFII to provide further info re auto dealers</u> 	<ul style="list-style-type: none"> Issued Sep 14, 2015 Nov 10, 2015 March 15, 2016 <u>April 14, 2016</u> May 2016 	<ul style="list-style-type: none"> EOC; ED to monitor
QC Ministry of Finance Review of Distribution Act	<ul style="list-style-type: none"> FCAFII Response to June 12/15 Consultation Report Dialogue with Ministry re meeting re online distribution 	<ul style="list-style-type: none"> Sep 30, 2015 Completed March 2016 	<ul style="list-style-type: none"> Joint Mkt Cndct/ Lcnsing Cttee; ED to monitor
CCIR Annual Statement on Market Conduct	<ul style="list-style-type: none"> CAFII Response to Draft Annual Statement (released Oct 28/15) <u>Draft 3 released for 45 day consultation period</u> CAFII Response to Draft 3 	<ul style="list-style-type: none"> Dec 4, 2015 <u>April 2016</u> June 2016 	<ul style="list-style-type: none"> Market Conduct Committee; ED to monitor
ON Review of FSCO Mandate	<ul style="list-style-type: none"> Expert Panel releases Preliminary Position Paper CAFII Response to Preliminary Position Paper Panel delivers Final Report to Minister 	<ul style="list-style-type: none"> Nov 4, 2015 Dec 14, 2015 Spring 2016 	<ul style="list-style-type: none"> EOC; ED to monitor
CCIR Review of Travel Health Insurance	<ul style="list-style-type: none"> CAFII/CLHIA joint update meeting with CCIR TIWG <u>Discussion Paper released for 90 day consultation</u> CAFII Response to Discussion Paper <i>Meeting with CCIR TIWG re: CAFII submission</i> CCIR releases Position Paper 	<ul style="list-style-type: none"> March 2016 <u>June 2016</u> Sep 2016 <i>Sep/Oct 2016</i> Late 2016 	<ul style="list-style-type: none"> EOC; ED to monitor
SK Bill 177	<ul style="list-style-type: none"> <u>FCAA conducts Part I of consultation on Draft Regulations</u> <u>FCAA releases Draft Regulations for Part II of industry consultation</u> <u>CAFII Response to Draft Regulations</u> <i>Meeting with FCAA officials re CAFII submission</i> 	<ul style="list-style-type: none"> <u>May/June 2016</u> <u>Sep 2016</u> <u>Nov/Dec 2016</u> <i>Nov/Dec 2016</i> 	<ul style="list-style-type: none"> Market Conduct Committee; ED to monitor
<u>FSCO Draft 2016 Statement of Priorities</u>	<ul style="list-style-type: none"> <u>Draft Statement released</u> <u>CAFII submission</u> 	<ul style="list-style-type: none"> <u>April 2016</u> <u>May 31, 2016</u> 	<ul style="list-style-type: none"> Market Conduct Committee; ED to monitor
FCAC "Compliance Framework"	<ul style="list-style-type: none"> FCAC publishes consultation document CAFII submission 	<ul style="list-style-type: none"> Spring 2016 Spring/Summer 2016 	<ul style="list-style-type: none"> EOC; ED to monitor
"Modernizing the New Brunswick Insurance Licensing Framework"	<ul style="list-style-type: none"> CAFII Response to Position Paper on aspects related to life agents FCNB delivers final recommendations to Minister 	<ul style="list-style-type: none"> Jan 22, 2016 ? 	<ul style="list-style-type: none"> Licensing Committee; ED to monitor

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

Regulatory Update – CAFII Executive Operations Committee, April 18, 2016
Prepared By Brendan Wycks, CAFII Executive Director

Introduction

Federal/National

- **Government of Canada:**
 - Federal Government Proposes Delaying Mandatory Bank Act Review To 2019 **(page 2)**
- **CCIR:**
 - CCIR To Publish Further Draft Of Annual Statement For Industry Feedback **(page 2)**
 - CCIR To Release Four Consultation Papers In Spring And Summer 2016 **(page 2)**

Provincial

- **British Columbia:**
 - Ministry Publishes Summary Report On FIA Review Stakeholder Input **(page 3)**
 - CAFII Meeting With FICOM Clarifies CGI Information Bulletin Issues **(page 4)**
- **Saskatchewan:**
 - FCAA To Conduct Consultation On Insurance Act Regulations In Two Parts **(page 4)**
- **Ontario:**
 - FSCO Invites Comments On Draft Statement Of Priorities By May 31 **(page 4)**

International

- **United States**
 - Life Insurance Industry Under Investigation In U.S. **(page 5)**

Federal/National

Government of Canada

Federal Government Proposes Delaying Mandatory Bank Act Review To 2019

In its March 22/16 budget, the Government of Canada proposed delaying by two years the next mandatory review of the *Bank Act*, which was slated to occur in 2017. The governing Trudeau Liberals said they propose “to provide the Department of Finance with \$4.2 million over five years, starting in 2016-17, and to extend the current statutory sunset date by two years to March 29, 2019.”

The budget also recalls that federal laws governing financial institutions “contain sunset provisions mandating renewal of banking and insurance legislation by Parliament every five years, providing an opportunity to examine the legislative and regulatory framework in light of emerging trends and developments, to ensure it remains robust and technically sound.”

Since 2012, the *Bank Act* prohibition against FIs retailing non-authorized insurance products from their branches has also applied to their websites.

Canadian Council of Insurance Regulators (CCIR)

CCIR To Publish Further Draft Of Annual Statement For Industry Feedback

In a liaison meeting with CAFII on April 12/16, CCIR Policy Managers Martin Boyle and Sean Jacobs advised that in late April or early May, CCIR intends to circulate another draft of its Harmonized Annual Statement on Market Conduct to industry stakeholders for comment. The feedback period will likely be 45 days.

Martin Boyle noted that CCIR has been working over the past several months with industry working groups led by CLHIA (for the life and health insurance sector) and the Insurance Bureau of Canada (for property and casualty insurance) on refining the draft Annual Statement. He indicated that based on the feedback points raised by the CLHIA, the revised version to be circulated for comment will be substantially different from the original version circulated in 2015.

Martin confirmed that the industry’s concerns around “self-evaluative privilege” of information submitted through the Annual Statement, especially when a number of provinces do not have legislative provisions to provide such privilege, had been communicated forcefully by CLHIA during the review and refinement deliberations.

With respect to implementation, Martin advised that because CCIR accepts that some insurers either aren’t currently tracking at all the information that regulators seek or they aren’t tracking it in the manner that regulators want, a preliminary version of the Annual Statement will be introduced and used for the first year in 2017. This will ensure that insurers will be able to provide regulators with some of the information requested. A more substantive version of the Statement will be implemented for the following year.

CCIR To Release Four Consultation Papers In Spring And Summer 2016

In a liaison meeting with CAFII on April 12/16, CCIR Policy Managers Martin Boyle and Sean Jacobs advised that the Council would be releasing the following four consultation papers over the spring and summer:

- a Travel Health Insurance Review Issues/Discussion Paper in early summer, for a 90 day consultation;
- a paper on IVICS/Seg Funds in early May, for a 60 day consultation;
- an e-commerce consultation paper related to electronic proof of automobile insurance and cyber security in early May, for a 45 day consultation; and
- a paper related to property insurance in the summer, for a 60 day consultation.

Provincial

British Columbia

Ministry Publishes Summary Report On FIA Review Stakeholder Input

On March 24/16, the BC Ministry of Finance released a high level, summary report on “Input Received from Stakeholders in Response to FIA/CUIA Review Initial Public Consultation Paper” and also published 41 stakeholder submissions on its website.

In the Insurance Sector section, the report provides an extensive summary of the comments and recommendations made by the Insurance Council of BC. A reading of the summary for that section makes it plain that there are two opposed camps of stakeholders on the Insurance Retailing and Licensing Exemptions and Regulation of Insurance Intermediaries issues. CAFII, CLHIA, CADRI, CBA, and IBC are well-aligned in favouring the status quo in these areas, while the Insurance Council of BC, Advocis, the Independent Financial Brokers of Canada, the Insurance Brokers Association of BC, and the Canadian Association of Independent Life Brokerage Agencies (CAILBA), a national Association of life-focused Managing General Agents, are aligned in calling for an end to the current system of licensing exemptions for insurance sold incidentally in BC.

In contrast to the Insurance Council of BC’s submission, BC FICOM’s submission, now published online, was completed independent of the Superintendent and staff, and focuses exclusively on the powers and resources necessary for FICOM to discharge its mandate in a manner that reflects best practices in prudential supervision. Even though the Commission has responsibilities for insurance supervision, FICOM’s Board chose not to address any of the Insurance Sector issues in the consultation paper.

In the summary report’s preamble section, the Ministry stresses that “while stakeholder input is an important part of the review process and will be used to inform analysis of the issues, this summary of the feedback received from stakeholders about each issue is not intended to represent or signal future government policy, or to suggest that any particular changes will be proposed.”

The transmittal letter accompanying the report confirms that “after analysis of the issues and input received during the initial consultation period, the Ministry plans to prepare and release a consultation paper which identifies the proposed changes and seeks further public input.”

With respect to timing for completion of the review, the report notes that in the case of the previous 10-year review, legislative amendments were introduced about two years after the release of the Initial Public Consultation Paper. Regulations were completed and came into force about six to eight months after that, with the entire process taking between 2.5 and 3 years. The Ministry expects that completion of the current review will take at least the same amount of time.

CAFII Meeting With FICOM Clarifies CGI Information Bulletin Issues

On April 14/16, CAFII met by teleconference with representatives from BC's FICOM to discuss CAFII's March 15/16 follow-up letter related to FICOM's Information Bulletin of September 2015 on the Effecting of Creditor's Group Insurance in BC.

In the meeting, FICOM provided clarification and comfort to CAFII on two points raised in the letter related to existing certificates of insurance; and there was a full and frank discussion on the issue of auto dealers being the creditor for a moment-in-time when CGI is offered to consumers purchasing or leasing a vehicle. CAFII committed to do some more research into this issue and get back to FICOM with further information.

On a less positive note, CAFII learned via an April 13/16 e-mail update from Leslie Byrnes, CLHIA's Vice-President, Distribution and Pensions, that there has been no further progress made with FICOM on the industry's CGI Information Bulletin issues related to the mortgage broker market, since January when CLHIA managed to elevate this issue to the level of Superintendent of Insurance Carolyn Rogers.

Saskatchewan

FCAA To Conduct Consultation On Insurance Act Regulations In Two Parts

On April 18/16, Jan Seibel, Legal Counsel with Saskatchewan's Financial Consumer Affairs Authority and lead on the province's Insurance Act rewrite file, advised Brendan Wycks that now that the April 4/16 provincial election has been completed, she is in a position to provide more details about the process planned for developing Regulations in support of Bill 177, The Insurance Act (Saskatchewan).

The FCAA plans to conduct its consultation with the industry on the Regulations in two parts. First, they will ask for comments on "some of the more complex issues that arose in the new Act, in particular viatical regulation, TPAs, and employee benefit plans." The FCAA hopes to have something out on this to the industry later this Spring.

Thereafter, the FCAA is targeting having draft Regulations ready for dissemination to the industry for comments by late summer or early fall.

Ontario

FSCO Invites Comments On Draft Statement Of Priorities By May 31

In early April, FSCO published its Draft 2016 Statement of Priorities on its web site and invited stakeholder feedback by May 31.

In 2016-17, FSCO will focus its efforts on core activities and initiatives in eight priority areas:

1. Ensure financial services industry compliance with laws and regulations
2. Create common and integrated processes enabled by integrated technology solutions
3. Be an agile and adaptable organization
4. Meet or exceed internal performance standards
5. Influence the development of provincial, national, and international regulatory policy
6. Enhance the collection, use, and sharing of market intelligence
7. Raise awareness of FSCO's actions in the financial services marketplace

8. Provide adequate disclosure of information to enable informed decisions by consumers and pension plan members

But because FSCO considers the first four priorities to be inherent to the work it does, the Draft Statement of Priorities focuses and invites comment on strategic priorities 5 through 8 only.

In a preamble message to the Draft Statement of Priorities, Acting FSCO Chair Florence Holden and CEO Brian Mills note that the final report of Expert Panel appointed by the Minister of Finance to make recommendations on the future mandates of FSCO, DICO, and the FST is expected this Spring and, if adopted by the government, it will have a substantial impact on the future of financial services regulation in Ontario. "FSCO has read the review panel's preliminary report with great interest, and has endeavoured to adopt strategic priorities that strengthen the regulatory capabilities of the organization as it stands today, while also being flexible enough to support any potential outcomes of the agency review."

International

Life Insurance Industry Under Investigation In U.S.

On April 17/16, CBS' investigative journalism program 60 Minutes aired a 13-minute segment titled "Not Paid." The story reveals that audits of leading life insurance companies in the U.S. have uncovered a systematic, industry-wide practice of not paying significant numbers of beneficiaries who did not file a claim for a death benefit.

In a little-known series of settlements, 25 of the largest American life insurance companies have agreed to pay more than \$7.5 billion in back death benefits. However, about 35 insurance companies have not settled and remain under investigation for not paying when the beneficiary is unaware there was a policy, something that is not at all uncommon.

<http://www.cbsnews.com/news/60-minutes-life-insurance-investigation-lesley-stahl/>

CAFII Regulator and Policy-Maker Visit Plan 2016-17

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status April 18/16
British Columbia				
Insurance Council of BC: Gerry Matier, Executive Director	- April 11/16 informal discussion with B. Wycks, at CISRO LLQP Info Session -Feb. 27/15 meeting in Toronto	None at this time	-repeal of residency requirement to serve on Council, nationally harmonized LLQP implementation, update on Council priorities - review of BC FIA; representation for banks-in-insurance on Insurance Council; new CE requirements for new licensees; LLQP support; CCIR travel insurance initiative	
FICOM: Carolyn Rogers , CEO, FICOM & Superintendent of Insurance (CCIR Vice-Chair) Doug McLean, Deputy Superintendent of Insurance Chris Carter, Deputy Superintendent, Real Estate and Deputy Registrar, Mortgage Brokers (lead on CGI Information Bulletin file as advised by H. James on March 16/16)	-Lunch meeting in Quebec City on April 30/15 -No contact/meeting for at least past two years - Follow-up letter, seeking clarification on CGI Info Bulletin key issues, sent March 15/16 April 14/16 teleconference re CAFII follow-up letter - Nov 10/15 in Vancouver	May 4/16 lunch meeting in Halifax during CLHIA Conference (with M. Boyle and S. Jacobs) None at this time If necessary, follow-up teleconference to obtain further clarification on CAFII questions/issues	-FICOM Information Bulletin on CGI ('effecting' of CGI in BC issue) -10 yr. Review of BC Financial Institutions Act (if appropriate) -See C. Rogers above - FICOM Information Bulletin on 'effecting' of CGI in BC issue (C. Carter has leadership responsibility for this issue)	Confirmed Pending

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status April 18/16
Lorena Dimma, Director, Market Conduct (assuming Harry James' former policy advisor role re 'effecting' of CGI issue)	-April 14/16 teleconference re CAFII follow-up letter	If necessary, follow-up teleconference to obtain further clarification on CAFII questions/issues	- FICOM Information Bulletin on 'effecting' of CGI in BC issue (C. Carter has leadership responsibility for this issue)	Pending
Harry James, Senior Regulatory Advisor (Chair of CCIR's Travel Insurance Working Group)	- April 14/16 teleconference re CAFII CGI follow-up letter - Nov. 21/14: G. Grant chatted with H. James during FIA Review roundtable discussion	See Lorena Dimma above	- Although Harry is supposed to have handed this file to Lorena, he did most of the talking in our recent call so we will continue to include Harry in the discussions on the "effecting" issue.	N/A
Molly Burns, Analyst, Policy Initiatives	-April 14/16 teleconference re CAFII follow-up letter -Nov 10/15 in Vancouver	If necessary, follow-up teleconference to obtain further clarification on CAFII questions/issues	- FICOM Information Bulletin on "effecting" CGI contracts	
Ministry of Finance: Michael de Jong, Minister of Finance	-Nov. 21/14: G. Grant represented CAFII at FIA Review roundtable discussion hosted by Minister	None at this time	TBD until CAFII has a "direct ask" at Ministerial level	
Dan Ashton, Parliamentary Secretary for Finance (elected MLA)	-November 10/15 in Vancouver along with Elizabeth Cole	If necessary, follow-up teleconference in 2016	-Update on 10-year Review of Financial Institutions Act: follow-up on CAFII issues/concerns including recommendations of other stakeholders	Pending
Elizabeth Cole, Executive Director, Strategic Projects & Policy (head of 10-Year Review of FIA)	-November 10/15 in Vancouver along with Dan Ashton; and separate meeting along with Brian Dillon and Kari Toovey	Possible follow-up meeting in Vancouver when Policy Paper is released in late 2016		Pending
Brian Dillon, Director, Financial Institutions		See E. Cole above		
Kari Toovey, Senior Policy Advisor		See E. Cole above		

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status April 18/16
Alberta				
Alberta Insurance Council: Joanne Abram, CEO;	<ul style="list-style-type: none"> - Feb. 10/16 letter - Jan/16 and Oct./15 e-mail exchanges with J. Abram on same matter - Nov 20/14: CLHIA COSS seminar (B. Wycks) 	- teleconference, if necessary	<ul style="list-style-type: none"> -AIC Review of Products Suitable For Sale Under RIA Licence -Representation for Restricted Licence Holders 	Pending
<p>Anthonet Maramieri, COO (succeeded Tom Hampton at beginning of 2015)</p> <p>Warren Martinson, Legal Counsel (member of CISRO LLQP Committee)</p>	<ul style="list-style-type: none"> - April 11/16 informal discussion with B. Wycks, at CISRO LLQP Info Session - Feb 27/15: Toronto: B. Wycks met A. Maramieri and had get acquainted chat at CISRO LLQP Stakeholder Info Session - Feb 10/14: Toronto, ON 	<p>See J. Abram above</p> <p>See J. Abram above</p>		
Treasury Board and Ministry of Finance:				
<p>Nilam Jetha, Acting Superintendent of Insurance (one year interim role)</p> <p>Mark Prefontaine, Superintendent of Insurance (seconded to Senior Asst. Deputy Minister for one year, effective Jan. 11/16)</p> <p>David Sorensen, Deputy Superintendent of Insurance</p>	<p>No contact – appointed Jan 11/16 (congratulatory letter sent Feb. 1/16)</p> <p>-Sep 30/14; Fredericton, NB (informal meeting)</p> <p>No face-to-face contact to date - <i>appointed Sep 15/14</i></p>	<p>None at this time</p> <p>Not applicable at this time</p> <p>None at this time</p>	<p>- Update on Superintendent's priorities</p> <p>-Communicate CAFII issues; build and strengthen relationship</p> <p>See N. Jetha above</p>	

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status April 18/16
Laurie Balfour, Director, Financial Compliance, Insurance Regulation and Market Conduct Branch (Chair of CCIR Insurance Core Principles Implementation Ctte)	-Sep 30/14: Fredericton, NB (informal meeting) -Jul 28/14: call with CAFII reps re: "effecting of CGI"	None at this time	-See N. Jetha above	Pending
Joe Ceci, President of Treasury Board and Minister of Finance	No contact – appointed May 24/15	None	TBD until CAFII has a "direct ask" at Ministerial level	Pending
Saskatchewan				
Insurance Councils of Saskatchewan: Ron Fullan, Executive Director, (CISRO Chair)	- April 11/16 informal conversation with B. Wycks, at CISRO LLQP Info Session	None at this time	-Restricted Insurance Agents Advisory Committee. -Sask. RIA regime and licensure issues	Pending
April Stadnek, Director of Licensing	- Oct. 27/15: R. Fullan gave dedicated CISRO LLQP Stakeholder Info presentation for CAFII members - Sept 22/15 CISRO LLQP Stakeholder Info Session in Toronto (B. Wycks) - Sep 30/14; Fredericton, NB (informal meeting) - November/13 in Toronto when April attended CLHIA CCOS Seminar	None at this time	-See R. Fullan above	Pending
Financial Consumer Affairs Authority (FCAA): Roger Sobotkiewicz, former Director of FCAA Legal Branch, became Interim Chairperson and Superintendent of Insurance, effective Feb. 1/15	-no previous contact; congratulatory letter on appointment sent March 4/15	-Teleconference meeting with FCAA officials in Q2 2016	-introduce CAFII and build relationship -Regulations being developed following passage of <i>Bill 177, The Insurance Act (Saskatchewan)</i> -ISI: Representation for Restricted Licence Holders - Update on Superintendent's priorities	Pending

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status April 18/16
Ian McIntosh, Deputy Superintendent of Insurance	-Jul 28/14 call with CAFII reps re: "effecting CGI"	Same as R. Sobotkiewicz above	-See R. Sobotkiewicz above	Pending
Janette Seibel, Lawyer, became lead on Bill 177 and Regulations file effective June 1/15	-Regular e-mail exchanges since June 2015 most recently April 18/16 (B. Wycks) -teleconference meeting, along with Jim Hall	-Teleconference meeting with J. Seibel in Q2 2016	- discuss Part I of the draft Regulations being developed following passage of <i>Bill 177, The Insurance Act (Saskatchewan)</i>	Pending
Manitoba				
Ministry of Finance: Ken Lofgren, Acting Superintendent of Insurance	-Appointed Spring 2015; no previous CAFII contact	None at this time		
Scott Moore, Deputy Superintendent of Insurance	-April 15/15 teleconference with three CAFII reps -April 29/14: Winnipeg, MB	None at this time	- concern about amended Insurance Act's apparent residency requirement for employees of Restricted Insurance Agents	
Greg Dewar, Minister of Finance	No contact – appointed Nov/14	None	TBD until CAFII has "direct ask" at Ministerial level	
Erin Pearson, Executive Director, Insurance Council of Manitoba:	-Oct. 8/15 at CLHIA CCOS Fall Seminar (B. Wycks) -Sept. 30/14: dinner in Fredericton, NB re: ISI implementation	None at this time	Same as above; and Insurance Council's "ISI items for further review and development"	
Ontario				
FSCO: Brian Mills, appointed Interim CEO and Superintendent on October 18/14	-January 28/15 stakeholder meeting with CCIR	-Awaiting clarification of appointment status, emerging from Ontario review of FSCO mandate	(i)Introduce CAFII and build/maintain relationship (ii) Ontario government review of FSCO's mandate (iii) next steps, if any, in Life Insurance Product Suitability Review (iv)CCIR review of travel insurance (v) LLQP modernization (vi)enhancing the national CRS (vii)Update on Superintendent's priorities (viii)communicate CAFII issues	Pending

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status April 18/16
Anatol Monid, Interim Executive Director, Licensing and Market Conduct Division	-December 8/15 and June 9/15: Informal update conversations with A. Monid at CAFII Reception events -January 28/15 stakeholder meeting with CCIR	None at this time	Item (iii) above	
Izabel Scovino, appointed Director, Market Conduct Regulation Branch in Nov/14	-Oct. 8/15 at CLHIA CCOS Fall Seminar (B. Wycks) -Nov 21/14 at FSCO Life & Health Insurance Symposium	None at this time	Item (vi) above	
Ministry of Finance Three-member Expert Panel advising on Government's review of FSCO's mandate -David McLean, Policy Advisor	-July 30/15 life & health insurance sector roundtable meeting (P. McCarthy and G. Grant) -May 21/15 informal meeting: insurance sector round table -April 12/16 informal conversation with B. Wycks at CAFII Reception	None at this time.	-Discuss Expert Panel's final report to Minister on proposed future mandate of FSCO - Awaiting release of Expert Panel's final report to determine if meeting with Deputy Minister of Assistant Deputy Minister should be pursued	Pending
Quebec				
AMF: Louis Morisset, CEO; Patrick Dery, Superintendent, Solvency (appointed CCIR Chair effective April 1/15)	-Apr 8/14: Montreal, QC -Liaison lunch and industry issues dialogue on October 6/15 in Levis, Quebec	-Oct. 4/16 in Montreal: CAFII annual liaison meeting CAFII proposed early May meeting in Halifax, during CLHIA Conference Oct. 4/16 in Montreal: CAFII annual liaison meeting	-(i)AMF final paper on electronic commerce in insurance, setting out Orientations/expectations -(ii)Distribution Guide template and implementation timelines -LLQP modernization -enhancing the national CRS -Update on AMF priorities -Communicate CAFII issues -Maintain and strengthen relationship	Pending Invitation declined

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status April 18/16
Eric Stevenson, Superintendent, Client Services and Distribution Oversight	-Liaison lunch and industry issues dialogue on October 6/15 in Levis, Quebec	Oct. 4/16 in Montreal: CAFII annual liaison meeting	-See above	
Ministry of Finance Carlos Leitao, Minister Richard Boivin, Assistant Deputy Minister, Financial Institution Policy and Corporate Law Guillaume Caudron, Chief of Staff Yann Nachabé, Policy Advisor	-Feb. 25/16 phone call between B. Wycks and Yann Nachabé, Policy Advisor, Ministry of Finance	- CAFII request for April 2016 in-person follow-up meeting with Richard Boivin and Guillaume Caudron	- Ministry's direction on online distribution of insurance without involvement of an advisor -CAFII submission in response to Report on the Application of the Act respecting the distribution of financial products and service	CAFII meeting request politely withdrawn, based on reassuring information from Y. Nachabé
New Brunswick				
Financial and Consumer Services Commission (Insurance Division): Angela Mazerolle, Superintendent of Insurance	Oct 1/14: Fredericton, NB	-May 4/16 dinner meeting with Atlantic Canada regulators during CLHIA Conference in Halifax	-implementation of online licensing system -legislative/regulatory change to support electronic beneficiary designations -other New Brunswick licensing issues	Confirmed
David Weir, Deputy Superintendent of Insurance	- April 11/16 informal discussion with B. Wycks, at CISRO LLQP Info Session - Feb. 19/16 - Sept. 22/15 CISRO LLQP Info Session in Toronto (B. Wycks)	-May 4/16 dinner meeting with Atlantic Canada regulators during CLHIA Conference in Halifax	- timing of final recommendations on reforming licensing framework for other-than-life agents and brokers -teleconference re CAFII feedback on New Brunswick online insurance licensing system -provide CAFII feedback on Phase 1 of NB online insurance licensing system; and hoped-for functionality in Phase 2	Confirmed

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status April 18/16
Opportunities New Brunswick: Jay Reid, Investment Attraction Officer Consumer Advocate for Insurance: Ronald Godin, Consumer Advocate	- Jun 3/14: Toronto, with Adam Mitton of predecessor organization Invest New Brunswick No contact	None at this time None at this time	- CAFII submission re: Insurance Act and regulatory process changes necessary to support business efficiency and further inbound investment and additional jobs in New Brunswick - Introduce CAFII and build relationship - Position CAFII as an information resource	
Nova Scotia				
Superintendent of Insurance: William Ngu, Acting Superintendent of Insurance	-Appointed June 2015; no previous CAFII contact	-May 4/16 dinner meeting with Atlantic Canada regulators during CLHIA Conference in Halifax	-Review of life and accident & sickness provisions of Insurance Act - legislative/regulatory change to support electronic beneficiary designations - Update on Superintendent's priorities - Communicate CAFII issues; build and strengthen relationship	Confirmed
Jennifer Calder, Deputy Superintendent of Insurance	Oct 1/14: Fredericton, NB (participated by teleconference)	-May 4/16 dinner meeting with Atlantic Canada regulators during CLHIA Conference in Halifax		Confirmed
PEI				
Superintendent of Insurance: Robert Bradley, Superintendent	-Oct 1/14: Fredericton, NB	-May 4/16 dinner meeting with Atlantic Canada regulators during CLHIA Conference in Halifax	-Review of life and accident & sickness provisions of Insurance Act (on April 23/15, R. Bradley advised that this may get underway in late 2015) - legislative/regulatory change to support electronic beneficiary designations - Update on Superintendent's priorities - Communicate CAFII issues - Maintain and strengthen relationship	Unable to attend

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status April 18/16
Newfoundland				
Superintendent of Insurance: John O'Neill, Superintendent Craig Whalen, Deputy Superintendent of Insurance	-N/A; appointed in October 2015 Oct 1/14: Fredericton, NB	-May 4/16 dinner meeting with Atlantic Canada regulators during CLHIA Conference in Halifax -Same as John O'Neill	-legislative/regulatory change to support electronic beneficiary designations -Update on Superintendent's priorities -Communicate CAFII issues; build and strengthen relationship	Unable to attend Unable to attend
FEDERAL/NATIONAL				
CCIR: Martin Boyle, Policy Manager	- April 12/16 CAFII Reception - April 12/16 liaison lunch meeting between CAFII and M. Boyle and S. Jacobs -January and March 2016 phone calls and e-mail exchanges (B. Wycks) -Nov. 20/15 relationship transition lunch meeting with three CCIR Policy Managers (C. Shevlin, S. Jacobs and M. Boyle)	- May 4/16 lunch meeting in Halifax during CLHIA Conference (with C. Rogers and S. Jacobs) - May 19/16 CCIR ICPiC teleconference/webinar meeting with CAFII members (L. Balfour and M. Boyle)	-Annual Statement on Market Conduct (Martin) -Framework for Cooperative Market Conduct Supervision (Martin) -Possible CCIR speakers/panelists at CAFII events -Update on CCIR 2014-17 Strategic Plan and related priorities -Communicate CAFII issues; and maintain and strengthen relationship -possible CAFII webinar(s) for CCIR audience updates on Annual Statement on Market Conduct	Confirmed Confirmed
Sean Jacobs, Policy Manager	- April 12/16 liaison lunch meeting between CAFII and M. Boyle and S. Jacobs -March 16/16 CAFII/CLHIA joint stakeholder meeting with CCIR Travel Insurance Working Group	- May 4/16 lunch meeting in Halifax during CLHIA Conference (with C. Rogers and M. Boyle)	-Review of Travel Health Insurance (Sean)	Confirmed

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status April 18/16
Patrick Déry, Chair (Superintendent, Solvency, AMF)	-Liaison lunch and industry issues dialogue on October 6/15 in Levis, Quebec -April 29/15 meeting in Quebec City, along with CCIR Vice-Chair Carolyn Rogers	CAFI proposed early May meeting in Halifax, during CLHIA Conference	-CCIR review of travel health insurance -Update on CCIR 2014-17 Strategic Plan and related priorities -Communicate CAFI issues; maintain and strengthen relationship	Invitation declined
Carolyn Rogers, CCIR Past-Chair and current Vice-Chair (also Chair of CCIR OmbudServices Oversight Committee)	-April 29/15 in Quebec City, along with CCIR Chair Patrick Dery	-May 4/16 lunch meeting in Halifax during CLHIA Conference (with M. Boyle and S. Jacobs)	See P. Dery above	Confirmed
Harry James, Chair, CCIR Travel Insurance Working Group (TIWG)	-March 16/16 CAFI/CLHIA joint meeting with CCIR Travel Insurance Working Group -March 24/15 meeting with CAFI EOC re	-June or Sept 2016 meeting with Harry and other TIWG members, following release of Issues/Discussion Paper	-issues/questions set out in Issues/Discussion Paper for industry consultation draft industry survey of travel insurance underwriters	Pending
Laurie Balfour, Chair, CCIR Insurance Core Principles Implementation Committee (ICPiC)	No previous contact in her role as Chair of ICPiC	-May 19/16 CCIR ICPiC presentation teleconference/webinar meeting with CAFI members (L. Balfour and M. Boyle)	-ICPiC work on IAIS' Insurance Core Principles -Framework for Co-operative Market Conduct Supervision in Canada -Harmonized Annual Statement on Market Conduct	Confirmed
CISRO: Ron Fullan, Chair (SK); G. Matier (BC); J. Abram (AB), W. Martinson (AB); D. Weir (NB)	- April 11/16 CISRO LLQP Stakeholder Info Session -March 16/16 CAFI/CLHIA joint stakeholder meeting with CCIR Travel Insurance Working Group -Oct. 27/15: R. Fullan gave dedicated CISRO LLQP Stakeholder Info presentation for CAFI members	-June 2016 CISRO LLQP Stakeholder Info Session in Toronto	-implementation of new, nationally harmonized LLQP -possible CISRO Strategic Plan	Pending

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status April 18/16
Financial Consumer Agency of Canada (FCAC): Lucie Tedesco, Commissioner	-May 1/15: B. Wycks made self-introduction and chatted with L. Tedesco, following her speech at CLHIA Conference	None at this time		
Brigitte Goulard, Deputy Commissioner	-Jun 10/14: B. Goulard was speaker at CAFII event	-Q2 or Q3 teleconference meeting, if necessary.	- FCAC consultation on its supervisory/compliance framework (Spring 2016 release of document expected) re questions/issues raised in consultation document	Pending
Jane Rooney, Financial Literacy Leader	-Feb 10/15 (presentation at CAFII Annual Luncheon)			
Jeremie Ryan, Director, Financial Literacy and Consumer Education	-Feb. 10/15			
Karen Morgan, Marketing Officer	-Jan 9/14			

From: Manson, Sue [<mailto:Sue.Manson@cibc.com>]
Sent: April-12-16 12:57 PM
To: 'Joan Weir' <JWeir@clhia.ca>
Cc: Grant, Greg <Greg.Grant@cibc.com>; 'Brendan Wycks' (brendan.wycks@cafii.com)' <brendan.wycks@cafii.com>; 'McCarthy, Peter' <Peter.Mccarthy@bmo.com>; 'Stephen Frank' <sfrank@clhia.ca>; 'Frank Swedlove' <fswedlove@clhia.ca>
Subject: CAFII Travel Medical Insurance Working Group Proposed Language for Limitations and Exclusions

Hello Joan,

The CAFII Travel Medical Insurance working group has developed proposed common language for Travel Medical Insurance limitations and exclusions. Essentially it is our collective recommendation for the CLHIA working group to build on. Please find the document attached.

The CAFII working group is comprised of five CAFII members (member names below). We agreed that our policy wording roadmap would have three components: limitations and exclusions, definitions and policy layout. The three components are quite interrelated which became very evident during our work on limitations and exclusions.

We arrived at our proposed wording for limitations and exclusions through an iterative process. We first pulled all of our member travel medical insurance product limitations and exclusions into one document and selected what we thought was the best wording among members, often combining language from multiple members for each limitation and exclusion. Our goal was to develop clear language without overlaps or underlaps. During this process we referenced other Canadian insurer wording and also referenced the Direct Line policy from the UK. We held morning or afternoon sessions bi-weekly for several months and mostly through this series of meetings arrived at our final proposal. The wording is still subject to individual insurer legal and compliance reviews and approvals.

Our next steps are to finish proposed wording for common definitions (e.g. stability) and develop a proposal for common policy layout. We will provide both of these outputs for the CLHIA working group to build on.

CAFII Travel Medical Insurance Working Group

RBC Insurance: Martha Turnbull, Lisa Voisin, Veronica McCarthy, Anita Mukherjee

TD Insurance: Brigitte Gougeon, Steven Matukaitis

BMO Insurance : Afzal Baig, Rocco Casullo

Desjardins Assurances : Martin Plante, Jérôme Savard

CIBC Insurance : Sushil Masih, Roby Varghese, Sue Manson, Greg Grant

Joan, please let me know if you have any questions.

Thanks,

Sue Manson

Chair, CAFII Research and Education Committee

Sue Manson. Planning Director, Strategy & Planning, CIBC Insurance | Tel (905) 306-4922 | Mobile (647) 466-8874 | Fax (905) 306-4888 sue.manson@cibc.com

This message, including attachments, is confidential and may be privileged. If you received this in error, please notify me by reply email and delete this message. Le présent message, ainsi que les pièces jointes, est confidentiel et peut être privilégié. Si vous l'avez reçu par erreur, veuillez m'en informer par courriel-réponse et le supprimer.

CAFII Travel Medical Insurance Working Group Results

Proposed Language for Limitations and Exclusions

April 12, 2016



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

Table of Contents

Summary Table of Limitations and Exclusions	2
CAFII Travel Insurance Working Group Results:	3
Travel Medical Insurance Limitations and Exclusions	3
Limitations and Exclusions Eliminated	10

Summary Table of Limitations and Exclusions

Item	Limitation or Exclusion
1.	Misrepresentation
1a.	Misrepresentation of your health/medical information
1b.	Misrepresentation of facts other than your health/medical information (e.g. Government Health Insurance Plan coverage)
1c.	Incorrect Date of Birth and as a result the client avoided completing the medical questionnaire
2.	Receiving Emergency medical treatment from a non-approved medical service provider or proceeding with investigation, treatment or surgery without our pre-approval and which we do not consider <i>Emergency</i> medical treatment
2a.i	<i>Emergency</i> medical treatment from a non-approved medical service provider
2a.ii	<i>Emergency</i> medical treatment once fit to transfer to another treatment facility
2b.	Investigations, treatment or surgery that is not pre-approved and not considered <i>Emergency</i> medical treatment
2b. Alternative	Non-Emergency Services
3.	Failure to meet the requirement to be covered under a Government Health Insurance Plan
3a.	Treated as a limitation
3b.	Treated as an exclusion
4.	Travelling for the Purpose of Seeking Treatment
5.	Recurrence or ongoing treatment once medically fit to travel
6.	Intentional self-harm, suicide
7.	Criminal Act
8.	Abuse of alcohol, drugs or intoxicants
9.	Non-compliance to prescribed medical treatment (specify if applies to pre & post departure)
10.	Complications of pregnancy, child birth
11.	Child born during the trip
12.	Mental or emotional disorders
13.	War, civil unrest, kidnapping, biological or nuclear contamination, terrorism
14.	Travel advisory
15.	Travel against medical advice
16., 16a, b, c	Other – Sports and High Risk Activities

CAFII Travel Insurance Working Group Results:

Travel Medical Insurance Limitations and Exclusions

#	Item	CAFII Member Proposed Language	Exclusion or Limitation
Situations where your claim will not be paid or your benefit payment will be limited:			
1.	Misrepresentation in your application	You must be honest in your dealings with us at all times.	
1a.	Misrepresentation of your health/medical information	Situation where your claim will not be paid: <ul style="list-style-type: none"> ▪ This policy is issued on the basis of information in your application (including the medical questionnaire if required). When completing the application and answering the medical questions, your answers must be complete and accurate. In the event of a claim, we will review your medical history. If any of your answers are found to be incomplete or inaccurate: <ul style="list-style-type: none"> – your coverage will be null and void – your claim will not be paid – we will refund your premium¹ 	Exclusion
1b.	Misrepresentation of facts other than your health/medical information, [e.g. Government Health Insurance Plan coverage, departure date] ²	Situation where your claim will not be paid: <ul style="list-style-type: none"> ▪ We will not pay a claim that is in any way fraudulent, false or exaggerated including if you, any person insured under this policy or anyone acting on your behalf attempt to deceive us or knowingly makes a fraudulent, false or exaggerated claim. 	Exclusion

¹ We may want to indicate premium refund in another section of the policy, e.g. a section that itemizes the situations when premium will be refunded

² Throughout this document square bracketed and/or [blue](#) text means optional or variable for each insurer

#	Item	CAFII Member Proposed Language	Exclusion or Limitation
1c.	Incorrect DOB and as a result the customer avoided completing the medical questionnaire	<i>Note to CLHIA Committee for further consideration required: This is a situation where the client provided an incorrect date of birth and as a result did not complete a medical questionnaire which they otherwise would have been required to do. A suggestion that came out of this discussion was to have a section where we specify how we are going to handle contracts that don't pay the premium or the right amount of premium. This led to further consideration of including all misrepresentation situations where the policy is null and void in a different section since these are not exclusions from covered benefits, since the contract should not have been issued in the first place.</i>	<i>For further discussion</i>
2.	Receiving <i>Emergency</i> medical treatment from a non-approved medical service provider or proceeding with investigation, treatment or surgery without our pre-approval and which we do not consider <i>Emergency</i> medical treatment		
2a,i	<i>Emergency</i> ³ medical treatment from a non-approved medical service provider	<p>Situations where your benefit payment will be limited:</p> <ul style="list-style-type: none"> You must notify [Assistance Centre] before seeking <i>Emergency</i> medical care. If it is medically impossible for you to call prior to seeking medical attention, we ask you to call as soon as possible or have someone call on your behalf. If you do not call [Assistance Centre] before you seek <i>Emergency</i> treatment, and/or if you choose to seek care from a non-approved medical service provider, you will be responsible for [X% or a portion] of your medical expenses covered under this insurance. 	Limitation
2a,ii	Emergency medical treatment once fit to transfer to another treatment facility	<ul style="list-style-type: none"> Similarly, if our medical advisors (we) determine that you should transfer to another facility for <i>Emergency</i> medical care and you choose not to, benefits will not be paid for further medical treatment. 	Exclusion

³ **Emergency** is any sudden and unforeseen event that begins during the *period of insurance* and makes it necessary to receive immediate treatment from a licensed physician or to be hospitalized. An *emergency* ends when the medical advisors of [Assistance Centre] determine that *you* are medically able to return to *your* home country.

#	Item	CAFII Member Proposed Language	Exclusion or Limitation
2. Alternative	Note to CLHIA Committee for further consideration:	An alternative way to positioning 2. Is to call it “Failure to report” and list outcomes of non-approved medical service provider including the refusal to transfer to a facility	
2b.	Investigations, treatment or surgery that is not pre-approved and not considered <i>Emergency</i> medical treatment	<p>Situation where your claim will not be paid:</p> <ul style="list-style-type: none"> You must notify [Assistance Centre] before seeking medical care. If you undergo a medical investigation, obtain treatment or surgery that is not pre-approved and not considered <i>Emergency</i> medical treatment by [Assistance Centre] your claim will not be paid This includes invasive testing or surgery (e.g. cardiac catheterization and MRI) unless approved by us [Assistance Centre] prior to being performed. 	Exclusion
2b. Alternative	Non-Emergency Services	We will not pay a benefit with respect to non-Emergency, experimental or elective Treatment (e.g. cosmetic surgery, chronic care, rehabilitation or any directly or indirectly related complications).	Exclusion
3.	Failure to be meet the requirement to be covered under a Government Health Insurance Plan	Insurer to choose the limitation or exclusion clause below that is applicable to their coverage	
3a.		<p>Situation where your benefits will be limited:</p> <ul style="list-style-type: none"> To be eligible for this [<i>Emergency</i> Health/Medical Care coverage], you must be covered under the Government Health Insurance Plan of your province or territory of residence prior to and for the entire duration of the trip. It is your responsibility to check that you do have this coverage. This insurance is subject to a maximum of [\$20,000] if you do not have valid a Government Health Insurance Plan at the time of a claim. 	Limitation

#	Item	CAFII Member Proposed Language	Exclusion or Limitation
3b.		<p>Situation where your claim will not be paid:</p> <ul style="list-style-type: none"> To be eligible for this [<i>Emergency Health/Medical Care coverage</i>], you must be covered under the Government Health Insurance Plan of your province or territory of residence prior to and for the entire duration of the trip. It is your responsibility to check that you do have this coverage. There is no coverage under this policy if you do not have a valid Government Health Insurance Plan. 	Exclusion
4.	Travelling for the Purpose of Seeking Treatment	<p>Situations where your claim will not be paid:</p> <ul style="list-style-type: none"> Any medical condition or related condition if the purpose of your trip is to seek or receive medical care, treatment, surgery, investigations or palliative or alternative therapy. Any medical condition for which it was reasonable, prior to departure, to expect treatment or hospitalization during your trip. 	Exclusion
5.	Recurrence or ongoing treatment once medically fit to travel	<p>Situation where your claim will not be paid:</p> <ul style="list-style-type: none"> The continued treatment, recurrence or complication of a medical condition or related condition, following <i>Emergency</i> medical treatment during your trip, if our medical advisors (we) determine that you are or were medically able to return to your home province or territory for medical treatment and you choose not to return. 	Exclusion
2./5. Hybrid	Treatment once medically fit to travel/ <i>Non-Emergency Services</i>	<p>Situation where your claim will not be paid:</p> <ul style="list-style-type: none"> We will not pay a benefit with respect to any Treatment, surgery or medication which medical evidence indicates that an Insured person could have returned to his or her province or territory of residence to receive. <p><i>Note to CLHIA Committee for further consideration: This exclusion is a hybrid of Non-Emergency Services and Recurrence or ongoing treatment once medically fit to travel.</i></p>	Exclusion

#	Item	CAFII Member Proposed Language	Exclusion or Limitation
6.	Intentional self-harm, suicide	<p>Situation where your claim will not be paid:</p> <ul style="list-style-type: none"> Claim that results from your intentional self-inflicted injury, suicide or attempted suicide (whether you are aware or not aware of the result of your actions). 	Exclusion
7.	Criminal act	<p>Situation where your claim will not be paid:</p> <ul style="list-style-type: none"> Claim that results from your participation in a riot or civil disorder; committing or attempting to commit a criminal offence or illegal act 	Exclusion
8.	Abuse of alcohol, drugs or intoxicants	<p>Situations where your claim will not be paid:</p> <ul style="list-style-type: none"> Any medical condition arising from, or in any way related to, your chronic use of alcohol, drugs or other intoxicants whether prior to or during your trip. Any medical condition arising during your trip from, or in any way related to, the consumption of alcohol <i>[resulting in a blood alcohol level of more than [80 mg] of alcohol per 100 ml of blood]</i>, drugs or other intoxicants resulting in your judgment being seriously affected. <p><i>Note to CLHIA Committee: Some insurers use prescriptive definitions while others do not. This is an example of an approach where the prescriptive content is optional for each insurer.</i></p>	Exclusion
9.	Non-compliance to prescribed medical treatment (specify if applies to pre & post departure)	<p>Situation where your claim will not be paid:</p> <ul style="list-style-type: none"> Any medical condition that is the result of you not taking necessary medication or not following medical treatment as prescribed to you prior to or during Your Trip 	Exclusion
10.	Complications of pregnancy, child birth	<p>Situation where your claim will not be paid:</p> <ul style="list-style-type: none"> Claim related to routine pre-natal care or post-natal care Claim related to pregnancy, child birth or complications of pregnancy arising (9) weeks before or after the expected date of delivery. 	Exclusion

#	Item	CAFII Member Proposed Language	Exclusion or Limitation
11.	Child born during the trip	Situation where your claim will not be paid: ▪ Claim related to any child born during the trip	Exclusion
12.	Mental or emotional disorders ⁴	Situation where your claim will not be paid: ▪ Expenses related to mental health, anxiety and emotional disorders	Exclusion
13.	War, civil unrest, kidnapping, biological or nuclear contamination, terrorism	Situation where your claim will not be paid: Claim related to: 1. An act of war whether declared or undeclared; rebellion; revolution; hijacking or Terrorism; and any service in the armed forces. 2. Nuclear reaction or radiation. 3. Radioactive, biological or chemical contamination.	Exclusion
14.	Travel advisory	Situation where your claim will not be paid or your benefit payments will be limited: ▪ Your medical <i>Emergency</i> or related medical condition, if the reason for your medical <i>Emergency</i> or related medical condition is associated in any way with a written formal travel warning issued before your effective date by the Department of Foreign Affairs and International Trade of the Canadian Government, advising Canadians not to travel to the country, region or city of your trip.	Exclusion or Limitation
15.	Travel against medical advice	Situation where your claim will not be paid: ▪ Any Trip commenced or continued against the advice of the Insured Person's Physician	Exclusion

⁴ **Mental or emotional disorders** - emotional or anxiety states, situational crisis, anxiety or panic attacks, or other mental health disorders treated with minor tranquilizers or anti-anxiety (anxiolytics) medication

#	Item	CAFII Member Proposed Language	Exclusion or Limitation
16.	Other – Sports and High Risk Activities <i>Note to CLHIA: It seems that insurers use a wide variety of approaches from itemizing every high risk sport/activity to maintaining a very short list. The latter approach is based on the notion that new high risk activities appear frequently and as a result it is impractical to try and keep a long list current.</i>	Situation where your claim will not be paid: <ul style="list-style-type: none"> ▪ Accident that occurs while you are participating in: <ul style="list-style-type: none"> – any sporting activity for pay; – any sporting event for which the winners are awarded cash prizes; – any non-standard sport or activity involving a high level of risk, such as those indicated below, for instance: <ul style="list-style-type: none"> ○ hang-gliding and paragliding; ○ parachuting and sky diving; ○ bungee jumping; ○ climbing or mountaineering; ○ freestyle skiing; ○ amateur scuba diving, unless you hold at least a basic scuba diving license from a certified school; ○ any combat sport; ○ any competition, speed event or other high-risk activity involving the use of a motor vehicle, including training activities, whether on approved tracks or elsewhere. 	Exclusion
16. Alternative a.	Other – Sports and High Risk Activities	Situation where your claim will not be paid: <ul style="list-style-type: none"> ▪ Claim arising from participation in Professional Sports; any Speed Contest; SCUBA diving, unless the Insured Person holds a basic SCUBA designation from a certified school or other licensing body; hang-gliding; sky diving; parachuting; bungee jumping; parasailing; spelunking; Mountain Climbing; rock climbing or a flight accident, except as a passenger in a commercially licensed airline. 	Exclusion
16. Alternative b.	Other – Sports and High Risk Activities	Situation where your claim will not be paid: <ul style="list-style-type: none"> ▪ Claim arising from participation in Professional Sports; any Speed Contest; Mountain Climbing; rock climbing 	Exclusion

#	Item	CAFII Member Proposed Language	Exclusion or Limitation
16. <i>Alternative c.</i>	Other – Sports and High Risk Activities	<p>Situation where your claim will not be paid:</p> <p>Claim arising from:</p> <ul style="list-style-type: none"> An accident that occurs while you are participating in: <ul style="list-style-type: none"> A sporting activity for pay (professional sports) A sporting event for which the winners are awarded money Any type of motor vehicle competition, including training, or any race Amateur scuba diving, unless the insured holds a basic scuba diving license from a certified school Or Any non-standard sport or activity with a high level of stress and risk involved such as, but not limited to: (gliding, hang gliding or paragliding, climbing or mountaineering, parachuting, sky diving or bungee jumping, or any other similar activity) <p>(The insured will be covered for races in non-contact amateur athletics being practiced for leisure or fitness purposes.)</p>	

Limitations and Exclusions Eliminated

Item	Comment
HIV/AIDS	Rely on Stability clause
Dementia, Alzheimer's	Include insurability questions in medical underwriting questionnaire
Routine/Non-Emergency Care	Included in 2b
Travel to sanctioned countries or countries where benefit payments to providers in those countries are sanctioned	Handled with the client
Treatment not performed by or under the supervision of a Physician or dentist	Addressed through other limitations and exclusions
Epidemic and Pandemic	Not useful