

CAFII Executive Operations Committee Teleconference-Only Meeting Agenda

Date: Tuesday, April 28, 2020

Chair: M. Boyle

Location: Teleconference-Only

Time: 2:00 – 4:30 p.m. EST

Dial-in: 416-477-0921/514-447-8925/1-888-543-2249

Pin #: 1500

Item	2:00 p.m.	Presenter	Action	Document
1. Call to Order		M. Boyle		
a. Introduction of Albert Lin, CAFII's new Account Co-ordinator at Managing Matters		N. Hill/K. Martin	Update	
2. Consent Items	2:05 p.m.			
a. Regulatory Update				✓
b. Consultations/Submissions Timetable				✓
c. Regulator and Policy-Maker Visit Plan				✓
d. Summary of Board and EOC Action Items				✓
3. Governance Matters	2:08 p.m.			
a. Transition To A New Approach To CAFII Board Meeting Materials, Based On Board Feedback		M. Boyle/K. Martin/B. Wycks	Update/ Discussion	
b. Possibility of Using Zoom Meeting Software For Future CAFII EOC, Board, and Committee Meetings That Are Not In-Person Meetings		K. Martin	Discussion	
i. Possibility of Having A CAFII "Virtual Reception With A Guest Speaker," Over Zoom, Immediately Following June 9/20 CAFII Board Meeting		K. Martin	Discussion	
c. Draft Minutes of April 7/20 Board Teleconference Meeting		B. Wycks	Approval	✓
d. Draft Minutes of March 24/20 EOC Teleconference Meeting		B. Wycks	Approval	✓
e. Postponement of 2020 CAFII Annual Members' Luncheon To Fall 2020		B. Wycks	Update	
f. Rescheduling of October 6/20 CAFII Board Meeting; and Liaison Lunch and Industry Issues Dialogue With AMF Staff Executives		B. Wycks	Update	
g. Communications and Timelines Re CAFII 2020 Annual Meeting of Members On June 9/20		B. Wycks	Update	
h. CAFII Initiation Member and Associate Prospects		B. Wycks/K. Martin	Update	
4. Financial Management Matters	2:23 p.m.			
a. Financial Statements as at March 31/20		T. Pergola	Update	✓
b. 2020 Budget Forecast		T. Pergola	Update	✓
5. Committee Updates	2:30 p.m.			
a. Research & Education		A. Stuska	Update	
i. Next Steps Based On Board Feedback In April 7/20 Meeting		A. Stuska/K. Martin	Update	
b. Market Conduct & Licensing		B. Kuiper	Update	
c. Media Advocacy		C. Blaquiere	Update	
i. Updating of CAFII Website and Google My Business Listing To Reflect COVID-19 Status		K. Martin	Update	
ii. CAFII Motion Graphic Video On Credit Protection Job Loss Insurance		K. Martin	Update	✓
iii. Feedback/Direction Received In April 21/20 Meeting of Media Advocacy Committee		C. Blaquiere/ K. Martin	Update	
iv. RankHigher Recommendation on CAFII.Insurance Domain Name		B. Wycks	Discussion	✓
d. Travel Medical Insurance Experts		A. Baig	Update	
e. Networking & Events		S. Kirby/J. Lewsen	Update	
6. Recent and Upcoming Strategic and Regulatory Initiatives	3:00 p.m.			
a. Impact Of COVID-19 On CAFII Members, Credit Protection Insurance and Travel Insurance				
i. Highlights of April 16/20 and 23/20 Meetings CAFII Directors and Designates COVID-19 Information-Sharing Group		K. Martin	Update/ Discussion	
ii. Summary of Insurance Regulator/Policy-Maker Responses Received To CAFII Forbearance Request Letters: Recommendation Re Follow-Up Forbearance Request Letters		B. Wycks/K. Martin	Update/ Discussion	

iii. Insights Gained From Twice Weekly CAFII/CLHIA/THIA Calls Re Impact Of COVID-19 On Travel Insurance Industry	B. Wycks/K. Martin	Update	
b. Status of CAFII Liaison/Interaction With AMF On Credit Card-Embedded Insurance Benefits Issue	K. Martin/S. Kirby	Update	✓
c. CAFII Approach To CCIR/CISRO FTC Working Group Request That CAFII Undertake A Third Party-Conducted Survey And Provide A Report On CAFII Member-Utilized Incentives and Compensation Models For June 2020 Quarterly Meeting	K. Martin	Discussion	
d. Launch of Saskatchewan RIA Advisory Committee	B. Wycks/K. Martin	Update	
e. CAFII Quarterly CPI Benchmarking Study: Relaunch and Production of First Report	K. Martin	Update	
f. CAFII Credit Protection Insurance Industry Best Practices Working Group: Progress Report	M.Boyle/K.Kasperski	Update	
g. Proposed Approach and Target Dates For CAFII Fall 2020 Atlantic Canada Insurance Regulators and Policy-Makers Visits	B. Wycks	Update	✓
h. Request For EOC Volunteers For A Summer 2020 CAFII Working Group on Refining Dog and Pony Studios-Developed "CPI Industry Highlights" Slides (Produced From Willis Towers Watson Key Data Point Slides) For Future Use By CAFII and Its Members	K. Martin	Update/ Discussion	

7. Other Business	4:10 p.m	Presenter	Action	Document
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8. In Camera Session	4:15 p.m	Presenter	Action	Document
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9. Tracking Issues	Presenter	Action	Document
a. FCNB Insurance Act Rewrite (Including Linked Plan to Introduce an RIA Regime)			
b. AMF Consultation on Updating Sound Commercial Practices Guideline			
c. BC Drafting of Regulations To Implement Financial Institutions Amendment Act, 2019			
d. FCAC: Phase 2 of Domestic Bank Retail Sales Practices Review			

Next EOC Meeting: Tuesday, May 26/20, 2:00 to 4:30 p.m., Virtual Meeting

Next Board Meeting: Tuesday June 9/20, 2:15 to 4:00 p.m., Virtual Meeting (Immediately Following CAFII 2020 Annual Meeting Of Members)

Briefing Note

CAFII EOC Meeting, 28 April, 2020—Agenda Item 1a.

Introduction of Albert Lin, CAFII's new Account Co-ordinator at Managing Matters

Purpose of this Agenda Item

To introduce Albert Lin, the new account co-ordinator at Managing Matters for CAFII.

Background Information

Natalie Hill has been promoted and is Albert Lin's supervisor. Natalie will continue to be engaged with CAFII, but the "go-to" person for account management for CAFII at Managing Matters will now be Albert Lin.

Recommendation / Direction Sought -- *Update*

Update only.

Attachments Included with this Agenda Item

No Attachments

Briefing Note

CAFII EOC Meeting, 28 April, 2020—Agenda Items 2a,b,c,d. Consent Items

Purpose of these Agenda Items

To provide documentation for the EOC to review, which does not require a verbal update, discussion, direction-setting, or decision-making.

Background Information

The Consent Items that do not require any discussion, direction-setting, or a decision are:

- Regulatory Update
- Consultations / Submissions Timetable
- Regulator and Policy-Maker Visit Plan
- Summary of Board and EOC Action Items

Recommendation / Direction Sought – *Information Only*

No action required.

Attachments Included with this Agenda Item

4 Attachments

CONFIDENTIAL TO CAFII MEMBERS; NOT FOR WIDER DISTRIBUTION

Regulatory Update – CAFII Executive Operations Committee, April 21, 2020

Prepared By Brendan Wycks, CAFII Co-Executive Director

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Federal/National

Financial Consumer Agency of Canada (FCAC)

FCAC Issues Advisory On COVID-19 And How FCAC Is Responding

On April 9/20, the Financial Consumer Agency of Canada (FCAC) issued the following consumer advisory on its website with respect to the COVID-19 pandemic and how the FCAC was responding:

The Financial Consumer Agency of Canada (FCAC) is monitoring the evolution of COVID-19 and continuing to assess its impacts on financial consumers as well as banks and other regulated entities (REs).

We are updating our information and resources for consumers to help them protect and manage their finances during this difficult time, in addition to being in regular contact with REs and monitoring their responses to the crisis.

Engagement with regulated entities such as banks

FCAC has been encouraging REs to find ways to ensure that consumers continue to have access to financial services at a reasonable cost and with the safety and security they have come to expect.

We are adjusting our regulatory expectations of REs in the current environment, while ensuring that they continue to comply with their legislative obligations, voluntary codes of conduct and public commitments. We recognize that REs will need to reassign and re-prioritize their own internal resources in response to COVID-19 and we will work closely with them to minimize the impact of regulatory requirements on their efforts to deliver essential services to Canadians.

Communicating to consumers in a timely manner

In the interest of public health, banks have adjusted branch hours and instituted some temporary branch closures. Banks are also working to offer to consumers interim banking solutions to help meet their banking needs.

As the situation evolves, FCAC expects banks to continue to communicate with consumers in a timely manner about any changes that will impact them.

Financial relief

A number of REs have demonstrated leadership by providing consumers with assurances that they will find ways to accommodate temporary financial hardships caused by COVID-19, including waiving fees and providing flexibility on certain payments.

FCAC will be monitoring the public commitments that banks and other REs are making to accommodate the financial hardships of consumers.

Support and advice for consumers

Some consumers may experience financial pressure as a result of COVID-19. If you are facing financial hardships, you should contact your bank or financial service provider promptly to discuss your particular situation.

For help in understanding your options, we encourage you to consult our wide range of resources on canada.ca/money, which includes a [new resource with advice on managing your finances during this challenging time](#). We will update this new resource as the situation evolves.

If you have an issue with a financial institution, you have the right to make a complaint by using its [complaint-handling process](#). Consumers can also access information and report a complaint directly with FCAC by calling toll-free at 1-866-461-3222 or using our [online form](#).

FCAC encourages all Canadians to follow the advice of public health experts that can be found by visiting canada.ca/coronavirus.

Canadian Council of Insurance Regulators (CCIR)

CCIR Finalizes And Publishes 2020-23 Strategic Plan Without Meaningful Industry Consultation

In April 2020, CCIR published its 2020-23 Strategic Plan, found on the Council's website here: <https://www.ccir-ccrra.org/Documents/View/3579>.

The new CCIR Strategic Plan was finalized without meaningful industry consultation. Preliminary dialogue with industry stakeholders about what key issues and themes should be addressed in the Council's 2020-23 Strategic Plan took place as part of CCIR's round of annual stakeholder meetings in November 2019. However, the industry, including CAFII, was expecting a more formal and thorough round of consultation about Strategic Plan, which never took place.

CCIR/CISRO Publish Communiqué On COVID-19 And Regulators' Expectations And Forbearance

On April 2/20, CCIR and CISRO jointly published the Communiqué below on their websites with respect to COVID-19 and regulators' expectations and forbearance.

In contrast to a subsequent April 21/20 CCIR/CISRO Communiqué to the industry on COVID-19, the April 2/20 Communiqué below was not sent directly to industry Associations and other stakeholders:

It is crucial during the period of disruption created by the emergence of COVID-19 that Canadian consumers have access to insurance products and services and remain confident that they will continue to be treated fairly.

As both regulators and industry adapt to the operational realities resulting from the COVID-19 pandemic, the Canadian Council of Insurance Regulators (CCIR) and the Canadian Insurance Services Regulatory Organizations (CISRO) have formed working groups to coordinate engagement with the industry and support the development of harmonized solutions.

The COVID-19 working group meetings are occurring more frequently at the outset. Working group meetings have already taken place with the Canadian Life and Health Insurance Association (CLHIA) and the Insurance Bureau of Canada (IBC). The issues raised to date include challenges with fulfilling legislative and regulatory requirements, business operational impediments and consumer service-related constraints.

As many businesses are operating remotely and responding to new operational challenges, CCIR reviewed the reporting due dates for the Annual Statement on Market Conduct (ASMC) and agreed that the ASMC filing deadline will be extended by about 60 days, to July 1, 2020.

With due consideration of the current operational environment, CCIR members also agreed that reasonable efforts will be made to manage requests for information and to coordinate these where possible. Notwithstanding this agreement, member regulators will not be constrained in obtaining information required to ensure appropriate regulatory oversight within their respective jurisdictions. "Our aim is to facilitate open discourse by working collaboratively with members and the industry to identify solutions, without compromising consumer protection," said Patrick Déry, CCIR Chair. The CISRO Chair, Ron Fullan, added, "Together, we will continue to support business continuity of the insurance sector and fair treatment of customers during this period of significant change."

Canadian Life and Health Insurance Association (CLHIA)

CLHIA Issues Advisory On Travel Cancellation Insurance And Airline Vouchers Or Credits

On April 1/20, CLHIA issued the following consumer advisory on its website with respect to travel cancellation insurance and airline vouchers or credits:

Some travel insurance policies provide coverage that may pay for costs that consumers cannot recover when trips are cancelled. In the past, travel service providers usually provided consumers with refunds where the service provider was unable to provide service. Over the past month, many service providers have changed this practice and are now offering vouchers or credits that consumers can use for future travel.

On March 25, 2020, the Canadian Transportation Agency updated its endorsement of the use of vouchers or credits as an appropriate approach for Canada's airlines as long as these vouchers or credits do not expire in an unreasonably short period of time.

Travel insurers are advising policyholders that if you have been offered this type of full credit, or voucher for future use by an airline, train or other travel provider, in many instances, under the terms of your insurance policy you will not be considered to have suffered an insurable loss.

Customers are encouraged to consider the above and review the terms of your policy prior to submitting a claim for trip cancellation coverage. You should also check your insurer's website for guidance that may be posted. Each insurer will assess the particulars of each circumstance in accordance with the terms and conditions of your policy.

Disputes over refunds and credits should be directed to your travel service provider, transportation carrier or the Canadian Transportation Agency. You can find the contact information for your insurer in your contract or at <https://www.olhi.ca/for-insurers/member-list/>.

CLHIA Encourages Consumers To Use Online Portals To Check Status Of Travel Insurance Claims

On April 16/20, CLHIA issued the following consumer advisory on its website to encourage consumers to use online portals to check the status of their travel insurance claims:

To help them process a very high number of claims, Canada's travel insurers are encouraging clients to use online portals, where they are available, to check their claims rather than contacting call centres.

Travel insurers' call centres are currently receiving an unprecedented number of calls and insurers are working to respond to everyone as quickly as possible.

To help reduce wait-times for yourself and those who are trying to make a claim, please do not contact your insurer's call centre except to initiate a claim.

If you wish to know the status of a claim, please consider using your insurer's online portal, where available, rather than calling. Call centre agents have access to the same information available to you on the online portals. In most cases, clients will be contacted by email or by mail once their claim has been processed.

Due to the unprecedented volumes of claims, it may take several weeks for your claim to be reviewed by your insurer. Please check your insurer's website for FAQs that may assist you.

We thank you for your patience, cooperation and understanding given the unprecedented volume of travel claims right now. If you need to find your insurer's website, check your contract or visit www.olhi.ca/for-insurers/member-list/. To learn more about how the life and health insurers are responding to COVID-19, visit www.clhia.ca/covid19information.

Provincial/Territorial

British Columbia Government of BC

Government Of BC Gives Green Light To Electronic Annual Meetings

On April 21/20, the government of British Columbia announced that corporations will be permitted to hold their annual general meetings (AGMs) or special meetings electronically during the ongoing Covid-19 emergency.

The government's order overrides requirements under various provincial statutes that prohibit electronic meetings, and it overrides companies' own rules and by-laws.

“Each company, society and co-operative should consider which meeting method best suits its needs, such as Zoom, Skype or telephone conference calls, as long as each participant is able to communicate and vote, if needed,” the province said.

For online meetings, companies should consider providing a telephone option for people who don't have access to a computer.

“In addition to electronic meetings, all corporations will be able to hold hybrid meetings, giving people the option to participate in-person or electronically,” the government said.

Recently, the Supreme Court of BC ruled that a pair of companies, which are required to hold their AGMs by July 1, could have until the end of the year to host their annual meetings.

BC Financial Services Authority (BCFSA)

BCFSA Publishes Business Continuity Plans And Regulatory Forbearance Concessions

In March and April 2020, the BC Financial Services Authority (BCFSA) posted announcements on its website related to its business continuity plans and regulatory forbearance concessions arising from COVID-19. The two announcements are reprinted below.

Business Continuity Plans

In light of the COVID-19 pandemic, BCFSA has taken several steps to help ensure the continued safety of our employees and members of the public while continuing to deliver against our mandate. BCFSA has activated its Business Continuity Plan (BCP) until further notice with all employees working remotely.

Reception at BCFSA's Vancouver offices has been closed until further notice. Documents sent through regular mail should be sent electronically. For items that have been traditionally provided by registered mail, please reach out to your BCFSA business contact to arrange secure electronic delivery.

All regulated entities and sectors are now required to make fee payments electronically. Mortgage brokers will continue to make fee payments through the mortgage broker e-filing system. All other fee payments to BCFSA should be made via electronic funds or wire transfers; instructions are available from your BCFSA business contact.

If you have questions, please contact your relationship manager or business contact via their BCFSA email address or phone number. We can also be reached at (604) 660-3555 and via the following email address: Insurance: insurance@bcfsa.ca.

Regulatory Forbearance Concessions

The BC Financial Services Authority (BCFSA), in response to the COVID-19 pandemic and resulting disruptions, is extending the deadlines for several regulatory filings, until further notice. Refer to appendix A for details.

These extensions will apply automatically, and insurance companies are not required to make requests to BCFSa for these extensions. Given the nature of challenges facing us, information sharing between regulators and insurance companies is critical to ensure that regulatory expectations are understood, and so that we comprehend the challenges that you may face. We encourage you to establish regular check-ins with your BCFSa Relationship Manager or your primary regulator to ensure a timely exchange of information. If you have any immediate questions or concerns, please contact Sandra Vogt, Acting Director Financial Reporting and Standards at sandra.vogt@bcfsa.ca.

APPENDIX A

Regulatory Filing Deadline Extensions

BCFSa is extending the below noted filing deadlines until further notice. Insurance companies are not required to request these extensions. These extensions will apply automatically. BCFSa will not apply late filing penalties for submissions received within the extended deadlines.

<i>Filing</i>	<i>Frequency</i>	<i>Extension from Currently Required Filing Date</i>
<i>Personal Information Return (PIR)</i>	<i>Ad hoc</i>	<i>30 days</i>
<i>World-wide Annual Financial Statements</i>	<i>Annual</i>	<i>60 days (until July 31)</i>
<i>IFRS 17 Progress Reports</i>	<i>Semi annual</i>	<i>Suspended until further notice</i>

BCFSa recognizes that insurance companies may have difficulty meeting deadlines for other regulatory filings. Insurance companies requiring extensions to filings not listed above

BCFSa Rule-Making Authority Is Key To FIA Amendment Act, 2019: Borden Ladner Gervais (BLG)

The following is an excerpt from a BC *Financial Institutions Amendment Act, 2019 (Bill 37)* analysis article which was published by the Borden Ladner Gervais (BLG) law firm on February 21/20:

BCFSa: Changing BC's Regulatory Framework For Financial Institutions

On November 20, 2019, the Legislative Assembly of British Columbia passed the third reading of the newly introduced Bill 37, the Financial Institutions Amendment Act, 2019 (Bill 37), which received royal assent on November 28, 2019. The purpose of Bill 37 is to modernize the legislative framework, enhance consumer protections and help maintain public confidence in BC's financial institutions. Bill 37 makes significant changes in the operations of credit unions, insurance companies and intermediaries and trust companies.

On November 1, 2019, certain Financial Services Authority Act provisions came into force, which gave the BC Financial Services Authority (the BCFSa) powers over the Financial Institutions Act, Credit Union Incorporation Act, Insurance Act, Insurance (Captive Company) Act, Mortgage Brokers Act, and Pension Benefits Standards Act.

Essentially, the BCFSa has replaced the Financial Institutions Commission (FICOM) as the province's financial institution regulator. The changes in Bill 37 are a part of this shift to the new regulator in British Columbia.

The BC Financial Services Authority (BCFSA)

A key aspect of the new legislation is that Bill 37 grants the BCFSA rule-making powers and establishes procedures for making those rules. This new rule-making power is important as offenses and penalties under the Financial Institutions Act have been extended to apply to contraventions of the rules established by the BCFSA, as well as an increase in fines. Bill 37 grants rule-making powers to the BCFSA in many different areas. Some of the key changes that Bill 37 makes to the Financial Institutions Act allow the BCFSA to make additional rules surrounding those alterations.

For example, financial institutions must comply with capital and liquidity requirements prescribed by regulation, but must also comply with capital and liquidity requirements set out in rules made by the BCFSA. The BCFSA can make rules respecting the adequacy of liquid assets and the capital base of financial institutions, which types of assets and liabilities constitute the capital base, how those assets and liabilities are valued, as well as other rules respecting capital and liquidity. In addition, a credit union needs the BCFSA's written consent before engaging in certain activities if the amount of its capital base fails to meet prescribed requirements.

Bill 37 requires insurance companies and credit unions to adopt and comply with a code of market conduct. The BCFSA can make rules respecting these codes' form and content, as well as the manner and time in which they need to be filed. Insurance companies must adopt a code of market conduct, created by the BCFSA. Credit unions have the opportunity to establish their own code of market conduct by having their board of directors file it with the BCFSA. However, the BCFSA can require that amendments be made to the codes at any time, or even force a code of market conduct on a credit union who does not adopt its own.

Financial institutions' committees who are appointed under section 135 of the Financial Institutions Act are now responsible for monitoring and evaluating risks to the financial institution in addition to their existing duties. This includes monitoring and evaluating risks that may be imposed by regulations or under the new rule-making power of the BCFSA, and reporting those risks to the directors of the financial institution.

After consulting a financial institution, the BCFSA may designate it as a domestic systemically important financial institution if the BCFSA believes that the failure of the financial institution could cause significant disruption to the financial system. The BCFSA may base its decision on one or more factors, which include the financial institution's interconnectedness with other financial institutions, its substitutability by other financial institution, its size, and its complexity in relation to its business, structure, and operations. The BCFSA may establish requirements through its rule-making powers for these financial institutions and extra-provincial corporations that are designated as such.

Some additional areas where the BCFSa may make rules respecting financial institutions and extra-provincial corporations include corporate governance, market conduct, operational oversight and risk management.

The BCFSa may make rules regarding insurance issued through electronic agents and respecting oversight by restricted insurance agent licensees of their employees and agents. In addition, the BCFSa can adopt, in whole or in part, rules or guidelines of other financial services regulatory authorities along with any changes it considers appropriate. It can also make rules regarding the methodology for deposit insurance assessments, funding requirements and corporate governance of reciprocal exchanges, and methods of determining certain amounts under the Credit Union Incorporation Act.

The good news for financial institutions is the BCFSa must publish any proposed rules or rule changes for public comment before they can be made, amended or repealed. This provides financial institutions with the ability to comment on any proposed rules or rule changes prior to their enactment. In addition, the minister must consent to any rules or changes, providing another layer of checks and balances for stakeholders. If any of the rules that are implemented conflict with regulations, then the regulations will take precedence over the conflicting rule.

Other Important Changes Under Bill 37

Although the most significant changes in Bill 37 relate to the new powers of the BCFSa, there are other changes to the Financial Institutions Act and Credit Union Incorporation Act that should be considered:

- *Credit unions are required to establish procedures for dealing with complaints. These procedures must be published on the credit union's website and they must be provided in writing to any person who requests them;*
- *Extra-provincial corporations must file a report outlining its financial affairs, market conduct and risk management practices and corporate governance with the Superintendent of Financial Institutions. The Superintendent may specify the intervals in which these filings need to be made, which may be different for extra-provincial credit unions, extra-provincial corporations and extra-provincial trust corporations.*
- *Supervisory information and self-evaluative compliance audit documents are privileged information. Some of the privileged information includes:*
 - *Ratings assigned to the financial institution to assess its financial condition or other similar ratings*
 - *Information about any stage of intervention made by the BCFSa or superintendent;*
 - *Reports made by or at the request of the BCFSa or Superintendent as a result of an examination, audit, inspection or investigation of a financial institution made under this Act, including any related correspondence; and*

- A document or component of a document that contains recommendations, evaluative or analytical information prepared by or on behalf of a financial institution, the BCFSa, or the Superintendent as a result of or in connection with a self-evaluative compliance audit. This is not an exhaustive list and there are certain limitations attached to the privileged information that is not discussed here.
- The Lieutenant Governor in Council (Cabinet) has had its regulation-making powers expanded. **Now, the Cabinet can make regulations prohibiting denial of insurance claims based on innocent misrepresentation and omission.**

There remains some uncertainty as to the extent many of these changes under Bill 37 will impact financial institutions, because much of the detail is left to regulations and rules that have yet to be drafted or released. As regulations are passed and the BCFSa publishes its proposed rules, additional clarity will be provided to financial institutions on the extent that these changes will affect how they are regulated in British Columbia.

The changes under Bill 37 come into force by regulation of the Cabinet.

The full BLG article on the *Financial Institutions Amendment Act (Bill 37)* can be found here: <https://www.blg.com/en/insights/2020/02/bcfsa-changing-bcs-regulatory-framework-for-financial-institutions>.

Insurance Council of BC

Insurance Council Extends Deadline For Licensees To Complete CE Requirements

At their April 2020 meeting, the voting members of the Insurance Council of BC approved an extension of the annual deadline for licensees to complete their continuing education (CE) requirements from May 31, 2020, to the following year, May 31, 2021.

Continuing education supports competent practice, and Insurance Council Rule 7(5) requires licensees to complete a specific amount of continuing education (CE) credits by May 31 annually based on their licence class and experience. However, the disruptions caused by the global coronavirus pandemic have made completing CE credits by the deadline more challenging for licensees. Licensees will now have an additional year to complete their 2020 CE credits. They will still need to complete their 2021 CE credits by May 31, 2021.

Ontario

Financial Services Regulatory Authority of Ontario (FSRA)

FSRA Appoints Former Canadian Life Insurer CEO To Its Board of Directors

On April 16/20, FSRA published the following announcement on its website about the appointment of a new member of its Board of Directors:

Financial Services Regulatory Authority of Ontario is pleased to announce the appointment of Joseph Iannicelli to the FSRA board of directors.

Mr. Iannicelli has extensive experience in the financial services industry, serving as President and CEO for the Standard Life Insurance Company of Canada from January 2005 until February 2012. As head of a subsidiary of a UK parent company, Mr. Iannicelli dealt with financial services regulators in both Canada and the United Kingdom. He also served as CEO of Banyan Healthcare Services and as a strategic and management consultant with a Canadian public pension plan.

Mr. Iannicelli is currently President of PLAY 2 WIN Inc., a company that produces films and, through a sub-brand, Body By Yoga, offers healthcare services.

Mr. Iannicelli has been recognized for several business achievements, including being named Top 5 Influential Business Leader in Quebec for four straight years (2009-2012).

"We welcome Mr. Iannicelli and his unique blend of industry experience, leadership and innovation," said Chair Bryan Davies. "His knowledge of the insurance and health service providers is a great asset to our organization."

Ontario Government Extends Terms Of Three FSRA Board of Directors Members

On April 16/20, FSRA announced on its website that the Government of Ontario had extended the terms of three FSRA Board of Directors members: Blair Cowper-Smith, Brigid Murphy and Lawrence Ritchie.

Biographical information on all Board Members is available at www.fsrao.ca/about-fsra/governance.

FSRA Publishes COVID-19 Updates Re Business Continuity Plan And Regulatory Forbearance

On March 27/20 and April 16/20, the Financial Services Regulatory Authority of Ontario (FSRA) published the following updates on its website with respect to its business continuity plan and regulatory forbearance concessions arising from the COVID-19 pandemic (excerpts relevant to CAFII members included below):

March 27/20 Update

As an 'essential workplace', FSRA continues to carry out its regulatory duties while activating our business continuity plan. To protect the health and safety of its employees and the public, FSRA is working remotely wherever practicable. We are continuing to monitor the COVID-19 pandemic closely and have taken steps to prioritize our core functions during this period of disruption.

Certain financial services such as credit unions, insurance and pension services are considered 'essential workplaces'. Please visit <https://www.ontario.ca/page/list-essential-workplaces> to determine whether your activities constitute an essential workplace and may remain open during the current COVID-19 pandemic. Even if yours is an essential workplace, please take all appropriate measures to protect the health and safety of your employees, customers and the public.

The following is a summary of important updates that we are providing to our sectors:

Industry Assessments

- *Until further notice, FSRA is deferring the issuance of the following invoices for F2020-21:*
 - *Fee assessments payable under FSRA's Fee Rule 2019-01*
 - *Deposit Insurance Reserve Fund (DIRF) premiums payable under the Credit Unions and Caisses Populaires Act, 1994*
- *The invoices already issued to insurance brokers for F2020-21 fees are withdrawn. Sectors will be advised 15 days prior to F2020-21 invoices being issued. Until such invoices are issued, FSRA will be deferring collection of any F2020-21 fee assessments or DIRF premiums.*
- *Employers experiencing challenges filing their Pension Benefits Guarantee Fund (PBGF) assessment certificate or paying their PBGF assessment due to disruption from COVID-19 are encouraged to contact their Pension Officer as soon as possible to discuss their individual circumstances and relief that can be provided.*

Insurance Agents

- **Licence Renewals:** *Deadline for renewal applications will be extended by 60 days. FSRA will be providing additional information once arrangements have been finalized.*

Ontario-Incorporated Insurance Companies

- *FSRA has provided [Information Guidance](#) on how Ontario-incorporated insurance companies may use telephonic, digital or other electronic forms for holding virtual annual meetings during the COVID-19 pandemic.*

Credit Unions

- **Sector Engagement:** *FSRA continues to protect the deposits of Ontario credit union members and ensure that the system remains strong, while working in partnership with credit unions as they consider alternate ways to serve their members' needs in the current environment.*
- *We are providing a number of regulatory easing measures to support credit unions as they continue to serve their members in the current environment. More details are available [here](#).*
- **Annual Meetings of Members:** *FSRA has provided [Information Guidance](#) on how credit unions may use telephonic, digital or other electronic forms for holding virtual annual meetings during the COVID-19 pandemic. As noted in the Guidance, given current public health advice, credit unions should report to members on their completed financial year without in-person meetings. Credit unions should contact their FSRA Relationship Manager if they require FSRA to authorize a time extension for holding their virtual annual meetings.*
- **Relationship Managers:** *FSRA's Relationship Managers are in active contact with credit unions and are responding to inquiries. We will continue to be responsive to any questions you may have.*

April 16/20 Update

The Board wishes to thank the FSRA staff for their efforts to work off-site and continue to engage with industry and consumers to ensure that we promote a high standard of business conduct, foster the financial services sector, respond to market changes and protect the public interest. We wish to commend our industry stakeholders and consumers for their collaboration and in identifying opportunities for regulatory continuity during this period. Finally, the FSRA Board of Directors continues to meet to ensure regulatory activities continue.

Québec

Autorité des marchés financiers (AMF)

AMF Publishes Advisory On COVID-19 And Travel Insurance

On March 24/20, the AMF published the following information about COVID-19 and Travel Insurance on its website:

The outbreak of a coronavirus (COVID-19) is raising many questions and concerns among travellers and investors. The following information can help you make good decisions about travel insurance, your investments and protecting yourself against fraud.

COVID-19 and travel insurance: what you need to know

Alert

Insurance coverage and reimbursement eligibility criteria for trip cancellation or interruption can vary from one insurer to another. It is important that you check with your insurer to obtain accurate information specific to your situation.

Insurers have added key information about COVID-19 to their websites and ask that their phone lines be left free for travellers who urgently need to contact them. Please see your insurer's website.

If you are currently abroad:

The Government of Québec is urging Quebecers to take the necessary steps to return to Québec as quickly as possible.

You are strongly encouraged to follow this recommendation so that your travel insurance remains in force. Some insurers have indicated that coverage will be maintained for emergency medical expenses if the insured is ill as a result of COVID-19 or other causes, or requires medical care following an accident, provided that he or she takes the necessary steps to return from abroad as quickly as possible. Ask your insurer when your coverage ends. If you are able to make arrangements to return to Québec only after that date, check with your insurer if your coverage can be extended by a few days. Make sure you keep the supporting documents that prove you were unable to return before the date for which you were finally able to make arrangements.

For help with making arrangements:

If your travel insurance includes a travel assistance service, be sure to contact it.

If you haven't already done so, use the Government of Canada's [registration of Canadians abroad service](#) [This link will open in a new window](#). Your registration will enable the government to contact you. You can also contact the Canadian embassy or consulate, which offer services to Canadians abroad. Check the [directory of embassies and consulates](#) [This link will open in a new window](#) to obtain the contact information for the one nearest you.

If you decide to remain abroad, you may not be covered by your travel insurance beyond the coverage expiry date determined by your insurer.

If you have plans for non-essential travel in the short term:

Ask your insurer what the conditions are for obtaining a reimbursement of expenses associated with the cancellation of your trip due to COVID 19. Insurers have added essential COVID 19 information to their websites and are updating it continually.

If you have already made plans to travel in the next few months, such as in September or October:

Follow the situation closely, in particular the [recommendations of the Government of Québec](#) [This link will open in a new window](#) and travel advisories from the Government of Canada.

If you have any doubts, see your insurer's website.

Other coverage

Check the trip cancellation coverage offered by your airline.

Your credit card may offer a reimbursement. Ask your credit card issuer or the partner financial institution.

Also look into the [Compensation Fund for Customers of Travel Agents](#) [This link will open in a new window](#). This fund, administered by the Québec Office de la protection du consommateur, is a financial protection plan from which you benefit if you do business with a travel agency that holds a licence from the Office de la protection du consommateur, regardless of whether the agency conducts its activities in a brick-and-mortar establishment or on-line.

CAFII Consultations/Submissions Timetable 2020-21

Regulatory Issue	Deliverable	Deadline	Accountable
BC Ministry of Finance 10-Year Review of FIA (Initial Public Consultation Paper released June 2, 2015)	<ul style="list-style-type: none"> FICOM-led Consultation on Industry Funding of BCFSa (successor regulator) CAFII submission on Industry Funding of BCFSa Revised Financial Institutions Act (FIA) tabled in the legislature CAFII submissions on draft Regulations in support of Revised FIA CAFII Meeting with Ministry of Finance staff executives <i>CAFII Follow-up Meeting with Ministry officials Re Credit Protection Insurance Sales Practices and Related Fair Treatment of Consumers Considerations</i> 	<ul style="list-style-type: none"> Released June 10, 2019 July 24/19 October 21/19 Q3 2020 through Q4 2021 October 25/19 <i>Q2 or Q3 2020</i> 	<ul style="list-style-type: none"> Mkt Conduct & Licensing Committee; Co-EDs to monitor
AMF Sound Commercial Practices Guideline Update	<ul style="list-style-type: none"> AMF releases consultation document CAFII submission on updated Sound Commercial Practices Guideline 	<ul style="list-style-type: none"> <u>Q2 or Q3 2020 (expected)</u> <u>Q2 or Q3 2020</u> 	<ul style="list-style-type: none"> Mkt Conduct & Licensing Cttee; Co-EDs to monitor
Quebec Bill 141 and Related Regulations (including Regulation Respecting Alternative Distribution Methods, RADM)	<ul style="list-style-type: none"> National Assembly passes Bill 141 (certain Bill 150 provisions included) AMF releases Regulation Respecting Alternative Distribution Methods (RADM) CAFII submission on Regulations Supporting Bill 141 AMF Response to Feedback on RADM Implementation/In-Force Period for RADM (varies by Article/Chapter) 	<ul style="list-style-type: none"> June 2018 October 10, 2018 December 10, 2018 April 17/19 June 13/19: Chapter 2; June 13/20: Chapter 3 	<ul style="list-style-type: none"> Mkt Conduct & Licensing Committee; Co-EDs to monitor
CCIR/CISRO Guidance: Conduct of Insurance Business and Fair Treatment of Customers	<ul style="list-style-type: none"> CCIR issues final version of FTC Guidance document Meeting with CCIR/CISRO Working Group re Guidance implementation Meeting with CCIR/CISRO Working Group re Guidance implementation Meeting with CCIR/CISRO Working Group re Guidance implementation <u>Meeting with CCIR/CISRO Working Group with expectation of CAFII submission re incentives and compensation models used by CAFII members in-market</u> 	<ul style="list-style-type: none"> September 27, 2018 November 28, 2018 March 27, 2019 March 5/20 <u>June 2020 expected, but may be deferred due to COVID-19</u> 	<ul style="list-style-type: none"> Mkt Conduct & Licensing Cttee; Co-EDs to monitor
SK Bill 177	<ul style="list-style-type: none"> FCAA delays implementation of new Act and Regulations to Jan 1/20 FCAA releases transition-related Guidance and Interpretation Bulletin FCAA releases further transition-related Guidance/Interpretation Bulletin(s) 	<ul style="list-style-type: none"> November 26, 2018 May 17, 2019 Q1 2020 (expected) 	<ul style="list-style-type: none"> Mkt Conduct & Licensing Cttee; Co-EDs to monitor
FCNB Insurance Act Rewrite and Introduction of RIA Regime	<ul style="list-style-type: none"> CAFII Meeting with David Weir and Jennifer Sutherland Green, FCNB in Fredericton CAFII submission on FCNB Licensing of Insurance Adjusters and Damage Appraisers Consultation FCNB launches industry consultation on RIA licensing regime model CAFII submissions on FCNB's Insurance Act Rewrite and RIA Regime <i>CAFII meeting with FCNB re its proposed RIA licensing regime model</i> 	<ul style="list-style-type: none"> June 11, 2019 July 2/19 November 29, 2019 January 31, 2020 <i>Q2 or Q3 2020 (post-COVID-19 outbreak)</i> 	<ul style="list-style-type: none"> Mkt Conduct & Licensing Cttee; Co-EDs to monitor

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

Agenda Item 2(c)
April 28/20 EOC Teleconference Meeting

CAFII Insurance Regulator and Policy-Maker Meetings From March 19, 2020 To April 21, 2020

<u>Date</u>	<u>Event/Occasion</u>	<u>Who</u>
25 March 2020	CAFII teleconference meeting (K. Martin and B. Wycks, Co-Executive Directors) with Financial Services Regulatory Authority of Ontario (FSRA), at FSRA's request, re "How Are CAFII Members Coping With And Responding To COVID-19 Pandemic?"	<u>From FSRA</u> -Huston Loke, Executive Vice-President, Market Conduct -Anthonet Maramieri, Head, Insurance -Swati Agarwal, Senior Manager, Life Insurance Market Conduct
30 March 2020	CAFII teleconference meeting (B. Wycks and K. Martin, Co-Executive Directors; and M. Boyle, EOC Chair) with Insurance Councils of Saskatchewan (ICS), at ICS' request, re "CAFII's Regulatory Forbearance Request Letter Arising From COVID-19 and What are Specific Asks of ICS?"	<u>From ICS</u> -Ron Fullan, Executive Director -April Stadnek, Director, Strategic Initiatives
31 March 2020	CAFII phone discussion (K. Martin, Co-Executive Director) with FCAC Commissioner, initiated by FCAC, re "CAFII's Regulatory Forbearance Request Letter Arising From COVID-19 and What are Specific Asks of FCAC?"	<u>From FCAC</u> -Judith Robertson, Commissioner

Summary of CAFII Board and EOC Action Items					
	Source	Action Item	Responsible	Deadline	Status April 21, 2020
		Association Strategy and Governance			
1	Board: April 7, 2020	Launch CAFII Directors and Designates COVID-19 Information-Sharing Group and Convene Two Weekly One Hour Teleconference Meetings Initially, With An Evaluation/Assessment To Occur After Second Meeting Re Continuation	K. Martin/B. Wycks	16-Apr-20	Complete
2	Board: April 7, 2020	Relaunch CAFII Quarterly CPI Benchmarking Study With RSM Canada, and expedite production of its first report.	K. Martin/B. Wycks	17-Apr-20	Complete
3	Board: April 7, 2020	Ensure that an item re "CAFII's Two-Pronged Strategy Re AMF's View That RADM Applies To Credit Card-Embedded Insurance Benefits" is included on agenda for June 9/20 Board meeting for review and decision-making at that time.	K. Martin/B. Wycks	2-Jun-20	In progress
4	Board: April 7, 2020	Ensure that an item re "CAFII 2020 Research Recommendations From the Research & Education Committee" is included on agenda for June 9/20 Board meeting for review and decision-making at that time.	K. Martin/B. Wycks	2-Jun-20	In progress
5	EOC and Board: October 2019	Launch CAFII EOC Working Group to Explore a New Lower Dues Category of CAFII Membership, via a first meeting and a draft Terms of Reference for this Working Group.	B. Wycks/K. Martin	31-Mar-20	In progress
6	EOC May 29, 2018	Develop a summary job description for the CAFII EOC Chair role and circulate it to EOC Members.	Brendan, Keith	30-Jun-20	In progress
7	EOC February 27, 2018	Document in writing the process for reviewing, approving, and admitting applicants for CAFII Initiation Member and Associate status	Brendan	30-Jun-20	In progress

Briefing Note

CAFII EOC Meeting, 28 April, 2020—Agenda Item 3a.

Transition To A New Approach to CAFII Board Meeting Materials, Based on Board Feedback

Purpose of this Agenda Item

To discuss a new approach to CAFII Board meetings, and EOC meetings as well, which will feature a reduction in the volume of materials posted for the meetings and a stronger focus on Briefing Notes as the driver of discussions and decisions on agenda items.

Background Information

In its 7 April, 2020 in camera session, the CAFII Board provided feedback on Board meeting packages, requesting that they be more condensed and strategic. There was a recommendation that Briefing Notes be the driver for the discussion around each agenda item, and that the purpose and action required for each agenda item be more clearly spelled out in the Briefing Notes.

Recommendation / Direction Sought -- *Update and Discussion*

CAFII Management has attempted to implement for this EOC meeting, to a significant degree, the new approach to meeting materials sought by the Board, and is seeking feedback from the EOC on whether it is an improvement on past approaches; on what the EOC likes about the new approach; and what the EOC thinks can be improved in the new approach.

Attachments Included with this Agenda Item

No Attachments

Briefing Note

CAFII EOC Meeting, 28 April, 2020—Agenda Item 3b.

Possibility of Using Zoom Meeting Software For Future CAFII EOC, Board, and Committee Meetings That Are Not In-Person Meetings

Purpose of this Agenda Item

To discuss the possibility that CAFII could use Zoom for future EOC, Board, and Committee meetings.

Background Information

With CAFII members largely working from home during the COVID-19 pandemic, new ways of collaborating are necessary. CAFII management has used the different webinar platforms available (Google Hangout, Webex, GoToMeeting, Zoom) and has concluded that Zoom is the most intuitive and easy-to-use. However, some members have indicated that their IT security departments do not permit the use of Zoom.

Recommendation / Direction Sought -- *Update and Discussion*

We are proposing a discussion around whether it might be possible to use Zoom at a future point in time for CAFII meetings, recognizing that CAFII EOC members must comply with their IT department's protocols.

There have been media accounts of "Zoom-bombings," but CAFII would take the following steps to ensure that only invited member representatives would be able to gain access to the meetings set up by CAFII:

1. Require registration before the meeting to confirm the attendee's identity;
2. Require a password to join the meeting;
3. All participants are placed in a waiting room at the time of the meeting, and the host only admits attendees whose identity can be confirmed;
4. Host would monitor the attendees to ensure that only invited attendees are participating in the meeting.

Attachments Included with this Agenda Item

No attachments

Briefing Note

**CAFII EOC Meeting, 28 April, 2020—Agenda Item 3b(i).
Possibility of Having A CAFII “Virtual Reception With A Guest Speaker,” Over Zoom, Immediately
Following June 9/20 CAFII Board Meeting**

Purpose of this Agenda Item

To discuss the possibility that CAFII could hold a virtual Reception webinar with a guest speaker following the 9 June, 2020 Board meeting.

Background Information

With restrictions on public meetings, CAFII cannot currently hold its usual in-person Receptions with a guest speaker following Board meetings. But there is the possibility of holding a Reception webinar with a guest speaker to which CAFII members would be invited.

Recommendation / Direction Sought – Discussion and Feedback

Do EOC members like the idea of holding a Reception webinar with a guest speaker immediately following the 9 June, 2020 Board meeting?

Attachments Included with this Agenda Item

No Attachments

Briefing Note

CAFII EOC Meeting, 28 April, 2020—Agenda Item 3c. Draft Minutes of April 7/20 Board Teleconference Meeting

Purpose of this Agenda Item

To approve the Draft Minutes of the April 7/20 Board teleconference meeting, so that they may then proceed to the Board for approval at its next meeting.

Recommendation / Direction Sought – *Support for Recommending that the Board Approve of Minutes*

EOC approval of the Draft Minutes of the April 7/20 Board teleconference meeting is sought.

Attachments Included with this Agenda Item

One Attachment

BOARD TELECONFERENCE MEETING
CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE
Tuesday, April 7, 2020
MINUTES

Board Present:	Nicole Benson	Canadian Premier Life/valeyo, <i>Chair</i>
	Chris Lobbezoo	RBC Insurance, <i>Vice Chair</i>
	Peter Thompson	National Bank Insurance
	Janice Farrell-Jones	TD Insurance
	Kelly Tryon	CUMIS Services Inc.
	Zack Fuerstenberg	ScotiaLife Financial
	Wally Thompson	Manulife Financial
	Sandra Rondzik	CIBC Insurance
	André Langlois	Desjardins Financial Security
	Sophie Ouellet	Sun Life Financial
	Paul Cosgrove	Assurant
	Louie Georgakis	Canada Life Assurance
Regrets:	Peter McCarthy	BMO Insurance
EOC Present:	Martin Boyle	BMO Insurance, <i>Board Secretary and Chair, EOC</i>
	Tony Pergola	ScotiaLife Financial, <i>Treasurer</i>
	Michelle Costello	CUMIS Services Inc.
	Diane Quigley	CUMIS Services Inc.
	Andrea Stuska	TD Insurance
	Brad Kuiper	ScotiaLife Financial
	Emily Brown	Sun Life Financial
	Karyn Kasperski	RBC Insurance
	Afzal Baig	TD Insurance
	John Lewsen	BMO Insurance
	Joanna Onia	CIBC Insurance
	Monika Spudas	Manulife Financial
	Maira Gill	TD Insurance
	Charles MacLean	RBC Insurance
	Scott Kirby	TD Insurance
	Anita Mukherjee	RBC Insurance
	Dallas Ewen	Canada Life Assurance
Also Present:	Keith Martin	CAFII Co-Executive Director
	Brendan Wycks	CAFII Co-Executive Director
	Natalie Hill	Managing Matters <i>Recording Secretary</i>
	Albert Lin	Managing Matters

1: Call to Order, Welcome and Confirmation of Meeting

N. Benson welcomed all present to this teleconference meeting of the CAFII Board of Directors, and called the meeting to order at 2:08 p.m.

1.1: Confirmation of Quorum

M. Boyle confirmed that notice of the meeting had been sent to all Directors in accordance with the Association's By-Law; and that a quorum of Directors was present on the phone.

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

1.2: Approval of Agenda

On a motion duly made, seconded and unanimously carried

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

2: Consent Items

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that the minutes of the meetings of the Board of Directors held December 3, 2019, February 10, 2020, and March 26, 2020 be and are adopted in the form presented, and that a copy of the minutes of those three meetings be signed and placed in the minute book of the Corporation.

3: Governance Matters

3 (a): Rescheduling of 2020 Informal Liaison Lunch and Industry Issues Dialogue with AMF Staff Executives

B. Wycks noted that today was the originally scheduled date for the 2020 liaison lunch and industry issues dialogue with AMF staff executives, which was slated to occur in conjunction with this Board meeting, but it had to be postponed due to the COVID-19 pandemic. That decision was conveyed to the AMF which, in response, indicated that it fully understood.

The liaison lunch and Industry Issues Dialogue with the AMF staff executives will be rescheduled for the Fall of 2020. However, the currently scheduled date of 6 October, 2020 for a CAFII Board meeting date does not work for Desjardins Financial Security, which will be the host for this meeting, so an alternative date around that time will be found.

3 (b): Recommendation That June 9/20 CAFII Annual Meeting Be Converted To A Virtual-Only Meeting Or Teleconference

B. Wycks recommended that the 9 June, 2020 CAFII Annual Meeting of Members be converted to a virtual-only meeting or teleconference, and that the immediately ensuing first meeting of the CAFII Board for 2020-2021 also be converted to a virtual-only meeting or teleconference. B. Wycks noted that the By-Laws of the Corporation allow for attendance by teleconference, video-conference or any other electronic means.

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that the 9 June, 2020 CAFII Annual Meeting of Members and the 9 June, 2020 CAFII Board meeting be converted to virtual-only or teleconference meetings.

4: Financial Management Matters

4 (a): CAFII Financial Statements as at February 29, 2020

CAFII Treasurer T. Pergola reported on the CAFII financial statements as at February 29, 2020. He noted that the Association's financial situation is stable, with revenue slightly below projections due to the fact that the budget anticipated the securing of four new Associates and that has not yet materialized. As well, Management Fees are slightly higher Budget Year-to-date, as the budget provided for a 1% salary increase for the CAFII Co-Executive Directors, and the actual increase was 2.5%. The ratio of financial reserves to annual operating expenses is 31%, which is within the Association's target range of 25 to 50%.

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that the CAFII Financial Statements as at February 29, 2020 be and are approved as presented.

4(b): 2020 Fiscal Year Forecast As At February 29, 2020

Treasurer T. Pergola reported on CAFII's 2020 Fiscal Year Forecast as at February 29, 2020, noting that the Association's total revenue for the year was now expected to be slightly lower than budgeted due to fewer new Associates now expected to join the Association; and that total expenses for the year were now expected to be slightly higher than budgeted due to a somewhat higher salary increase for the CAFII Co-Executive Directors than was provided for in the budget.

4(c): Draft 2019 CAFII Audited Financial Statements

N. Benson noted that the Draft 2019 CAFII Audited Financial Statements must be approved by the Board prior to being presented to the membership at the Association's 2020 Annual Meeting which is coming up on June 9/20.

Treasurer T. Pergola noted that KPMG's audit of CAFII's 2019 financial statements had resulted in a clean, unqualified audit opinion, with only small modifications suggested to the treatment of the special project restricted fund created by the Association in 2019.

KPMG representatives Hudson Lopez and Kimmone Gooden joined the meeting for the Board's discussion of this agenda item. Mr. Lopez formally communicated that KPMG is an independent auditor; and advised that KPMG's audit of CAFII's 2019 financial statements and related practices and controls had gone very smoothly, had not identified any issues or concerns, and that the audit team appreciated the full co-operation it had received from CAFII's management, treasurer, and administrative team.

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that the Draft 2019 CAFII Audited Financial Statements be and are approved in the form presented.

4(d): Timelines for Board and Membership Approval of CAFII 2019 Audited Financial Statements

B. Wycks briefly reviewed the timelines with respect to CAFII's 2019 audited financial statements, noting that the final step in the process was now their adoption at the Annual Meeting of Members on 9 June, 2020.

5: Strategic and Regulatory Matters

5(a): COVID-19 Pandemic Issues

5(a)(i): Options Related To A CAFII Working Group On COVID-19 Industry-Level Initiatives

K. Martin indicated that interest had been expressed in CAFII organizing meetings of member representatives related to the COVID-19 pandemic situation, in order to share information and discuss possible industry-level initiatives. Three options were suggested, which were not mutually exclusive: Board meetings, EOC meetings, or meetings with CAFII member employees who were on the front-line of the issue.

Following thorough Board discussion, it was agreed to hold two such meetings of a CAFII COVID-19 Information-Sharing Group initially -- after which subsequent such meetings could be considered -- with membership consisting of each CAFII Board member, along with one Director-nominated Designate from each member company. It was determined that prior to the first full meeting of this Information-Sharing Group, the Designates would meet on their own with the Co-Executive Directors to propose agenda items for the full meeting.

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that a CAFII Directors and Designates COVID-19 Information-Sharing Group be convened, based on the following terms: 1. Two representatives from each CAFII member company: the CAFII Board member and a Designate appointed by the CAFII Board member; 2. Designates to meet prior to the first full meeting of the Information-Sharing Group to develop agenda topics; 3. Two meetings to be held one week apart, with the second meeting to include a discussion of whether further meetings are needed; 4. The meetings will be un-minuted but with the CAFII Co-Executive Directors to participate and capture Action Items emerging from the meetings.

5(a)(ii) CAFII Forbearance Request Letters To Insurance Regulators and Policy-Makers

K. Martin provided an update on responses received to CAFII's forbearance letters to regulators and policy-makers across the country, asking for no new regulatory initiatives at this time and for delays in regulatory and filing requirements due to the issues that members are having to deal with arising from the COVID-19 pandemic. He noted that FCAC Commissioner Judith Robertson had phoned him, and indicated that she was supportive of the request CAFII made. She noted that only one CAFII member was currently subject to a regulatory market conduct investigation, and that it had been placed on hold for the time being.

K. Martin advised that the CCIR had agreed to extend the filing deadline for the 2020 Annual Statement on Market Conduct by two months, from 1 May, 2020 to 1 July, 2020. CISRO had indicated its support of postponing licensing deadlines where possible.

The AMF indicated that the 1 May, 2020 filing deadline for its Annual Disclosure requirement would be postponed by 60 days to 1 July, 2020. The request for a delay in meeting the 13 June, 2020 deadline for the Regulation respecting Alternative Distribution Methods (RADM) was denied, but individual members who desired an extension were invited to request one on an individual company basis with an Action Plan for when that member could become compliant. With respect to the RADM's applicability to credit card-embedded insurance benefits, the AMF extended the deadline for CAFII to submit "creative solutions" on how to meet the expectations of the AMF by 60 days, from 15 May, 2020 to 15 July, 2020.

B. Wycks noted that individual provincial regulators and policy-makers had also begun to respond to the CAFII's forbearance request letters, with the responses generally being supportive.

5(a)(iii) CAFII Sharing Of Regulatory Forbearance Requests Strategy With CLHIA, CBA, THIA

B. Wycks noted that CAFII had shared its forbearance request letters with allied industry Associations CLHIA, CBA, and THIA.

5(a)(iv) CAFII Twice Weekly Calls With CLHIA and THIA Re COVID-19 Industry Impact

K. Martin mentioned that CAFII was participating in recently launched twice weekly teleconference meetings with CLHIA and THIA on COVID-19's impact upon the travel insurance industry, and that any important learnings will be shared with CAFII members.

5(a)(v) Postponement of CAFII Quarterly CPI Benchmarking Study With RSM Canada

K. Martin reported that at the 24 March, 2020 EOC meeting, there was a recommendation that the launch and first report from CAFII's Quarterly CPI Benchmarking Study With RSM Canada be temporarily postponed, noting that the same issues that caused CAFII to issue forbearance requests for delays and extensions in regulatory and filing requirements (difficulties in accessing IT back-ends when employees are working from home, challenges in accessing IT resources, and the need to focus on other customer-centric priorities) seemed to apply to this study.

In Board discussion of this matter, several Directors felt that the individuals within their member companies who would supply the required CPI benchmarking data to actuarial firm RSM Canada are not the same individuals who are having to deal with regulatory and filing issues from home; and therefore, they should be able to supply the benchmarking data to RSM Canada on a timely basis despite the COVID-19 stay-at-home lock-down. It was agreed that the Board would further discuss in its *in-camera* session, immediately following this meeting, whether or not a delay in the CAFII Quarterly CPI Benchmarking Study With RSM Canada was necessary.

5(a)(vi) Deferral of 2020 CAFII Atlantic Canada Regulators and Policy-Makers Visits

B. Wycks reported that CAFII's plans for 2020 visits to Atlantic Canada insurance regulators and policy-makers had been postponed to the Fall of 2020.

Item 5(b): AMF Credit Card-Embedded Insurance Benefits Matters On Hold Awaiting AMF Response To CAFII Forbearance Request Due To COVID-19

K. Martin reported that CAFII has a two-pronged approach to the AMF's expectation that the RADM applies to credit card-embedded insurance benefits. One prong is the development of legal options; the other prong is to determine what components of the Regulation CAFII members could meet the AMF's expectations on, and which other components would be problematic or impossible to meet the AMF's expectations on. Both prongs are well-advanced.

However, Mr. Martin continued, the latest letter from Mario Beaudoin of the AMF was notably softer in tone than his communications to CAFII on this issue, and that raised the prospect that the second prong on "creative solutions" to meet the AMF's expectations might be promising as a first step.

With the AMF having granted an extension to 15 July, 2020 with respect to CAFII's deadline for submitting "creative solutions" to the AMF, there would be an opportunity to review this issue again at the 9 June, 2020 CAFII Board meeting, Mr. Martin noted.

S. Kirby, Chair of the Association's Working Group on meeting the expectations of the AMF, noted that the approach taken was along the lines of "we understand what AMF is looking for and here is how we can help" as opposed to focusing on the provisions CAFII members cannot meet.

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that CAFII's two-pronged strategy with respect to the AMF's expectation that the Regulation respecting Alternative Distribution Methods (RADM) applies to credit card-embedded insurance benefits be reported on and discussed at the 9 June, 2020 CAFII Board meeting.

Item 5(c) AMF Response Letter To CAFII Members' Action Plans Re Run-off Of Non-Debtor/Spousal Coverage

The AMF indicated to CAFII at the 11 December, 2019 meeting on non-debtor/spousal CPI coverage that it would accept natural attrition or runoff, as opposed to the cancellation of in-force policies, as a method for CAFII members to become compliant with the expectations of the AMF on this file, but that the run-off "could not take forever." Subsequently, the AMF has responded to CAFII member insurers' action plans on this file by indicating that members have five years to become compliant with the expectations of the AMF, after which other methods to ensure compliance would need to be considered.

K. Martin reported that this clarification by the AMF provided a significant period of time for members to become compliant. He noted that a lot can change in five years, including the priorities of the AMF and its personnel, and that as the 2025 deadline approaches, CAFII could consider following-up again with the AMF. In the meantime, for the next five years, CAFII members (and the industry more generally) do not need to consider cancelling existing, in-force policies.

5(d) March 5/20 CAFII Stakeholder Meeting With CCIR/CISRO FTC Working Group

5(d)(i) Request From CCIR/CISRO FTC Working Group For Results Of A CAFII Member Survey On "Incentives and Compensation Models Used In Market"

K. Martin reported that the CCIR/CISRO Fair Treatment of Consumers (FTC) Working Group has requested that CAFII provide a high level submission on the compensation and incentive models that the Association's members use in-market. CAFII requested a legal opinion from Stikeman Elliott on this matter, and the law firm indicated that sharing this information in an open meeting was problematic as it entailed sharing competitively sensitive information with CCIR/CISRO in the presence of competitors. However, Stikeman Elliott advised that if the information was collected by a third party, and then presented in anonymous, aggregated fashion, this would not be a concern from the perspective of Competition Law. The CCIR/CISRO FTC Working Group indicated that such a survey would be acceptable to the Working Group, and requested that CAFII proceed with such a survey.

Several Directors expressed significant reservations about providing such information to the CCIR/CISRO FTC Working Group, noting that it was competitively sensitive, and therefore seeking its collection and presentation in a collective manner/setting was outside the mandate of the CCIR/CISRO FTC Working Group. It was agreed that further discussion of this matter would occur in the Board's *in-camera* session, immediately following this meeting.

Item 5(e): March 9/20 CAFII Presentation Meeting With FCAC Staff Executives On “Credit Protection/Authorized Insurance Products Sales Practices and Fair Treatment of Consumers

5(e)(i): CAFII Future Use of WTW-Produced Key Data Point Slides

K. Martin reported that in preparation for CAFII’s 9 March, 2020 presentation meeting with Financial Consumer Agency of Canada (FCAC) staff executives, Willis Towers Watson had provided CAFII with CPI industry highlights benchmarking data. That data was turned into a series of slides by storyteller firm Dog and Pony Studios, but CAFII did not use those slides as it was felt that some of them contained sensitive information and a further review of the content with CAFII EOC members needed to occur first. That review will be organized shortly and the Board will be provided with an update after it has occurred.

Item 5(f): CAFII CPI Industry Best Practices Working Group: Progress Report

M. Boyle, Co-Chair of the CAFII Credit Protection Insurance Industry Best Practices Working Group, reported that the Working Group, which has at least one representative from each CAFII member, had made excellent progress with a focus on assessing regulatory expectations, and the development of a high level principle or standard around industry best practices to meet those expectations. While the Working Group has been put on pause temporarily due to the COVID-19 pandemic, it will reconvene and continue its work as soon as that is possible.

Item 5(g): Research & Education Committee

5(g)(i): Recommendations on 2020 CAFII Research

Research & Education Committee Chair A. Stuska reported that the Committee had recently met on 10 March, 2020 and, stemming from that meeting, was now making two recommendations for 2020 CAFII research. The first was to produce a CLHIA-type “fact pack” study on the size and impact of credit protection insurance, nationally and provincially. This could be published and shared broadly, including via our CAFII website, could be the subject of a media release, and could be included in our presentations to insurance regulators and policy-makers. The Committee was also hopeful that the full \$60K R&E budget for 2020 would not be required to produce such a study, such that there would be funds remaining to sponsor a White Paper by Melissa Carruthers of Deloitte Canada on “The Future of Credit Protection Insurance.”

However, since the time that those recommendations were formulated, much has changed due to the COVID-19 pandemic. The fact-pack will require some time from members to produce the required data, including access to IT resources. As such, it was felt that it made best sense to recommend that the sequencing of the research be flipped, and the White Paper be pursued first, and the fact-pack would only occur when the pandemic situation has stabilized. The EOC had supported these R&E Committee recommendations and that they be presented to the Board at the 7 April, 2020 Board meeting.

In Board discussion of the R&E Committee’s recommendations, some Directors expressed reservations about the value of a fact-pack, while others were concerned that the analysis and prognostications that would be included in a future of CPI-focused White Paper might be bypassed by events because so much was changing due to the COVID-19 pandemic.

It was agreed therefore that further Board discussion on the Association’s 2020 research options was required, and the Board decided to defer this matter to the 9 June, 2020 Board meeting.

Item 5(h): Media Advocacy Committee

5(h)(i): CAFII Website Metrics Report From RankHigher

Media Advocacy Chair C. Blaquiere and K. Martin reported that on 4 March, 2020, RankHigher presented a webinar session on CAFII's 2019 website metrics and performance. The report indicated that CAFII was now first-in-line for a much larger number of CPI-related search terms on Google, and CAFII was now viewed by Google as the lead legitimate source for CPI information.

5(h)(ii): CAFII 2020 Website Investment Plans/Initiatives

K. Martin presented the 2020 investment plans/initiatives recommendation for the CAFII website, which included several new motion graphic videos, new vignettes, and additional FAQs.

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that the recommended CAFII 2020 website investment plans/initiatives be and are approved.

Item 7: Meeting Termination

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that this Meeting of the CAFII Board of Directors be terminated at 4:07 p.m.

Briefing Note

**CAFII EOC Meeting, 28 April, 2020—Agenda Item 3d.
Draft Minutes of March 24/20 EOC Teleconference Meeting**

Purpose of this Agenda Item

To approve the Draft Minutes of the March 24/20 EOC Teleconference Meeting.

Recommendation / Direction Sought – *Motion for EOC to Approve of Minutes*

EOC approval of the Draft Minutes of the March 24/20 EOC Teleconference Meeting is sought.

Attachments Included with this Agenda Item

One Attachment

CAFII Executive Operations Committee Meeting Minutes
Tuesday, 24 March, 2020 Teleconference Only Meeting

EOC Present:

Martin Boyle, BMO Insurance, *Chair*
Tony Pergola, ScotiaLife Financial, *Treasurer*
Dominique Julien, CIBC Insurance
Dana Easthope, Canadian Premier Life Insurance
Moirra Gill, TD Insurance
Monika Spudas, Manulife Financial
Sharon Apt, Canada Life Assurance
Charles Blaquiere, valeyo
Scott Kirby, TD Insurance
Michelle Costello, CUMIS Services Inc.
Scott Kirby, TD Insurance
Pete Thorn, TD Insurance
Brad Kuiper, ScotiaLife Financial
Kamana Tripathi, TD Insurance
Vikram Malik, Sun Life Financial
Emily Brown, Sun Life Financial
Rob Dobbins, Assurant
Andrea Stuska, TD Insurance
Joanna Onia, CIBC Insurance
Diane Quigley, CUMIS Services Inc.
Afzal Baig, TD Insurance
Penelope Cordogiannis, RBC Insurance
Dallas Ewen, Canada Life Assurance

Also Present:

Louis Georgakis, CAFII Director, Canada Life Assurance
B. Wycks, CAFII *Co-Executive Director*
K. Martin, CAFII *Co-Executive Director*
Natalie Hill, Managing Matters, Recording Secretary
Albert Lin, Managing Matters

1. Call to Order

The meeting was called to order at 2:02 p.m.; M. Boyle acted as Chair; N. Hill acted as Recording Secretary.

2. Consent Items

A series of Consent Items were tabled and approved by the EOC without further discussion. These included the Consultations/Submissions Timetable; Regulator and Policy-Maker Visit Plan; Summary of Board and EOC Action Items; and a document on *Postponement of the 2020 CAFII Annual Members' Luncheon to the Fall of 2020*.

3a. Draft Minutes of February 10/20 CAFII Board Special Purpose Teleconference Meeting

The EOC endorsed the Draft Minutes of the February 10/20 CAFII Board Special Purpose Teleconference Meeting, for presentation to the Board for approval at its next meeting.

3b. Draft Minutes of February 25/20 EOC Teleconference-Only Meeting

The EOC approved the Draft Minutes of the February 25/20 CAFII EOC Teleconference-Only Meeting.

3c. Conversion of April 7/20 CAFII Board Meeting to a Teleconference-Only Meeting

B. Wycks noted that due to the social distancing and work-at-home requirements currently in place as a result of the COVID-19 pandemic, the April 7, 2020 CAFII Board meeting would no longer be held in-person and would instead be converted to a teleconference-only meeting.

3d. Rescheduling of 2020 Informal Liaison Lunch and Industry Issues Dialogue with AMF Staff Executives

B. Wycks noted that it was no longer possible to hold an in-person liaison lunch and industry issues dialogue with AMF executives on 7 April, 2020 in Quebec City, due to travel and other restrictions as a result of the COVID-19 pandemic. The intention is to reschedule the meeting to the Fall of 2020. The AMF has been notified and, under the circumstances, indicated that they completely understood the reasons for CAFII's postponement and rescheduling decision.

3e. Communications and Timelines Re: CAFII 2020 Annual Meeting of Members on June 9/20

B. Wycks provided EOC members with a timeline of key actions required leading up to the CAFII 2020 Annual Meeting of Members on 9 June, 2020. B. Wycks further noted that it was highly likely that the meeting would be converted to a teleconference-only or virtual meeting.

3f. New CAFII Initiation Member Prospects

B. Wycks reported that current prospects for new Associates included Norton Rose Fulbright, Stikeman Elliott, Deloitte Canada, and Dog and Pony Studios, and that CAFII would follow up with each of these prospects.

4a. Financial Statements as at February 29/20

CAFII Treasurer T. Pergola presented an overview of CAFII's financial statements as at February 29, 2020, noting there were slight adjustments from the Association's finance as at the end of January 2020, including a slight increase in the Management Fees line item, along with the expectation that there would be slightly lower total revenue due to two Associates deciding that they would not renew their Associate status for 2020.

4b. Draft 2019 CAFII Audited Financial Statements

CAFII Treasurer T. Pergola provided an overview of CAFII's 2019 audited financial statements, which had been produced by KPMG. Overall, KPMG had delivered a clean audit opinion with no major issues raised, but the auditor's recommendations for some adjustments to the treatment of CAFII's restricted, special purpose fund had been adopted and were reflected in the audited financial statements.

The EOC endorsed the Draft 2019 CAFII Audited Financial Statements, for presentation to the Board of Directors for approval.

4b. Timelines for Board and Membership Approval of CAFII 2019 Audited Financial Statements

B. Wycks provided an overview of the timelines for the approval by the Board and Membership of the 2019 audited financial statements, leading up to the 9 June, 2020 Annual Meeting of Members.

5a(i) Research & Education Committee—Recommendations on 2020 CAFII Research

Research & Education Committee Chair A. Stuska noted that the Committee had recently met on 10 March, 2020 and was now making two recommendations for 2020 CAFII research. The first was to produce a CLHIA-type “fact pack” study on the size and impact of credit protection insurance, nationally and provincially. This could be published and shared broadly, including via our CAFII website, could be the subject of a media release, and could be included in our presentations to insurance regulators and policy-makers. The Committee was also hopeful that the full \$60K R&E budget for 2020 would not be required to produce such a study, and that there could also be funds remaining for CAFII to sponsor a White Paper by Melissa Carruthers of Deloitte Canada on “The Future of Credit Protection Insurance.”

Since the time these recommendations were made, however, much has changed due to the COVID-19 pandemic. The fact-pack will require some time commitment from members to submit the required data, including access to IT resources. As such, it was felt that it made sense to recommend that the sequencing of the research be flipped, and the White Paper be done first, and the fact-pack would only occur when the pandemic situation had stabilized.

The EOC endorsed the Research & Education Committee’s recommendations on 2020 CAFII research, for presentation to the Board at its upcoming 7 April, 2020 meeting.

5b. Market Conduct & Licensing

No information to report at this time.

5c(i, ii, iii) Media Advocacy—CAFII 2019 Website Metrics Report from RankHigher; CAFII 2020 Website Investment Plans/Initiatives; CAFII CPI Opinion Piece in Canadian Business Quarterly

Media Advocacy Chair C. Blaquiere and K. Martin updated the EOC on some recent initiatives. On 4 March, 2020, RankHigher made a presentation on the metrics of CAFII’s 2019 website performance. The report indicated that CAFII was now first-in-line for a much larger number of credit protection insurance-related search terms on Google, and that CAFII was viewed by Google as the leading legitimate source for information in this area.

The 2020 website investment plan was presented, which included more videos, vignettes, and FAQs. It was also noted that CAFII Co-Executive Directors B. Wycks and K. Martin had recently had an article published on credit protection insurance in the Canadian Business Quarterly.

5d. Travel Medical Insurance Experts

No information to report at this time.

5e. Networking & Events

No information to report at this time.

6a. (i) March 9/20 CAFII Presentation Meeting with FCAC Staff Executives on “Credit Protection/Authorized Insurance Product Sales Practices and Fair Treatment of Consumers”

K. Martin and B. Wycks provided an update on the presentation by CAFII to a group of Financial Consumer Agency of Canada staff executives on 9 March, 2020 at the Agency’s office in Ottawa. The presentation was well-received and the FCAC executives appeared engaged and interested in the perspectives that CAFII provided. They also indicated an openness to regular follow-up meetings with CAFII to continue to dialogue and to discuss matters of mutual interest. CAFII’s presentation deck for the 9 March meeting was put together by storytelling firm Dog and Pony Studios, and that included a series of slides based on benchmarking data assembled by actuarial firm Willis Towers Watson. Those slides were not used in the presentation to the FCAC because CAFII management felt that they required validation, and there will be an opportunity for EOC members to review those slides and determine which should be used in future presentations.

6b. CAFII Liaison/Interaction With AMF on Credit Card-Embedded Insurance Benefits Issue

(i) Response from AMF to CAFII Deadline Extension Request Re: “Creative Solutions” Submission

K. Martin reported that Mario Beaudoin had responded to CAFII’s request to extend the deadline for the Association’s submission of “creative solutions” on how to meet the expectations of the AMF around the Regulation respecting Alternative Distribution Methods (RADM)’s applicability to credit card-embedded insurance benefits, by offering an extension to 15 May, 2020.

(ii) Norton Rose Fulbright Strategy Proposal to CAFII RE AMF Credit Card-Embedded Insurance Benefits Issue

K. Martin reported that Norton Rose Fulbright had provided an overview of work they could engage in around the legal basis for CAFII’s position that the Regulation respecting Alternative Distribution Methods (RADM) does not apply to credit card-embedded insurance benefits. The law firm’s proposal suggests that CAFII has strong, solid, and credible legal arguments to explore in support of the position that the RADM does not apply to these products. This legal approach is one prong of a two-pronged strategy, which also includes exploration of ways in which CAFII members could meet the expectations of the AMF on this file.

(iii) CAFII Working Group on Credit Card-Embedded Insurance Benefits and Industry Relations With the AMF

K. Martin recalled that the second prong of CAFII’s two-pronged strategy on the AMF credit card-embedded insurance benefits issues is developing a “creative solutions” response to the AMF’s expectations that the RADM applies to these insurance coverages. The intention is to indicate to the AMF which components of the RADM CAFII members are able to apply, and which are problematic or impossible to apply. A Working Group chaired by Scott Kirby of TD Insurance has been developing a draft of a detailed creative solutions response, and that potential submission is nearly complete.

(iv) CAFII Board Special Purpose Teleconference Meeting Re Strategy and Next Steps on AMF Credit Card-Embedded Insurance Benefits Issue: Thursday, March 26/20, 1.00 to 2.00 pm Eastern

K. Martin advised that a CAFII Board Special Purpose Teleconference Meeting had been set up to discuss the two-pronged approach to the AMF's expectations that the RADM applies to credit card-embedded insurance benefits, and to decide on how to move this file forward. However, since the point in time that that meeting was set up, there has been discussion of the possibility of asking the AMF, along with other regulatory bodies, for regulatory forbearance with respect to current reporting and regulatory deadlines, in the context of the challenges posed by the COVID-19 pandemic.

EOC discussion then pivoted to the issue of CAFII letters requesting regulatory forbearance, with a strong desire expressed by EOC members to request extensions of the RADM deadline, along with other imminent deadlines such as the 1 May, 2020 Annual Disclosure to the AMF, as well as the 1 May, 2020 filing deadline for CCIR's 2020 Annual Statement on Market Conduct. Members noted that it was difficult to co-ordinate these filings with staff working from home, with the challenges this produced for access to back-end legacy systems; that IT resources were stretched to the limit; that CAFII members were focused on meeting emerging, critical needs of customers who were suddenly in financial distress; and that, generally, these filings should not be top priorities at this critical juncture. The EOC strongly supported CAFII's sending forbearance request letters to regulatory bodies, including the AMF and CCIR, requesting extensions of deadlines.

On that basis, it was agreed that until a response from the AMF was received, it was premature to hold the scheduled 26 March, 2020 CAFII Board Special Purpose Teleconference Meeting, and it was requested that the meeting therefore be cancelled and that the approach to take to the AMF be put on hold until we have a response from the AMF on CAFII's request for a further extension to the deadline on the credit card-embedded insurance benefits issue.

In that connection, it was also noted that the same reasoning around the challenges of access to IT resources and the difficulty of moving forward on new initiatives at this time with employees both working from home and focused on customer-centric issues, may make it challenging to submit to RSM Canada the data they require as part of the new CAFII credit protection insurance quarterly benchmarking study. As such, the EOC supported the temporary postponement of further work on this initiative at this time.

6c. AMF Response Letter to CAFII Members' Action Plans Re Runoff of Non-Debtor/Spousal CPI Coverage

The AMF indicated to CAFII at an 11 December, 2019 meeting on non-debtor/spousal CPI coverage that it would accept natural attrition or runoff, as opposed to the cancellation of in-force policies, as a method for CAFII members to become compliant with the expectations of the AMF on this file, but that the run-off "could not take forever."

Subsequently, the AMF has responded to CAFII insurer members' submitted action plans on this file with an indication that insurers have five years to become compliant with the expectations of the AMF, after which other methods to ensure compliance would need to be considered.

K. Martin reported that this clarification by the AMF provided a significant period of time for members to become compliant. He noted that a lot can change in five years, including priorities of the AMF and AMF personnel, and that as that 2025 deadline approached CAFII would consider following-up again with the AMF. For the next five years, CAFII members (and the industry more generally) do not need to consider cancelling existing, in-force policies.

6d. AMF Correspondence Re Operational Incident Reporting, Including Publication On Information and Communications Technology Risk Management, February 2020

There was a discussion on the correspondence from the AMF on this issue, with concern expressed that the AMF expectations were unrealistic -- especially due to the lack of any materiality thresholds with respect to operational incident reporting to the regulator -- and could therefore result in significant additional compliance burden and challenges for members. It was observed and agreed, however, that the AMF's recent February 2020 publication of an official guidance document on Information and Communications Technology Risk Management made it unlikely that the AMF would be willing to listen to arguments seeking amendments at this time. It was also agreed, however, that this issue would continue to be monitored by CAFII and, if warranted, brought back to the EOC for consideration of future action by the Association.

6e.(i) March 5/20 CAFII Stakeholder Meeting with CCIR/CISRO FTC Working Group—CAFII Completion of a Third Party-Conducted Survey Exercise Re Member-Utilized Incentives and Compensation Models, for June 2020 Quarterly Meeting with CCIR/CISRO TFC Working Group

K. Martin reported that the CCIR/CISRO Fair Treatment of Consumers (FTC) Working Group has requested that CAFII provide a high level submission on the compensation and incentive models which Association members currently use in-market. CAFII requested a legal opinion from Stikeman Elliott on this matter, and they indicated that sharing this information in an open meeting was problematic as it would entail sharing competitively sensitive information with CCIR/CISRO in the presence of competitors. However, Stikeman Elliott advised that if the information was collected by a third party, and then presented in anonymous, aggregated fashion, this would not be a concern from the perspective of Competition Law. The CCIR/CISRO FTC Working Group indicated that such a survey would be acceptable to the Working Group, and requested that CAFII proceed with such a survey.

6f. Launch of Saskatchewan RIA Advisory Committee

At the conclusion of CAFII's 5 March, 2020 meeting with the CCIR/CISRO FTC Working Group, K. Martin and B. Wycks had a conversation with Insurance Councils of Saskatchewan (ICS) executive April Stadnek, in which she mentioned that she had met earlier that week with CLHIA members on the launch of the Saskatchewan RIA Advisory Committee, and that the initiative was moving forward. CAFII will follow up with the CLHIA and with ICS to determine next steps and timelines.

6g. Launch of CAFII Quarterly Credit Protection Insurance Benchmarking Study

K. Martin noted that this project had moved forward and the method by which CAFII members who were participating in the study would submit data had been finalized. However, based on the earlier discussion by the EOC (agenda item 6(b)(iv)), further work on this initiative would be paused temporarily at this time.

6h.(i) CAFII Credit Protection Insurance Best Practices Working Group: Progress Report: Call for Additional EOC and Other Member Company Volunteers For Work Streams

It was the intention under this agenda item to request that additional CAFII EOC members volunteer for Work Streams related to this initiative. However, in light of the issues raised by the COVID-19 pandemic, it was agreed that efforts will be paused temporarily on this initiative.

6i. Proposed CAFII/Industry-Level Co-ordinated Action Re COVID-19

There was a discussion of possible CAFII industry level activities around COVID-19, with several possible activities mentioned. It was agreed that this would continue to be reviewed.

6j. Proposal From a Board Member That CAFII Engage in Consumer Research and Issue A Media Release Re COVID-19 and CPI Coverage

K. Martin reported that a CAFII Board member had suggested that CAFII commission some research around the preoccupations of Canadians on financial matters, and then share the findings in a media release which would also note that CPI could protect consumers at times of economic uncertainty. CAFII Media Consultant David Moorcroft was asked to offer his advice on this idea, and he felt that it might be interpreted as opportunistic and lead to risks around media coverage. EOC members shared this concern and did not support moving forward on this initiative at this time.

6k. Proposed Amendments to Regulations Under Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada); and Potential Impact Upon Life Insurers, Brokers, and Agents

D. Ewen advised that new information had come to light over the past month with respect to recent amendments to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)* which had alleviated initial concern about those changes; and it was agreed that this matter could therefore be dealt with outside of the meeting through an email update to EOC members.

6i. Proposed Approach and Target Dates For CAFII 2020 Atlantic Canada Insurance Regulators and Policy-Makers Visits

B. Wycks provided an update on options for CAFII's plan for 2020 visits to Atlantic Canada regulators and policy-makers. It was agreed that the visits would be postponed to the Fall of 2020, and that instead of visiting all four Atlantic provinces on one trip, the visits would occur in two blocks of two provinces each.

Briefing Note

CAFII EOC Meeting, 28 April, 2020—Agenda Item 3e. Postponement of 2020 CAFII Annual Members' Luncheon To Fall 2020

Purpose of this Agenda Item

Update on postponement of the 2020 CAFII Annual Members' Luncheon to Fall 2020.

Background Information

CAFII has let FCAC Commissioner Judith Robertson know that due to the COVID-19 pandemic, the 2020 CAFII Annual Members' Luncheon, at which she will be the guest speaker, has been postponed to the Fall of 2020.

Recommendation / Direction Sought -- *Update Only*

Update only.

Attachments Included with this Agenda Item

No attachments

Briefing Note

CAFII EOC Meeting, 28 April, 2020—Agenda Item 3f Rescheduling of October 6/20 CAFII Board Meeting; and Liaison Lunch and Industry Issues Dialogue With AMF Staff Executives

Purpose of this Agenda Item

To update the EOC on CAFII management's efforts to reschedule the October 6/20 CAFII Board Meeting, and the immediately preceding Liaison Lunch and Industry Issues Dialogue with AMF staff executives, due to the fact that October 6 does not work for Desjardins Financial Security to host these meetings at its corporate offices in Levis, Quebec or Montreal, Quebec.

Background Information

The 6 October, 2020 scheduled date for a CAFII Board meeting date does not work for Desjardins Financial Security to host it, so an alternate date around that time will be found. Brendan Wycks has polled the Board to find a suitable alternate date.

Recommendation / Direction Sought – Information Only

Update only. No discussion or decision required.

Attachments Included with this Agenda Item

No Attachments

Briefing Note

CAFII EOC Meeting, 28 April, 2020—Agenda Item 3g Communications and Timelines Re CAFII 2020 Annual Meeting of Members On June 9/20

Purpose of this Agenda Item

To update the EOC on the timelines for the CAFII 2020 Annual Meeting of Members on 9 June 2020.

Background Information

There are key actions and deadlines that must be adhered to leading up to the CAFII 2020 Annual Meeting of Members on 9 June, 2020. **The Board has approved converting this meeting to a virtual/teleconference-only meeting.**

Recommendation / Direction Sought – Information Only

Update only. No discussion or decision required.

Attachments Included with this Agenda Item

No Attachments.

Briefing Note

CAFII EOC Meeting, 28 April, 2020—Agenda Item 3h CAFII Initiation Member and Associate Prospects

Purpose of this Agenda Item

To update the EOC on CAFII Initiation Member and Associate prospects.

Background Information

Probably due to the COVID-19 pandemic's impact on companies, our originally optimistic projection around CAFII Initiation Member and Associate prospects has not, to date, panned out.

Duo Bank (formerly Walmart Bank Canada) had expressed a keen interest in joining as an Initiation Member, but there has been no further communication from our contact there.

Two Associates, Swiss Re and RankHigher, have said that they will not renew their Associate status for 2020, but would revisit this in 2021.

We are still planning on reaching out to some other Associate prospects: Norton Rose Fulbright, Stikeman Elliott, Fasken, Deloitte Canada, and Dog and Pony Studios.

Recommendation / Direction Sought – Information Only

Update only. No discussion or decision required.

Attachments Included with this Agenda Item

No Attachments.

Briefing Note

CAFII EOC Meeting, 28 April, 2020—Agenda Item 4a. Financial Statements as at March 31/20

Purpose of this Agenda Item

To update the EOC on the Association's finances as at the end of March 2020.

Background Information

Treasurer Tony Pergola will provide an update on the financials as at 31 March, 2020.

Recommendation / Direction Sought – *Information Only*

Update only. No discussion or decision required.

Attachments Included with this Agenda Item

One Attachment.

CAFII

411 Richmond Street E, Suite 200
Toronto, ON M5A 3S5

Statement of Operations As at March 31, 2020

	Current Month	Budget Mar-20	Variance to Monthly Budget	Current YTD	Budget '20 YTD	Variance Budget to YTD	Budget 2020
Revenue							
Membership Dues	\$72,927	\$75,727	(\$2,800)	\$221,180	\$227,180	(\$6,000)	\$908,720
Luncheon Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Revenue	\$57	\$17	\$40	\$194	\$50	\$144	\$200
TOTAL REVENUE	\$72,983	\$75,743	(\$2,760)	\$221,374	\$227,230	(\$5,856)	\$908,920
Expenses							
Management Fees	\$41,251	\$39,582	(\$1,669)	\$123,851	\$118,747	(\$5,104)	\$474,989
CAFII Legal Fees/Corporate Governan	\$5,528	\$0	(\$5,528)	\$5,528	\$5,000	(\$528)	\$20,000
Audit Fees	\$2,762	\$1,271	(\$1,492)	\$5,304	\$3,812	(\$1,492)	\$15,247
Insurance	\$449	\$458	\$9	\$1,346	\$1,374	\$28	\$5,500
Website Ongoing Maintenance	\$299	\$458	\$159	\$1,051	\$1,375	\$324	\$5,500
Telephone/Fax/Internet	\$464	\$483	\$19	\$1,486	\$1,450	(\$36)	\$5,800
Postage/Courier	\$0	\$21	\$21	\$0	\$63	\$63	\$250
Office Expenses	\$154	\$167	\$13	\$556	\$500	(\$56)	\$2,000
Bank Charges	\$0	\$16	\$16	\$87	\$48	(\$39)	\$190
Miscellaneous Expenses	\$0	\$42	\$42	\$0	\$126	\$126	\$500
Depreciation Computer/Office Equipm	\$95	\$100	\$5	\$284	\$300	\$16	\$1,200
Board/EOC/AGM							
Annual Members Lunch	\$0	\$12,400	\$12,400	\$0	\$12,400	\$12,400	\$12,400
Board Hosting (External)	\$0	\$0	\$0	\$0	\$0	\$0	\$22,500
Board/EOC/Meeting Expenses	\$823	\$3,292	\$2,469	\$3,234	\$9,875	\$6,641	\$39,500
Industry Events	\$0	\$0	\$0	\$0	\$0	\$0	\$1,300
EOC Annual Appreciation Dinner	\$0	\$0	\$0	\$4,244	\$4,244	\$0	\$4,244
Sub Total Board/EOC/AGM	823	15,692	14,869	7,478	26,519	19,041	79,944
Provincial Regulatory Visits	\$172	\$0	(\$172)	\$920	\$0	(\$920)	\$12,875
Research/Studies	\$0	\$5,000	\$5,000	\$0	\$15,000	\$15,000	\$60,000
Website SEO and Enhancements	\$323	\$3,496	\$3,173	\$812	\$10,488	\$9,675	\$41,950
Regulatory Model(s)	\$0	\$5,000	\$5,000	\$0	\$5,000	\$5,000	\$15,000
Federal Financial Reform	\$540	\$625	\$85	\$540	\$1,875	\$1,335	\$7,500
CAFII Benchmarking Study/RSM Canada	\$0	\$5,650	\$5,650	\$0	\$16,950	\$16,950	\$67,800
FCAC Presentation	\$0	\$1,883	\$1,883	\$0	\$5,650	\$5,650	\$22,600
Media Outreach	\$2,260	\$3,008	\$748	\$6,780	\$9,025	\$2,245	\$36,100
Marketing Collateral	\$5,845	\$1,000	(\$4,845)	\$9,800	\$2,000	(\$7,800)	\$5,000
CAFII Reception Events	\$0	\$0	\$0	\$0	\$0	\$0	\$900
Speaker fees & travel	\$0	\$700	\$700	\$0	\$700	\$700	\$2,000
Gifts	\$0	\$150	\$150	\$0	\$150	\$150	\$500
Networking Events	\$0	\$0	\$0	\$0	\$0	\$0	\$500
Sub Total Networking & Events	-	850	850	-	-	850	3,000
TOTAL EXPENSE	60,963	84,802	23,839	165,823	226,151	60,328	883,845
NET INCOME	12,020	- 9,059	21,079	55,551	1,079	54,472	25,075

Explanatory Notes:

- 1 - Amortization of office equipment based on 4 year straight line depreciation
- 2 - Management fees includes Managing Matters and Executive Director
- 3 - Website includes hosting cafii.com, subscription and website improvements

CAFI

411 Richmond Street E, Suite 200
Toronto, ON M5A 3S5

Balance Sheet As at March 31, 2020

	CAFII Operations			CCBPI Project			Combined		
ASSETS	31-Mar 2019	29-Feb 2019	31-Dec 2019	31-Mar 2019	29-Feb 2019	31-Dec 2019	31-Mar 2019	29-Feb 2019	31-Dec 2019
Current Assets									
Bank Balance	\$295,044	\$51,949	\$251,549	\$0	\$0	\$0	\$295,044	\$51,949	\$251,549
Savings Account	\$102,072	\$102,016	\$101,879	\$12,151	\$12,151	\$12,151	\$114,223	\$114,167	\$114,030
Accounts Receivable	\$144,543	\$456,762	\$0	\$0	\$0	\$0	\$144,543	\$456,762	\$0
Prepaid Expenses	\$6,630	\$9,198	\$3,251	\$0	\$0	\$0	\$6,630	\$9,198	\$3,251
Computer/Office Equipment	\$8,014	\$8,014	\$8,014	\$0	\$0	\$0	\$8,014	\$8,014	\$8,014
Accumulated Depreciation -Comp/Equip	(\$6,026)	(\$5,931)	(\$5,742)	\$0	\$0	\$0	(\$6,026)	(\$5,931)	(\$5,742)
Total Current Assets	\$550,277	\$622,007	\$358,951	\$12,151	\$12,151	\$12,151	\$562,428	\$634,158	\$371,102
TOTAL ASSETS	\$550,277	\$622,007	\$358,951	\$12,151	\$12,151	\$12,151	\$562,428	\$634,158	\$371,102
LIABILITIES									
Current Liabilities									
Accrued Liabilities	\$3,813	\$17,142	\$115,891	\$0	\$0	\$0	\$3,813	\$17,142	\$115,891
Credit Card	\$368	\$2,746	\$1,223	\$0	\$0	\$0	\$368	\$2,746	\$1,223
Account Payable	\$24,740	\$19,856	\$11,613	\$0	\$0	\$0	\$24,740	\$19,856	\$11,613
Deferred Revenue	\$235,582	\$308,509	\$0	\$0	\$0	\$12,151	\$235,582	\$308,509	\$12,151
Total Current liabilities	\$264,503	\$348,252	\$128,727	\$0	\$0	\$12,151	\$264,503	\$348,252	\$140,879
TOTAL LIABILITIES	\$264,503	\$348,252	\$128,727	\$0	\$0	\$12,151	\$264,503	\$348,252	\$140,879
UNRESTRICTED NET ASSETS									
Unrestricted Net Assets, beginning of year	\$230,223	\$230,223	\$271,190	\$12,151	\$12,151	\$0	\$242,375	\$242,375	\$271,190
Excess of revenue over expenses	\$55,551	\$43,531	(\$40,967)	\$0	\$0	\$0	\$55,551	\$43,531	(\$40,967)
Total Unrestricted Net Assets	\$285,774	\$273,754	\$230,223	\$12,151	\$12,151	\$0	\$297,926	\$285,906	\$230,223
TOTAL LIABILITIES AND UNRESTRICTED	\$550,277	\$622,007	\$358,950	\$12,151	\$12,151	\$12,151	\$562,428	\$634,158	\$371,102

Financial Reserves Targets as per 2019 Budget:

Minimum 3 months (25%) of Annual Operating Expenses=	\$ 220,961
Maximum 6 months (50%) of Annual Operating Expenses=	\$ 441,923
Current Level of Financial Reserves (total unrestricted net assets):	\$285,774
Current Level of Financials Reserve (%) :	32%

CCBPI initiative

- 1) Invoice paid to Stikeman Elliott on 19th December 2019 for Consulting Services incurred to date (31 October 2019) for \$92,113.81 (\$81,516.65 plus HST).
- 2) Invoice to be paid to Norton Rose Fulbright in Feb 2020 for Consulting Services incurred to date (30 November 2019) for \$85,226.13 (\$75,421.35 plus HST).
- 3) Invoice to be paid to Norton Rose Fulbright in Feb-Mar 2020 for Consulting Services incurred to date (31 December 2019) for \$15,765.82 (\$13,952.05 plus HST).

CAFII

411 Richmond Street E, Suite 200

Toronto, ON M5A 3S5

Membership Fees

		Feb-20		Feb-20	
		<u>To be billed</u>	<u>Received</u>	<u>To be billed</u>	<u>Received</u>
BMO Bank of Montreal	2020 Upper Tier Member	\$ 38,555	6-Apr-20	\$ 38,555	
CIBC Insurance	2020 Upper Tier Member	\$ 38,555	18-Mar-20	\$ 38,555	
RBC Insurance	2020 Upper Tier Member	\$ 38,555	20-Mar-20	\$ 38,555	
ScotiaLife Financial	2020 Upper Tier Member	\$ 38,555	2-Mar-20	\$ 38,555	
TD Insurance	2020 Upper Tier Member	\$ 38,555	12-Mar-20	\$ 38,555	
Desjardins Financial Security Life Assurance Company	2020 Upper Tier Member	\$ 38,555	10-Apr-20	\$ 38,555	
National Bank Life Insurance Company	2020 Upper Tier Member	\$ 38,555	2-Mar-20	\$ 38,555	
Manulife Financial	2020 Upper Tier Member	\$ 38,555	6-Mar-20	\$ 38,555	
The Canada Life Assurance Company	2020 Upper Tier Member	\$ 38,555		\$ 38,555	
Assurant Solutions	2020 Lower Tier Member	\$ 19,277	2-Mar-20	\$ 19,277	
Canadian Premier Life Insurance Company	2020 Lower Tier Member	\$ 19,277	2-Mar-20	\$ 19,277	
Cumis Group Ltd/Co-operators Life Insurance Co.	2020 Lower Tier Member	\$ 19,277	3-Apr-20	\$ 19,277	
Sun Life Financial	2020 Initiation Members (Upper Tier)	\$ 23,133	23-Mar-20	\$ 23,133	
RSM Canada	Associate	\$ 4,800	24-Mar-20		
Willis Towers Watson	Associate	\$ 4,800	16-Apr-20		
KPMG MSLP	Associate	\$ 4,800			
Munich Reinsurance Company Canada Branch (Life)	Associate	\$ -	Not Renewing		
Optima Communications	Associate	\$ 4,800	3-Mar-20		
RGA Life Reinsurance Company of Canada	Associate	\$ 4,800	3-Mar-20		
Torys LLP	Associate	\$ 4,800	6-Mar-20		
PWC	Associate	\$ -	Not Renewing		
RankHigher.ca	Associate	\$ -	Not Renewing		
TBC	Associate	\$ -			
TBC	Associate	\$ -			
Feb Invoices		\$456,760		\$427,960	
July Invoices		\$427,960			
Total Membership Fees		\$884,720			
Total amount to reallocate monthly Jan-Sept		\$73,727			
Total amount to reallocate monthly Oct-Dec		\$73,727			

Briefing Note

CAFII EOC Meeting, 28 April, 2020—Agenda Item 4b. 2020 Budget Forecast

Purpose of this Agenda Item

To update the EOC on the Association's current financial forecast for the 2020 fiscal year.

Background Information

Treasurer Tony Pergola will provide an update on the Association's financial forecast for the 2020 fiscal year.

Recommendation / Direction Sought – *Information Only*

Update only. No discussion or decision required.

Attachments Included with this Agenda Item

One Attachment.

2020 CAFII Budget

	2016 Actual	2017 Actuals	2018 Actuals	2019 Actuals	2020 Budget	2020 YTD Mar-2020	2020 Revised Forecast	Comment/Rationale
Revenue								
Membership Dues	\$435,750	\$475,425	\$695,545	\$734,664	\$908,720	\$221,180	\$884,720	See breakdown in Member Dues Revenue Tab
Luncheon 2019	\$231	\$126	\$0	\$195	\$0	\$0	\$0	Additional Attendees at Luncheon
Interest	\$231	\$126	\$0	\$0	\$982	\$194	\$400	Interest from the Savings Account
TOTAL REVENUE	\$ 436,212	\$ 475,677	\$ 695,545	\$ 735,841	\$ 908,920	\$ 221,374	\$ 885,120	
EXPENSE								
Management Fees	\$279,042	\$442,012	\$460,299	\$465,134	\$474,989	\$123,851	\$484,027	Includes MM Fees (2.5% contractual increase) and two Co-Eds (2.5% increase each)
CAFII Legal Fees/Corporate Governance	\$10,565	\$2,954	\$563	\$0	\$20,000	\$5,528	\$20,000	Legal Fees increased from \$10K to \$20K to reflect the estimated spend of \$10K in February 2020 for Norton Rose to offer a legal opinion around imbedded credit card coverages re: the AMF; Legal Fees contingency for provincial and/or federal regulatory matters (see note 3).
Audit Fees	\$13,560	\$14,271	\$14,432	\$14,799	\$15,247	\$5,304	\$15,247	3% increase over 2019 Revised Forecast
Insurance	\$5,238	\$5,238	\$5,258	\$5,338	\$5,500	\$1,346	\$5,500	Same as 2019 Budget
Website Ongoing Maintenance	\$13,060	\$42,575	\$6,461	\$10,022	\$5,500	\$1,051	\$5,500	Includes CG Technology (\$250 per month), Translation (\$400), Domain (\$30) & CAFII Insurance Domain Name Renewal (\$999 USD)
Telephone/Fax/Internet	\$3,538	\$6,119	\$5,939	\$6,494	\$5,800	\$1,486	\$5,800	Same as 2019 Budget
Postage/Courier	\$180	\$380	\$458	\$159	\$250	\$0	\$250	2019 Revised Forecast plus \$50 contingency
Office Expenses	\$5,257	\$1,312	\$2,423	\$2,025	\$2,000	\$556	\$2,000	Same as 2019 Budget
Bank Charges	\$25	\$38	\$23	\$112	\$190	\$87	\$190	Same as 2019 Actual plus Annual Fee for CAFII TD Visa credit card
Depreciation Computer/Office Equipment	\$467	\$1,564	\$1,136	\$1,136	\$1,200	\$284	\$1,200	Same as 2019 Budget
Miscellaneous Expense		\$433	\$0	\$0	\$500	\$0	\$500	Same as 2019 Budget
Board/EOC/AGM								
Annual Members Luncheon	\$12,044	\$10,247	\$10,503	\$12,052	\$12,400	\$0	\$12,400	3% increase over 2019 Revised Forecast
Board Hosting (External)	\$19,407	\$7,500	\$19,515	\$14,001	\$22,500	\$0	\$22,500	Three Board Meetings/Receptions at \$7,500 each
Board/EOC Meeting Expenses	\$8,145	\$25,493	\$20,715	\$35,419	\$39,500	\$3,234	\$39,500	3% increase over 2019 Revised Forecast
Industry Events		\$36	\$1,270	\$0	\$1,300	\$0	\$1,300	CAFII Purchase of full table of 11 seats at one Economic Club of Canada Luncheon
EOC Annual Appreciation Dinner	\$2,079	\$8	\$763	\$2,193	\$4,244	\$4,244	\$4,244	3% increase over 2019 Revised Forecast
Total Board/EOC/AGM	\$41,675	\$43,284	\$52,766	\$63,665	\$79,944	\$7,478	\$79,944	
Provincial Regulatory Visits and Relationship-Building	\$10,395	\$11,011	\$11,230	\$16,833	\$12,875	\$920	\$12,875	3% increase over 2019 Revised Forecast
Research/Studies	\$1,356	\$17,807	\$77,345	\$5,368	\$60,000	\$0	\$60,000	Same amount as originally budgeted for 2019 before decision to scale back Research due to loss of Amex Bank of Canada as a Member
Website SEO and Enhancements			\$21,702	\$40,914	\$41,950	\$812	\$41,950	3% increase over 2019 Revised Forecast
Regulatory Model(s)	\$0	\$15,001	\$6,490	\$7,555	\$15,000	\$0	\$15,000	Same as 2019 Revised Forecast plus \$5,000 Contingency
Federal Regulatory Visits and Relationship-Building	\$0	\$0	\$0	\$442	\$7,500	\$540	\$7,500	Significant increase due to anticipated increased interaction with FCAC in 2020
CAFII Benchmarking Study/RSM Canada	\$0	\$0	\$0	\$0	\$67,800	\$0	\$67,800	New Line - CAFII Benchmarking Study/RSM Canada estimated at \$60K plus HST. The expense related to CAFII Benchmarking Study/RSM Canada could be found from this line item in the first year, or this \$60K research fund could be reduced to offset the cost of the benchmarking study.
FCAC Presentation	\$0	\$0	\$0	\$0	\$22,600	\$0	\$22,600	New Line - FCAC Presentation estimated at \$20k plus HST - \$10K plus HST for Dog and Pony; \$10K plus HST for WTW Benchmarking Data.
Media Outreach	\$27,408	\$44,023	\$38,522	\$32,803	\$36,100	\$6,780	\$36,100	3% increase over 2019 Budget
Marketing Collateral	\$1,781	\$0	\$557	\$1,629	\$5,000	\$9,800	\$9,605	Same as 2019 Budget
Tactical Communications Strategy	\$446	\$379	\$0	\$0	\$0	\$0	\$0	covered under Media Outreach
CAFII Reception Events	\$0	\$500	\$0	\$0	\$900	\$0	\$900	Incidental expenses related to hosting of three CAFII Receptions in Toronto
Media Relations	\$0	\$164	\$0	\$0	\$0	\$0	\$0	covered under Media Outreach
Speaker fees & travel	\$0	\$0	\$191	\$1,189	\$2,000	\$0	\$2,000	Same as 2019 Budget
Gifts	\$221	\$452	\$0	\$200	\$500	\$0	\$500	Same as 2019 Budget
CAFII 25th Anniversary Celebration	\$0	\$26,495	\$0	\$0	\$0	\$0	\$0	Deferred to 2022
Networking Events	\$0	\$350	\$0	\$0	\$500	\$0	\$500	Same as 2019 Budget
TOTAL EXPENSE	\$ 414,214	\$ 675,862	\$ 705,793	\$ 675,816	\$ 883,845	\$ 165,823	\$ 897,488	
Excess of Revenue over Expenses	\$21,998	(\$200,185)	(\$10,248)	\$60,025	\$25,075	\$55,551	(\$12,368)	
Unrestricted Net Assets (beginning of year)	\$358,991	\$380,758	\$180,447	\$170,198	\$230,223	\$230,223	\$230,223	
Unrestricted Net Assets (end of year)	\$380,989	\$180,573	\$170,198	\$230,223	\$255,298	\$285,774	\$217,855	

Explanatory Notes:

- (1) Assumes Two Co-Executive Directors, one @ 5 days per week; one @ 4.5 days per week; plus Managing Matters Admin support
- (2) Amortization of office equipment based on 4 year straight line depreciation
- (3) \$45,000 Legal Expense for Marc Dequette/Norton Rose Fulbright to complete legal opinion re: AMF Spousal Coverage Issue. Alternative for paying for legal opinion is to use the remaining funds from the CCPBI Special Project Fund

Actual/Forecasted Financial Reserves	2016 Actual	2017 Actuals	2018 Actuals	2019 Actuals	2020 Budget	2020 Revised Forecast
Minimum 3 months (25%) of Annual Operating Expenses =	\$103,554	\$168,965	\$176,448	\$168,954	\$220,961	\$224,372
Maximum 6 months (50%) of Annual Operating Expenses =	\$207,107	\$337,931	\$352,897	\$337,908	\$441,923	\$448,744
Actual/Forecasted Level of Financial Reserves:	\$380,758	\$180,573	\$170,198	\$230,223	\$255,298	\$217,855
Actual/Forecasted Level of Financial Reserves %:	92%	27%	24%	34%	29%	24%

2019 Operational Budget - Member Dues Breakdown

2018 Member Dues Breakdown

Upper Tier Member	73,438.00	5	367,190.00
DFS	55,079.00	1	55,079.00
Lower Tier Member	36,719.00	4	146,876.00
Initiation Members	44,000.00	2	88,000.00
Associate	4,800.00	8	38,400.00
			695,545.00

2019 (Base) Member Dues Breakdown

Upper Tier Member	73,438.00	6	440,628.00
Lower Tier Member	36,719.00	4	146,876.00
Initiation Members	44,000.00	3	132,000.00
Associate	4,800.00	8	38,400.00
			757,904.00

2019 Operational Budget - Member Dues Breakdown - Revised

2019 Member Dues Breakdown

Upper Tier Member	73,438	6	440,628.00
National Bank	55,079	1	55,079.00
Lower Tier Member	36,719	3	110,157.00
Initiation Members	44,000	2	88,000.00
Associate	4,800	8.5	40,800.00
			734,664.00

2020 Operational Budget - Member Dues Breakdown - 5% Dues Increase

2020 Member Dues Breakdown

Upper Tier Member	77,110	9	693,989.10
Lower Tier Member	38,555	3	115,664.85
Initiation Members (Upper Tier)	46,266	1	46,265.94
Initiation Members (Lower Tier)	23,133	0	0.00
Associate	4,800	11	52,800.00
			908,719.89

2020 Upper Tier Member

- 1 BMO Bank of Montreal
- 2 CIBC Insurance
- 3 RBC Insurance
- 4 ScotiaLife Financial
- 5 TD Insurance
- 6 Desjardins Financial Security Life Assurance Company
- 7 National Bank Life Insurance Company
- 8 Manulife Financial
- 9 The Canada Life Assurance Company

2020 Lower Tier Member

- 1 Assurant Solutions
- 2 Canadian Premier Life Insurance Company
- 3 Cumis Group Ltd/Co-operators Life Insurance Co.

2020 Initiation Members (Upper Tier)

- 1 Sun Life Financial

2020 Associate

- 1 RSM Canada
- 2 Willis Towers Watson
- 3 KPMG MSLP
- 4 Munich Reinsurance Company Canada Branch (Life)
- 5 Optima Communications
- 6 RGA Life Reinsurance Company of Canada
- 7 Torys LLP
- 8 PWC
- 9 RankHigher.ca
- 10 *TBC
- 11 *TBC

*Associate Candidates - Stikeman Elliott, Norton Rose, Deloitte, Dog and Pony - To be confirmed

2020 Operational Budget - Member Dues Breakdown - 5% Dues Increase

2020 Member Dues Breakdown

Upper Tier Member	77,110	9	693,989.10
Lower Tier Member	38,555	3	115,664.85
Initiation Members (Upper Tier)	46,266	1	46,265.94
Initiation Members (Lower Tier)	23,133	0	0.00
Associate	4,800	6	28,800.00
			884,719.89

2020 Upper Tier Member

- 1 BMO Bank of Montreal
- 2 CIBC Insurance
- 3 RBC Insurance
- 4 ScotiaLife Financial
- 5 TD Insurance
- 6 Desjardins Financial Security Life Assurance Company
- 7 National Bank Life Insurance Company
- 8 Manulife Financial
- 9 The Canada Life Assurance Company

2020 Lower Tier Member

- 1 Assurant Solutions
- 2 Canadian Premier Life Insurance Company
- 3 Cumis Group Ltd/Co-operators Life Insurance Co.

2020 Initiation Members (Upper Tier)

- 1 Sun Life Financial

2020 Associate

- 1 RSM Canada
- 2 Willis Towers Watson
- 3 KPMG MSLP
- 4 Optima Communications
- 5 RGA Life Reinsurance Company of Canada
- 6 Torys LLP
- 7 *TBC
- 8 *TBC

*Associate Candidates - Stikeman Elliott, Norton Rose, Deloitte, Dog and Pony - To be confirmed

Did not renew in 2020

PWC
Munich Reinsurance Company Canada Branch (Life)
RankHigher.ca

Briefing Note

CAFII EOC Meeting, 28 April, 2020—Agenda Item 5a(i).

Research & Education— Next Steps Based On Board Feedback In April 7/20 Meeting

Purpose of this Agenda Item

To seek advice from the EOC on the next steps around the recommendation from the EOC to the Board on the approach to research in 2020.

Background Information

The Research & Education Committee recently met on 10 March, 2020 and made two recommendations for 2020 research. The first was to produce a CLHIA-type “fact pack” study on the size and impact of Credit Protection Insurance, nationally and provincially. This could be published and shared broadly, including via our CAFII website, could be the subject of a media release, and could be included in our presentations to insurance regulators and policy-makers. The Committee was also hopeful that the full \$60K R&E budget would not be needed to produce such a study, and that there could also be funding of a white paper by Melissa Carruthers of Deloitte Canada on “The Future of Credit Protection Insurance.”

Even since this recommendation was made, however, much has changed due to the implications brought about by the COVID-19 pandemic. The fact-pack will require some time from members to produce the required data, including access to IT resources. As such, it was felt that it made sense to recommend that the sequencing of the research be flipped, and the white paper be done first, and the fact-pack would only occur when the pandemic situation had stabilized. The EOC agreed with these recommendations at its 24 March, 2020 meeting and this was recommended to the Board at the upcoming 7 April, 2020 Board meeting.

However, some Board members expressed some concerns about the value of a fact pack, while others were concerned that the White Paper might be by-passed by events as so much is changing due to the COVID-19 issue. There was a desire to have a more fulsome discussion of research options at the Board level. It was agreed that further discussion on the research options was required, and the Board decided to defer a decision on 2020 research to the 9 April, 2020 Board meeting.

Objectives of the FactPack

The intention of the research on CPI is to provide indications of the size of CPI, and the impact it has protecting Canadians. When we meet regulators, we cannot tell them how many policies are in-force, how many mortgages are protected, the number of Canadians who have peace of mind because of CPI, the number of employees we employ in their province due to these products being offered, etc. The inspiration for the collection of this data is the CLHIA annual “fact pack” along the same lines, which we have consistently heard people say is impactful and demonstrates the maturity and importance of the industry—something that for CAFII and CPI we cannot report on because we don’t collect that information.

This could be used in multiple ways, including as an introductory “setting the stage” section for all our Regulatory presentations. When we publish an article, like we recently did for the Canadian Business Quarterly, we cannot provide any statistics about the industry because we don’t collect them currently.

As well, this is information we could share on our website and with media as background information about CAFII and its members.

Recommendation / Direction Sought – Discussion and Direction

Given that the CAFII Board expressed, in its 7 April, 2020 teleconference meeting, a desire to discuss the research options further, we are in a holding pattern at the present time.

However, it would be valuable to get EOC feedback on the best approach to move forward. Therefore, EOC advice and direction is sought on the best way to advance to the Research & Education Committee’s recommendations at the 9 June, 2020 Board meeting.

We also would like EOC support for CAFII management to reach out to Melissa Carruthers of Deloitte Canada in order to obtain more information on the possibility of CAFII commissioning/sponsoring her intended White Paper on “The Future of Credit Protection Insurance,” with a view to our Association owning the rights to the paper, so that we can provide more detail to the Board on this research option.

Attachments Included with this Agenda Item

No Attachment.

Briefing Note

CAFII EOC Meeting, 28 April, 2020—Agenda Item 5b. Market Conduct & Licensing

Purpose of this Agenda Item

To provide an update recent activity of the Market Conduct & Licensing Committee.

Background Information

Due largely to the COVID-19 pandemic and the resulting dearth of regular, scheduled regulatory consultation opportunities, the Market Conduct & Licensing Committee has been dormant since the March 2020 EOC meeting.

Recommendation / Direction Sought – *Update Only*

Update only. No discussion or decision required.

Attachments Included with this Agenda Item

No Attachment.

Briefing Note

CAFII EOC Meeting, 28 April, 2020—Agenda Item 5c(i).

Media Advocacy— Updating of CAFII Website and Google My Business Listing To Reflect COVID-19 Status

Purpose of this Agenda Item

To provide an update on the CAFII website in relation to the COVID-19 issue.

Background Information

RankHigher has advised that posting an update to the CAFII website to explain how the Association is responding to the COVID-19 situation is a best practice, and would also increase the website's legitimacy under Google's algorithms. A recommendation was made with a \$750 investment cost. CAFII Media Advocacy Chair Charles Blaquiere has supported this initiative, and RankHigher is preparing the website update.

Recommendation / Direction Sought – *Update Only*

Update only. No discussion or decision required.

Attachments Included with this Agenda Item

No Attachment.

Briefing Note

CAFII EOC Meeting, 28 April, 2020—Agenda Item 5c(ii).

Media Advocacy— CAFII Motion Graphic Video On Credit Protection Job Loss Insurance

Purpose of this Agenda Item

To secure EOC feedback on whether a motion graphic video on our website on CPI job loss insurance is the right direction to take at this time.

Background Information

The Board has approved the EOC's recommendation with respect to the 2020 website investment plan (budget of \$35K), which includes two new motion graphic videos, more vignettes, and more FAQs.

The first proposed video is on CPI job loss insurance. This was viewed as a good video to invest in because it is one of the highest search terms on Google around CPI, and because with the COVID-19 pandemic, it is highly topical. However, there may be a risk if some CPI job loss insurance claims are denied, and there is resulting negative media coverage. There may also be some members who may choose to exit this product line.

The proposed storyboard for a motion graphic video on CPI job loss insurance is attached for EOC review and feedback.

Recommendation / Direction Sought – Discussion and Direction

The views of the EOC are being sought around whether this is the right topic for a CAFII website motion graphic at the present time; and, if so, feedback on the draft storyboard.

Attachments Included with this Agenda Item




One Attachment.


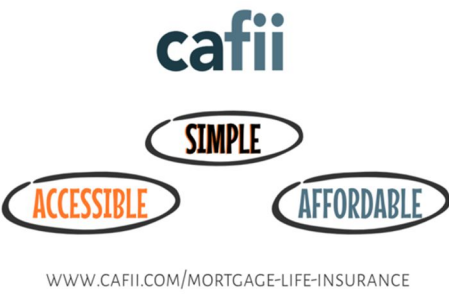
CAFII WEBSITE VIDEO – JOB LOSS INSURANCE

“What is job loss insurance?”

April, 2020

(Graphics are from a previous video and are for illustrative purposes only)

Audio	Story Board Description	Time	
Dave has a wife and son, and is the family’s main income earner.		5 sec	Put family names on storyboard graphic: Dave, Susan and Todd
Like many people, Dave has a number of loan payments to make each month. These include for a mortgage, a car loan, and a credit card.		9 sec	
Dave is worried that should he lose his job, he won’t be able to make his monthly debt payments.		6 sec	
So he asks his financial institution about Job Loss Insurance. Dave is told it can help people like him on a temporary basis to make certain debt payments should he involuntarily lose his full-time employment.		14 sec	

<p>Dave qualifies for Job Loss Insurance, and applies it to his mortgage, personal loan, and credit card.</p>		7sec	Good.
<p>This means should Dave involuntarily lose his job, he will have a period when he won't have to make monthly payments on three of his largest debts.</p>		9 sec	
<p>Knowing they have Job Loss Insurance in place, gives Dave and his wife greater peace of mind.</p>		6 sec	
<p>CAFII: Making insurance simple, accessible and affordable</p>		5 sec	
<p>Total:</p>		1.01 min	

Briefing Note

CAFII EOC Meeting, 28 April, 2020—Agenda Item 5c(iii).

Media Advocacy— Feedback/Direction Received in April 21/20 Meeting of Media Advocacy Committee

Purpose of this Agenda Item

To share the feedback received from the Media Advocacy Committee, which met on 21 April 2020.

Background Information

The Media Advocacy Committee met via teleconference on 21 April, 2020 and discussed a variety of items.

Recommendation / Direction Sought – *Update*

Update only. No discussion or decision required.

Attachments Included with this Agenda Item

No Attachments.

Briefing Note

CAFII EOC Meeting, 28 April, 2020—Agenda Item 5c(iv).

Media Advocacy— RankHigher Recommendation on CAFII.insurance Domain Name

Purpose of this Agenda Item

To get EOC feedback on a RankHigher recommendation that we discontinue owning and paying a \$1,000 US annual renewal fee for the CAFII.insurance domain name.

Background Information

CAFII pays \$1,000 US annually to own and protect the CAFII.insurance domain name. RankHigher has advised that this is not a worthwhile investment, and recommends discontinuing it. Below are the notes from Chris Barrett, President of RankHigher, on this matter.

Recommendation / Direction Sought – Decision Requested

Following an update and discussion, the EOC will be asked to support and approve a recommendation that CAFII discontinue owning and protecting the CAFII.insurance domain name.

Attachments Included with this Agenda Item

One Attachment.

Agenda Item 5(c)(iv)

April 28/20 EOC Teleconference Meeting

RankHigher Recommendation On CAFII.insurance Domain Name

(Read From Bottom Up To Follow Chronological Flow Of Thread)

From: Chris Barrett <chris@rankhigher.ca>
Sent: March-08-20 12:37 PM
To: Brendan Wycks <brendan.wycks@cafii.com>
Cc: Keith Martin <Keith.Martin@cafii.com>
Subject: Re: Thank You

You're more than welcome.

To my knowledge, these domains were released in full force approximately 4 years ago (June 4th 2016)

In that time entire time only slightly more than 5,000 have been registered globally.

In addition, the amount of them being registered has declined significantly each year since then.

(most were done right out of the gate when everyone thought they may catch on).

For context, there are 338 million registered domains, and they increase by about 1% per year. So in the same time frame that 5,000 were registered with the .vertical TLD (such as .insurance) - almost 14,000,000 .com's and the like we registered. Therefore (the fact that they are .00001% of domains) this approach has overwhelmingly been considered a failure.

In addition, the average domain name costs \$10-12 annually. Which is why we are all confused as to who you are paying \$1,000 USD annually.

It seems as if you are already being charged "extortion-level pricing".

That said if you wish to continue to protect it in the hopes that changes down the road - we would be happy to revisit this together in a year.

I assume this is the first time you are probably receiving this info, so looking at it year over year may make you more comfortable in whatever decision you make.

On Sun, Mar 8, 2020 at 11:51 AM Brendan Wycks <brendan.wycks@cafii.com> wrote:

Thank you, Chris.

We will take your advice under advisement.

Is there not some benefit to continuing to own/protect CAFII.insurance in case the .insurance domain does gain traction down the road/in the future and to protect it from a "domain troll" who could acquire CAFII. Insurance and force us to pay an extortion-level price for it if we ever wanted to own it again for intended/constructive use, rather than just sitting on it and protecting as we are at present?

Brendan Wycks, BA, MBA, CAE, Co-Executive Director, CAFII

From: Chris Barrett <chris@rankhigher.ca>

Sent: March-08-20 10:51 AM

To: Brendan Wycks <brendan.wycks@cafii.com>

Cc: Keith Martin <Keith.Martin@cafii.com>

Subject: Re: Thank You

I had a chance to regroup with the team, and they have resoundingly said to get rid of the domain immediately and save yourself the \$1,000 USD each year.

In brief, the .insurance domain is a net negative because of:

A) Lack of consumer trust. Users do not trust "non-traditional" top-level domains such as .insurance, or .investments as general adoption of these with legitimate businesses have not taken off. To further elevate the issue many of these domains have been used for spammy and sometimes illegal purposes.

2) Lack of traffic and SEO effect on your other efforts. The low level of trust will lead to low traffic even if we were to build a site and that low traffic and trust would negatively affect the efforts you have put into your online presence.

Ultimately, we have initiatives that will yield far better results for your investment or would rather see you save the money.

On Sat, Mar 7, 2020 at 5:35 PM Chris Barrett <chris@rankhigher.ca> wrote:

Thank you Brendan,

I am asking because if you own it you should not be paying \$1,000 USD a year for it.

Do you know who you are paying that amount to?

On Sat, Mar 7, 2020 at 5:24 PM Brendan Wycks <brendan.wycks@cafii.com> wrote:

Yes, we own the domain CAFII.insurance.

Brendan Wycks, BA, MBA, CAE, Co-Executive Director, CAFII

From: Chris Barrett <chris@rankhigher.ca>

Sent: March-07-20 4:49 PM

To: Brendan Wycks <brendan.wycks@cafii.com>

Cc: Rachel Bantleman <rachel@rankhigher.ca>; Keith Martin <Keith.Martin@cafii.com>

Subject: Re: Thank You

Thank you for the follow-up, Brendan,

We are going to have a look at the domain and see what might make sense from here.

Off the top, it seems odd that you are paying that much annually for a domain. Do you have ownership?

On Wed, Mar 4, 2020 at 7:32 PM Brendan Wycks <brendan.wycks@cafii.com> wrote:

Hi, Rachel and Chris.

There is no other CAFII website at this point in time. There is just another domain name that our Association owns, and has owned since 2016, which we are essentially paying \$1,000 US annually for, solely to protect it/squat on it: **cafii.insurance**

Brendan Wycks, BA, MBA, CAE, Co-Executive Director, CAFII

Briefing Note

CAFII EOC Meeting, 28 April, 2020—Agenda Item 5d. Travel Medical Insurance Experts

Purpose of this Agenda Item

To provide an update on recent activity of the CAFII Travel Medical Insurance Experts Working Group.

Background Information

Due largely to the COVID-19 pandemic and the resulting dearth of regular, scheduled regulatory consultation opportunities, the CAFII Travel Medical Insurance Experts Working Group has been dormant since the March 2020 EOC meeting.

Recommendation / Direction Sought – *Update*

Update only.

Attachments Included with this Agenda Item

No Attachments.

Briefing Note

CAFII EOC Meeting, 28 April, 2020—Agenda Item 5e. Networking & Events

Purpose of this Agenda Item

To share an update on recent activity of the CAFII Networking & Events Committee.

Background Information

The Networking & Events Committee is seeking the EOC's feedback on the possibility of having a CAFII "Virtual Reception With A Guest Speaker" immediately following the 9 June, 2020 Board meeting. See agenda item 3(b)(i).

Recommendation / Direction Sought – Update

Update only.

Attachments Included with this Agenda Item

No Attachments.

Briefing Note

CAFII EOC Meeting, 28 April, 2020—Agenda Item 6ai.

Impact Of COVID-19 On CAFII Members, Credit Protection Insurance and Travel Insurance -- Highlights of April 16/20 and 23/20 Meetings CAFII Directors and Designates COVID-19 Information-Sharing Group

Purpose of this Agenda Item

To share an update on the deliberations of the *CAFII Directors and Designates COVID-19 Information-Sharing Group*.

Background Information

The CAFII Board passed the following motion at its 9 April, 2020 meeting:

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that a CAFII COVID-19 Information-Sharing Group be convened, with the following elements: 1. Membership comprise of a CAFII Board member, and a designate nominated by the CAFII Board member; 2. Designates meet prior to the first full meeting to develop agenda topics; 3. Two meetings be held with the second meeting including discussion of whether further meetings are needed; 4. The meetings would be un-minuted with the CAFII Co-Executive Directors to participate, and capture action items.

Two meetings of this Information-Sharing Group have subsequently been held, and an update on the key learnings will be shared with the EOC.

Recommendation / Direction Sought – Update

Update only. No discussion or decision required.

Attachments Included with this Agenda Item

No Attachments.

Briefing Note

CAFII EOC Meeting, 28 April, 2020—Agenda Item 6a.ii.

Impact Of COVID-19 On CAFII Members, Credit Protection Insurance and Travel Insurance -- Summary of Insurance Regulator/Policy-Maker Responses Received To CAFII Forbearance Request Letters: Recommendation Re Follow-Up Forbearance Request Letters

Purpose of this Agenda Item

To share an update on the responses CAFII has received to date on the letters sent requesting regulatory forbearance; and to share an interest expressed by the Board to seek a further delay in regulatory filings.

Background Information

In general, regulators have been supportive of CAFII's request for forbearance, but the regulatory delays have been shorter than what we asked for.

At the *CAFII Directors and Designates COVID-19 Information-Sharing Group* meeting on 16 April, 2020, members of the Group felt that the regulatory delays offered by the CCIR and the AMF would still be problematic, and they suggested that CAFII consider asking for an additional delay. If the social restrictions members face currently are still in place over the next month, CAFII will consider asking for further delays, probably around 1 June 2020.

Recommendation / Direction Sought – Update and Discussion

For discussion and EOC input/feedback.

Attachments Included with this Agenda Item

No Attachments

Briefing Note

CAFII EOC Meeting, 28 April, 2020—Agenda Item 6aiii.

Impact Of COVID-19 On CAFII Members, Credit Protection Insurance and Travel Insurance –Insights Gained from Twice Weekly CAFII/CLHIA/THIA Calls Re Impact of COVID-19 On Travel Insurance Industry

Purpose of this Agenda Item

To provide an update on insights that CAFII has secured from participation in twice weekly calls with CLHIA and THIA on the impact of COVID-19 on the travel insurance industry.

Background Information

CAFII Co-Executive Directors Brendan Wycks and Keith Martin, Travel Medical Insurance Experts Working Group Chair Afzal Baig, and EOC Chair Martin Boyle participate in twice-weekly calls with CLHIA and THIA on travel insurance issues in relation to COVID-19. This will be an update on insights gained from those teleconference meetings.

Recommendation / Direction Sought – *Update*

Update only. No discussion or decision required.

Attachments Included with this Agenda Item

No Attachment.

Briefing Note

CAFII EOC Meeting, 28 April, 2020—Agenda Item 6b.

Status of CAFII Liaison/Interaction With AMF On Credit Card-Embedded Insurance Benefits Issue

Purpose of this Agenda Item

CAFII's latest letter from the AMF appears to be softer than earlier ones, and suggests that trying to demonstrate our effort to meet at least some of the AMF's expectations around the Regulation respecting Alternative Distribution Methods (RADM)'s applicability to credit card-embedded insurance benefits might be worth pursuing.

Background Information

CAFII has a two-pronged approach to the AMF's expectation that the RADM applies to credit card-embedded insurance coverages. One prong is the development of the legal options; the other prong is to determine what components of the RADM CAFII members could meet the AMF's expectations on, and which components would be problematic to meet the AMF's expectations on. Both prongs are well-advanced.

However, the latest letter from the AMF raises the prospect that the second prong on "creative solutions" to meet the AMF's expectations might be promising as a first step. With the delay in the need to respond to 15 July, 2020, there is the opportunity to review this issue at the 9 June, 2020 Board meeting.

Scott Kirby, the Chair of the CAFII Working Group on meeting the expectations of the AMF, notes that the approach taken is along the lines of "we understand what AMF is looking for and here is how we can help" as opposed to focusing on the provisions CAFII members cannot meet.

The Board considered these matters at its 7 April, 2020 meeting and passed the following motion:

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that the CAFII two-pronged strategy to the AMF's expectation that the RADM applies to credit card-embedded insurance coverages would be reviewed at the 9 June, 2020 Board meeting.

Recommendation / Direction Sought – Update and Discussion

Update only. No discussion or decision required.

Attachments Included with this Agenda Item

No Attachment.

XX July, 2020

Mr. Mario Beaudoin, Director, Alternative Insurance Distribution Policy
Autorité des marchés financiers
Place de la Cité, tour Cominar
2640, boulevard Laurier, bureau 400
Québec (Québec) G1V 5C1

c.c. Mr. Frédéric Pérodeau, Superintendent, Client Services and Distribution Oversight
Mr. Patrick Déry, Superintendent, Solvency
Ms. Nathalie Sirois, Senior Director, Supervision of Insurers and Control of Right to Practise
Ms. Louise Gauthier, Senior Director, Distribution Policies

WITHOUT PREJUDICE

Dear Mr. Beaudoin:

Re: Applicability of the Regulation respecting Alternative Distribution Methods (RADM) to Credit Card-Embedded Insurance Benefits

During our Association's 11 February, 2020 meeting with you and AMF colleagues at the Autorité's office in Quebec City, CAFII communicated its strongly held view that the RADM – as drafted, finalized, and published -- does not apply to credit card-embedded insurance benefits. Credit card-embedded insurance benefits are not directly purchased or offered, but rather are included with some credit cards as part of the ancillary benefits the card provides to the customer. If a customer does not want the embedded insurance benefits, he or she cannot refuse them if he or she wants that particular credit card; rather, he or she would have to decline the card.

Nevertheless, despite our firm view that the RADM does not apply to this product line, CAFII, as an industry Association that represents both insurer underwriters and financial institution distributors of credit card-embedded insurance benefits has endeavoured, through the proposals outlined below, to provide customer outcomes for this product line which align with offers of insurance, as per the AMF's interpretation of the RADM and related expectations.

In response to the AMF's request that CAFII identify "creative solutions," the purpose of this letter is to outline the solutions we have identified to meet the AMF's expectations with respect to the RADM's applicability to credit card-embedded insurance benefits.

Filings and Disclosures to the AMF

With respect to credit card-embedded insurance benefits, CAFII members would be able to meet the following mandated disclosures to the AMF:

- the name and contact information of the distributor; and
- the contact information of the insurer's assistance service.

However, some of the other RADM-mandated disclosures do not fit with the credit card-embedded insurance benefits product line. More, specifically

1) The customer cannot cancel credit card-embedded insurance benefits as a component part of the overall credit card package; rather, he/she must cancel the credit card in its entirety. Customers most often choose to cancel a credit card because they do not like the annual fee, the interest rate, the rewards program, or to reduce the overall amount of credit he/she is carrying. Having the industry report on credit card cancellations would provide the AMF with no market conduct or consumer protection-related indicators or red flags relevant to the embedded insurance benefits.

2) For credit card-embedded insurance benefits, there is no remuneration paid to distributors.

Given the realities outlined above, but to ensure that the AMF still receives relevant data from the industry, CAFII recommends that instead of addressing the requirements set out in Clause 21 of the RADM, the AMF should expect the industry to align reporting requirements with CCIR's Annual Statement on Market Conduct ("ASMC"), which calls for credit card-embedded insurance benefits data that is relevant to this product line. Insurers could provide the same data called for in the ASMC, but with a focus on the Quebec market specifically.

Customer Disclosures

Given the AMF's request, CAFII members are prepared to produce summaries for consumers of each particular type of credit card-embedded insurance benefit. We propose that these summaries would be made available to all consumers on-line on the insurer's website; and, separately at point of sale, consent would be obtained from a credit card applicant for the online provision to them of summaries of the embedded insurance benefits, via the insurer's website.

Given that credit cards can have over 10 different embedded insurance benefits, and each issuer has a portfolio of unique credit cards, each issuer may have dozens of different embedded insurance benefits. It would be impractical to expect that, at the point of sale, the credit card issuer would provide the consumer with 10-plus summaries of the embedded insurance benefits, when the primary information the consumer is seeking relates to the card's annual fee, its interest rate, payment grace period, and its rewards program. Customers have a lot to contemplate when choosing a credit card and providing them with additional up-front, point of sale disclosures related to ancillary embedded insurance benefits will overwhelm them, while providing very little in the way of consumer protection benefit.

The summaries of the embedded insurance benefits will accurately reflect the unique properties of each type and will be accessible to customers through the insurer's website.

The summaries of embedded insurance benefits will

- be concise;
- (retain and do not remove if this comes directly from the RADM) be written in a clear, consumer-friendly languages;
- I present accurate information;
- not contain any advertising or any promotional offers; and
- not be the Certificate of Insurance.

The summaries of embedded insurance benefits will include

- the insurer's name and contact information;
- the client number of the insurer registered in the Authority's register of insurers and the Authority's website address;
- the name and type of insurance product embedded;
- the eligibility criteria;
- the name and contact information of the distributor that offers the product;

- the product coverage, exclusions and limitations;
- any other specific clauses which may affect the insurance;
- the insurer's website address providing access to the information on where the client can file a complaint with the insurer and a summary of the complaint processing policy; and
- the manner in which the Certificate of Insurance can be accessed on the website.

It is important to emphasize that information on the right of cancellation would not be included in these product summaries because credit card-embedded insurance benefits cannot be cancelled without cancelling the credit card itself.

A fundamental premise underlying credit card-embedded insurance benefits is that they are part of "group" insurance policies. Therefore, an individual enrollee in the group plan cannot terminate a coverage when the other members of the class do not have that same ability. Only the Group policyholder (i.e. the credit card distributor) is entitled to cancel the contract.

Fact Sheet

It is CAFII's intent to try to find creative solutions to the AMF's expectations which will lead to positive consumer outcomes. The Fact Sheet, as prescribed by the RADM, is not well-aligned with credit card-embedded insurance benefits and would be a "forced fit." As a result, if no modifications are made to the Fact Sheet or other creative solutions are not identified, mandating the use of the Fact Sheet in the case of credit card-embedded insurance benefits will only lead to major consumer confusion.

Therefore, CAFII recommends that, in the case of credit card-embedded insurance benefits, the AMF should authorize credit card distributors to use the "*Reserved for use by the insurer*" section of the Fact Sheet to clarify important details, including how termination of coverage would operate.

The "*It's your choice*" and "*How to choose*" sections are not well suited to credit card-embedded insurance benefits, but the Fact Sheet section that is of particular concern is "*Right to Cancel*." As stated previously, credit card-embedded insurance benefits cannot be cancelled without cancelling the credit card itself.

Other comments:

Information collected from consumers

With respect to the RADM clause 25, no information is collected upfront from consumers relative to credit card-embedded insurance benefits. Any information collected from the credit card applicant is compliant with all applicable privacy requirements, including the federal PIPEDA. The insurer does not see any of the details about a specific enrollee in the group plan underlying a credit card-embedded insurance benefit until there actually is a claim.

Similarly, under RADM clause 30, insurers would not be in a position to provide an applicant with the summary of the information collected from the client, as it is not collected for insurance purposes. However, the certificates of insurance would be forwarded, per normal fulfillment procedures.

Insurer Assistance service

CAFII members would be able to meet the expectations regarding the insurer having an Insurer Assistance Service, to answer questions from the distributor regarding each benefit offered, as referenced in RADM clause 27. This is already part of the industry's normal operating procedures.

Distributor training

Per RADM clause 34, training and supervision of distributor staff already exists. Staff are provided with the necessary knowledge to ensure that customers' questions are addressed and that the appropriate information is being provided about the credit card-embedded insurance benefits. A common practice is for the distributor's staff to provide high level product information (e.g. *this credit card includes \$X Million in travel medical insurance for up to X days*) and to direct more detailed questions around eligibility, pre-existing conditions, etc. to a licensed insurance agent (who works for the insurer?)

However, with respect to RADM clause 33 related to the insurer "monitoring and supervising the offering of insurance products," CAFII emphasizes that this provision is not applicable to credit card-embedded insurance benefits because for this product line, there is no "offering of insurance," as there is, for example, in the case of credit card balance protection insurance, which is sold as a stand-alone product offering.

Conclusion

We thank you, in advance, for considering the creative solutions and related recommendations put forward by our Association in this letter. We look forward to dialoguing with the AMF on the proposals we have made. In that connection, please contact Keith Martin, Co-Executive Director, at keith.martin@cafii.com or 647-460-7725 at your earliest convenience, to set up an in-person or teleconference meeting for that purpose.

Sincerely,

Martin Boyle
Board Secretary and Chair, Executive Operations Committee

About CAFII

CAFII is a not-for-profit industry Association dedicated to the development of an open and flexible insurance marketplace. Our Association was established in 1997 to create a voice for financial institutions involved in selling insurance through a variety of distribution channels. Our members provide insurance through client contact centres, agents and brokers, travel agents, direct mail, branches of financial institutions, and the internet.

CAFII believes consumers are best served when they have meaningful choice in the purchase of insurance products and services. Our members offer travel, life, health, property and casualty, and creditor's group insurance across Canada. In particular, creditor's group insurance and travel insurance are the product lines of primary focus for CAFII as our members' common ground.

CAFII's diverse membership enables our Association to take a broad view of the regulatory regime governing the insurance marketplace. We work with government and regulators (primarily provincial/territorial) to develop a legislative and regulatory framework for the insurance sector that helps ensure Canadian consumers get the insurance products that suit their needs. Our aim is to ensure appropriate standards are in place for the distribution and marketing of all insurance products and services.

CAFII is currently the only Canadian Association with members involved in all major lines of personal insurance. Our members are the insurance arms of Canada's major financial institutions – BMO Insurance; CIBC Insurance; Desjardins Financial Security; National Bank Insurance; RBC Insurance; ScotiaLife Financial; and TD Insurance – along with major industry players Assurant, Canadian Premier Life Insurance Company, CUMIS Services Incorporated, Manulife (The Manufacturers Life Insurance Company), Sun Life Financial, and The Canada Life Assurance Company.

Briefing Note

CAFII EOC Meeting, 28 April, 2020—Agenda Item 6c.

CAFII Approach To CCIR/CISRO FTC Working Group Request That CAFII Undertake A Third Party-Conducted Survey And Provide A Report On CAFII Member-Utilized Incentives and Compensation Models For June 2020 Quarterly Meeting

Purpose of this Agenda Item

CAFII needs to determine how to respond to the CCIR/CISRO FTC Working Group expectation that CAFII will share information about members' incentives and compensation models at the June 2020 meeting.

Background Information

The CCIR/CISRO FTC Working Group has requested that CAFII members share compensation and incentive models with the Working Group. CAFII requested legal advice from Stikeman Elliott on this matter, and they indicated that sharing this information in an open meeting was problematic as it entailed sharing competitively sensitive information with the CCIR/CISRO in the presence of competitors. However, Stikeman Elliott advised that if the information was collected by a third party, and then presented in anonymous, aggregated fashion, this would not be a concern from the perspective of Competition Law. The CCIR/CISRO FTC Working Group indicated that such a survey would be acceptable to the Working Group, and requested that CAFII proceed with such a survey.

Several CAFII Board members expressed significant reservations, during the Board's 7 April, 2020 teleconference meeting, about providing such information to the CCIR/CISRO FTC Working Group, noting that it is competitively sensitive, and that it is outside the mandate of the CCIR/CISRO FTC Working Group.

It was agreed that further discussion of this agenda item would occur during the in-camera session of the 7 April 2020 Board meeting. We have learned that in that in-camera session, it was suggested that CAFII suggest that the Working Group ask the Canadian Bankers Association (CBA) for information on this issue.

CAFII will be reaching out to CBA, CLHIA, and the Insurance Bureau of Canada (IBC) to see if they can provide CAFII with information that will be of assistance on this matter.

Recommendation / Direction Sought – Direction

Direction from the EOC will be sought on how best to proceed on this file.

Attachments Included with this Agenda Item

No Attachments

Briefing Note

CAFII EOC Meeting, 28 April, 2020—Agenda Item 6d. Launch of Saskatchewan RIA Advisory Committee

Purpose of this Agenda Item

To update the EOC on the status of the Saskatchewan RIA Advisory Committee.

Background Information

At the conclusion of the March 5, 2020 CCIR/CISRO FTC Working Group, K. Martin and B. Wycks had a conversation with Insurance Councils of Saskatchewan (ICS) executive April Stadnek at which she mentioned that she had met with CLHIA members including CAFII EOC member Moira Gill on the launch of the Saskatchewan RIA Advisory Committee, and that the initiative was moving forward. CAFII will follow up with the CLHIA and with ICS to determine next steps and timelines.

Recommendation / Direction Sought – Update Only

Update only. No discussion or decision required.

Attachments Included with this Agenda Item

No Attachments

Briefing Note

CAFII EOC Meeting, 28 April, 2020—Agenda Item 6e.

CAFII Quarterly CPI Benchmarking Study: Relaunch and Production of First Report

Purpose of this Agenda Item

To update the EOC on the status of the CAFII quarterly benchmarking study on CPI.

Background Information

At the 24 March, 2020 EOC meeting there was a recommendation that the CAFII Quarterly CPI Benchmarking study be postponed, noting that the same issues that caused CAFII to request delays in regulatory and filing requirements (difficulties in accessing backends when employees are working from home, challenges in accessing IT resources, and the need to focus on other customer-centric priorities) seemed to apply to this study.

This approach was shared with the Board at the 7 April 2020 Board meeting. Several Board members felt that the individuals who would supply this data to RSM Canada, which is producing the reports for CAFII, were different individuals than those who deal with regulatory and filing issues, and that they should be able to supply this information.

The Board, during its 7 April, 2020 in-camera session, indicated a desire to have the quarterly CPI benchmarking study continue without delay; and that direction has subsequently been conveyed to RSM Canada and shared with those who are providing the data to that actuarial firm.

Recommendation / Direction Sought – Update Only

Update only. No discussion or decision required.

Attachments Included with this Agenda Item

No Attachments

Briefing Note

CAFII EOC Meeting, 28 April, 2020—Agenda Item 6f.

CAFII Credit Protection Insurance Industry Best Practices Working Group: Progress Report

Purpose of this Agenda Item

To update the EOC on the status of the CAFII Credit Protection Insurance Industry Best Practices Working Group.

Background Information

The CAFII Credit Protection Insurance Industry Best Practices Working Group, which has at least one representative from each CAFII member, has made excellent progress with a focus on assessing regulatory expectations, and the development of a high-level principal or standard around industry best practices to meet those expectations.

While the Working Group has been put on pause temporarily due to the issues raised by the COVID-19 pandemic, it will reconvene and continue its work as soon as that is possible.

Recommendation / Direction Sought – *Update Only*

Update only. No discussion or decision required.

Attachments Included with this Agenda Item

No Attachments

Briefing Note

CAFII EOC Meeting, 28 April, 2020—Agenda Item 6g

Proposed Approach and Target Dates For CAFII Spring 2020 Atlantic Canada Insurance Regulators and Policy-Makers Visits

Purpose of this Agenda Item

To update the EOC on the status of CAFII's plans for 2020 Atlantic Canada insurance regulators and policy-makers visits.

Background Information

The 2020 CAFII Atlantic Canada tour has been postponed to the Fall of 2020. As well, the intention is for the itinerary to not include visiting all four Atlantic Canada provinces in one fell swoop, but rather to have the visits occur in two instalments of two provinces each.

Recommendation / Direction Sought – *Update Only*

Update only. No discussion or decision required.

Attachments Included with this Agenda Item

One Attachment.

Agenda Item 6(g)
April 28/20 EOC Teleconference Meeting

Proposed Approach and Target Dates For CAFII
Fall 2020 Atlantic Canada Insurance Regulators and Policy-Makers Visits

Option A

New Brunswick and Prince Edward Island (in that order)

- two consecutive days in the Wednesday, September 23/20 to Friday, September 25/20 timeframe

Nova Scotia and Newfoundland and Labrador (in that order)

- two consecutive days in the Wednesday, October 7/20 to Friday, October 9/20 timeframe

Option B

New Brunswick and Prince Edward Island (in that order)

- two consecutive days in the Wednesday, October 7/20 to Friday, October 9/20 timeframe

Nova Scotia and Newfoundland and Labrador (in that order)

- two consecutive days in the Wednesday, October 21/20 to Friday, October 23/20 timeframe

Option C

New Brunswick and Prince Edward Island (in that order)

- two consecutive days in the Wednesday, October 21/20 to Friday, October 23/20 timeframe

Nova Scotia and Newfoundland and Labrador (in that order)

- two consecutive days in the Monday, October 26/20 to Friday, October 30/20 timeframe

Option D

New Brunswick and Prince Edward Island (in that order)

- two consecutive days in the Wednesday, September 23/20 to Friday, September 25/20 timeframe

Nova Scotia and Newfoundland and Labrador (in that order)

- two consecutive days in the Wednesday, October 21/20 to Friday, October 23/20 timeframe

Option E

New Brunswick and Prince Edward Island (in that order)

- two consecutive days in the Wednesday, October 7/20 to Friday, October 9/20 timeframe

Nova Scotia and Newfoundland and Labrador (in that order)

- two consecutive days in the Monday, October 26/20 to Friday, October 30/20 timeframe

Briefing Note

CAFII EOC Meeting, 28 April, 2020—Agenda Item 6h.

Request For EOC Volunteers For A Summer 2020 CAFII Working Group on Refining Dog and Pony Studios-Developed "CPI Industry Highlights" Slides (Produced From Willis Towers Watson Key Data Point Slides) For Future Use By CAFII and Its Members

Purpose of this Agenda Item

To request EOC member volunteers to join a special purpose CAFII Working Group to review and refine a series of draft slides which Dog and Pony Studios has developed based on CPI benchmarking data provided to CAFII by Willis Towers Watson.

Background Information

The presentation deck for the FCAC was put together by storytelling firm Dog and Pony Studios, and that included a series of slides based on benchmarking data assembled by actuarial firm Willis Towers Watson. Those slides were not used in the presentation to the FCAC because CAFII management felt that they required validation.

Volunteers are sought to participate in a Working Group that will:

1. Review the data from Willis Towers Watson;
2. Review the slides that Willis Towers Watson produced out of the data;
3. Review the 30 plus slides produced by Dog and Pony based on the material they reviewed from Willis Towers Watson;
4. Review comments on the slides including from a member, and from Willis Towers Watson;
5. Determine which slides should be changed, which should be used in future presentations to regulators and policy-makers, and which should be used internally only.

It is anticipated that the Working Group will need two or three one-hour teleconference meetings to complete its mandate.

Recommendation / Direction Sought – *Request for Volunteers*

Request for EOC member volunteers to join a special purpose CAFII Working Group.

Attachments Included with this Agenda Item

No attachments.
