

CAFII EOC Meeting
Tuesday, February 17, 2015
Location: TD Insurance
120 Adelaide St. West, 2nd Floor [King Room], Toronto, ON
1:00 p.m. – 4:00 p.m.

Conference call dial-in information:

416-764-8662 or 1.888-884-4534, participant code: 771017#; moderator code: 7661560#

Chair: G. Grant

Agenda

Item	Presenter	Action
1. Call to Order	G. Grant	Update
2. Approval of Agenda and Previous Minutes <ul style="list-style-type: none"> a. EOC Minutes of January 13, 2015 <i>[attachment]</i> b. Summary of Board and EOC Action Items <i>[attachment]</i> 	All	Approval Update
3. CAFII Financial Management <ul style="list-style-type: none"> a. Financial Statements as at December 31, 2014 <i>[tentative]</i> 	B. Wycks	Approval
4. Regulatory Relations and Advocacy <ul style="list-style-type: none"> a. CCIR Stakeholder Meeting: Jan 28/15 b. Meeting with Eric Stevenson, AMF: Jan 30/15 c. Travel Insurance Pan-Industry Project Group (TIPIP) d. Regulatory Update <i>[attachment]</i> e. Regulator and Policy-Maker Visit Plan <i>[attachment]</i> 	B. Wycks B. Wycks, G. Grant B. Wycks, G. Grant B. Wycks, G. Grant B. Wycks B. Wycks	Update
5. EOC Committee Updates <ul style="list-style-type: none"> a. Media Advocacy Committee b. Market Conduct Committee <ul style="list-style-type: none"> i. SK Review of Bill 177 c. Research & Education Committee <ul style="list-style-type: none"> i. CAFII Value Proposition Project d. Licensing Efficiency Issues Committee e. Events and Networking Committee 	C. Blaquiere B. Wycks, R. Beckford S. Manson M. Gill M. Sanchez-Chung	Update Update Update Update Update
6. CAFII Strategy Session & Discussion	G. Grant	Update
7. Other Business	G. Grant	

- Next EOC Meeting is Mar 24/15 in Toronto.
- Next Board Meeting is Apr 7/15 in Toronto (ON) hosted by CIBC Insurance.

CAFII EOC Meeting Minutes

Tuesday, January 13, 2015

Location: CIBC Insurance

33 Yonge St, 7th Floor [International Room], Toronto, ON

Present:	Carol Allen	Assurant Solutions
	Charles Blaquiere	Canadian Premier Life Insurance Co.
	Andre Duval	Desjardins Financial Security Life Assurance
	Rose Beckford	ScotiaLife Financial (<i>by teleconference</i>)
	Emily Brown	BMO Insurance
	Eleanore Fang	TD Insurance
	Moiria Gill	TD Insurance
	Greg Grant	CIBC Insurance, <i>Chair</i>
	Sue Manson	CIBC Insurance
	Rosemary Pulla	BMO Insurance (<i>by teleconference</i>)
	Diane Quigley	The CUMIS Group
	Raja Rajaram	CIBC Insurance (<i>for part</i>)
	Maria Sanchez-Chung	TD Insurance
	Jodi Skeates	The CUMIS Group
	Paul Yeung	RBC
Regrets:	Derek Blake	RBC Insurance
	John Lewsen	BMO Insurance
Also Present:	Leya Duigu	T•O Corporate Services, <i>Recording Secretary</i>
	Brendan Wycks	CAFII Executive Director

1. Call to Order

The meeting was called to order at 3:10 pm. Greg acted as Chair and Leya acted as Recording Secretary.

2. Approval of Agenda and Previous Minutes

The agenda was approved as presented.

a. EOC Minutes of November 18, 2014

The EOC Minutes of November 18, 2014 were approved as presented.

b. Board Minutes of December 2, 2014

It was confirmed that the board in camera discussion did not result in an action item.

c. Summary of Board and EOC Action Items

Action items were either completed or would be discussed during today's agenda.

3. CAFII Financial Management

The statement of operations shows an excess of revenue over expenses of \$63K. The balance sheet is healthy with unrestricted assets of \$351K. There is \$53K in investments and the reserve calculations are shown for information.

2014 Audit. KPMG was appointed as the auditor for the 2014 fiscal year. TO Corporate Services Financial Controller, Senait Ghebru, has initiated the audit process and the association has been provided with new engagement managers for this process.

4. Regulatory Relations and Advocacy

a. SK Insurance Act Review

Jim Hall and Janette Seibel are leading proposed Bill 177, which when proclaimed will replace the existing regulations. CAFII has four-five weeks to produce a submission. The Market Conduct Committee shall lead the review and drafting process.

b. CCIR Stakeholder Meeting: Jan 28/15

A delegation of CAFII directors shall be attending the CCIR Stakeholder meetings including Rino D'Onofrio, Darrell Bruce, Chris Knight as well as Greg and Brendan. CCIR appreciates stakeholders coming with prepared agendas and it is anticipated that CAFII will be in a position to lead the agenda, just like last year.

c. Meeting with Eric Stevenson, AMF: Jan 30/15

CAFII EOC members will meet with Eric Stevenson to discuss the soon-to-be-released Ecommerce consultation and receive an update on the Distribution Guide. Greg, Rose, Carol, Emily, Moira, Eleanore, Derek and Brendan will be attending.

Members discussed the differences between the AMF and CCIR Ecommerce consultations. The most recent AMF consultation is expected to include recommendations which came out of the last consultation (May 2012) and their focus will be ensuring sufficient access to advice throughout the buying process.

d. Ontario Credit Unions 5-Year Review

It was agreed that as an association CAFII will not submit a response to this consultation. CAFII's credit union members were in agreement with this decision.

e. Travel Insurance Pan-Industry Project Group (TIPIP)

TIPIP recently met with CCIR's Travel Insurance Committee Chair, Harry James, where he outlined CCIR's concerns including; snowbirds misunderstanding insurance; the perception that the industry will find an excuse to deny a claim; and medical questionnaires being too difficult to digest. CCIR will conduct an industry survey (Q2-2015) to probe the business and investigate the number of claims versus denials. TIPIP members were tasked with helping to identify the data that should be collected. CCIR anticipates that this will be a two-year process.

f. Regulatory Update

Brendan provided an update based on the document in the meeting package without further discussion.

g. 2015 Regulator and Policy-Maker Visit Plan

Brendan is meeting with CCIR Policy Manager, Carol Shevlin on February 9th. She is retiring soon and as with Phil Howell and Grant Swanson, members agreed that CAFII shall recognize her at the reception in October.

5. EOC Committees Updates

a. Update on Committee Structures

A draft document was included in the meeting package and Greg reviewed it with the group. Additional volunteers were requested on each committee as well as co-chairs. Committees are intended to be working committees and don't need to be comprised of all EOC members. Non-EOC members on the committees with the appropriate skills would be ideal.

- Licensing. CUMIS can offer more licensing expertise for this committee.
- Market Conduct. Rose stepped forward as chair for this committee.
- Research & Education. Sue has stepped forward as Chair.
- Media Advocacy. The board has given us the challenge to create a strategy on dealing with media stories. Unfortunately, the committee has lost two key members.
- Quebec – AMF Relations. This would be an advisory group with a similar mandate to CLHIA's Quebec section.

b. Media Advocacy Committee

The Media Advocacy Committee met on December 19th and Brendan walked through the Communications Strategy outlining CAFII's approach to different stakeholder groups. This document is not etched in stone as we wish to allow for further input and improvements. RBC provided a media backgrounder which was circulated to committee members for feedback. The media backgrounder is intended as a guide and still needs to be vetted by the Board. The committee also agreed to develop top line messages by identifying sore points and hot button issues first, and creating messaging to address each. Finally the committee has lost two members since its first meeting due to departure to other roles.

c. Market Conduct Committee

Saskatchewan Bill 177 is quite lengthy. Brendan and Rose will discuss CAFII's plan for making a submission before engaging the rest of the committee. Those members with the capability to review the paper over the next few days were invited to provide their feedback. Committee Chair, Rose, welcomed new members noting this committee will require some adaptability to meet and discuss consultations as they arise.

Action: Draft CAFII response to Saskatchewan Bill 177. EOC to be provided with draft response before it is submitted to the province. *[Market Conduct Committee, B. Wycks; Feb 16, 2015]*

d. Research & Education Committee

Sue is chairing the Research & Education Committee and welcomed members, new and old. The committee will be discussing the list of potential issues to focus on at their next meeting. From time-to-time Brendan will provide updates that will interest this committee in their work.

i. CAFII Value Proposition Project

There is a small working group on this project which will be wrapping up in the next few months, culminating in a presentation to the Board at their April meeting.

e. Licensing Efficiency Issues Committee

There are 3-4 items that need to be finalised by the end of the month. Following which the committee shall meet to review their ongoing work.

f. Events and Networking Committee

Annual Members Luncheon shall be held on February 10, 2015 and to date 51 people have confirmed their participation. Paul has reached out to acting FSCO Chair, Brian Mills, to speak at the next CAFII reception and welcomed other speaker suggestions with a focus on insurance.

6. CAFII Strategy Session & Discussion

The strategy session goal is for members to focus on CAFII's strategic direction. The environment has changed with the association welcoming its first executive director and more recently the revamping of the committees.

The board has identified the media and financial literacy as two key areas for the association and if CAFII doesn't have the existing resources to accomplish what we want in these areas then we need to consider more. Hosting more board in-camera discussions was suggested to allow directors more opportunities to have less scripted discussions.

Participating in CAFII offers a good value proposition for members and it was agreed that it may be time to take stock on where we are and where we are going. To this end an EOC brainstorming session could accomplish this. EOC meetings don't ordinarily allow for such a discussion to occur so setting time aside for a strategy discussion, potentially in-camera, would be beneficial. Following this the board could hold its strategy discussion with the benefit of having EOC input in advance.

7. Termination

There being no further business, the meeting was terminated at 4:55 p.m.

Date

Chair

Recording Secretary

2015 Summary of Meeting Action Items: BOARD & EOC					
	Source	Action Item	Responsible	Deadline	Status as of 06-Feb-15
BALANCED SCORECARD / PERFORMANCE MANAGEMENT					
FINANCIAL MANAGEMENT					
MEMBERSHIP					
GOVERNANCE AND ADMINISTRATION					
REGULATOR / POLICY-MAKER RELATIONS AND ADVOCACY					
		Central Canada: MB, ON, QC			
1	EOC Nov 18, 2014	• CAFII to consider making a submission on the Ontario Credit Unions 5-Year Review Review (Deadline Jan 15, 2015). Follow-up on Greg's email suggesting our two credit union members lead this initiative and report back to EOC.	Brendan, Greg	13-Jan-15	Not making submission
		Eastern Canada: NB, NL, NS			
2	EOC- June 19, 2014	• Submit a letter on the potential changes to the New Brunswick Insurance Act to Invest New Brunswick.	LEIC	Jan 2015	In progress
		Western Canada: BC, AB, SK			
3	EOC Jan 13, 2015	• Draft CAFII response to Saskatchewan Bill 177. EOC to be provided with draft response before it is submitted to the province	Market Conduct, B. Wycks	16-Feb-15	In progress
4	EOC Nov 18, 2014	• Request legal counsel to develop draft by-law	LEIC, Moira	TBA	In progress
5	EOC June 19, 2014	• Make recommendation to EOC on BC representation for banks-in-insurance sector.	LEIC	15-Sep-14	Pending
		New Ministers			
6	Board June 10, 2014	• Prepare and send a CAFII letter of congratulations to the new Ministers of Finance in Newfoundland, Ontario and Quebec (Mr. Carlos J. Leitão), as well as the Premier of Newfoundland once s/he is appointed.	Brendan	19-Dec-14	Completed
		LLQP Modernization			
7	EOC July 22, 2014	• Draft letter of support for LLQP modernization for review at the July 30 MAC meeting	Brendan	30-Jul-14	Completed
8	Ad Hoc	• Present final LLQP letter to EOC for approval	Brendan, Moira	13-Jan-15	Completed

	Source	Action Item	Responsible	Deadline	Status as of 06-Feb-15
9	Board June 10, 2014	• Develop a list of relevant policy-makers and legislators; and drafting a letter to them in support of the LLQP modernization	Brendan, EOC	13-Jan-15	Completed
		• Continue to monitor developments on this issue and consider scheduling follow-up meetings with the recipients of the letter.	EOC	Ongoing	In progress
INDUSTRY RESEARCH					
		CAFII Value Proposition Project			
10	EOC Oct 28, 2014	• An interim report to be presented to the EOC (November 18) and Board (December 2) at their upcoming meetings. The final results to be presented at the Board meeting in April 2015.	DMC	2-Dec-14	Completed
MEDIA AND COMMUNICATIONS					
		Media Outreach			
11	Board Oct 7, 2014	• Key Messages Map and Key Messages to be provided to the board for approval.	Brendan, Greg	2-Dec-14	Completed
12	EOC Sep 23, 2014	• Hold lunch education session with Toronto Star reporter. CAFII’s key messages and Q&A portion of an educational meeting to be finalised for use at the sessions.	Brendan, Greg, Paul	19-Nov-14	Completed
13	EOC July 22, 2014	• A plan to be developed leading to a future lunch meeting with Ms. Roseman, including documenting key messages and collecting data and, if appropriate, recommending an alternate media contact(s) to engage	Brendan, Charles	30-Jul-14	Under review
14	Ad Hoc	• Schedule and hold additional media outreach sessions with other media, e.g. Ellen Roseman, Toronto Star; Rob Carrick, Globe and Mail; Gary Marr, National Post; Gail Vaz-Oxlade, independent consumer financial literacy writer, etc.	Brendan, Charles	TBD	Under review
		Website Testimonials			
15	Board - April 8, 2014	• CAFII Member FIs to be approached about providing additional testimonials for display on www.cafii.com.	B. Wycks, L. Duigu	6-May-14	Completed
16	Ad Hoc	• Finalise posting of Testimonials Online	B. Wycks, L. Duigu	TBD	Not proceeding
EVENTS AND NETWORKING					

CAFI

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

Balance Sheet As at December 31, 2014

ASSETS	Current 2014
Current Assets	
Bank Balance	\$284,302
Investments ^A	\$53,381
Accounts Receivable	\$0
Interest Receivable	\$235
Prepaid Expenses	\$12,255
Computer/Office Equipment	\$2,334
Accumulated Depreciation -Comp/Equip	(\$1,011)
Intangible Assets-Trademarks	\$0
Accumulated Amortization-Trademark	\$0
Total Current Assets	\$351,496
TOTAL ASSETS	\$351,496
LIABILITIES	
Current Liabilities	
Account Payable ^B	\$43,843
Deferred Revenue	\$0
Total Current liabilities	\$43,843
TOTAL LIABILITIES	\$43,843
UNRESTRICTED NET ASSETS	
Unrestricted Net Assets, beginning of year	\$288,136
Excess of revenue over expenses	\$19,517
Total Unrestricted Net Assets	\$307,652
Total Unrestricted Net Assets	\$307,652
TOTAL LIABILITIES AND UNRESTRICTED NET ASSETS	\$351,496

Financial Reserves Targets:

Minimum 3 months (25%) of Annual Operating Expenses =	\$ 103,743
Maximum 6 months (50%) of Annual Operating Expenses =	\$ 207,486
Current Level of Financial Reserves:	\$307,652
Current Level of Financials Reserve (%):	74%

CA FII
 55 St Clair Ave West, Suite 255
 Toronto, ON, M4V 2Y7
Balance Sheet Items
As at December 31, 2014

Item A

Investment Portfolio

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

Item B

Accounts Payable

81.13
 1,973.12
 161.39
 13,560.00
 36.81
 1,377.31
 1,194.50
 25,000.00
459.09

CAFII

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

Statement of Operations

As at December 31, 2014

REVENUE	Current Month	Current YTD	Budget 2014	% Used	YTD 2013 Balance	% Used YTD 2013
Membership Fees	\$33,375	\$400,500	\$400,500	100%	\$400,500	105%
Interest Revenue	\$36	\$420	\$720	58%	\$607	607%
	<u>\$33,411</u>	<u>\$400,920</u>			<u>401,106.78</u>	
TOTAL REVENUE	\$33,411	\$400,920	\$401,220	100%	\$401,107	105%
EXPENSE						
Association Operating Expenses						
Management Fees	\$20,936	\$229,529	223,380	103%	\$217,848	315%
Lawrie Savage Fees	\$0	\$0	-		\$0	0%
CAFII Legal Fees/Corporate Governance	\$0	\$20,812	19,500	107%	\$0	0%
Audit Fees	\$13,560	\$13,560	14,000	97%	\$15,991	163%
Insurance	\$432	\$5,217	5,368	97%	\$3,646	84%
Website (incl translation)	\$499	\$1,480	540	274%	\$361	67%
Telephone/Fax/Internet	\$897	\$5,331	2,250	237%	\$3,208	149%
Postage/Courier	\$13	\$463	500	93%	\$207	19%
Office Expenses	\$151	\$2,387	4,500	53%	\$3,092	115%
Bank Charges	\$13	\$13	38	0%	\$70	3%
Miscellaneous Expenses	\$0	\$0	-	0%	\$0	0%
Amortization Expense	\$0	\$0	-	0%	\$0	0%
Depreciation Computer/Office Equipm ¹	\$39	\$350	640	0%	\$622	23%
Sub Total Association Operating Expenses	<u>\$36,540</u>	<u>\$279,141</u>	<u>\$270,716</u>	<u>103%</u>	<u>\$245,044</u>	
Distribution & Market Conduct Committee						
Provincial Regulatory Review	\$2,689	\$9,273	3,000	309%	\$3,063	6%
Research/Studies	\$25,000	\$50,201	50,000	100%	\$4,996	12%
Sub Total Distribution & Market Conduct Committee	<u>\$27,689</u>	<u>\$59,474</u>	<u>\$53,000</u>	<u>112%</u>	<u>\$8,059</u>	
Licensing Efficiency Issues Committee						
Regulatory Model (s)	\$1,377	\$7,478	12,000	62%	\$992	34%
Federal Financial Reform	\$0	\$101	3,000		\$0	0%
Sub Total Licensing Efficiency Issues Committee	<u>\$1,377</u>	<u>\$7,578</u>	<u>\$15,000</u>	<u>51%</u>	<u>\$992</u>	
Media & Advocacy Strategy Committee						
Tactical Communications Strategy	\$361	\$3,821	51,500	7%	\$305	1%
Association Branding	\$0	\$1,695	2,500	68%	\$4,328	17%
Sub Total Media & Advocacy Strategy Committee	<u>\$361</u>	<u>\$5,516</u>	<u>\$54,000</u>	<u>10%</u>	<u>\$4,633</u>	
Networking & Events Committee						
Board/EOC/AGM Expense ²	\$11,009	\$28,578	20,500	139%	\$13,820	66%
Networking Events	\$0	\$1,115	1,756	64%	\$4,281	20%
15th Anniversary Event	\$0	\$0	-		\$15,566	74%
Sub Total Networking & Events Committee	<u>\$11,009</u>	<u>\$29,694</u>	<u>\$22,256</u>	<u>133%</u>	<u>\$33,667</u>	
Media Relations, CAFII Consultant						
Media Relations, CAFII Consultant	\$0	\$0	-		\$0	0%
Sub Total Media Relations, CAFII Consultant	<u>\$0</u>	<u>\$0</u>			<u>\$0</u>	
TOTAL EXPENSE	\$76,975	\$381,403	414,972	92%	\$292,395	88%
EXCESS OF REVENUE OVER EXPENSES	<u>(\$43,564)</u>	<u>\$19,517</u>	<u>(\$13,752)</u>		<u>108,711.94</u>	

Explanatory Notes:

(1) Amortization of office equipment based on 4 year straight line depreciation

(2) Board meetings and receptions, special Board or EOC lunch meetings, speaker expenses

CAFII

Toronto, ON M4V 2Y7

Membership Fees

As At December 31, 2014

	<u>Jan-14</u>			<u>Jul-14</u>	
	<u>Billed</u>	<u>Received</u>		<u>Billed</u>	<u>Received</u>
BMO Bank of Montreal	\$ 23,500.00	Mar7,2014	\$	23,500.00	August 21,2014
CIBC Insurance	\$ 23,500.00	Mar20,2014	\$	23,500.00	August 21,2014
RBC Insurance	\$ 23,500.00	Mar17,2014	\$	23,500.00	August 06,2014
ScotiaLife Financial	\$ 23,500.00	Mar7,2014	\$	23,500.00	July 25,2014
TD Insurance	\$ 23,500.00	Mar7,2014	\$	23,500.00	July 25,2014
AMEX Bank of Canada	\$ 11,750.00	Apr7,2014	\$	11,750.00	October 21,2014
Assurant Solutions	\$ 11,750.00	Apr7,2014	\$	11,750.00	August 21,2014
Canadian Premier Life Insurance Company	\$ 11,750.00	Apr7,2014	\$	11,750.00	August 21,2014
Desjardins Financial Security Life Assurance Company	\$ 11,750.00	Apr7,2014	\$	11,750.00	Apr7,2014
National Bank Insurance Company	\$ 11,750.00	Apr7,2014	\$	11,750.00	July 25,2014
Aimia	\$ 4,800.00	Mar7,2014			
Avalon Actuarial	\$ 4,800.00	Mar20,2014			
Collins Barrow Toronto Actuarial Services	\$ 4,800.00	June6,2014			
CSI Brokers Inc.	\$ 4,800.00	May23,2014			
KPMG	\$ 4,800.00	October 21,2014			
Laurentian Bank of Canada	\$ 4,800.00	Mar20,2014			
Munich Re	\$ 4,800.00	Mar7,2014			
Optima Communications	\$ 4,800.00	Mar20,2014			
RGA Life Reinsurance Company of Canada	\$ 4,800.00	Apr7,2014			
The Canada Life Assurance Company	\$ 4,800.00	Mar20,2014			
January Invoices	\$224,250			\$176,250	
July Invoices	\$176,250				
Total Membership Fees	\$400,500				
Total amount to realocate monthly Jan-Dec	\$33,375				

Regulatory Update – CAFII Executive Operations Committee, February 12, 2015

Prepared By Brendan Wycks, CAFII Executive Director

Introduction

Federal/National

- **CISRO:**
 - CAFII Follow-Up Letter Of Support For LLQP Modernization Well-Received **(page 2)**
 - Next LLQP Stakeholder Information Session: February 27/15 **(page 2)**
- **FCAC:** Input Invited On Stakeholder Engagement and Consultation Framework For Compliance and Enforcement Issues **(page 2)**

Provincial

- **British Columbia:**
 - FICOM Expects To Issue Directive Letter Re CGI By End Of February **(page 3)**
 - Consultation Paper On 10-Year Review Of FIs Act To Be Released Shortly **(page 3)**
 - Insurance Council Publishes Conflict Of Interest Guidelines **(page 3)**
- **Saskatchewan:**
 - CAFII Receives Extension On Submission Deadline For *Bill 177, The Insurance Act* **(page 4)**
 - New FCAA Chairperson and Superintendent of Insurance Appointed **(page 4)**
- **Manitoba:**
 - Financial Services Agency Decides Not To Fill Superintendent Of Insurance Position **(page 4)**
 - Insurance Council Publishes New Documents On RIA Licensure **(page 5)**
- **Ontario**
 - CUMIS Calls For Expanded Credit Union Powers In Submission To Ontario's Five-Year Review Of Credit Unions and Caisses Populaires Act **(page 5)**
 - Advocis Recommends Status Quo Restrictions In Submissions On Ontario/Nova Scotia Credit Unions Legislation **(page 5)**
 - Independent Financial Brokers of Canada (IFB) Recommends Licensure For Anyone Involved In Incidental Sales Of Insurance **(page 6)**

International

- **International Association of Insurance Supervisors (IAIS):**
 - IAIS Launches Market Conduct Review On ICPs 18 and 19 **(page 6)**

Appendix A

-IFB Submission to Ontario Review of Credit Unions And Caisses Populaires Act **(Appendix A)**

Federal/National

Canadian Insurance Services Regulatory Organisations (CISRO)

CAFII Follow-Up Letter Of Support For LLQP Modernization Well-Received

On January 19/15, CAFII disseminated a follow-up letter of support for LLQP modernization to the Minister responsible for insurance regulation in each of the country's provincial/territorial jurisdictions, with a c.c. to relevant Deputy Ministers and CCIR and/or CISRO members. Ron Fullan, as Chair of CISRO, was c.c.'d on the 13 letters.

Thus far, CAFII has received an acknowledgement and thanks during the Association's Stakeholder Meeting with CCIR on January 28/15; a thank you e-mail from Ron Fullan; and a response letter from Tony Cornect, Minister of Service Newfoundland.

Ron Fullan's e-mail to Brendan Wycks said *"Thank you for CAFII's follow-up letter of support to the Ministers across the country. If one has to receive copies of 13 identical emails, those were a very nice baker's dozen to receive!"*

Newfoundland Minister Cornect's letter reads as follows: *"I write in reply to your letter of January 19, 2015. I would like to thank you for your support of the new Life Licence Qualification Program being introduced. With regard to your organization's position for the mutual recognition of insurance licenses across jurisdictions and a national online system for licensing, I advise that your views will certainly be taken under consideration during any future harmonization initiatives and changes to address modernization of the legislation in recognition of changes in the industry and technology. I thank you for your interest in these very important matters."*

Next LLQP Stakeholder Information Session: February 27/15

Ron Fullan, Chair of CISRO and its LLQP Committee, has confirmed that his committee will hold a Stakeholder Information Session for CAFII and CLHIA members and LLQP course providers, on Friday, February 27/15 from 10:30 a.m. to 12 Noon at the FSCO offices in North York. The agenda will include an expected schedule of events leading up to the January 1/16 implementation, and also a discussion about transition to the harmonized program.

Financial Consumer Agency of Canada

Input Invited On Stakeholder Engagement and Consultation Framework For Compliance and Enforcement Issues

On February 6, the FCAC announced that it is seeking input into its [stakeholder engagement and consultation framework for compliance and enforcement issues](#).

One of the FCAC's key strategic priorities for 2014–19 is to "strengthen collaboration and engagement with stakeholders." To support its goal to be more proactive and transparent, the Agency has proposed a framework that the Compliance and Enforcement Branch will follow to engage stakeholders and strengthen and formalize its consultation process.

The FCAC has therefore published the proposed framework for public consultation and is inviting comments from interested parties by March 6/15.

British Columbia

Financial Institutions Commission (FICOM) Expects To Issue Directive Letter On CGI By End Of February

In an update provided to Brendan Wycks on February 11, Harry James, Director, Policy Initiatives with BC's FICOM, advised that he had no further news to report, beyond what he had previously communicated on January 6, on the planned "directive letter" re the 'effecting' of CGI in BC.

In January, Harry advised that he is currently working on a draft communique on the "effecting of creditor's group insurance" issue in concert with counterpart regulators from the other three Western Canada provinces. He expects that the letter – which will ultimately be issued by FICOM, with or without the endorsement of the other three jurisdictions -- will be sent out sometime before the end of February.

Harry advised that the letter will clarify FICOM's position on 'effecting'; expectations about ensuring appropriate controls and oversight are in place over CGI; and about the structure of CGI contracts.

In a related development, CAFII has learned, through a meeting on February 12, that CLHIA is planning to send Harry James a proposal on the 'effecting' of CGI in BC issue in the near future. CLHIA has been working on a proposal, intended to contain recommendations and solutions, for some time. That said, Harry has been consistent in what he has communicated to CAFII about his plans; essentially he is telling us that he has not altered his plans to issue a directive letter on the 'effecting' of CGI issue because he may receive a proposal from the CLHIA. (If he does receive CLHIA's proposal before he issues the directive letter, he may adjust course but he's not 'waiting' on the CLHIA letter and planning to factor it into his directive letter.)

Consultation Paper On 10-Year Review Of BC FIs Act To Be Released Shortly

In an update provided to Brendan Wycks on February 11, Harry James advised that the BC Ministry of Finance intends to issue a discussion paper sometime in the near future on the 10-Year Review of the province's Financial Institutions Act, which will launch the formal consultation phase of the review. When released, the consultation paper will be sent to all industry stakeholders that participated in the November 21/14 pre-consultation roundtable discussion in Vancouver with Finance Minister Michael De Jong, where EOC Chair Greg Grant represented CAFII.

On February 5, CAFII received an invitation from Minister De Jong's office, to have a representative attend a budget lock-up in Victoria on February 17 where a new provincial budget will be released. While it's possible that an announcement about the formal consultation phase of the FI Act Review may be made as part of the Minister's budget release and it's encouraging that CAFII now seems to be a permanent fixture on the Ministry of Finance's list of key stakeholders, we politely declined the invitation.

Insurance Council Publishes Conflict Of Interest Guidelines

The Insurance Council of BC recently finalized and published Conflict of Interest Guidelines For Insurance Agents, Adjusters, and Salespersons on its website, stemming from a consultation in the first quarter of 2014. The Guidelines have been incorporated into the Council's Code of Conduct as Appendix A.

One key area of the Conflict of Interest Guidelines, which received a significant number of comments during the consultation, is “Other Employment Or Business Activities Held By Licensees.”

The Council has identified a number of Business Activities for which it believes the potential for a conflict is so great that it would not be prepared to issue an insurance licence. Therefore, the Council has published a list of those Business Activities and how it has decided to address such situations. The list, for the benefit of existing licensees and licence applicants, will be updated as new decisions on Business Activities are made.

Saskatchewan

CAFII Receives Extension On Submission Deadline For *Bill 177, The Insurance Act*

On February 9, CAFII asked Jim Hall -- the province’s former Superintendent of Insurance who is currently serving in a semi-retired capacity as Senior Crown Counsel, Legislative Services with the Ministry of Justice and Attorney General, and is the point person for the consultation with industry on Bill 177 – for an extension on the deadline for its response submission, in line with similar extensions that had been granted to other industry stakeholders. CAFII was granted a one week extension to Monday, February 23.

On December 8/14, *Bill 177, The Insurance Act* was posted on the Saskatchewan legislature’s web site, after undergoing second reading. The Bill will now serve as a consultation document with the industry, with February 16/15 being the deadline for input before the legislation is brought back to the House for third reading.

When passed and proclaimed, Bill 177 will replace the current Saskatchewan Insurance Act. New regulations will also replace the existing regulations, but work on them has not yet begun.

New FCAA Chairperson and Superintendent of Insurance Appointed

CAFII has learned – via Ron Fullan, Executive Director of the Insurance Councils of Saskatchewan and Ian McIntosh, Deputy Superintendent of Insurance – that Roger Sobotkiewicz, former Director of the Financial Consumer Affairs Authority (FCAA)’s Legal Branch, became Interim Chairperson and Superintendent of Insurance effective February 1/15.

Mr. Sobotkiewicz succeeds David Wild who left the FCAA CEO position to lead Saskatchewan’s Public Employees Benefits Agency as Associate Deputy Minister of Finance).

As Superintendent of Insurance, Sobotkiewicz will be a key contact for CAFII around the province’s Bill 177, *The Insurance Act* (Saskatchewan), along with Jim Hall, Senior Crown Counsel, Legislative Services, and Janette Seibel, Lawyer with the FCAA.

Manitoba

Financial Services Agency Decides Not To Fill Superintendent Of Insurance Position

In a conversation with Brendan Wycks at CAFII’s Stakeholder Meeting with CCIR on January 28/15, Scott Moore, Deputy Superintendent of Insurance, advised that, at this time, the Manitoba Financial Services Agency has decided that the Superintendent of Insurance position will not be filled, following the retirement of Jim Scalena at the end of 2014. Therefore, Scott will be assuming the Superintendent of Insurance’s duties until further notice.

Insurance Council Publishes New Documents On Restricted Insurance Agents (RIA) Licensure

The Insurance Council of Manitoba has recently published two new documents on its website related to the province's new RIA/ISI licensing regime:

- a license application form for "Restricted Insurance Agent (RIA) Employees of Other Entities": and
- an FAQs document re "Incidental Sale of Insurance" which contains answers to 20 questions related to the RIA regime.

The Council began accepting applications for RIA licenses effective February 1, 2015. Applications must be received by April 30, 2015 to ensure processing prior to the May 31, 2015 deadline.

Ontario

CUMIS Calls For Expanded Credit Union Powers In Submission To Ontario's Five-Year Review of Credit Unions and Caisses Populaires Act; (CUCPA)

CAFII member CUMIS has shared the final version of its submission to Ontario's five-year review of the Credit Unions and Caisses Populaires Act (CUCPA) with Executive Director Brendan Wycks.

In its submission, CUMIS strongly supports empowering Ontario credit unions to acquire greater ownership interests in insurance brokerages and agencies. Credit unions and caisses populaires in British Columbia, Saskatchewan, Manitoba and Quebec have the power to own insurance brokerages and/or insurance companies, but Ontario is one of the few remaining provinces, and the only one of significant population, to prohibit broader credit union ownership of insurance entities.

The submission notes that federally regulated banks are permitted to engage in the underwriting and the distribution of insurance through insurance company and insurance brokerage subsidiaries. CUMIS asserts that enabling credit unions to engage fully and directly in the distribution of insurance is a good middle ground between today's current restrictions and full in-branch retailing powers.

CUMIS also calls for the expansion of credit unions' business powers to permit in-branch promotion and retailing of insurance and group retirement solutions by licensed advisors. But if the Government is not prepared to fully expand the powers of credit unions to permit in-branch sales of insurance products, CUMIS encourages it to consider permitting credit unions greater flexibility to promote insurance products within branches as credit unions in British Columbia are permitted to do. Such promotional, versus sales, activities would include greater in-branch access to and provision of insurance information, member referrals to licensed insurance advisors outside of the branch and, with the permission and consent of members, information sharing between credit unions and insurance brokerages and advisors to better meet the insurance needs of credit union members.

Advocis Recommends Status Quo Restrictions In Submissions On Ontario/Nova Scotia Credit Unions Legislation

In its submissions to Ontario and Nova Scotia on their respective current reviews of credit unions legislation, Advocis takes a position strongly opposed to CUMIS' views.

In a letter dated January 15/15 to the Ontario Ministry of Finance, Advocis states that *“as credit unions progressively resemble banks, the protections offered to their consumers should increasingly mirror those established to protect bank clients. One key area of consumer vulnerability pertains to the sales of insurance products, either directly in-branch or online, and this is the focus of our comments in this submission. . . . We commend Ontario for its past decisions to restrict the in-branch sale of insurance products, thereby protecting the consumers of credit unions. . . We strongly recommend that, upon the completion of the current review, Ontario maintain and restate this restriction and, further, extend it to online sales.”*

In a nearly identical letter sent to Nova Scotia on January 27/15 on that province’s consultation on its Credit Union Act, Advocis says *“. . . our position is consistent with the conclusion reached by the federal government in regards to the banking sector in its 2006 review of financial institutions legislation: it determined that banks should not be permitted to sell insurance in-branch or share customer information with their insurance subsidiaries. We strongly recommend that, upon the completion of the current Review, Nova Scotia maintain an analogous restriction for credit unions and, further, explicitly extend the restriction to their online activities.”*

Advocis’ submissions to Ontario and Nova Scotia can be found on its web site at <http://www.advocis.ca/regulatory-affairs/submissions.html>.

Independent Financial Brokers of Canada Recommends Licensure For Anyone Involved In Incidental Sales of Insurance

The Independent Financial Brokers’ (IFB) submission on Ontario’s CUCPA goes much further than Advocis’. It contains a lengthy section on “Consumer Protection Framework” and links concerns in this area directly to incidental sales of insurance.

In a letter dated February 5/15, the IFB recommends that *“any seller of insurance products, including incidental insurance, should be licenced. . . . We note, in closing, that these issues apply to a wide variety of sellers of incidental insurance – including, but certainly not limited to, credit unions. Given this, the Ministry of Finance may wish to consider not only how credit unions are dealing with this matter, but other relevant financial entities, so it can be confident that there are no gaps in consumer protection, and that consumers are being well-served in the distribution of these products.”*

Given its highly germane, directly relevant content for CAFII members, the three-page IFB letter is reproduced in its entirety as Appendix A to this Regulatory Update.

International

International Association of Insurance Supervisors (IAIS) Launches Market Conduct Review On ICPs 18 and 19

The IAIS has launched a “thematic self-assessment and peer review” on market conduct for its regulatory authority members, focused on its Insurance Core Principles (ICPs) 18 and 19. The deadline for regulators’ responses to a detailed questionnaire on compliance with these two ICPs is March 2/15.

Appendix A



30 Eglinton Avenue West, Suite 740
Mississauga ON L5R 3E7
Tel: (905) 279-2727
Website: www.ifbc.ca

Laura Albanese
Parliamentary Assistant to the Minister of Finance c/o Budget Secretariat
Frost Building North, 3rd Floor
95 Grosvenor Street
Toronto ON M7A 1Z1

Via Email: CUCPA.consultation@ontario.ca

February 5, 2015

Dear Ms. Albanese:

Subject: 5 Year Review of the *Credit Unions and Caisses Populaires Act, 1994* and regulations

Independent Financial Brokers of Canada (IFB) is pleased to offer our comments to the Ministry of Finance as it undertakes its 5 year review of the *Credit Unions and Caisses Populaires Act* and regulations. IFB is interested in this consultation as we represent approximately 4,000 licensed financial advisors across Canada - a large proportion of whom live and work in Ontario.

IFB recognizes the important contribution credit unions make to the financial well-being of their members in communities across Ontario. Similarly, many IFB members live and work in those same communities, and compete with local bank branches and credit unions to provide consumers with products, services and advice related to life and health insurance, and investments.

Separation of life insurance from banking

Under the existing rules, the federal *Bank Act* and Ontario legislation governing credit unions have prohibited the sale of insurance in retail branches, other than those specifically authorized under their respective Acts. Neither Act prevents banks or credit unions from providing insurance from a separately owned entity – a provision which exists for the protection of consumers, in recognition of the potential risks if retail banking and insurance were to be fully integrated.

Specifically, these risks relate to conflicts of interest arising from cross-selling of financial products, risk of tied-selling and inappropriate use of personal data. The acquisition of life or disability insurance often requires an individual to disclose sensitive medical information. This information needs to be protected from the risk that it might be used to adjudicate a credit application (i.e. approving or denying a mortgage or loan).

The current regulatory approach serves consumers well and contributes to a healthy and competitive financial marketplace.

Consumer protection framework

The paper asks for input on any additional areas of consumer protection that could be addressed “to ensure that consumers are well-informed and understand the costs, risks and suitability of the products and services they are purchasing”. Of particular interest to IFB, as it concerns this consultation, is the disclosure provided to credit union customers relating to insurance sold incidental to another financial transaction (for example, the purchase of mortgage disability insurance in conjunction with a mortgage).

The Canadian Council of Insurance Regulators (CCIR) and Canadian Insurance Services Regulatory Organization (CISRO) undertook a broad study of how incidental insurance products are sold to consumers, and published the recommendations made by its working group in November 2008¹.

The 4 recommendations to improve consumer outcomes were:

1. Improve the application forms and other documents;
2. Improve the training and supervision of sellers;
3. Provide consumers with the opportunity to reassess the purchase of the product; and,
4. Obtain statistical information (such as, consumer complaints, changes in the annual filings of insurers, and a market survey of insurers selling incidental insurance products).

This consultation defined an incidental seller of insurance as “a person who, in pursuing activities in a field other than insurance, offers as an accessory, for an insurer, an insurance product which relates solely to goods sold or services offered by the person or secures a client’s enrolment in respect of such an insurance product.” Furthermore, “the definition relates, but is not limited to, insurance sold by automobile dealers, by travel agents and agencies, by mortgage brokers, by retailers and through branches of lending institutions such as banks, credit unions, finance companies and pay-day lenders. These insurance products may pay off the balance of, or make payments on, a loan, a credit card or a credit line in case of disability or death. They may also be out-of-Canada health insurance or even prepaid funeral expenses. The common factor is the context in which the insurance product is offered.”²

In response to the recommendations referred to above, the Canadian Life and Health Insurance Association (CLHIA) developed industry guidance for its member companies in 2009 aimed at improving the consistency of information provided to consumers when they are being presented with the option of purchasing these products. The guideline is entitled “Guideline 7, Creditors Group Insurance”³, a copy of which is available on the CLHIA website, www.clhia.ca.

¹ http://www.ccir-ccra.org/en/init/isi/ISI_Nov2008EngFinalReport.pdf

² Ibid.

³ [http://www.clhia.ca/domino/html/clhia/CLHIA_LP4W_LND_Webstation.nsf/resources/Guidelines/\\$file/Guideline_G7.pdf](http://www.clhia.ca/domino/html/clhia/CLHIA_LP4W_LND_Webstation.nsf/resources/Guidelines/$file/Guideline_G7.pdf)

Also in 2009, the Consumer's Council of Canada undertook a comprehensive study of creditor insurance entitled "Creditor's Insurance – Are Consumers Being Well Served"⁴. Representing the consumer viewpoint, the study makes a number of recommendations and observations related to improving consumer protection, including the need for better disclosure of the terms and conditions.

IFB, in its submission to the CCIR/CISRO consultation, recommended that any seller of insurance products, including incidental insurance, should be licensed. Licensing provides regulatory oversight and opportunities for consumer redress. Our members who are life insurance licensed must successfully complete the Life License Qualification Program (an educational program specific to insurance), pass a competency exam, and be licensed by their respective provincial insurance regulator (FSCO in Ontario) prior to engaging in any insurance activities. We believe this standard should be in place for anyone selling insurance products. We note that Manitoba, Saskatchewan and Alberta have enacted forms of a restricted license for this purpose.

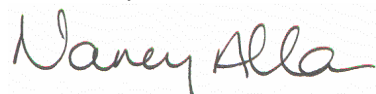
Life insurance agents and brokers licensed in Ontario by FSCO are required by law to provide consumers with written disclosure related to actual and potential conflicts of interest, including how they are compensated. We believe similar disclosure standards should be required in relation to these other products. When insurance is sold alongside another product, it must be made clear to the consumer that the approval of a loan, for example, is not contingent on the purchase of an insurance product.

Much emphasis has been placed by financial services regulators on whether the consumer is in a position, at the point of sale, to make an informed decision about a purchase. Key to this is the availability of plain language documents, so consumers can more easily understand the product they are considering purchasing, their rights (such as rescission periods and cancellation policies), and the underwriting process. Without this knowledge, the purchaser may not understand the impact of an error, which may arise from an inadvertent misunderstanding, on his/her application. For example, an error made when completing the medical questions required to obtain mortgage disability insurance may lead to denial of a claim years later, despite the purchaser having made premium payments and believing coverage was in place.

We note, in closing, that these issues apply to a wide variety of sellers of incidental insurance – including, but certainly not limited to, credit unions. Given this, the Ministry of Finance may wish to consider not only how credit unions are dealing with this matter, but other relevant financial entities, so it can be confident that there are no gaps in consumer protection, and that consumers are being well- served in the distribution of these products.

IFB appreciates the opportunity to contribute our comments. Should you have any questions, please contact me, or Susan Allemang, Director Policy & Regulatory Affairs (email:sallemang@ifbc.ca).

Yours truly,



Nancy Allan
Executive Director
Email: allan@ifbc.ca

⁴ http://www.consumerscouncil.com/site/consumers_council_of_canada/assets/pdf/CI_Report.pdf

CAFII Regulator and Policy-Maker Visit Plan 2015

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Feb. 11/15
British Columbia				
Gerry Matier, Executive Director, Insurance Council of BC	Nov. 21/14: roundtable re 10 yr. Review of BC FIA (G. Grant in Vancouver) Nov 20/14: CLHIA COSS seminar (B. Wycks in Toronto) May 28/14: Toronto, ON	When Gerry is in Toronto for CISRO/CCIR/related meetings	-10 yr. Review of BC Financial Institutions Act (FIA) -Representation for banks-in-insurance sector on Council -LLQP modernization -Update on TIPIP initiative -Update on Council priorities -Communicate CAFII issues -Maintain and strengthen relationship	Pending
Carolyn Rogers , CEO, FICOM & Superintendent of Insurance (CCIR Chair)	January 28/15 stakeholder meeting with CCIR Informal discussion on October 7/14 during CAFII Speaker Reception May 6/14; liaison dinner in Ottawa	When Carolyn is in Toronto for CCIR/related meetings; or if attending CLHIA Spring Conference, April 29 to May 1 in Quebec City	See above	Confirmed
Doug McLean, Deputy Superintendent of Insurance, FICOM	No contact/meeting for at least past two years	When Doug is in Toronto for CCIR/related meetings	See above	Pending
Harry James, Director, Policy Initiatives, FICOM; Chair of CCIR's new Working Group on Travel Insurance	January 28/15 stakeholder meeting with CCIR Nov. 21/14: G. Grant chatted with H. James during FIA Review roundtable discussion Jul 28/14: call with CAFII reps re: "effecting" CGI		See above	Pending

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Feb. 11/15
Michael de Jong, Minister of Finance	Nov. 21/14: G. Grant represented CAFII at FIA Review roundtable discussion	If necessary, Q1 or Q2 2015	- follow up on CAFII issues/concerns re: 10-year Review of Financial Institutions Act; announcement re formal consultation phase of FIA Review expected imminently	Pending
Alberta				
Alberta Insurance Council: Joanne Abram, CEO; Ron Gilbertson, Chair (2012-15) Tom Hampton, COO (retiring at end of 2014) Warren Martinson, Legal Counsel (member of CISRO LLQP Ctte)	Nov 20/14: CLHIA COSS seminar (B. Wycks); Mar 17/14; Toronto, ON Mar 17/14; Toronto, ON Jan 8/14: Toronto, ON Feb 10/14: Toronto, ON	When Joanne is in Toronto for CISRO/CCIR/related meetings; or if attending CLHIA Spring Conference, April 29-May 1 in Quebec City	-Representation for Restricted Licence Holders - - Licensing for 3 rd party providers: business number registration system -LLQP modernization -Update on TIPIP initiative - Update on Council priorities -Communicate CAFII issues -Maintain and strengthen relationship	Pending
Mark Prefontaine, Superintendent of Insurance	Sep 30/14; Fredericton, NB (informal meeting)	When Mark is in Toronto for CCIR/related meetings; or if attending CLHIA Spring Conference, April 29-May 1 in Quebec City	See above	Pending
David Sorensen, Deputy Superintendent of Insurance	No contact - <i>appointed Sep 15/14</i>	When David is in Toronto for CCIR/related meetings	See above - and introduce CAFII	Pending
Laurie Balfour, Director, Financial Compliance, Insurance Regulation and Market Conduct Branch	Sep 30/14: Fredericton, NB (informal meeting) Jul 28/14: call with CAFII reps re: "effecting of CGI"	When Laurie is in Toronto for CCIR/related meetings	See above	Pending

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Feb. 11/15
Robin Campbell, President of Treasury Board and Minister of Finance	No contact – appointed Sep 15/14	TBD	TBD until CAFII has a “direct ask”	Pending
Saskatchewan				
Ron Fullan, Executive Director, Insurance Councils of Saskatchewan and CISRO Chair	January 28/15 stakeholder meeting with CCIR Sep 30/14; Fredericton, NB (informal meeting)	When Ron is in Toronto for CISRO/CCIR/related meetings	-Restricted Insurance Agents Advisory Cttee. - LLQP modernization -Update on TIPIP initiative - Update on ICS and CISRO priorities -Communicate CAFII issues -Maintain and strengthen relationship	Pending Pending
April Stadnek, Director of Licensing	Sep 30/14; Fredericton, NB (informal meeting)	When April is in Toronto for CISRO/CCIR/related meetings		
Roger Sobotkiewicz, former Director of Financial Consumer Affairs Authority (FCAA)’s Legal Branch, became Interim Chairperson and Superintendent of Insurance, effective Feb. 1/15 (David Wild left to lead Public Employees Benefits Agency as Associate Deputy Minister of Finance)	-no previous contact; congratulatory letter on appointment to be sent -no contact/meeting for at least past two years	Q1 or Q2 2015 meeting in Regina	-introduce CAFII and build relationship -Bill 177, The Insurance Act, posted on SK website on Dec. 8/14. Bill serving as consultation document with industry, with Feb. 16/15 deadline for submissions. When passed and proclaimed, will replace current SK Insurance Act. -ISI: Representation for Restricted Licence Holders -LLQP modernization -Update on TIPIP initiative - Update on Superintendent’s priorities -Communicate CAFII issues	Pending: CAFII submission on Bill 177 requests a meeting
Ian McIntosh, Deputy Superintendent of Insurance	Jul 28/14 call with CAFII reps re: “effecting CGI”	Same as above	See above	Pending

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Feb. 11/15
Consultant (ex-Superintendent) Jim Hall and Janette Seibel, Lawyer, FCAA, are point persons for review of SK Insurance Act	-no contact/meeting for at least past two years	Same as above	Bill 177, The Insurance Act (Saskatchewan)	Pending: CAFII submission on Bill 177 requests a meeting
Manitoba				
Ministry of Finance: Jim Scalena, Superintendent <i>*Retired at end of 2014</i> Scott Moore, Deputy Superintendent, currently serving as Interim Superintendent of Insurance Greg Dewar, Minister of Finance	April 29/14; Winnipeg, MB April 29/14: Winnipeg, MB; No contact – appointed Nov/14	When successor or Scott is in Toronto for CCIR/related meetings; or if attending CLHIA Spring Conference, April 29-May 1 in Quebec City TBD	-Introduce CAFII and build/maintain relationship -Implementation of ISI regime -Representation for Restricted Licence Holders -Update on Insurance Act Review -LLQP modernization -Update on TIPIP initiative -Update on Superintendent's and Council's priorities -Communicate CAFII issues TBD until CAFII has "direct ask"	Pending Pending
Erin Pearson, Executive Director, Insurance Council of Manitoba:	Sept. 30/14: dinner in Fredericton, NB re: ISI implementation Apr 29/14; Winnipeg, MB	When Erin is in Toronto for CISRO/related meetings	Same as above	Pending
Ontario				
FSCO: Brian Mills, appointed Interim CEO and Superintendent on October 18/14	January 28/15 stakeholder meeting with CCIR November 21/14 at FSCO Life and Health Insurance Symposium	Q1 or Q2 2015: follow-up lunch or dinner	(i)-Introduce CAFII and build/maintain relationship (ii) -next steps, if any, in Life Insurance Product Suitability Review (iii)-LLQP modernization (iv)-enhancing the national CRS (v)-Update on TIPIP initiative (vi)-Update on Superintendent's priorities (vii) "Agency Review" of FSCO's mandate (viii)-communicate CAFII issues	Pending

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Feb. 11/15
Anatol Monid, Interim Executive Director, Licensing and Market Conduct Division	January 28/15 stakeholder meeting with CCIR November 21/14 at FSCO Life and Health Insurance Symposium April 9/14 re: Interim Report of Life Insurance Product Suitability Review	Meeting, if required re (ii)		Pending
Isabel Scovino, appointed Director, Market Conduct Regulation Branch in Nov/14	Nov 21/14 FSCO Life & Health Insurance Symposium Nov. 20/14 Networking Dinner following CLHIA CCOS Seminar Nov 13/14 re: Report on Joint Review (FSCO and AMF) of National Complaint Reporting System (CRS)	Meeting, if required re (iv)	Item (iv) above	Pending
Quebec				
AMF: Louis Morisset, CEO; Patrick Dery, Eric Stevenson, Julien Reid, Stephane Langlois, Louise Gauthier	Apr 8/14: Montreal, QC January 30/15 meeting in Toronto with E. Stevenson and L. Gauthier re (i) and (ii)	October 6/15 CAFII Board meeting hosted by Desjardins in Quebec City	-(i)Further round of AMF consultation re electronic commerce in insurance -(ii)Distribution Guide template and implementation timelines -LLQP modernization -enhancing the national CRS -Update on TIPIP initiative -Update on AMF priorities -Communicate CAFII issues -Maintain and strengthen relationship	Pending

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Feb. 11/15
Atlantic Canada				
Joint Forum of Insurance Regulators (four provinces)	Oct 1/14: Fredericton, NB	spring or fall 2016	TBD	Deferred to 2016
New Brunswick				
Angela Mazerolle, Superintendent of Insurance	Oct 1/14: Fredericton, NB	None in 2015	TBD	Deferred to 2016
David Weir, Deputy Superintendent of Insurance	Oct 1/14: Fredericton, NB	Same as above	TBD	Deferred to 2016
Adam Mitton, Attractiveness Executive, Invest New Brunswick	Jun 3/14: Toronto, ON	Q1 2015 when Adam is in Toronto or, if necessary, in Fredericton	- highlight and discuss CAFII submission re: Insurance Act changes	Pending
Ronald Godin, Consumer Advocate for Insurance (role to be taken over by provincial ombudsman effective Jan 1/15)	No contact			
Charles Murray, New Brunswick ombudsman (apptd. June/13)	No contact to date; assumed insurance consumer advocacy responsibilities on Jan 1/15	Q2 or Q3 2015 meeting with New Brunswick ombudsman	-Introduce CAFII and build relationship -Position CAFII as an information resource -Find out how provincial ombudsman will carry out role formerly held by Consumer Advocate For Insurance	Pending
Nova Scotia				
Doug Murphy, Superintendent	January 28/15 stakeholder meeting with CCIR Oct 1/14: Fredericton, NB	To Be Determined	- possible Insurance Act Review in 2015	Pending

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Feb. 11/15
PEI				
Superintendent Robert Bradley	Oct 1/14: Fredericton, NB	Q2 2015 in PEI or Toronto	-Review of life and accident & sickness provisions of Insurance Act, previously communicated as a definite priority for 2015 -LLQP modernization -Update on TIPIP initiative -Update on Superintendent's priorities -Communicate CAFII issues -Maintain and strengthen relationship	Pending
Newfoundland				
Craig Whalen, Deputy Superintendent	Oct 1/14: Fredericton, NB	None in 2015	N/A	Deferred to 2016
FEDERAL/NATIONAL				
Carol Shevlin, Policy Manager, CCIR *Retiring end of 2015	January 28/15 stakeholder meeting with CCIR May 7/14; Ottawa, ON (informal update)	Liaison lunch with B. Wycks on Feb. 23/15	-Update on CCIR 2014-17 Strategic Plan and related priorities -possible CAFII webinar(s) for CCIR in 2015 -succession plans for CCIR Policy Manager given upcoming retirement -opportunity to thank and acknowledge C. Shevlin at CAFII Reception later in 2015	Confirmed
Carolyn Rogers, CCIR Chair (CEO, FICOM & Superintendent of Insurance)	January 28/15 stakeholder meeting with CCIR Oct 7/14: Toronto, ON	When Carolyn is in Toronto for CCIR/related meetings; or if attending CLHIA Spring Conference, April 29 – May 1 in Quebec City	-Update on CCIR 2014-17 Strategic Plan and related priorities -LLQP modernization -Communicate CAFII issues	Pending
Harry James, Chair, CCIR Working Group on Travel Insurance (Director, Policy Initiatives, BC FICOM)	January 30/15 and December 10/14, CAFII participated in TIPIP meeting with CCIR Working Group on Travel Insurance	Awaiting H. James' confirmation of Working Group's meeting schedule and plans for initial industry survey	-Regulator concerns re travel insurance	Pending

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Feb. 11/15
Ron Fullan Chair (SK); G. Matier (BC); J. Abram (AB), W. Martinson (AB); D. Weir (NB) CISRO	Feb 10/14: Toronto, ON	Stakeholder Information Meeting with CAFII, CLHIA, and LLQP course providers on February 27/15, 10:30 a.m. to Noon at FSCO	-LLQP modernization -possible CISRO Strategic Plan	Confirmed
Jeremy Rudin, Superintendent, Office of the Superintendent of Financial Institutions	No contact – appointed June/14	Q2 2015 “get acquainted” meeting in Ottawa or Toronto	-introduce/educate about CAFII, CGI and alternate distribution -build relationship -invite to be speaker at CAFII Reception in June or October 2015	Pending
Doug Melville, Ombudsman, OBSI	None	None	TBD	Watch/ monitor
Financial Consumer Agency of Canada (FCAC): Lucie Tedesco, Commissioner Brigitte Goulard, Deputy Commissioner Jane Rooney, Financial Literacy Leader Jeremie Ryan, Director, Financial Literacy and Consumer Education Karen Morgan, Marketing Officer	No contact Jun 10/14 Feb 10/15 (presentation at CAFII Annual Luncheon) Feb. 10/15 Jan 9/14	 Q2 2015 (either in-person in Ottawa or Toronto; or via teleconference)	 -CAFII proposed enhancements to FAQs and other content on FCAC web site re creditor insurance -CAFII involvement in consumer financial literacy initiatives, including Financial Literacy Month	 Pending

Confidential

To: CAFII EOC

From: Customer Value Proposition Project Working Group (Brendan, Emily, Sue)

Subject: Request for Towers Watson to Incorporate Additional Components into the Customer Value Proposition Study

Progress Update

- The working group provided detailed feedback to Towers Watson on their draft report of CAFII member survey results. Towers Watson agreed to incorporate the feedback elements that are within the contract (and that meet the criteria of independent and objective). They also agreed to incorporate items considered outside the contract for additional fees.
- Towers Watson is currently completing the project report, adding the data received from individual insurers. They are prepared to complete the report, incorporating additional components, by two weeks prior to the March 24/15 EOC meeting. Pending EOC agreement, we would deliver the report to CAFII Board members prior to the April 7/15 Board meeting.
- The working group believes that the following additional components will provide valuable insight and that the fees are reasonable.
 - Comparison of CGI mortgage life rates to T10 rates with one renewal
 - Comparison of rates for bundled products
 - Comparison of all product features (as opposed to outlining the areas of differences)
 - Adding statistics on CI/DI coverage to show % of claims covered by mortgage product
 - Providing spreadsheet with survey data (CAFII aggregate)
 - Developing individual CAFII member reports
- Additional fees (including tax)
 - Between \$9,000 and \$11,500 for additional components
 - \$450 per individual CAFII member report

Request for EOC Approval:

- Agreement to incur additional Towers Watson fees of up to \$11,500 for additional components and \$3,150 for 7 individual CAFII member reports
- This spending can be sourced from the 2015 \$90,000 Research Budget, of which \$10,000 was for presentations by Towers Watson additional to the contract and \$5,000 was for a LIMRA membership which is unlikely to be available in 2015. The bulk of this 2015 budget provision (\$65,000) is for a Travel Insurance project not likely to be fully spent in 2015.