

CAFII Executive Operations Committee Meeting Agenda

Date: Tuesday, February 23, 2021
Chair: R. Dobbins
Location: [Virtual MSTeams Meeting](#)

Time: 2:00 – 3:30 p.m. EST
Dial-in: 437-703-4263
Phone Conference ID: 965 295 258#

1. Welcome, Call to Order, and Priority Matters	2:00 p.m.	Presenter	Action	Page #	Document
a. Call to Order		R. Dobbins		3	
b. Welcome to New EOC Member		R. Dobbins		4	

2. Consent Items	2:03 p.m.	Presenter	Action	Page #	Document
a. Consultations/Submissions Timetable				6	✓
b. Regulatory Update				7	✓
c. Regulator and Policy-Maker Visit Plan				22	✓
d. Summary of Board and EOC Action Items				23	✓
e. Board-Approved Schedule Of CAFII 2021 Meetings And Events				24	✓

3. Financial Management Matters	2:05 p.m.	Presenter	Action	Page #	Document
a. CAFII Financial Statements as at January 31/21		T. Pergola	Update	27	✓
b. Update on KPMG Audit of CAFII 2020 Fiscal Year Financial Statements		B. Wycks	Update	33	
c. Dissemination of 2021 First Instalment CAFII Member Dues Invoices		B. Wycks	Update	34	

4. Committee Updates	2:20 p.m.	Presenter	Action	Page #	Document
a. Research & Education		A. Stuska			
i. CAFII 2020-21 Consumer Research Project With Pollara Strategic Insights: Progress Report		A. Stuska/K. Martin	Update	35	✓
b. Media Advocacy		C. Blaquiere	Update		
i. CAFII Motion Graphic Website Video On Credit Protection Critical Illness Insurance and Credit Protection Disability Insurance: Status Report Including Posting on Website; Transmittal to Regulators; and Media Release		K. Martin	Update	60	
ii. Draft CAFII Media Release On New Video On Credit Protection Critical Illness Insurance and Credit Protection Disability Insurance		K. Martin	Discussion/ Approval	61	✓
c. Market Conduct & Licensing		B. Kuiper	Update		
i. FSRA Consultation on Proposed Rule [2020-002] – Unfair or Deceptive Acts or Practices, with March 18/21 Submission Deadline		K. Martin	Update	64	✓
d. Travel Medical Insurance Experts		A. Baig	Update		
i. Reactivation of CCIR Travel Insurance Working Group (TIWG) and Consultation With Industry Around Reforms Needed To Trip Cancellation Component of Travel Insurance; and Tweaks To Travel Insurance Data Gathered Via CCIR's 2022 Annual Statement on Market Conduct		A. Baig	Update	67	
e. Networking & Events		S. Kirby	Update		
i. Plans For CAFII Webinars In Q1 and Q2 of 2021		K. Martin/B. Wycks	Update	68	

5. Recent and Upcoming Strategic and Regulatory Initiatives	2:45 p.m.	Presenter	Action	Page #	Document
a. CAFII Board Chair and Vice-Chair Recommendations Arising From Recent Developments In FCAC's Crafting of an Appropriateness Guideline		K. Martin/B. Wycks	Update/ Discussion	69	✓
b. Insights Gained From CAFII/CLHIA/THIA Weekly Calls Re Impact Of COVID-19 On Travel Insurance Industry		B. Wycks/K. Martin	Update	72	

6. Governance Matters	3:00 p.m.	Presenter	Action	Page #	Document
a. Outcomes of February 11/21 CAFII Board Special Purpose Meeting To Review and Update CAFII Strategic Plan		K. Martin/B. Wycks	Update/ Discussion	73	
b. Draft Minutes of January 26/21 EOC Meeting		B. Wycks	Approval	74	✓
c. Application Review and Admission of RSA as a New CAFII Associate		B. Wycks/K. Martin	Approval	82	✓
d. Application Review and Admission of Stikeman Elliott as a New CAFII Associate		B. Wycks/K. Martin	Approval	83	✓
e. CAFII Marketing/Outreach For Attracting New Associates		B. Wycks/K. Martin	Update	85	
f. Insurance Portal's Six Week Free Trial Subscription For CAFII Member Representatives		B. Wycks/K. Martin	Update	86	

7. Read Only Items		Presenter	Action	Page #	Document
a.	CAFII Board's Approval of Three-Part Written Resolution Re Admission of Valeyo as New Regular Member; Confirmation of Nicole Benson's Continuation As A CAFII Director, Now Representing Valeyo and Appointment of Rob Robinson as CAFII Director From Canadian Premier Life Insurance	B. Wycks	Update	87	✓
b.	Launch Of Working Group To Upgrade Data Collected and Report Produced By CAFII Quarterly CPI Benchmarking Study With RSM Canada	K. Martin	Update	92	Briefing Note Only
c.	Report on 2020 CAFII Website Search Engine Optimization and Related Performance Metrics			94	✓
d.	Imminent AMF Consultations on Updated Sound Commercial Practices Guideline and Draft Regulation Respecting Complaint Processing	B. Wycks/K. Martin	Update	112	✓

8. Other Business		3:15 p.m.	Presenter	Action	Page #	Document

9. In Camera Session		3:20 p.m.	Presenter	Action	Page #	Document

10. Tracking Issues		Presenter	Action	Page #	Document
a.	FCNB Insurance Act Rewrite (Including Linked Plan to Introduce an RIA Regime)				
b.	BC Ministry of Finance Drafting of Regulations To Implement Financial Institutions Amendment Act, 2019				
c.	FCAC: Phase 2 of Domestic Bank Retail Sales Practices Review				

Next EOC Meeting: Tuesday, March 30/21, 2:00 to 4:00 p.m., Virtual MSTeams Meeting

Next Board Meeting: Tuesday, April 13/21, 2:00 to 4:00 p.m., Virtual MSTeams Meeting

Briefing Note

**CAFII EOC Meeting 23 February 2021—Agenda Item 1a
Call to Order**

Purpose of this Agenda Item

Start of meeting.

Background Information

Recommendation / Direction Sought -- *Update*

Update only.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

**CAFII EOC Meeting 26 January 2021—Agenda Item 1b
Welcome to New EOC Member**

Purpose of this Agenda Item – *Update*

Update only.

Background Information

Welcome to new EOC member Carmelina Manno from Manulife.

Recommendation / Direction Sought -- *Update*

This is a brief introduction and welcome only.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting 23 February 2021—Agenda Item 2 (a-e) Consent Items

Purpose of this Agenda Item

To provide documentation for the EOC to review, which does not require updates, discussion, or decisioning.

Background Information

The Consent Items that do not require any discussion or decisions are:

- Consultations/Submissions Timetable;
- Regulatory Update;
- Regulator and Policy-Maker Visit Plan;
- Summary of Board and EOC Action Items;
- Board-Approved Schedule of CAFII 2021 Meetings and Events.

Recommendation / Direction Sought – *Information Only*

No action required.

Attachments Included with this Agenda Item

5 attachments.

CAFII Consultations/Submissions Timetable 2021-22

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"> Revised Financial Institutions Act (FIA) tabled in the legislature CAFII Meeting with Ministry of Finance staff executives <i>CAFII Follow-up Meeting (Virtual) with Ministry officials Re CPI Sales Practices and Related Fair Treatment of Consumers Considerations</i> CAFII submissions on draft Regulations in support of Revised FIA 	<ul style="list-style-type: none"> October 21/19 October 25/19 Q2 or Q3 2021 Q1 through Q4 2021 	<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 for 60 day period CAFII submission on updated Sound Commercial Practices Guideline 	<ul style="list-style-type: none"> Q1 2021 (expected) Q1/Q2 2021 	<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"> CAFII sends AMF “creative solutions” submission on degree to which industry can meet AMF’s requirements around RADM’s applicability to credit card-embedded insurance benefits CAFII receives AMF acknowledgement response to July 7/20 submission, indicating “<i>We acknowledge receipt of your correspondence and will get back to you with comments following the analysis of the issues raised</i>” AMF responds to CAFII’s “creative solutions” submission AMF launches consultation of Draft Regulation Respecting Complaint Processing CAFII submission on Draft Regulation Respecting Complaint Processing 	<ul style="list-style-type: none"> July 7/20 July 9/20 Q1 2021 (expected) Q1 2021 (expected) Q1/Q2 2021 	<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"> CAFII sends letter to CCIR/CISRO FTC Working Group asking it to obtain information on incentives and compensation models used by member distributors directly and privately, to avoid Competition Act violations <i>CCIR/CISRO FTC Working Group accepts proposal in CAFII’s July 2/20 letter</i> 	<ul style="list-style-type: none"> July 2/20 August 31/20 	<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/Q2 2021 (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"> FCNB launches industry consultation on RIA licensing regime model CAFII submission on FCNB’s RIA Regime licensing regime model <i>FCNB launches informal stakeholder consultation on applicability of A&S insurance provisions of various provincial Insurance Acts to New Brunswick</i> <i>CAFII responds to FCNB consultation on A&S Insurance Act provisions</i> CAFII/CLHIA send joint response to FCNB’s further Insurance Act Rewrite questions (received November 6/20) 	<ul style="list-style-type: none"> November 29, 2019 January 31, 2020 July 2020 October 22/20 December 22/20 	<ul style="list-style-type: none"> Mkt Conduct & Licensing Cttee; Co-EDs to monitor
Financial Services Regulatory Authority of Ontario (FSRA) Regulatory Consultations	<ul style="list-style-type: none"> FSRA launches preliminary consultation on Transforming FSCO’s Unfair or Deceptive Acts or Practices (UDAP) Regulation Into A FSRA Rule CAFII responds to FSRA’s preliminary consultation on Transforming FSCO’s Unfair or Deceptive Acts or Practices (UDAP) Regulation Into A FSRA Rule FSRA launches consultation on FY 2021-22 Statement of Priorities and Budget CAFII responds to FSRA consultation on FY 2021-22 Proposed Statement of Priorities and Budget CAFII speaks to its submission on FSRA’s FY 2021-22 Statement of Priorities and Budget at Stakeholder Advisory Committee meeting with FSRA Board CAFII responds to FSRA consultation on Unfair and Deceptive Practices (UDAP) Rule 	<ul style="list-style-type: none"> September 2020 October 7, 2020 October 7, 2020 November 3, 2020 November 25/20 March 18/21 	<ul style="list-style-type: none"> Mkt Conduct & Licensing Cttee; Co-EDs to monitor
<u>Government of Ontario Insurance Policy/Regulatory Consultations</u>	<ul style="list-style-type: none"> <u>CAFII responds to Ontario Ministry of Finance consultation on proposed new Regulation under Insurance Act to enable FSRA to operate an automobile insurance “regulatory sandbox” for insurers to pilot innovative, consumer-driven product and service initiatives, with short and supportive submission</u> 	<ul style="list-style-type: none"> March 29/21 	<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

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Regulatory Update – CAFII Executive Operations Committee, 23 February, 2021

Prepared by Keith Martin, CAFII Co-Executive Director

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Federal/National

Canadian Life and Health Association (CLHIA)

CLHIA Advises Ontario to Say No To Life Settlements

Industry trade group the Canadian Life and Health Insurance Association (CLHIA) is warning the Ontario government against allowing life settlement companies to set up shop in the province.

In its pre-budget submission to the government, the CLHIA covered a number of issues, including taxes on life and health insurance premiums, pension innovation and the ongoing development of rules for the use of financial planner and advisor titles. It also warned the government against allowing life settlement contracts in Ontario, noting that a private member's bill would revise insurance legislation to "permit trafficking in life insurance policies."

The CLHIA said this would expose a vulnerable segment of the population — generally low-income seniors and people with health concerns — to possible financial abuse. "In the context of COVID-19, life settlement companies are anxious to open up markets in Ontario and Canada as more Canadians are struggling financially, providing more opportunities for financial exploitation," the group said in its submission.

The trade group warned the government against allowing this activity in Ontario, arguing that there are better options for insurance customers. In the same submission, the CLHIA also recommended that the government reconsider proposed rules on financial planner/advisor titles that would require the holders of basic life agent licensing, the LLQP, to boost their qualifications to meet the titling standards. The trade group also called for an end to taxes on insurance premiums and encouraged access to new types of annuities.

CLHIA Announces Dates for Annual Compliance and Consumer Complaints Conference

The CLHIA has announced that its 2021 Compliance and Consumer Complaints Online Conference will be held Wednesday, May 5 and Thursday, May 6. More information can be found here:

https://www.clhia.ca/web/CLHIA_LP4W_LND_Webstation.nsf/page/AD9B1618FBC1C2E5852584EA006C7099!OpenDocument

Canadian Foundation for Advancement of Investor Rights (FAIR Canada)

FAIR Canada Hires Staff Executive From UK's Financial Conduct Authority

In an e-newsletter issued February 17/21, the Canadian Foundation for Advancement of Investor Rights (FAIR Canada) announced that Kirshita Seevaratnam would be joining its staff team as Policy Counsel effective February 22/21.

Ms. Seevaratnam joins FAIR Canada from the UK's Financial Conduct Authority, the financial services and markets conduct regulator in the United Kingdom, where she has been employed since December 2019.

Ms. Seevaratnam earned an Honours Bachelor of Science degree at the University of Toronto, followed by a Bachelor of Laws at the University of Leicester in England.

"We are excited to have Kirshita join us and look forward to her contribution to FAIR Canada's efforts to advocate for investor rights and be a catalyst for positive change within the Canadian financial services sector," FAIR Canada said in its announcement of this appointment.

In November 2020, the Ontario Securities Commission (OSC) announced that it would fund FAIR Canada to the tune of \$3.75 million. FAIR Canada will receive the funds, which come from the OSC's Designated Fund, over five years in annual instalments of \$750,000.

Jean-Paul Bureaud, FAIR Canada's recently appointed new Executive Director, said the OSC funding will provide much-needed stability.

LOMA Canada

[LOMA Canada Announces Insurance Conferences](#)

LOMA Canada has posted details about its upcoming virtual conferences, including the 2021 Compliance & Financial Crimes Conference; the 2021 Life Insurance Conference; and the LIMRA and LOMA Canada Virtual Annual Conference. Further information can be found here:

<https://www.loma.org/Canada/Home.aspx>

Provincial/Territorial

Ontario

Financial Services Regulatory Authority of Ontario (FSRA)

[Ontario Budget Includes New Regulation to Allow for Regulatory Sandboxes, Initially for P&C Insurance](#)

Ontario's 2021 budget, which received Royal Assent on 8 December, 2020, includes a provision on regulatory sandboxes:

The intent of these Insurance Act amendments is to enable FSRA to operate an automobile insurance "regulatory sandbox" for insurers to pilot

innovative initiatives to bring new consumer-focused products and services to market more quickly in response to changing consumer needs.

The Ministry of Finance has launched a consultation on the proposal, noting that its analysis of the regulatory impact is that:

This proposed new regulation under the Insurance Act with respect to FSRA CEO exemption orders under section 15.1 of the Act, if approved, would not increase compliance costs on businesses and key business sectors, and would have no impact on the Broader Public Service or non-profit sectors. There is no cost to government as a result of this proposal.

The consultation was posted on 11 February, 2021 and submissions are due by 29 March, 2021. CAFII intends to make a short submission supporting the direction that the Government of Ontario is taking.

At the 25 November, 2020 FSRA Sectoral Advisory Committee for Life and Health Insurance meeting on the FSRA 2021-2022 Priorities and Budget, CAFII noted that the proposed Ontario budget introduces new powers in auto insurance to “...allow FSRA to operate an insurance regulatory sandbox to pilot initiatives that bring new consumer-focused,” and CAFII asked if this provision would eventually be expanded to include life and health insurance, and FSRA responded that that was definitely the intention. CAFII also tabled a presentation at that meeting in which it stated that

We continue to believe that “regulatory sandboxes” that provide a safe, monitored space within which to test innovative products and services can foster innovation while ensuring consumer protection.

FSRA Reminds Life Insurers To Oversee Compliance By Agents, Including MGAs

Investment Executive reports that the Financial Services Regulatory Authority of Ontario (FSRA) is reminding life insurers about their obligation to oversee compliance by agents who sell their products, including reps with managing general agencies (MGAs).

In a notice to the industry, FSRA said that recently an insurer’s underwriting process detected agent misconduct — agents were altering clients’ “work and study visas during the life insurance application process” — resulting in the agents being terminated.

FSRA said it is reviewing the case “and will take action to enforce the applicable laws and regulations.” The regulator stressed insurers’ obligation to oversee their agents, noting that they “must take appropriate action if an agent does not meet FSRA’s conduct and suitability requirements.” Additionally, it said that insurers must exercise due diligence “when delegating functions to managing general agencies, such as agent

screening and oversight.”

Ontario Task Force on Bank Ombudsman Services

Ontario Task Force Says that a Revamped Banking Ombudsman Could Strengthen Dispute Resolution For Customers

The Globe and Mail reported on 27 January, 2021 that an Ontario government task force is pushing the province to set a national standard for protecting investors by giving a revamped ombudsman the power to make binding decisions and award more generous compensation for successful complaints against investment firms. The task force urges Ontario’s government and securities regulator to designate a service for resolving customer disputes and give it new authority within a year. That could help bolster customers’ recourse against investment managers and resolve long-standing concerns that the current system puts some customers at a disadvantage when pressing complaints.

The Ombudsman for Banking Services and Investments (OBSI) is a national body that resolves disputes between investment firms and their customers, and also among some banks and their retail banking clients over issues such as credit card fraud, fees or penalties on mortgages. But banks and investment dealers are not bound by OBSI’s decisions, and have sometimes ignored its guidance or offered less generous settlements.

The task force recommends that either OBSI be revamped, or that a new Ontario-made dispute-resolution body be created from scratch, with powers to issue binding orders and raise the maximum compensation that can be awarded from \$350,000 to \$500,000. In a 2019 assessment, the International Monetary Fund (IMF) criticized Canada for not offering investors an ombudsman that can make binding decisions – a recourse already available in countries such as Britain and Australia.

Most of Canada’s major banks, which own large investment dealers, did not comment on the proposal in submissions to the task force. But Royal Bank of Canada expressed concerns that the changes would shift OBSI’s role as “impartial arbitrator” to one with “attributes of a regulator,” and could create delays by causing more investors to turn to OBSI.

Government of Ontario

Ontario Releases Consultation Paper On Regulation Of High-Cost Credit And Alternative Financial Services

Torys LLP notes that on January 29, the Government of Ontario released a consultation paper on regulating Alternative Financial Services (AFS) and high-cost credit, titled

“High-Cost Credit in Ontario: Strengthening Protections for Ontario Consumers”
(Consultation Paper).

The analysis notes that:

- The Consultation Paper seeks input on establishing a high-cost credit definition, licensing high-cost credit providers, regulating costs, fees and charges, and imposing disclosure, cooling-off period and debt collection requirements, among others.
- The government is not considering the regulation of high-cost credit provided by banks or credit unions, and payday loans would continue to be regulated under the Payday Loans Act and its regulations.
- Currently, British Columbia, Alberta, Manitoba and Québec are the only Canadian provinces with legislation respecting high-cost credit.
- The Consultation Paper requests the views of stakeholders on its proposals by March 31, 2021.

Quebec

Autorité des marchés financiers (AMF),

AMF Calls on Industry Firms to “Significantly” Ramp Up Cybersecurity

Investment Executive reported on 28 January, 2021 that the Autorité des marchés financiers (AMF), citing a growing number of cybersecurity incidents in the financial sector, has sounded the alarm for firms to up their defences. The AMF has issued a call to financial institutions to ensure they properly assess their security risks, and take necessary steps to bolster their cyber defences and privacy controls.

“The latest incidents further highlight the ever-present threat that information technology risks pose to all organizations,” said Louis Morisset, president and CEO of the AMF. Morisset noted that the AMF has been warning firms about cyber threats since 2013. “Today, we are asking them again to significantly heighten their vigilance and further strengthen monitoring of their technological environments,” he said.

In particular, the regulator called on firms to carry out penetration testing, “in order to assess the operational effectiveness and adequacy of the controls in place.” It also recommended that firms remind their employees about the threat of phishing and other information security risks. Further, that firms ensure they have robust business continuity plans in place, “to deal with any possible crisis management scenarios and minimize any potential damage.”

Cybersecurity has long been a critical industry concern, and this has only been intensified with the widespread shift to remote working that was prompted by the COVID-19 pandemic. In the wake of that shift, the AMF has been emphasizing the level of security.

AMF Imposes New Obligations On Quebec Insurers

The Insurance Portal reported on 8 February, 2021 that the AMF's *Information and Communications Technology Risk Management (ICT) Guideline*, which was first published one year ago, in February 2020, will come into effect on February 27, 2021 as planned.

The ongoing COVID-19 pandemic will not impact the implementation of this regulatory framework, AMF spokesman Sylvain Th  berge told *the Insurance Portal*.

The regulator says it wants to strengthen the resilience of the financial sector with respect to [ICT risk](#) management. "These expectations include the establishment of adequate safeguards through the implementation of measures that help [prevent the occurrence of a major incident](#) and limit its impact," the guideline reads.

The AMF therefore expects insurers to apply the principles of governance and risk management that the guideline stipulates, effective as February 27, 2021. This comes at a time when a property & casualty insurer, Promutuel Insurance, has suffered [a computer attack](#) that has [paralyzed its systems](#) since [December 12, 2020](#). The Unique General Insurance had also been the target of a cyber attack earlier in 2020. The AMF also revealed to *the Insurance Portal* that [30 events targeting Quebec financial institutions have been brought to its attention in the last two years](#).

"It is an insurer's responsibility to fully understand [all of the ICT risks](#) it [faces](#) and to ensure that they are adequately addressed based on the company's nature, size, complexity of activities, and risk profile. It is also the insurer's responsibility to know best practices in ICT risk management and to take ownership of them to the extent that they meet the company's needs," the AMF's guideline states.

AMF spokesperson Sylvain Th  berge also indicated to *the Insurance Portal* that the AMF is the first prudential regulator in Canada to develop such a framework. The guideline applies to financial institutions that the Authority oversees, he said, but it does not apply to banks, as they fall under the jurisdiction of the federal Office of the Superintendent of Financial Institutions (OSFI). "On the other hand, insurers and trust companies owned by banks, who must hold a licence from the AMF to do business in Quebec, are indeed subject to the ICT Guideline," said Th  berge.

International Developments, Research, and Thought Leadership

Deloitte

Deloitte 2021 Insurance Outlook

A global outlook survey by Deloitte’s Center for Financial Services found that many insurers know they still have their work cut out for them, even after spending most of 2020 adapting to the outbreak’s impact. Forty-eight percent of 200 responding insurance executives agreed the pandemic “showed how unprepared our business was to weather this economic storm,” while only 25% strongly agreed their carrier had “a clear vision and action plan to maintain operational and financial resilience” during the crisis.

Deloitte reports that life insurance premiums may decline 6% globally through the end of 2020 and by 8% in advanced economies, while a recovery of 3% growth is projected overall for 2021. Emerging markets once again will likely lead the way while advanced markets continue to struggle.

While it was hoped the pandemic might at least raise consumer awareness about the value of mortality products, a J.D. Power study found that not necessarily to be the case. Despite COVID-19 fatalities exceeding 200,000 in the United States at the time of the study, consumers surveyed did not seem any more motivated to buy life insurance, due to a “combination of infrequent client communications and a pervasive perception of high cost and transaction complexity.” This indicates the industry likely has more fundamental issues to address to expand consumer awareness and market penetration.

In operations across insurance organizations, expense management efforts—which began well before the pandemic hit—remain crucial, not only to offset added costs incurred to respond to the outbreak, but also to fund faster innovation, spur quicker recovery, and fuel future growth. Sixty-one percent of survey respondents expect to cut costs between 11% and 20% over the next 12-to-18 months. Those from the Asia-Pacific region (APAC), especially Australia and Japan, anticipate more stringent reductions, with 35% expecting cuts over 20%, compared to 19% in Europe and 11% in North America.

New types of coverage may be spurred in part by the pandemic, such as the launch of more parametric policies (which pay upon the occurrence of a triggering event rather than having to claim a specific insured property loss). This was cited as the top product development priority among North American and European respondents and number three in APAC. The concept, which has already been rising in prominence in property-catastrophe coverage, might have applications for future viral outbreaks.

Bolstering cybersecurity for a largely remote sales force during the pandemic was the number one distribution consideration of respondents in North America.

Regulators have focused on multiple areas of concern during the pandemic, from policy disputes over infectious disease-related coverage, to consumer protection as more sales and claims handling go virtual. But there are many other compliance issues for insurers to address that have nothing to do with the pandemic. These include artificial intelligence, social unrest, climate change, and cybersecurity and data privacy.

Technology was vital in helping insurers shift to remote work environments and in ensuring employees had the tools to conduct business while remaining connected with distributors and clients. Even so, Deloitte's survey found 79% of respondents believe the pandemic uncovered shortcomings in their company's digital capabilities and transformation plans. That rose to 87% among respondents with operations responsibilities, who were probably the most directly impacted. As insurers begin to focus more on the thrive phase, most CIOs surveyed will be reallocating technology spending as they reprioritize ongoing and planned projects. Cybersecurity tops the list among those surveyed in terms of an expected increase in investment.

Close to two-thirds of respondents across all regions are looking to increase spending on cybersecurity. With most employees working remotely and more data and applications moving outside the traditional security perimeter, cyberattack risks keep rising. Insurers should consider implementing "zero trust" principles by imposing verification requirements on anyone seeking access to data or systems, regardless of being internal or external, while adopting "security by design" principles during technology development.

Cybersecurity teams should consider enhanced controls and endpoint protection technologies to exert greater control over end-user devices. Companies should also increase training and awareness activities, focusing on remote guidelines and etiquette for work-from-home environments.

Most insurers are looking to eventually get the bulk of their people back to the office. However, with the risk of periodic surges in COVID-19 infections and uncertainty around large-scale vaccine availability, many workers may be concerned about potential health and safety risks. Indeed, 74% of respondents feel their organization's success post-COVID-19 may be hampered by employee fear of returning to the office. Compounding this, those who have acclimated to remote work may question the need to return to an office, regardless of COVID-19's status.

The full report can be found here:

<https://www2.deloitte.com/global/en/insights/industry/financial-services/financial-services-industry-outlooks/insurance-industry-outlook.html>

KPMG International

KPMG Global Survey of Insurance CEOs Finds COVID-19 Has Been a Catalyst for Digital Transformation in Insurance

According to a recent global survey of Insurance CEOs conducted by KPMG International, COVID-19 has been the digital catalyst insurers so dearly needed. Laura Hay, Global Head of Insurance for KPMG International, states that

The change has been nearly universal. Eighty-five percent of Insurance CEOs say COVID-19 has accelerated the digitization of their operations and the creation of next-generation operating models. Eight-in-ten (78 percent) say it has turbo-charged progress on the creation of a seamless digital customer experience. A similar number (79 percent) say it has brought new urgency to the creation of new business models and revenue streams.

Right across the insurance industry, we are seeing signs of massive and unprecedented progress. Some are exploring new technologies and partnering with Insurtechs and their existing technology partners to develop new models and tools. Others are accelerating their business impacts by executing quick minimum viable products (MVPs) and proof of concepts (POCs) and then straight into production. Many are looking for ways to simply speed up their existing digital roadmaps. And some are exploring new and different outsourcing solutions to drive agility.

Over the past few months, we have seen particular focus being placed on digitizing the contact centers and the claims functions (two areas most under stress since the start of the pandemic). We have also seen fantastic progress being made in the adoption of automation and process streamlining (especially around intelligent underwriting), improving the use of structured and unstructured data, external data and the exploratory use of knowledge graphs (an evolving field that helps identify correlated trends in data).

While this is all great news, there are growing signs that Insurance CEOs may be struggling to take the 'next step'. The CEOs in our survey admit their greatest challenge in driving forward their digital transformation is that they lack insight into future operational scenarios. They also say they are having difficulties making technology decisions quickly as they redefine

their future state operating models.

The problem is that the world continues to evolve very rapidly. Customer needs and expectations are changing. They now expect their 'best digital experience' to be the norm, regardless of which industry provided that experience. And that means that insurers are no longer competing against other insurers, but rather against the wide range of digital experiences customers now enjoy in their lives.

Customer patience and loyalty has also worn thin. With lots of digital competition now in the market, customers have become increasingly willing to reconsider their insurance options. Having been forced to do all their other purchases online, customers have become increasingly comfortable with buying products (even complicated financial ones) virtually; new or more digitally savvy customers will naturally be drawn to those with the best digital offering.

The full report can be found here:

<https://home.kpmg/xx/en/home/insights/2020/11/the-covid-19-catalyst-insurers-race-to-digitize.html>

Allianz

Allianz CEO Calls For Overhaul Of European Regulators' Capital Investment Rules

Insurance Business Canada reports on 28 January, 2021 that the CEO of [Allianz](#) has called on European regulators to overhaul their capital rules in order to allow insurers to invest more heavily in climate-friendly infrastructure products.

“Today, the regulatory framework we have in Europe has actually disincentivized us helping with the transition,” Oliver Bäte said Wednesday during a virtual meeting of the World Economic Forum discussing how to finance the low-carbon transition, Reuters reported.

The German insurer is subject to a European regulatory framework called Solvency II, enacted after the financial crisis to ensure that insurers have enough money put aside to pay claims during any future economic downturn.

However, many have slammed the regulations for forcing insurers to set aside too much money, making it less worthwhile to invest in some assets, according to Reuters.

“We are over-capitalizing ... investments in infrastructure,” Bäte said. “It’s one thing if you invest in publicly traded equities, which can be very volatile [and] lose value for quite a while, but we’re applying the same logic to infrastructure investments, even

though the risk is very different.”

Policymakers are calling for private-sector capital to help fund the global energy transition, Reuters reported. With that in mind, Bäte said that the capital rules needed to be overhauled “very quickly.”

Australian Banking Sector

Poor advice and fees for no advice prompt client compensation

Investment Executive reports on 12 February, 2021 that Australia’s big banks have now paid more than \$1.0 billion in compensation to investors for advice-related misconduct, the Australian Securities and Investments Commission (ASIC) reports.

The ASIC said that, as of December 31, 2020, Australia’s big six banks have paid A\$1.24 billion (\$1.22 billion CAD) to clients that suffered harm, including non-compliant advice, paying fees for no service and other sorts of misconduct.

The latest tally includes an additional A\$193.6 million in compensation payments paid in the second half of 2020. The banks’ compensation programs were established following internal reviews by the country’s major banks in response to two industry-wide reviews by the ASIC.

The regulators’ systemic advice reviews looked at firms failing to provide ongoing advice to clients despite continuing to charge ongoing fees and their failure to deliver compliant advice, among other issues.

US Regulatory Authorities Seen Following The EU, UK On Climate Risks

New administration Making Global Warming Fight a Priority

US financial regulators are expected to step up their efforts to incorporate climate-related risks into their oversight, bringing the US into closer alignment with the rest of the world, says Fitch Ratings.

In a new report, the rating agency said that, so far, US financial sector regulators have been a “notable laggard” in addressing climate risks. That’s expected to change under the new US administration, which “has made addressing climate change a top priority,” Fitch said.

“Treasury Secretary appointee and long-time climate policy advocate, Janet Yellen, will likely raise the profile of climate risk among both financial regulators and the general public in her role as chair of the Financial Stability Oversight Council,” the rating agency said. Additionally, the US Federal Reserve Board recently joined the Network of Central Banks and Supervisors for Greening the Financial System, and the Fed board created a climate committee last month.

The new heads of other financial sector regulators, such as the US Securities and Exchange Commission (SEC) and the Comptroller of the Currency, have yet to be appointed. But, Fitch said that those leaders will likely share similar priorities, raising “the prospect of legislation to embed climate change in prudential regulation.”

As US regulators bring their approach to climate risk more closely in line with the rest of the world, this “could accelerate international cooperation on climate risk capital requirements,” Fitch said. “Incremental steps may include the development of climate-related ‘best practices’ for financial institution risk managers, the refinement of data collection/reporting standards, and climate change risk scenarios in supervisory stress tests,” the rating agency said, noting that several countries (led by France and the UK) have started incorporating climate considerations into their stress testing.

“We expect this trend to become more mainstream globally,” Fitch said. As for banks, “Regulation that incorporates growing climate-related risks could be supportive of bank credit profiles over the long term.”

Agenda Item 2(c)
February 23/21 EOC Meeting

CAFII Insurance Regulator and Policy-Maker Meetings/Interactions
From January 21/21 To February 18/21

<u>Date</u>	<u>Event/Occasion</u>	<u>Who</u>
January 26, 2021	Virtual Meeting of the Canadian Association of Pension Supervisory Authorities (CAPSA)'s Capital Accumulation Plan Guideline Industry Working Group.	Brendan Wycks, CAFII's representative on this Industry Working Group, attends meeting and interacts with Angela Mazerolle, Vice-President, Regulatory Operations and Superintendent of Insurance at the Financial and Consumer Services Commission of New Brunswick (FCNB), who is the Chair of this IWG in her capacity as a provincial pension supervisor and a Vice-Chair at CAPSA, the national co-ordinating body of pension regulators.
February 8, 2021	Virtual Meeting of the Canadian Association of Pension Supervisory Authorities (CAPSA)'s Capital Accumulation Plan Guideline Industry Working Group.	Brendan Wycks, CAFII's representative on this Industry Working Group, attends meeting and interacts with Angela Mazerolle, Vice-President, Regulatory Operations and Superintendent of Insurance at the Financial and Consumer Services Commission of New Brunswick (FCNB), who is the Chair of this IWG in her capacity as a provincial pension supervisor and a Vice-Chair at CAPSA, the national co-ordinating body of pension regulators.

Summary of CAFII Board and EOC Action Items					
	Source	Action Item	Responsible	Deadline	Status Feb 19 2021
Association Strategy and Governance					
1	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/ See #2
2	BOD: June 9, 2020	Revisit the launch of the CAFII Working Group On A Proposed Lower Dues Category Of CAFII Membership once the economic environment stabilizes	K. Martin	12-Jul-05	In progress
3	EOC May 29, 2018	Develop a summary job description for the CAFII EOC Chair role and circulate it to EOC Members.	B. Wycks/K. Martin	30-Jun-20	In progress
4	EOC February 27, 2018	Document in writing the process for reviewing, approving, and admitting applicants for CAFII Members and Associate status	B. Wycks	25-Oct-19	In progress
5	EOC October 29, 2020	FRFI EOC members to share with Co-Executive Directors the work being done within their organizations on the FCAC's Appropriateness Guideline and about their organization's involvement in this file with the CBA; relevant EOC members	Elevant EOC members	17-Nov-20	In progress
6	EOC November 17, 2020	Distribute an update to the CAFII strategic plan pre-read document to Board and EOC members, several weeks prior to the Board's special purpose meeting in early 2021	K. Martin	31-Jan-21	Completed
Regulatory Initiatives					
7	EOC: Sept 22, 2020	Resuscitate the Working Group on CPI Best Practices and add the FCAC appropriateness test to its mandate	K. Martin	31-Oct-20	In Progress
8	EOC Jan 26,2021	Distribute critical path for CAFII's response submission on FSRA's proposed UDAP Rule, and first draft of that submission	K. Martin	2/29/2021	Completed
9	EOC Jan 26,2021	Develop arguments for why the FCAC's soon-to-be-developed Appropriateness Guideline should not apply to credit protection insurance;	K. Martin	2/29/2021	Completed
Website and Media Initiatives					
10	EOC Jan 26,2021	Distribute French version of the video to EOC members for feedback	K. Martin	2/29/2021	Completed

CAFII Board-Approved 2021 Schedule of Meetings and Events
(Approved by Board at October 15/20 Meeting)

EOC Meetings: *To be held for 2 hours or 1.5 hours, in alternating months, via teleconference*

- **Tuesday, January 26, 2021** (2:00-4:00 p.m.)
- Tuesday, February 23, 2021 (2:00 – 3:30 p.m.)
(Family Day stat holiday: Monday, February 15)
- **Tuesday, March 30, 2021** (2:00-4:00 p.m.)
(Good Friday, April 2; Easter Monday, April 5)
- Tuesday, April 27, 2021 (2:00 – 3:30 p.m.)
- **Tuesday, May 25, 2021** (2:00-4:00 p.m.)
(Victoria Day stat holiday: Monday, May 24)
- Tuesday, June 22, 2021 (2:00 – 3:30 p.m.)
(St. Jean Baptiste Day: Thursday, June 24; Canada Day: Thursday, July 1)
- Tuesday, July 20, 2021 , tentative summer meeting (2:00 – 3:30 p.m.)
- Tuesday, August 17, 2021, tentative summer meeting (2:00 – 3:30 p.m.)
(Civic Stat Holiday: Monday, August 2)
- **Tuesday, September 14, 2021** (2:00-4:00 p.m.) *If in-person meeting is possible, switch to 2:00-4:30 p.m. meeting, hosted by TBA.*
(Rosh Hashanah: September 7 & 8; Yom Kippur: September 16)
- Tuesday, October 26, 2021 (2:00 – 3:30 p.m.)
(Thanksgiving Stat Holiday: Monday, October 11)
- **Tuesday, November 23, 2021** (2:00-4:00 p.m.) *If in-person meeting is possible, switch to 2:00-4:30 p.m. meeting, hosted by TBA.*
- EOC Annual Dinner: TBA in conjunction with September or November 2021 in-person EOC meeting, if public health requirements allow.

Board Meetings:

- **Tuesday, April 13, 2021** (2:00-4:00 p.m.; *Virtual Meeting possibly followed by CAFII Webinar*).
- **Tuesday, June 8, 2021** (2:00-5:00 p.m., *immediately preceded by 2021 CAFII Annual Meeting of Members, and possibly followed by CAFII Webinar*).
- **Tuesday, October 5, 2021** (2:00-4:00 p.m.; *Virtual Meeting possibly followed by CAFII Webinar*). *If in-person meeting is possible, switch to 2:20-4:00 p.m. meeting, immediately following liaison lunch and Industry Issues Dialogue with AMF staff executives, hosted by Desjardins Insurance in Levis, Quebec.*
- **Tuesday, December 7, 2021** (2:00-4:00 p.m.; *Virtual Meeting possibly followed by CAFII Webinar*). *If in-person meeting is possible, switch to 2:00-5:00 p.m. meeting, followed by Reception, hosted by CIBC Insurance.*

2021 Annual Members Luncheon:

- *Tentative Date: Tuesday, March 9, 2021 from 12 Noon to 1:30 p.m. EST (Virtual-only)*

Webinar)

2020 Board meetings Hosted by:

None, due to COVID-19 pandemic situation

2019 Board meetings Hosted by:

CUMIS (National Club), Manulife Financial, National Bank Insurance, TD Insurance

2018 Board Meetings Hosted by:

CAFI; Scotialife Financial; BMO Insurance; The Canada Life Assurance

2017 Board Meetings Hosted by:

TD Insurance; CAFI; Desjardins; CIBC Insurance

2016 Board Meetings Hosted by:

CUMIS Group; Assurant Solutions; RBC Insurance; BMO Insurance

2015 Board Meetings Hosted by:

CIBC Insurance; Scotialife Financial; Desjardins; Canadian Premier

Recent Years' Annual Members' Luncheons

2020 Annual Members Luncheon Webinar

Date: Wednesday, October 21, 2020 from 12 Noon to 1:00 p.m. EDT

Topic: "Setting the Bar Higher: How the Financial Consumer Protection Framework Sets a New Standard for Fairness and Transparency"

Speaker: Frank LoFranco, Deputy Commissioner, Supervision and Enforcement, Financial Consumer Agency of Canada

Venue: Virtual-Only Webinar

2019 Annual Members Luncheon

Date: Tuesday, February 19, 2019 from 11:45 a.m. to 2:15 p.m.

Topic: "The Changing Regulatory Environment – Challenges, Risks and Opportunities"

Panelists: Stuart Carruthers, Partner, Stikeman Elliott LLP, Koker Christensen, Partner, Fasken, Jill McCutcheon, Partner, Torys LLP. Panel Moderator: Nicole Benson, CEO, Canadian Premier Life / valeyo

Venue: Arcadian Loft, 401 Bay St., Simpson Tower, 8th Floor, Toronto, ON

2018 Annual Members Luncheon

Topic: "Leading For Success in A Volatile World"

Speaker: Richard Nesbitt, CEO, the Global Risk Institute

Venue: Arcadian Loft, 401 Bay St., Simpson Tower, 8th Floor, Toronto, ON

2017 Annual Members Luncheon

Topic: Tomorrow is Today: Insurtech Disruption in the Life and Health Insurance Sector

Speaker: Keegan Iles, Director, Insurance Consulting Leader, PwC Canada

Venue: Arcadian Loft, 401 Bay St., Simpson Tower, 8th Floor, Toronto, ON

2016 Annual Members Luncheon

Topic: Innovation in Insurance: Opportunities in a Changing Market

Speaker: Alison Salka, Ph.D, Senior Vice President and Director Research, LIMRA
Venue: Arcadian Loft, 401 Bay St., Simpson Tower, 8th Floor, Toronto, ON

Briefing Note

CAFII EOC Meeting 23 February 2021—Agenda Item 3a CAFII Financial Statements as at January 31/21

Purpose of this Agenda Item – *Update*

To update the EOC on the Association’s finances as at January 31, 2021.

Background Information

Treasurer Tony Pergola will provide an update on the CAFII Financial Statements as at January 31, 2021.

Recommendation / Direction Sought – *Update*

This is an update only.

Attachments Included with this Agenda Item

1 attachment.

CAFII

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

Statement of Operations As at January 31, 2021

	Current Month	Budget Jan-21	Variance to Monthly Budget	Current YTD	Budget '21 YTD	Variance Budget to YTD	Budget 2021
Revenue							
Membership Dues	77,340	\$76,540	\$800	\$77,340	\$76,540	\$800	\$918,475
Luncheon Revenue	-	\$0	\$0	-	\$0	\$0	\$0
Interest Revenue	20	\$25	(\$5)	20	\$25	(\$5)	\$300
TOTAL REVENUE	77,360	\$76,565	\$795	\$77,360	\$76,565	\$795	\$918,775
Expenses							
Management Fees	41,585	\$40,648	(\$937)	41,585	\$40,648	(\$937)	\$487,780
CAFII Legal Fees/Corporate Governan	-	\$4,167	\$4,167	-	\$4,167	\$4,167	\$50,000
Audit Fees	1,395	\$1,395	\$0	1,395	\$1,395	\$0	\$16,743
Insurance	449	\$504	\$55	449	\$504	\$55	\$6,050
Website Ongoing Maintenance	681	\$596	(\$85)	681	\$596	(\$85)	\$7,156
Telephone/Fax/Internet	679	\$477	(\$202)	679	\$477	(\$202)	\$5,730
Postage/Courier	-	\$13	\$13	-	\$13	\$13	\$150
Office Expenses	298	\$417	\$119	298	\$417	\$119	\$5,000
Bank Charges	-	\$39	\$39	-	\$39	\$39	\$470
Miscellaneous Expenses	-	\$42	\$42	-	\$42	\$42	\$500
Depreciation Computer/Office Equipm	95	\$95	\$0	95	\$95	\$0	\$1,136
Provincial Regulatory Visits	-	\$0	\$0	-	\$0	\$0	\$0
Research/Studies	-	\$0	\$0	-	\$0	\$0	\$60,000
Website SEO and Enhancements	4,520	\$3,496	(\$1,024)	4,520	\$3,496	(\$1,024)	\$41,950
Regulatory Model(s)	-	\$0	\$0	-	\$0	\$0	\$0
Federal Financial Reform	-	\$0	\$0	-	\$0	\$0	\$0
CAFII Benchmarking Study/RSM Canada	-	\$0	\$0	-	\$0	\$0	\$67,800
FCAC Presentation	-	\$0	\$0	-	\$0	\$0	\$0
Media Outreach	81	\$500	\$419	81	\$500	\$419	\$6,000
Media Consultant Retainer	2,260	\$2,260	\$0	2,260	\$2,260	\$0	\$27,120
Marketing Collateral	-	\$417	\$417	-	\$417	\$417	\$5,000
Contingency Fund	-	\$0	\$0	-	\$0	\$0	\$50,000
CAFII Reception Events	-	\$0	\$0	-	\$0	\$0	\$0
TOTAL EXPENSE	52,043	55,065	3,023	52,043	55,065	3,023	838,585
NET INCOME	25,318	21,499	3,818	25,318	21,499	3,818	80,190

Explanatory Notes:

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

CAFII

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Balance Sheet As at January 31, 2021

	CAFII Operations		CCBPI Project		Combined	
	31-Jan 2021	31-Dec 2020	31-Jan 2021	31-Dec 2020	31-Jan 2021	31-Dec 2020
ASSETS						
Current Assets						
Bank Balance	\$262,984	\$308,624	\$0	\$0	\$262,984	\$308,624
Savings Account	\$102,298	\$102,278	\$12,151	\$12,151	\$114,449	\$114,429
Accounts Receivable	\$0	\$0	\$0	\$0	\$0	\$0
Prepaid Expenses	\$8,915	\$14,037	\$0	\$0	\$8,915	\$14,037
Computer/Office Equipment	\$8,014	\$8,014	\$0	\$0	\$8,014	\$8,014
Accumulated Depreciation -Comp/Equip	(\$6,972)	(\$6,878)	\$0	\$0	(\$6,972)	(\$6,878)
Total Current Assets	\$375,239	\$426,075	\$12,151	\$12,151	\$387,390	\$438,226
TOTAL ASSETS	\$375,239	\$426,075	\$12,151	\$12,151	\$387,390	\$438,226
LIABILITIES						
Current Liabilities						
Accrued Liabilities	\$33,597	\$32,852	\$0	\$0	\$33,597	\$32,852
Credit Card	\$458	\$352	\$0	\$0	\$458	\$352
Account Payable	\$9,346	\$9,012	\$0	\$0	\$9,346	\$9,012
Deferred Revenue	(\$77,340)	\$0	\$12,151	\$12,151	(\$65,189)	\$12,151
Total Current liabilities	(\$33,938)	\$42,216	\$12,151	\$12,151	(\$21,787)	\$54,367
TOTAL LIABILITIES	(\$33,938)	\$42,216	\$12,151	\$12,151	(\$21,787)	\$54,367
UNRESTRICTED NET ASSETS						
Unrestricted Net Assets, beginning of year	\$383,859	\$230,223	\$0	\$0	\$383,859	\$230,223
Excess of revenue over expenses	\$25,318	\$153,636	\$0	\$0	\$25,318	\$153,636
Total Unrestricted Net Assets	\$409,177	\$383,859	\$0	\$0	\$409,177	\$383,859
Total Unrestricted Net Assets	\$409,177	\$383,859	\$0	\$0	\$409,177	\$383,859
TOTAL LIABILITIES AND UNRESTRICTED NET ASSETS	\$375,238	\$426,075	\$12,151	\$12,151	\$387,390	\$438,226

Financial Reserves Targets as per 2019 Budget:	
Minimum 3 months (25%) of Annual Operating Expenses=	\$ 209,646
Maximum 6 months (50%) of Annual Operating Expenses=	\$ 419,293
Current Level of Financial Reserves (total unrestricted net assets):	\$409,177
Current Level of Financial Reserve (%) :	49%

CAFII

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Membership Fees

			Feb-21		Jul-21	
			<u>To be billed</u>	<u>Received</u>	<u>To be billed</u>	<u>Received</u>
BMO Bank of Montreal	2021 Upper Tier Member	\$	38,555		\$ 38,555	
CIBC Insurance	2021 Upper Tier Member	\$	38,555		\$ 38,555	
RBC Insurance	2021 Upper Tier Member	\$	38,555		\$ 38,555	
ScotiaLife Financial	2021 Upper Tier Member	\$	38,555	18-Feb-21	\$ 38,555	
TD Insurance	2021 Upper Tier Member	\$	38,555	12-Feb-21	\$ 38,555	
Desjardins Financial Security Life Assurance Company	2021 Upper Tier Member	\$	38,555		\$ 38,555	
National Bank Life Insurance Company	2021 Upper Tier Member	\$	38,555	12-Feb-21	\$ 38,555	
Manulife Financial	2021 Upper Tier Member	\$	38,555		\$ 38,555	
The Canada Life Assurance Company	2021 Upper Tier Member	\$	38,555		\$ 38,555	
Assurant Solutions	2021 Lower Tier Member	\$	19,277		\$ 19,277	
Canadian Premier Life Insurance Company	2021 Lower Tier Member	\$	19,277		\$ 19,277	
Cumis Group Ltd/Co-operators Life Insurance Co.	2021 Lower Tier Member	\$	19,277		\$ 19,277	
Valeyo	2021 Lower Tier Member	\$	19,277		\$ 19,277	
Sun Life Financial	2020 Initiation Members (Upper Tier)	\$	23,133		\$ 23,133	
RSM Canada	Associate	\$	4,800			
Willis Towers Watson	Associate	\$	4,800			
KPMG MSLP	Associate	\$	4,800			
Optima Communications	Associate	\$	4,800			
RGA Life Reinsurance Company of Canada	Associate	\$	4,800			
Torys LLP	Associate	\$	4,800	11-Feb-21		
Dog and Pony Studios	Associate	\$	4,800	11-Feb-21		
Feb Invoices			\$480,837		\$447,237	
July Invoices			\$447,237			
Total Membership Fees			\$928,075			
Total amount to reallocate monthly Jan-Sept			\$77,340			
Total amount to reallocate monthly Oct-Dec			\$77,340			

2021 CAFII Budget

	2018 Actuals	2019 Actuals	2020 Actuals	CAFII 2021 Operating Budget	2021 YTD Jan 2021	2021 Forecast	Comment/Rationale
Revenue							
Membership Dues	\$695,545	\$734,664	\$884,721	\$918,475	\$77,340	\$928,075	See breakdown in Member Dues Revenue Tab (includes one new Member at Lower Tier Dues as CPL and Valeyo intend to become two separate CAFII Members)
Annual Members' Luncheon "Additional Seats" Revenue	\$0	\$195	\$0	\$0	\$0	\$0	
Interest	\$0	\$982	\$399	\$300	\$20	\$300	Interest from the Savings Account
TOTAL REVENUE	\$ 695,545	\$ 735,841	\$ 885,120	\$ 918,775	\$ 77,360	\$ 928,375	
EXPENSE							
Management Fees	\$460,299	\$465,134	\$476,844	\$487,780	\$41,585	\$487,780	Includes MM Fees (2.0% contractual increase) and two Co-Eds (2.5% increase each)
Legal and consulting costs associated with regulatory submissions and initiatives	\$563	\$0	\$28,975	\$50,000	\$0	\$50,000	For streamlining/simplicity, this line now includes expenses previously captured under Regulatory Model(s) (Row 39), where \$15,000 was budgeted in 2020. 2021 Budget amounts are based on 2020 actuals (recognizing that while in 2020, zero expenses will be incurred under Regulatory Models, that is largely due to the COVID-19 pandemic) and the expectation that CAFII will likely need to tackle heightened regulatory communications/submissions and advocacy/relationship-building work in 2021 as regulators clear their abeyance "backlog" caused by COVID-19.
Audit Fees	\$14,432	\$14,799	\$16,743	\$16,743	\$1,395	\$16,743	Same as 2020 Forecast
Insurance	\$5,258	\$5,338	\$5,385	\$6,050	\$449	\$6,050	Increase by 10% over 2020 Budget, as per advice from insurance broker Marsh, as a buffer for 2021 renewal in June 2021
Website Ongoing Maintenance	\$6,461	\$10,022	\$5,765	\$7,156	\$681	\$7,156	Includes CG Technology (\$233 per month (3% increase)), Constant Contact (\$62.83 per month (3% increase)), Soda PDF Premium (\$56.47), Zoom (\$237.60 per month), Survey Monkey (\$307.36), Virtual Platform (\$500)
Telephone/Fax/Internet	\$5,939	\$6,494	\$5,808	\$5,730	\$679	\$5,730	Includes Office Line (\$56.50 per month), Conference Line (\$47.46 per month) & Co-Eds phone and internet lines
Postage/Courier	\$458	\$159	\$53	\$150	\$0	\$150	Monthly Cheque Run and Ad Hoc Mailing
Office Expenses	\$2,423	\$2,025	\$2,158	\$5,000	\$298	\$5,000	Increased from 2020 Budget to cover possible replacement computer hardware and peripherals expenses in 2021 for the Co-Executive Directors
Bank Charges	\$23	\$112	\$236	\$470	\$0	\$470	Annual Credit Card Fee (\$190) plus a possible new digital/electronic Accounts Payable process in 2021 (\$280.00)
Depreciation Computer/Office Equipment	\$1,136	\$1,136	\$1,136	\$1,136	\$95	\$1,136	Same as 2020 Forecast
Miscellaneous Expense	\$0	\$0	\$0	\$500	\$0	\$500	Same as 2020 Forecast
Board/EOC/AGM							
Annual Members Luncheon	\$10,503	\$12,052	\$0	\$0	\$0	\$0	Not budgeted for in Recommended Option. However, expenses for possible occurrence in 2021 provided for in Contingency line item below
Board Hosting (External)	\$19,515	\$14,001	\$0	\$0	\$0	\$0	Not budgeted for in Recommended Option. However, expenses for possible occurrence in 2021 provided for in Contingency Expense line item at bottom.
Board/EOC Meeting Expenses	\$20,715	\$35,419	\$4,676	\$0	\$0	\$0	Not budgeted for in Recommended Option. However, expenses for possible occurrence in 2021 provided for in Contingency Expense line item at bottom.
Industry Events	\$1,270	\$0	\$0	\$0	\$0	\$0	Not budgeted for in Recommended Option. However, expenses for possible occurrence in 2021 provided for in Contingency Expense line item at bottom.
EOC Annual Appreciation Dinner	\$763	\$2,193	\$4,244	\$0	\$0	\$0	Not budgeted for in Recommended Option. However, expenses for possible occurrence in 2021 provided for in Contingency Expense line item at bottom.
Speaker fees & travel	\$191	\$1,189	\$0	\$0	\$0	\$0	Not budgeted for in Recommended Option. However, expenses for possible occurrence in 2021 provided for in Contingency Expense line item at bottom.
Gifts	\$0	\$200	\$0	\$0	\$0	\$0	Same as 2020 Budget
Networking Events	\$0	\$0	\$0	\$0	\$0	\$0	Not budgeted for in Recommended Option. However, expenses for possible occurrence in 2021 provided for in Contingency Expense line item at bottom.
CAFII Reception Events	\$0	\$0	\$0	\$0	\$0	\$0	Not budgeted for in Recommended Option. However, expenses for possible occurrence in 2021 provided for in Contingency Expense line item at bottom.
CAFII 25th Anniversary Celebration	\$0	\$0	\$0	\$0	\$0	\$0	This line item is a placeholder. But this expense will actually occur in 2022, CAFII's "silver anniversary" year
Total Board/EOC/AGM	\$52,957	\$65,053	\$8,920	\$0	\$0	\$0	
Provincial Regulatory Visits and Relationship-Building	\$11,230	\$16,833	\$983	\$0	\$0	\$0	Not budgeted for in Recommended Option. However, expenses for possible occurrence in 2021 provided for in Contingency Expense line item at bottom.
Federal Regulatory Visits and Relationship-Building	\$0	\$442	\$540	\$0	\$0	\$0	Not budgeted for in Recommended Option. However, expenses for possible occurrence in 2021 provided for in Contingency Expense line item at bottom.
Research/Studies	\$77,345	\$5,368	\$28,646	\$60,000	\$0	\$60,000	Same as 2020 Budget
Website SEO and Enhancements	\$21,702	\$40,914	\$31,144	\$41,950	\$4,520	\$41,950	Same as 2020 Budget
Regulatory Model(s)	\$6,490	\$7,555	\$0	\$0	\$0	\$0	Combined with Legal Fees; and this line item will be removed/dispensed with, beginning with the 2021 CAFII budget
CAFII Benchmarking Study/RSM Canada	\$0	\$0	\$68,365	\$67,800	\$0	\$67,800	Continuation of CAFII CPI Benchmarking Study with RSM Canada, estimated at \$60K plus HST.
FCAC Presentation	\$0	\$0	\$20,905	\$0	\$0	\$0	
Media Outreach	\$6,883	\$5,683	\$350	\$6,000	\$81	\$6,000	Expenses related to CAFII Media Releases including Wire Service charges (new split into separate Media Outreach and Media Consultant Retainer (David Moorcroft's S2C retainer) expenses)
Media Consultant Retainer	\$31,639	\$27,120	\$27,685	\$27,120	\$2,260	\$27,120	Monthly retainer fees for David Moorcroft, S2C (new split into separate Media Outreach and Media Consultant Retainer (David Moorcroft's S2C retainer) expenses)
Marketing Collateral	\$557	\$1,629	\$845	\$5,000	\$0	\$5,000	Same as 2020 Budget
Tactical Communications Strategy	\$0	\$0	\$0	\$0	\$0	\$0	This line item is being removed/dispensed with, beginning with the 2021 CAFII budget
Contingency For Possible Resumption Of In-Person Meetings/Events, Etc. in 2021	\$0	\$0	\$0	\$50,000	\$0	\$50,000	Includes Annual Members' Luncheon (\$12,000); Board Hosting External (\$7,500); Board/EOC Meeting Expenses (\$13,500); Industry Events (\$1,000); EOC Annual Appreciation Dinner (\$3,000); Provincial Regulatory Visits and Relationship-Building (\$9,000); Federal Regulatory Visits and Relationship-Building (\$4,000)
TOTAL EXPENSE	\$ 705,793	\$ 675,816	\$ 731,485	\$ 838,585	\$ 52,043	\$ 838,585	
Excess of Revenue over Expenses	(\$10,248)	\$60,025	\$153,636	\$80,190	\$25,318	\$89,790	
Unrestricted Net Assets (beginning of year)	\$180,447	\$170,198	\$230,223	\$383,859	\$383,859	\$383,859	
Unrestricted Net Assets (end of year)	\$170,198	\$230,223	\$383,859	\$464,049	\$409,176	\$473,649	

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	2018 Actuals	2019 Actuals	2019 Actuals	2021 Operating Budget
Minimum 3 months (25%) of Annual Operating Expenses =	\$176,448	\$168,954	\$182,871	\$209,646
Maximum 6 months (50%) of Annual Operating Expenses =	\$352,897	\$337,908	\$365,742	\$419,293
Actual/Forecasted Level of Financial Reserves:	\$170,198	\$230,223	\$383,859	\$464,049
Actual/Forecasted Level of Financial Reserves %:	24%	34%	52%	55%

2021 Forecast
\$473,649
56%

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 (Uj)	46,266	1	46,265.94
Initiation Members (Lc)	23,133	0	0.00
Associate	4,800	11	52,800.00
			908,719.89

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 (Uj)	46,266	1	46,265.94
Initiation Members (Lc)	23,133	0	0.00
Associate	4,800	6	28,800.00
			884,719.89

2020 Upper Tier Member

- BMO Bank of Montreal
- CIBC Insurance
- RBC Insurance
- ScotiaLife Financial
- TD Insurance
- Desjardins Financial Security Life Assurance Company
- National Bank Life Insurance Company
- Manulife Financial
- The Canada Life Assurance Company

2020 Lower Tier Member

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

2020 Initiation Members (Upper Tier)

- Sun Life Financial

2020 Associate

- RSM Canada
- Willis Towers Watson
- KPMG MSLP
- Optima Communications
- RGA Life Reinsurance Company of Canada
- Torys LLP

*TBC
*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

2021 Operational Budget - Member Dues Breakdown - No Dues Increase

2021 Member Dues Breakdown

Upper Tier Member	77,110	9	693,989.10
Lower Tier Member	38,555	4	154,219.80
Initiation Members (Upper Tier)	46,266	1	46,265.94
Initiation Members (Lower Tier)	23,133	0	0.00
Associate	4,800	5	24,000.00
			918,474.84

2021 Upper Tier Member

- BMO Bank of Montreal
- CIBC Insurance
- RBC Insurance
- ScotiaLife Financial
- TD Insurance
- Desjardins Financial Security Life Assurance Company
- National Bank Life Insurance Company
- Manulife Financial
- The Canada Life Assurance Company

2021 Lower Tier Member

- Assurant Solutions
- Canadian Premier Life Insurance Company
- Valeyo
- Cumis Group Ltd/Co-operators Life Insurance Co.

2021 Initiation Members (Upper Tier)

- Sun Life Financial 2 Year

2021 Associate

- RSM Canada
- Willis Towers Watson
- KPMG MSLP
- Optima Communications
- RGA Life Reinsurance Company of Canada
- Torys LLP

2021 Forecast

2021 Member Dues Breakdown

Upper Tier Member	77,110	9	693,989.10
Lower Tier Member	38,555	4	154,219.80
Initiation Members (Upper Tier)	46,266	1	46,265.94
Initiation Members (Lower Tier)	23,133	0	0.00
Associate	4,800	7	33,600.00
			928,074.84

2021 Upper Tier Member

- BMO Bank of Montreal
- CIBC Insurance
- RBC Insurance
- ScotiaLife Financial
- TD Insurance
- Desjardins Financial Security Life Assurance Company
- National Bank Life Insurance Company
- Manulife Financial
- The Canada Life Assurance Company

2021 Lower Tier Member

- Assurant Solutions
- Canadian Premier Life Insurance Company
- Valeyo
- Cumis Group Ltd/Co-operators Life Insurance Co.

2021 Initiation Members (Upper Tier)

- Sun Life Financial 2 Year

2021 Associate

- RSM Canada
- Willis Towers Watson
- KPMG MSLP
- Optima Communications
- RGA Life Reinsurance Company of Canada
- Torys LLP
- Dog and Pony Studios

Briefing Note

CAFII EOC Meeting 23 February 2021—Agenda Item 3b Update on KPMG Audit of CAFII 2020 Fiscal Year Financial Statements

Purpose of this Agenda Item – *Update*

Update only.

Background Information

To update the EOC on progress made to date on milestones on the critical path for KPMG’s audit of CAFII’s 2020 fiscal year financial statements.

Recommendation / Direction Sought – *Update*

This is an update only.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting 23 February 2021—Agenda Item 3c Dissemination of 2021 First Instalment CAFII Member Dues Invoices

Purpose of this Agenda Item – *Update*

Update only.

Background Information

To update the EOC on the dissemination of 2021 First Instalment CAFII Member dues invoices.

Recommendation / Direction Sought – *Update*

This is an update only.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting 23 February 2021—Agenda Item 4ai Research & Education – CAFII 2020/21 Consumer Research Project With Pollara Strategic Insights: Progress Report

Purpose of this Agenda Item – *Update*

Update only.

Background Information

A meeting was held on Friday, 22 January, 2021 with EOC members to provide them with the latest version of the proposed consumer research questionnaire on consumers' future digital utilization expectations. EOC members were given the opportunity to provide feedback on the questionnaire, and suggested changes were all reviewed and where possible made. As well, two new questions have been added to the survey on whether the COVID-19 pandemic has increased Canadians' interest in obtaining life and health insurance in general, and credit protection insurance in particular.

The survey is now finalized and Pollara plans to go to field in week of February 22-26, 2021.

Recommendation / Direction Sought – *Update*

This is an update only.

Attachments Included with this Agenda Item

1 attachment.

CAFII – Online Process Survey

Feb 2

Final

- Please select the province or territory in which you live:
 - Newfoundland & Labrador
 - Nova Scotia
 - Prince Edward Island
 - New Brunswick
 - Quebec
 - Ontario
 - Manitoba
 - Saskatchewan
 - Alberta
 - British Columbia
 - Northwest Territories
 - Yukon
 - Nunavut
 - Currently live outside Canada [TERMINATE]

[RECODE INTO REGIONS]

Atlantic Canada

Quebec

Ontario

Prairies

Alberta

BC and Territories

- Please enter your year of birth:
[ENTER] **[TERMINATE IF UNDER 18]**
- Please select your gender:
 - Male
 - Female
 - Other
 - Prefer not to answer

- Do you have the following?

GRID COLUMNS

Yes

No

Don't know

GRID ROWS (RANDOMIZE)

A mortgage

A Home Equity Line of Credit

IF NO/DON'T KNOW TO BOTH SKIP TO Q8

Definitions

IF HAVE MORTGAGE OR HOME EQUITY LINE OF CREDIT, SHOW DEFINITIONS: SHOW ON SEPARATE PAGE. RESPONDENTS MUST CLICK NEXT TO CONTINUE WITH SURVEY.

Today we are going to ask you about Credit Protection Insurance for mortgages and Home Equity Lines of Credit. Below are some definitions of what we will be referring to in the survey. Throughout the survey, if you would like a reminder of these definitions, just mouse over the name of the insurance product and you can see the relevant definition.

Credit Protection Insurance for mortgages - is optional insurance used to pay out the balance on your mortgage in the event of death or diagnosis of a critical illness, or make/postpone debt payments on your behalf in the event of disability or job loss (depending on the coverage you have chosen). It is offered by banks and credit unions across Canada.

Note: Credit Protection Insurance is NOT the insurance that is required by the Canada Mortgage and Housing Corporation (CMHC) on homes that were purchased with less than a 20% down payment, which will pay back the lender if the home owner were to default on their mortgage.

Credit Protection Insurance for Home Equity Line of Credit - is optional insurance used to pay out the balance of your Home Equity Line of Credit in the event of death or diagnosis of a critical illness, or make/postpone payments on your behalf in the event of disability or job loss (depending on the coverage you have chosen). It is offered by banks and credit unions across Canada.

- **IF HAVE MORTGAGE IN Q1 ASK:** Do you currently have credit protection insurance for your mortgage?

Yes

No

Don't know

IF NO OR DON'T KNOW, SKIP TO Q5

- When did you obtain the credit protection insurance for your mortgage?

Before April 2020

From April to June 2020

From July to September 2020

From October to December 2020

In 2021

- And what does the credit protection insurance cover you for? Please select all that apply.

Life – pays out your insured balance in the event of death

Disability – payments for your mortgage will be made on your behalf until you are able to return to work or until you reach a designated maximum benefit (e.g. 24 months)

Critical Illness – pays out your insured balance if you are diagnosed with a covered critical illness

Job Loss – on involuntary unemployment, provides payment protection by making specific debt payments on your behalf, for a time-limited period

None of the above

Don't know

- **IF HAVE LINE OF CREDIT IN Q1 ASK:** Do you currently have credit protection insurance for your Home Equity Line of Credit?

Yes

No

Don't know

IF NO OR DON'T KNOW, SKIP TO Q8

- When did you obtain your credit protection insurance for your Home Equity Line of Credit?

Before April 2020

From April to June 2020

From July to September 2020

From October To December 2020

In 2021

- And what does the credit protection insurance cover you for? Please select all that apply.

Life – pays out your insured balance in the event of death

Disability – payments for your Home Equity Line of Credit will be made on your behalf until you are able to return to work or until you reach a designated maximum benefit (e.g. 24 months)

Critical Illness – pays out your insured balance if you are diagnosed with a covered

critical illness

Job Loss – on involuntary unemployment, provides payment protection by making specific debt payments on your behalf, for a time-limited period

None of the above

Don't know

- **IF HAVE NOT REGISTERED FOR CPI SINCE APRIL OR DO NOT HAVE MORTGAGE/HELOC IN Q1 ASK:** How likely are you to do each of the following in the next few years?

GRID ROWS

Obtain a mortgage for a home you are planning on buying
Re-negotiate your mortgage
Get a Home Equity Line of Credit

GRID COLUMNS

In the next few months
In the next year
In the next two years
More than two years from now
No plans to get this
Don't know

Definitions

IF DO NOT HAVE MORTGAGE OR HOME EQUITY LINE OF CREDIT, SHOW DEFINITIONS: SHOW ON SEPARATE PAGE. RESPONDENTS MUST CLICK NEXT TO CONTINUE WITH SURVEY.

Today we are going to ask you about Credit Protection Insurance for mortgages and Home Equity Lines of Credit. Below are some definitions of what we will be referring to in the survey. Throughout the survey, if you would like a reminder of these definitions, just mouse over the name of the insurance product and you can see the relevant definition.

Credit Protection Insurance for mortgages - is optional insurance used to pay out the balance on your mortgage in the event of death or diagnosis of a critical illness, or make/postpone debt payments on your behalf in the event of disability or job loss (depending on the coverage you have chosen). It is offered by banks and credit unions across Canada.

Note: Credit Protection Insurance is NOT the insurance that is required by the Canada Mortgage and Housing Corporation (CMHC) on homes that were purchased with less than a 20% down payment, which will pay back the lender if the home owner were to default on their mortgage.

Credit Protection Insurance for Home Equity Line of Credit - is optional insurance used to pay out the balance of your Home Equity Line of Credit in the event of death or diagnosis of a critical illness, or make/postpone payments on your behalf in the event of disability or job loss (depending on the coverage you have chosen). It is offered by banks and credit unions across Canada.

- Before answering this survey, had you heard of Credit Protection Insurance?

Yes
No
Don't know

- After reading this description, in the next few years, how likely are you to consider obtaining Credit Protection Insurance for your Mortgage/Line of Credit?

Very Likely
Somewhat Likely
Not very likely
Not at all likely

QUOTAS: **CURRENT HOLDERS:** HAVE MORTGAGE/HOME EQUITY LINE OF CREDIT PROTECTION INSURANCE. HAVE OBTAINED THIS INSURANCE SINCE APRIL 2020 N=200

FUTURE PURCHASERS: ARE CONSIDERING A MORTGAGE OR HELOC IN THE NEXT 2 YEARS AND ARE AT LEAST SOMEWHAT LIKELY TO OBTAIN CREDIT PROTECTION INSURANCE N=800

IF NEITHER CONDITION MET, TERMINATE

- Has the COVID-19 pandemic in Canada changed how you feel about obtaining insurance (such as health or life insurance) to protect you and/or your family in case of certain unforeseen events?

Am much more likely to obtain insurance
Am somewhat more likely to obtain insurance
Am somewhat less likely to obtain insurance
Am much less likely to obtain insurance
The pandemic has not changed my likelihood to obtain insurance
Don't know

- And has the COVID-19 pandemic changed how you feel about obtaining credit protection insurance for your mortgage or line of credit?

Am much more likely to obtain insurance
Am somewhat more likely to obtain insurance

- Am somewhat less likely to obtain insurance
- Am much less likely to obtain insurance
- The pandemic has not changed my likelihood to obtain credit protection insurance
- Don't know

SECTION A: CREDIT PROTECTION INSURANCE HOLDERS

Now, on to another topic.

A1. Before the Covid-19 pandemic in Canada, how did you usually conduct financial transactions such as arranging for loans or buying insurance? Please select only one answer.

- In person at a branch
- Through a financial institution's representative coming to my home
- By talking to a financial institution's representative over the phone
- Video conferencing with a financial institution's representative
- Through email with a financial institution's representative
- Online through a financial institution's website or web-based platform
- Using a financial institution's mobile app
- Don't know

A2. Since the Covid-19 pandemic in Canada, would you say that you are more or less likely to conduct financial transactions such as arranging for loans or buying insurance in each of the following ways?

- In person at a branch
- Through a financial institution's representative coming to my home
- By talking to a financial institution's representative over the phone
- Video conferencing with a financial institution's representative
- Through email with a financial institution's representative
- Online through a financial institution's website or web-based platform
- Using a financial institution's mobile app

- Much more likely
- Somewhat more likely
- Somewhat less likely
- Much less likely
- My use of this method has not changed
- Don't know

A3. Once the Covid-19 pandemic in Canada is over, how do you think you will want to conduct financial transactions such as arranging for loans or buying insurance? Please select only one answer.

- In person at a branch
- Through a financial institution's representative coming to my home

- By talking to a financial institution’s representative over the phone
- Video conferencing with a financial institution’s representative
- Through email with a financial institution’s representative
- Online through a financial institution’s website or web-based platform
- Using a financial institution’s mobile app
- Don’t know

Now I would like you to specifically consider your credit protection insurance. INCLUDE DEFINITION OF CREDIT PROTECTION INSURANCE IF RESPONDENT MOUSES OVER NAME

IF CREDIT PROTECTION FOR MORTGAGE ASK:

A4. Considering the credit protection insurance you obtained for your mortgage in ENTER TIME PERIOD IN Q3, which of the following best describes your situation?

- You were obtaining a new mortgage for a property you just bought.
- You were renegotiating an existing mortgage at the same financial institution where you had it before.
- You were renegotiating an existing mortgage at a new financial institution.
- You were obtaining Credit Protection insurance on a mortgage you already had and were not renegotiating.

FOR REMAINDER OF SECTION, INSERT MORTGAGE OR HOME EQUITY LINE OF CREDIT AS IT APPLIES

A5. Which of the following methods, if any, did you use when **researching options** for your mortgage/home equity line of credit? Please select all that apply. [TRACKING]

- Went into a branch location and talked to a representative in person
- Talk to a representative over the phone
- Talked to a representative using an online chat
- Obtained information regarding the options via email
- Researched through the financial institutions’ websites
- Researched through different websites
- Talked to friends and family
- Talked to mortgage broker in person
- Talked to mortgage broker online/over phone
- Other

A6. Thinking back to when you first got your mortgage/home equity line of credit, did a representative of the financial institution talk to you about Credit Protection Insurance? [TRACKING]

- Yes
- No
- Don’t know/Can’t recall

IF OBTAINED CREDIT PROTECTION INSURANCE WHEN RENEGOTIATING (A4 CODE 2 OR 3) ASK A7. IF NOT SKIP TO A8

A7. And when you were renegotiating your mortgage, did a representative of the financial

institution talk to you about Credit Protection Insurance? [TRACKING]

Yes

No

Don't know/Can't recall

[IF TALKED TO REPRESENTATIVE IN QA6 or A7 ASK QA8, IF NOT SKIP TO A9]

A8. Did a representative of your financial institution talk to you about each of the following features of Credit Protection Insurance? [TRACKING]

GRID COLUMNS

Yes

No

Don't know/Can't recall

GRID ROWS (RANDOMIZE)

I was told about the coverage options that were available to me (e.g. life, disability, critical illness, job loss).

I was told the premiums/costs of the coverage options available (e.g. life, disability, critical illness, job loss).

I was told the advantages of having the insurance.

I was offered Credit Protection Insurance as a way to protect me and/or my family in case of certain unexpected events.

I was informed that Credit Protection Insurance is optional.

I was told about the free look or review period that was available with the Credit Protection Insurance, during which I could cancel at no cost.

A9. How confident are you that you know how much of your mortgage balance or mortgage payment will be paid with each of the types of coverage that you have? Please indicate your level of confidence for each. SHOW EACH CHOSEN IN Q4 [TRACKING]

GRID COLUMNS

Life

Critical illness

Disability

Job loss

GRID ROWS

Very confident

Somewhat confident

Not very confident

Not at all confident

Don't know

A10. The following questions are regarding your experience obtaining your Credit Protection Insurance for your mortgage/home equity line of credit. How did you **complete the process** of obtaining your Credit Protection Insurance? [RANDOMIZE] [TRACKING]

By phone with the financial representative

By video chat with the financial representative

The process was initiated online, including mobile (e.g., smartphone, tablet), but

finished in another way (in person, over the phone, etc.)
The whole process was completed online
The whole process was completed In-Person at the branch
A representative of the financial institution came to my house
Talked to a mortgage broker in-person
Talked to a mortgage broker online or over the phone
Other [ANCHOR]

A11. Overall, how would you rate your level of satisfaction with the *purchase experience*, when you purchased your Credit Protection Insurance for your mortgage/home equity line of credit?
[TRACKING]

Very satisfied
Somewhat satisfied
Somewhat dissatisfied
Very dissatisfied
Don't recall

A12. More specifically, how satisfied were you with the following elements of the purchase process? [TRACKING]

GRID COLUMNS

Very satisfied
Somewhat satisfied
Somewhat dissatisfied
Very dissatisfied
Don't recall
Not applicable

GRID ROWS (RANDOMIZE)

Availability of comprehensive information to help me make an informed decision
Coverage details -- what was and was not covered were written in a clear and easy to understand language
Coverage details -- what was and was not covered were explained well by a representative of the financial institution
Responsiveness of the representative (e.g., answering questions in a timely manner)
Quality of responses to my questions (e.g., comprehensive, easy to understand, etc.)
Value for the money
Ease of purchase
The trial period that allowed me to cancel the purchase within a period of time at no cost

A13. At any point in the process of obtaining Credit Protect Insurance for your mortgage/home equity line of credit, did you meet with a representative of the bank, financial institution or mortgage brokerage in-person?

- Yes, the whole process was done in person.
- Part of the process was done in person.
- None of the process was done in person.

IF WHOLE OR PART OF THE PROCESS WAS DONE IN PERSON CONTINUE

A14. Why did you choose to conduct all or part of the process in person? SELECT ALL THAT APPLY

- It was the only option.
- I was not aware it could be completed online.
- I wanted to speak to a knowledgeable representative before making a decision.
- I prefer to deal with people in-person.
- There were papers that had to be signed, so that had to be done in-person.
- I don't feel comfortable making financial decisions online.
- I don't feel comfortable making financial decisions over the phone.
- I don't feel comfortable sharing personal information online.
- I don't feel comfortable sharing personal information over the phone.
- This is how I do all my financial transactions – no reason to change.
- Other Please Specify
- Don't know

A15. Please indicate how comfortable you are with each of these methods for obtaining Credit Protection insurance?

GRID ROWS (SHOW FIRST GROUP OF STATEMENTS AND THEN SECOND GROUP OF STATEMENTS; RANDOMIZE WITHIN EACH GROUP)

GROUP ONE

- Talking to the financial institution's representative over the phone
- Talking to the financial institution's representative through a virtual meeting platform (such as Zoom, Google Meets, Microsoft Teams, etc.)

GROUP TWO

- Having the forms emailed to you, for you to fill out and email back to the representative
- Having the forms contained on the financial institution's website or web-based platform
- Having the forms contained on the financial institution's mobile app

GRID COLUMNS

- Very comfortable
- Somewhat comfortable
- Not very comfortable
- Not at all comfortable

A16. How important is it to you that a financial institution offers each of the following when conducting transactions **online**?

GRID ROWS RANDOMIZE

The ability to deal with one representative throughout the process
Easily connect with a person to get answers to my questions in real time
Plain language information is available to me online
Security and protection of your personal information
Online Tools and diagrams to illustrate product and price information
Having all forms and personal information shared only through a secure online portal
Immediate online confirmation of the transaction

GRID COLUMNS

Very important
Somewhat important
Not very important
Not at all important
Don't know

A17. Once the Covid-19 pandemic in Canada is over, how would you like to complete each step of the process of obtaining credit protection insurance? Please choose only one for each.

GRID ROWS (DO NOT RANDOMIZE)

Research the details of the different insurance options
Apply for the insurance

GRID COLUMNS

In person at a branch
Through the financial institution's representative coming to my home
By talking to the financial institution's representative over the phone
Video conferencing with the financial institution's representative
Through email with the financial institution's representative
Online through the financial institution's website or web-based platform
Using the financial institution's mobile app
Other
Don't know

A18. To what extent do you agree or disagree with the following statements?

GRID ROWS RANDOMIZE

The pandemic has changed the way I want to conduct financial transactions in the future.

I look forward to going back to a branch to conduct my financial transactions in-person.
Since the pandemic, I am more comfortable conducting financial transactions online.
I prefer the convenience of conducting financial transactions online.
Since the pandemic, I have upgraded my technology to make it easier to conduct financial transactions from home.

GRID COLUMNS

Strongly agree

Somewhat agree
Somewhat disagree
Strongly disagree
Don't know
Don't know

SECTION B: FUTURE PURCHASERS

B1. **Before the Covid-19 pandemic in Canada**, how did you usually conduct financial transactions such as arranging for loans or buying insurance? Please select only one answer

- In person at a branch
- Through a financial institution's representative coming to my home
- By talking to a financial institution's representative over the phone
- Video conferencing with a financial institution's representative
- Through email with a financial institution's representative
- Online through a financial institution's website or web-based platform
- Using a financial institution's mobile app
- Don't know

B2. **Since the Covid-19 pandemic in Canada**, would you say that you are more or less likely to conduct financial transactions such as arranging for loans or buying insurance in each of the following ways?

- In person at a branch
- Through a financial institution's representative coming to my home
- By talking to a financial institution's representative over the phone
- Video conferencing with a financial institution's representative
- Through email with a financial institution's representative
- Online through a financial institution's website or web-based platform
- Using a financial institution's mobile app
- Much more likely
- Somewhat more likely
- Somewhat less likely
- Much less likely
- My use of this method has not changed
- Don't know

B3. **Once the Covid-19 pandemic in Canada is over**, how do you think you will want to conduct financial transactions such as arranging for loans or buying insurance, such as credit protection insurance? Please select only one answer

- In person at a branch
- Through a financial institution's representative coming to my home
- By talking to a financial institution's representative over the phone
- Video conferencing with a financial institution's representative
- Through email with a financial institution's representative
- Online through a financial institution's website or web-based platform
- Using a financial institution's mobile app
- Don't know

IF IN-PERSON AT BRANCH OR HOME CHOSEN FOR ANSWER IN B3 ASK:

B4. Why would you want to conduct financial transactions such as arranging for loans or buying credit protection insurance with an in-person meeting?

- I believe this is the only option.
- I am not aware it could be completed online.
- I would want to speak to a knowledgeable representative before making a decision.
- I prefer to deal with people in-person.
- There were papers that had to be signed, so that had to be done in-person.
- I am not comfortable making financial decisions online.
- I am not comfortable making financial decisions over the phone.
- I am not comfortable sharing personal information online.
- I am not comfortable sharing personal information over the phone.

- This is how I do all my financial transactions – no reason to change.
- Other Please Specify
- Don't know

IF OVER THE PHONE, VIDEO CONFERENCE OR THROUGH EMAIL CHOSEN IN B3 ASK:

B5. Why do you prefer to conduct financial transactions such as arranging for loans or buying credit protection insurance through virtual (phone, video conferencing or email) conversations with a financial institution's representative but with no in-person meeting? Please select all that apply.

- I believe that is the only option I have at this time.
- I did not want to meet with anyone in-person due to the Covid-19 pandemic.
- I conduct all my transactions in this manner, even before the pandemic.
- Easier than having to travel to a branch
- I would want to speak to a knowledgeable representative before making a decision.

- Other Please Specify
- Don't know

IF USING FINANCIAL INSTITUTIONS WEBSITE OR MOBILE APP CHOSEN IN B3 ASK:

B5. Why do you prefer to apply for credit protection insurance through the financial institution's website, web-based platform or mobile app? Please select all that apply.

- I believe that is the only option I have at this time

- I did not want to meet with anyone in-person due to the Covid-19 pandemic.
- I conduct all my transactions in this manner, even before the pandemic.
- Easier than having to travel to a branch
- It is more convenient to do it online
- Other Please Specify
- Don't know

B8. Please indicate how comfortable you are with each of these methods for obtaining Credit Protection insurance?

Talking to the financial institution's representative over the phone
Talking to the financial institution's representative through a virtual meeting platform (such as Zoom, Google Meets, Microsoft Teams, etc.)

GROUP TWO

Having the forms emailed to you, for you to fill out and email back to the representative
Having the forms contained on the financial institution's website or web-based platform
Having the forms contained on the financial institution's mobile app

GRID COLUMNS

Very comfortable
Somewhat comfortable
Not very comfortable
Not at all comfortable

B9. How important is it to you that a financial institution offers each of the following when conducting transactions **online**?

GRID ROWS RANDOMIZE

The ability to deal with one representative throughout the process
Easily connect with a person to get answers to my questions in real time
Plain language information is available to me online
Security and protection of your personal information
Online Tools and diagrams to illustrate product and price information
Having all forms and personal information shared only through a secure online portal
Immediate online confirmation of the transaction

GRID COLUMNS

Very important
Somewhat important
Not very important
Not at all important
Don't know

B10. Once the Covid-19 pandemic in Canada is over, how would you like to complete each step of the process of obtaining credit protection insurance? Please choose only one for each.

GRID ROWS (DO NOT RANDOMIZE)

Research the details of the different insurance options

Apply for the insurance

GRID COLUMNS

In person at a branch

Through the financial institution's representative coming to my home

By talking to the financial institution's representative over the phone

Video conferencing with the financial institution's representative

Through email with the financial institution's representative

Online through the financial institution's website or web-based platform

Using the financial institution's mobile app

Other

Don't know

B11. To what extent do you agree or disagree with the following statements?

GRID ROWS RANDOMIZE

The pandemic has changed the way I want to conduct financial transactions in the future.

I look forward to going back to a branch to conduct my financial transactions in-person.

Since the pandemic, I am more comfortable conducting financial transactions online.

I prefer the convenience of conducting financial transactions online.

I have upgraded my technology to make it easier to conduct financial transactions from home.

GRID COLUMNS

Strongly agree

Somewhat agree

Somewhat disagree

Strongly disagree

Don't know

SECTION C: CLAIMS

CPI HOLDERS: START AT C1

FUTURE PURCHASERS: SKIP TO C9

C1. Have you made a claim on your mortgage/home equity line of credit protection insurance since April 2020?

Yes

No

IF NO SKIP TO QC9

C2. What type of claim was made?

- Life Insurance
- Disability
- Critical illness
- Job loss

C3. What was the result of your claim submission? [TRACKING]

- It was paid.
- It was denied.
- The claim is still being processed. **[SKIP TO C5]**

C4. Thinking back about the *entire* claim experience, from the initial contact to the outcome how would you rate your satisfaction with the overall experience? [TRACKING]

- Very satisfied
- Somewhat satisfied
- Somewhat dissatisfied
- Very dissatisfied
- Don't recall

C5. How did you complete this claim process? If more than one method was use in the process, please select all that apply

- In person at a branch
- Through the financial institution's representative coming to my home
- By talking to the financial institution's representative over the phone
- Video conferencing with the financial institution's representative
- Through email with the financial institution's representative
- Online through the financial institution's website or web-based platform
- Using the financial institution's mobile app
- Other
- Don't know

IF IN-PERSON AT BRANCH OR HOME CHOSEN FOR ANSWER IN C5 ASK:

C6. Why did you complete the claims process with an in-person meeting?

- I believe this is the only option.
- I am not aware it could be completed online.
- There were papers that had to be signed, so that had to be done in-person.
- I had to provide documents that I did not have electronically.
- I prefer to deal with people in-person.
- I did not feel comfortable doing this online.
- I did not feel comfortable doing this over the phone.
- I did not want to share my personal information online.
- I talked to the same person I talked to about other financial transactions.

This is how I do all my financial transactions – no reason to change.

Other Please Specify

IF OVER THE PHONE, VIDEO CONFERENCE OR THROUGH EMAIL CHOSEN IN C5 ASK:

C7. Why do you complete the claims process through virtual (phone, video conferencing or email) conversations with a financial representative but with no in-person meeting? Please select all that apply.

I believe that is the only option I have at this time.

I did not want to meet with anyone in-person due to the Covid-19 pandemic.

I conduct all my transactions in this manner, even before the pandemic.

Easier than having to travel to a branch

I would want to speak to a knowledgeable representative.

I prefer talking to a real person.

I talked to the same person I talked to about other financial transactions.

Other Please Specify

Don't know

IF USING FINANCIAL INSTITUTIONS WEBSITE OR MOBILE APP CHOSEN IN C5 ASK:

C8. Why did you complete the claims process through the financial institution's website or mobile app? Please select all that apply.

I believe that is the only option I have at this time.

I don't need any assistance or advice.

I don't like talking to financial representatives. I would rather do it on my own.

I did not want to meet with anyone in-person due to the Covid-19 pandemic.

I conduct all my transactions in this manner, even before the pandemic.

Easier than having to travel to a branch

It is easier to do it online than to talk to a representative.

Other Please Specify

Don't know

C9. If you needed to make a claim on your credit protection insurance in the future, how comfortable would you feel with the process of making this claim in each of the following manners?

Talking to the financial institution's representative over the phone

Talking to the financial institution's representative through a virtual meeting platform (such as Zoom, Google Meets, Microsoft Teams, etc.)

GROUP TWO

Having the forms emailed to you, for you to fill out and email back to the representative

Having the forms contained the financial institution's website or web-based platform

Having the forms contained on the financial institution's mobile app

GRID COLUMNS

- Very comfortable
- Somewhat comfortable
- Not very comfortable
- Not at all comfortable

C10. Once the Covid-19 pandemic in Canada is over, how would you prefer to submit a claim on your credit protection insurance? Please choose only one answer

- In person at a branch
- Through the representative coming to my home
- By talking to the financial representative over the phone
- Video conferencing with the financial representative
- Through email with the financial representative
- Online through the financial institution's website
- Using the financial institution's mobile app
- Other
- Don't know

You are almost done. There are just have a few questions left to help us better analyze and understand responses to this survey.

SECTION Z DEMOGRAPHICS

Z1. Which of the following income brackets best represents your annual household income before taxes?

- Less than \$75,000
- \$75,000 to less than \$120,000
- \$120,000 or more
- Prefer not to answer

Z2. Do you have children in any of the following age groups? Please select all that apply.

- Under 18 years
- 18 years or older
- Do not have children **[EXCLUSIVE]**
- Prefer not to answer **[EXCLUSIVE]**

Z3. Which of the following best describes your employment status?

- Employed (full-time, part-time, self-employed)
- Full-time student
- Retired
- Unemployed
- Other

Z4. How long have you been a resident of Canada?

- Born in Canada
- Less than 2 years
- 2 to less than 5 years
- 5 to less than 10 years
- 10 to less than 20 years
- More than 20 years

You have reached the end of this survey. Thank you for your responses and your time.

Briefing Note

CAFII EOC Meeting 26 January 2021—Agenda Item 4bi

Media Advocacy—CAFII Motion Graphic Website Video On Credit Protection Critical Illness Insurance and Disability Insurance: Status Report including Posting on Website; Transmittal to Regulators; and Draft Media Release

Purpose of this Agenda Item – *Update*

Update only.

Background Information

CAFII has been working with its website consultant Operatic Agency (formerly RankHigher) on its 2020 website enhancement plan including the production of the first of two motion graphic videos.

The first video, on the features and benefits of critical illness CPI and disability CPI, is now complete in both English and French. The video will be posted on the CAFII website as well as on You Tube. An email will be sent to all CAFII regulatory and policy-maker contacts (numbering more than 200) letting them know that this video has been posted, with a link to view it. As well, a Draft Media Release about the video has been produced.

Recommendation / Direction Sought – *Update*

This is an update only.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting 26 January 2021—Agenda Item 4bii

Media Advocacy—Draft CAFII Media Release On New Video On Credit Protection Critical Illness Insurance and Credit Protection Disability Insurance

Purpose of this Agenda Item – *Discussion/Update*

Discussion; and EOC approval is requested.

Background Information

CAFII's media consultant David Moorcroft is of the view that the new CAFII video on critical illness CPI and disability CPI is newsworthy, particularly for the trade media, and he is recommending issuing a Media Release about it. We are seeking EOC members' views about this recommendation, which CAFII management supports, and requesting EOC approval of the Draft Media Release.

Recommendation / Direction Sought – *Discussion/Update*

This is an opportunity for EOC discussion and approval of the Draft Media Release.

Attachments Included with this Agenda Item

1 attachment.

NEWS RELEASE DRAFT 2 - FOR DISCUSSION ONLY

CAFII Releases New Video that Explains How Credit Protection Insurance Works for Critical Illness and Disability
Video is the latest in a series aimed at helping consumers understand the insurance options available to them

Toronto, February XX, 2021 – A new video that explains the features and benefits of both critical illness credit protection insurance and disability credit protection insurance was released today by the Canadian Association of Financial Institutions in Insurance (CAFII).

The video, which can be found on [CAFII's website](#) and on YouTube, is the latest in a series aimed at simplifying insurance products and services for Canadian consumers. It supplements six other videos already on the website that explain how popular consumer insurance products such as Mortgage Life Insurance, Travel Insurance, Travel Medical Insurance, and Credit Protection Insurance work, as well as who CAFII is.

In addition to helpful videos, the CAFII website contains definitions and explanations of and examples for more than a dozen types of insurance such as Mortgage Default Insurance and Life Insurance, as well as a wide range of Credit Protection and Travel Insurance products. Those products include Mortgage Life Insurance, Mortgage Disability Insurance, Mortgage Critical Illness Insurance, Job Loss Insurance, Payment Protection Insurance, Travel Medical Insurance, and Trip Cancellation and Interruption Insurance.

In addition, the [website](#) provides other helpful resources such as frequently asked questions, information with links for making an insurance claim to a CAFII member company, and information on how consumers can make an inquiry or complaint to their CAFII member insurance provider. The site also features the results of consumer research commissioned by CAFII, and industry news involving the Association.

According to Keith Martin, co-executive director of CAFII, the new video is the latest step in fulfilling the organization's goal of making insurance simple and accessible for Canadians.

“Our members believe that informed consumers can make better insurance choices to fit their personal circumstances, and that they are ultimately more satisfied with their experience when they choose the right products,” said Mr. Martin. “That’s why we created our consumer-focused website in 2017, and why we continue to add informative new content to it every year.”

Mr. Martin noted that CAFII recently added some new product definitions, consumer situation example vignettes, and FAQs to the website, and is planning to add another two new videos later this year.

About CAFII: The Canadian Association of Financial Institutions in Insurance is a not-for-profit industry Association dedicated to the development of an open and flexible insurance marketplace. CAFII believes that consumers are best served when they have meaningful choice in the purchase of insurance products and services. CAFII’s 14 members include the insurance arms of Canada’s major financial institutions – BMO Insurance; CIBC Insurance; Desjardins Insurance; National Bank Insurance; RBC Insurance; ScotiaLife Financial; and TD Life Insurance Company; along with major industry players Assurant Canada; The Canada Life Assurance Company; Canadian Premier Life Insurance Company; CUMIS Services Incorporated; Manulife (The Manufacturers Life Insurance Company); Sun Life; and Valeyo.

- 30-

Media contact:

David Moorcroft, Public Affairs Advisor

Email: david@strategy2communications.com; Tel: +1-416-727-1858

Briefing Note

CAFII EOC Meeting 26 January 2021—Agenda Item 4ci

Market Conduct & Licensing—FSRA Consultation on Proposed Rule (2020-002) – Unfair or Deceptive Acts or Practices, with March 18/21 Submission Deadline

Purpose of this Agenda Item – *Update*

Update only.

Background Information

FSRA is replacing an existing regulation on Unfair or Deceptive Acts or Practices with a new rule, which will give it more flexibility to enforce its expectations and will provide greater clarity on expectations to industry. CAFII intends to make a formal written submission on this consultation, with prior comments from the EOC suggesting that we will be largely supportive of this initiative.

An update on the Critical Path for the development of the submission will be shared. The Market Conduct & Licensing Committee will take the lead initially on the development of CAFII's submission.

Recommendation / Direction Sought – *Update*

This is an update only.

Attachments Included with this Agenda Item

1 attachment.

**Critical Path for CAFII Response Submission on FSRA Consultation on Proposed Rule [2020-002] – Unfair or Deceptive Acts or Practices,
with March 18/21 Submission Deadline**

FSRA is replacing an existing FSCO regulation on Unfair or Deceptive Acts or Practices with a new Rule of its own, which will give it more flexibility to enforce its expectations and provide greater clarity on expectations of the industry. CAFII intends to make a formal written submission in response to this consultation, with some prior comments from the EOC suggesting that we will be largely supportive of this initiative. A key message to FSRA will be to make the language and clauses in the UDAP rule fully consistent with existing language and clauses in other FSRA regulations, including the *CCIR/CISRO Guidance: Conduct of Insurance Business and Fair Treatment of Customers*.

Task	Responsible	Timing/Deadline
Prepare Critical Path for CAFII submission on FSRA Consultation on Proposed Rule [2020-002] – Unfair or Deceptive Acts or Practices, and post for February 23/21 EOC Meeting.	B. Wycks	February 19/21
Prepare, refine, and disseminate Draft 1 of CAFII submission on FSRA Consultation on Proposed Rule [2020-002] – Unfair or Deceptive Acts or Practices to all Market Conduct & Licensing Committee Members.	K. Martin/B. Wycks	February 24/21
Consult With Chair Brad Kuiper and then arrange and confirm two virtual meetings of Market Conduct & Licensing Committee to review and refine draft CAFII submission. First meeting to occur Thursday, February 25, Friday, February 26, or Monday, March 1. Second meeting to occur Thursday, March 4, Friday, March 5, or Monday, March 8. Include draft CAFII submission and Critical Path in Meeting Invitation for first meeting; and Critical Path alone in Meeting Invitation for second meeting.	A. Lin	February 24/21
Provide feedback on Draft 1 of CAFII submission during first meeting of Market Conduct & Licensing Committee.	Market Conduct & Licensing Committee members	February 25, 26, or March 1/21
Revise draft CAFII submission to incorporate feedback from committee and disseminate Draft 2 to Market Conduct & Licensing Committee members.	K. Martin/B. Wycks	March 3/21
Provide feedback on Draft 2 of CAFII submission in second meeting of Market Conduct & Licensing Committee.	Mkt. Conduct Ctte	March 4, 5, or 8/21
Revise draft CAFII submission to incorporate feedback form committee and disseminate Draft 3 to Market Conduct & Licensing Committee and EOC members, with a Tuesday, March 16/21 end of day deadline for feedback.	K. Martin/B. Wycks	March 10/21
While awaiting CAFII member feedback on Draft 3, meet with Brent Mizzen, Luke O’Connor or other relevant CLHIA staff executive to discuss respective Association draft submissions, to check for general alignment and harmony.	K. Martin/B. Wycks	March 10-15/21
Provide feedback to K. Martin and B. Wycks on Draft 3 of CAFII submission.	Mkt. Conduct Ctte & EOC members	March 16/21

February 19, 2021

Task	Responsible	Timing/Deadline
Make final edits to draft submission, based on Market Conduct Committee and EOC input and on touch base/comparison check with CLHIA; and circulate penultimate Draft 4 to EOC Chair R. Dobbins and Mkt. Conduct & Licensing Ctte. Chair B. Kuiper for final review and approval.	B. Wycks/K. Martin	March 17/21 by 2:00 p.m.
Provide final feedback to K. Martin and B. Wycks on Draft 4 of CAFII submission	R. Dobbins and B. Kuiper	March 18/21 by 3:00 p.m.
Finalize submission, insert EOC Chair's electronic signature, and transmit to FSRA.	K. Martin	March 18/21

Briefing Note

CAFII EOC Meeting 23 February 2021—Agenda Item 4di

Travel Medical Insurance Experts—Reactivation of CCIR Travel Insurance Working Group (TIWG) and Consultation With Industry Around Reforms Needed To Trip Cancellation Component of Travel Insurance; and Tweaks To Travel Insurance Data Gathered Via CCIR’s 2022 Annual Statement on Market Conduct

Purpose of this Agenda Item – *Update*

Update only.

Background Information

CAFII is actively monitoring the effort by the CCIR to add additional travel insurance questions to the 2022 Annual Statement on Market Conduct, via collegial collaboration with CLHIA and THIA.

Recommendation / Direction Sought -- *Update*

Update only.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

**CAFII EOC Meeting 23 February 2021—Agenda Item 4ei
Networking & Events—Plans For CAFII Webinars in Q1 and Q2 of 2021**

Purpose of this Agenda Item -- *Update*

Update only.

Background Information

CAFII successfully held three well-attended webinars with regulator and policy-maker panels in 2020. We are planning on holding a further series of webinars in 2021.

Recommendation / Direction Sought – *Update Only*

Update only.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting 23 February 2021—Agenda Item 5a

CAFII Board Chair and Vice-Chair Recommendations Arising From Recent Developments in FCAC’s Crafting of an Appropriateness Guideline

Purpose of this Agenda Item *Update / Discussion*

Update/Discussion.

Background Information

Board members were emailed a recommendation from the CAFII Board Chair, Vice-Chair, and the EOC Chair that the Association send a request to the FCAC that they share the discussion paper that they have developed on the appropriateness guideline with CAFII, and provide CAFII with the opportunity to provide input on that discussion paper.

Recommendation / Direction Sought – *Update / Discussion*

The EOC will be provided with an opportunity to provide feedback on this important file.

Attachments Included with this Agenda Item

1 attachment.

**CAFII Board Chair and Vice-Chair Recommendations Arising From Recent Developments In FCAC's
Crafting of an Appropriateness Guideline**

From: Keith Martin <Keith.Martin@cafii.com>
Sent: February-17-21 3:41 PM
To: Board Members (c.c. EOC Members)
Subject: RE: CAFII Recommendations Around Important Developments Regarding FCAC Appropriateness
Guideline

Hello CAFII Board Member (this note is copied to the EOC):

We now have heard back from Board members on the issue of CAFII reaching out to the FCAC regarding its current consultations on the development of an appropriateness guideline.

There is no consensus on this matter at this time, and a concern has been expressed that it is premature to reach out to the FCAC.

Brendan and I have reached out to Board Chair Chris Lobbezoo, Board Vice-Chair Peter Thompson, and EOC Chair Rob Dobbins, about the feedback received, and the direction is to not reach out to the FCAC at this time. CAFII will continue to monitor this file carefully, and will attempt to review what the FCAC develops as a position after the consultations with the Working Group and the CBA are complete. We have also learned from this outreach to the Board that industry lawyers on the Working Group are aware of the concerns of the credit protection insurance sector and are reflecting this in the meetings with the CBA.

Brendan and I will be sure to keep you informed of any developments we learn of.

Thank you,

--Keith
Keith Martin
Co-Executive Director / Co-Directeur général
Canadian Association of Financial Institutions in Insurance

From: Keith Martin
Sent: February 11, 2021 2:29 PM
To: Board Members (c.c. EOC Members)
Subject: CAFII Recommendations Around Important Developments Regarding FCAC Appropriateness
Guideline

Hello CAFII Board of Directors (copy to the EOC):

It has come to our attention that the FCAC has recently released a *Discussion Paper on the FCPF's Appropriate Products Procedures Provisions*, with a 25 February, 2021 deadline for responses from members of its Financial Consumer Protection Framework (FCPF) Implementation Working Group (WG) which consists of 12 bank/FRFI representatives, along with the CBA as an observer.

You may recall that at the 1 December, 2020 CAFII Board meeting, there was clear direction for the Association to monitor the FCAC's work on developing an Appropriateness Guideline and to develop arguments as to why it should not apply to CPI; but there was also clear direction that CAFII **should not** engage with the FCAC or the CBA on this issue at this time.

However, circumstances have changed now that the FCAC has released the above-noted Discussion Paper to its FCPF Implementation Working Group.

Over the past few days, in response to these developments, Brendan and I have held several meetings including with CAFII Board Chair Chris Lobbezoo; CAFII Board Vice Chair Peter Thompson; and EOC Chair Rob Dobbins. Following are the recommendations from them in support of proposals made by the Co-Executive Directors and the EOC Chair. Please let us know by EOD Tuesday, 16 February if you are comfortable, or not, with CAFII's proceeding as proposed below; or if you wish us to organize a Special Purpose CAFII Board Meeting forthwith to discuss this matter.

Recommendations

- That CAFII write an email to Frank Lofranco, the FCAC's Deputy Superintendent, Supervision and Enforcement (c.c. Frank's direct reports Teresa Frick, Director, Supervision; Bradley Schnarr, Manager, Regulatory Guidance and Coordination; and Stephen Wild, Senior Research and Policy Officer, who are all instrumentally involved in the Appropriateness Guideline initiative), letting them know that it has come to our attention that the FCAC has released to its FCPF Implementation Working Group a *Discussion Paper on the FCPF's Appropriate Products Procedures Provisions*, with a deadline of 25 February, 2021 for input/feedback submissions.
- That our CAFII email indicate that our Association has concerns that the *Discussion Paper on the FCPF's Appropriate Products Procedures Provisions* may include broad-based Know Your Customer (KYC), Know Your Product (KYP), and Appropriateness Assessment expectations of banks that would be very problematic with respect to Authorized Insurance Products (including credit protection insurance) -- from both consumer protection and compliance with regulatory frameworks perspectives -- given that CPI cannot be offered by licensed individuals and, as such, the provision of any sort of advice to consumers about these products is prohibited. Suitability or appropriateness requirements for credit protection insurance types of Authorized Insurance Products, beyond 'eligibility' requirements, are problematic — given the provisions of the Bank Act and Insurance Business (Banks and Bank Holding Companies) Regulations — and it was our understanding from earlier conversations with the FCAC that suitability and thereby forced licensing requirements were not under consideration for the FCAC's Appropriateness Guideline.
- That our CAFII email make the following direct asks of the FCAC: that they provide CAFII with a copy of the *Discussion Paper on the FCPF's Appropriate Products Procedures Provisions* and a 60-day period for us, as the industry Association that represents and is the voice of the Authorized Insurance Products and the credit protection insurance industry in Canada, to offer the Agency a detailed analysis of the Discussion Paper and explanations of our concerns.

Thanks,

--Keith

Keith Martin

Co-Executive Director / Co-Directeur général

Canadian Association of Financial Institutions in Insurance

Briefing Note

**CAFII EOC Meeting 23 February 2021—Agenda Item 5b
Insights Gained From CAFII/CLHIA/THIA Weekly Calls Re Impact Of COVID-19 On Travel
Insurance Industry**

Purpose of this Agenda Item – *Update*

Update.

Background Information

CAFII, CLHIA, and THIA meet weekly to discuss the impact of COVID-19 on the travel medical industry.

Recommendation / Direction Sought -- *Update*

This is an update only.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting 23 February 2021—Agenda Item 6a

Outcomes of February 11/21 CAFII Board Special Purpose Meeting To Review and Update CAFII Strategic Plan

Purpose of this Agenda Item

Update/discussion.

Background Information

CAFII's Board adopted a strategic plan in 2018. With the passage of time, the Board has requested an opportunity to review the plan and see if updates or changes to it are required. There was a one-hour Special Purpose CAFII Board Meeting on 11 February, 2020 to engage in this review. The EOC will be provided with an overview of the major outcomes of that meeting, as well as next steps.

Recommendation / Direction Sought – *Update/Discussion*

The EOC will be offered the opportunity to offer its views of the outcomes of the 11 February, 2021 Special Purpose CAFII Board Meeting on renewal of the Association's Strategic Plan.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

**CAFII EOC Meeting 23 February 2021—Agenda Item 6b
Draft Minutes of January 26/21 EOC Meeting**

Purpose of this Agenda Item

Approval.

Background Information

The EOC is being asked to approve the draft minutes of January 26, 2021 EOC meeting.

Recommendation / Direction Sought – *Approval*

Approval.

Attachments Included with this Agenda Item

1 attachment.

CAFII Executive Operations Committee Virtual Meeting

Tuesday, January 26, 2021

Minutes

EOC Present:

EOC Present:

Rob Dobbins, Assurant (Chair)
Tony Pergola, ScotiaLife Financial (Treasurer)
Anchal Gulia, Sun Life
Anaar Jessa, Sun Life
Ben Gray, CIBC Insurance
Charles MacLean, RBC Insurance
Monika Spudas, Manulife
Edward Kuo, Sun Life
Martin Boyle, BMO Insurance
Dana Easthope, Canadian Premier Life
Michelle Costello, CUMIS
Sharon Apt, Canada Life Assurance
Emily Brown, Sun Life
Pete Thorn, TD Insurance
Isabelle Choquette, Desjardins
Diane Quigley, CUMIS/The Co-Operators
Corinna Goggin, CUMIS
Brad Kuiper, ScotiaLife Financial
Penelope Cordogiannis, RBC Insurance
Casandra Litniansky, CUMIS/The Co-Operators
Kamana Tripathi, TD Insurance
Karyn Kasperski, RBC Insurance
Scott Kirby, TD Insurance
Dallas Ewen, Canada Life Assurance
Moirra Gill, TD Insurance
Afzal Baig, TD Insurance
Andrea Stuska, TD Insurance
Anita Mukherjee, RBC Insurance

Also Present:

Brendan Wycks, *Co-Executive Director*
Keith Martin, *Co-Executive Director*
Albert Lin, CAFII/Managing Matters

1. Welcome, Call to Order, and Priority Matters

1.a. Call to Order and Opening Remarks

New EOC Chair and Board Secretary Rob Dobbins called the meeting to order at 2:02 p.m., and thanked EOC members for the opportunity to serve as Chair.

1.b. Welcome to Rob Dobbins as New EOC Chair

Brendan Wycks and Keith Martin thanked Rob Dobbins for taking on the leadership role of EOC Chair and Board Secretary at this time; and both noted that they were looking forward to working closely with Mr. Dobbins.

1.c. Welcome to New EOC Members

Rob Dobbins welcomed three new members of the EOC from Sun Life: Edward Kuo, Aanchal Gulia; and Anaar Jessa. Each was given the opportunity to introduce themselves to the Committee.

2. Consent Items

The following Consent Items that do not require any discussion or decisions were tabled:

- Consultations/Submissions Timetable
- Regulatory Update
- Regulator and Policy-Maker Visit Plan
- Summary of Board and EOC Action Items
- CAFII/CLHIA Joint Response Submission To FCNB On Contemplated Changes to New Brunswick Insurance Act With Respect To Payment Of Insurance Monies To A Minor
- CAFII/CLHIA Joint Submission To Insurance Councils Of Saskatchewan On Nominees For Appointment To Saskatchewan Restricted Insurance Agent Advisory Committee
- Board-Approved Schedule Of CAFII 2021 Meetings And Events

3. Financial Management Matters

3.a. CAFII Financial Statements as at December 31/20 (full 2020 fiscal year)

CAFII Treasurer Tony Pergola provided an overview of both the CAFII financial statements for the month of December 2020, as well as the Association's financial results for the full 2020 fiscal year. In December 2020 CAFII had \$74,000 in revenue, \$58,000 in expenses – producing a surplus of \$16,000 which was a favourable variance of \$5,000 with respect to the December budget.

For the full fiscal 2020 year, CAFII's revenue was \$885,000, its expenses were \$731,000, and its surplus was therefore approximately \$154,000, a favourable variance to the budget of \$129,000. Revenue was lower than budgeted by \$24,000 because three Associates did not renew and the two new Associates that CAFII hoped to secure did not materialize. Expenses were mostly lower due to travel and in-person events being cancelled due to the pandemic, slightly offset by \$9,000 in additional legal costs for work done by Norton Rose on the AMF file. As well, some budgeted 2020 expenses are for work that will now be done in 2021, so those expenses related to a second website video and a portion of the Pollara consumer research study will be incurred in 2021.

3.b. Board-Approved CAFII 2021 Operating Budget

Treasurer Tony Pergola presented the 2021 CAFII Operating Budget which the Board had approved at its December 1/20 meeting, noting that while no provision has been made for in-person events or travel in 2021, a \$50,000 contingency fund has been included in the budget so that such activities could be funded if circumstances permit their occurrence in the latter part of the year.

3.c. Critical Path With KPMG For CAFII 2020 Fiscal Year Audited Financial Statements

Brendan Wycks briefly highlighted from the Critical Path With KPMG For CAFII 2020 Fiscal Year Audited Financial Statements, which had been included in the materials package for this meeting.

3.d. Dissemination of 2021 First Instalment CAFII Member Dues Invoices

Brendan Wycks advised that the first of two installments for the 2021 member dues would be sent out in the first week of February.

4. Committee Updates

4.a. Research & Education

4.a.i. CAFII 2020/21 Consumer Research Project With Pollara Strategic Insights: Progress Report

Andrea Stuska, Chair of the Research & Education Committee, reported that much progress had been made on finalizing the questionnaire for the Pollara consumer research study on digitization. Keith Martin advised that the EOC had an opportunity to review the research in a meeting with Pollara's lead Lesli Martin on 22 January 2021, and that the questionnaire was close to being finalized. The intention was to go to field in February, with the results report being delivered to CAFII in March. Andrea Stuska thanked the Working Group on the questionnaire for all their hard work and insights.

4.b. Media Advocacy

4.b.i. CAFII Motion Graphic Website Video On Credit Protection Critical Illness Insurance and Disability Insurance

Keith Martin reported that CAFII has been working with its website consultant Operatic Agency (formerly RankHigher) on its 2020 website enhancement plan, including the production of the first of two motion graphic videos, on credit protection critical illness insurance and credit protection disability insurance.

CAFII is currently entering the visual production phase of the video. A near-final pre-production version of the video on Vimeo was circulated to all EOC members for review and critical/show-stopper issue feedback on Thursday, 21 January, 2021 with a Wednesday, 27 January, 2021 deadline for feedback. It is expected that CAFII will be able to complete and publish the video in February 2021.

[Action Item: Distribute French version of the video to EOC members for feedback; K. Martin, February 2021.]

4.b.ii. February 3/21 Operatic Agency Presentation On 2020 CAFII Website Search Engine Optimization and Related Performance Metrics

Keith Martin reported that CAFII's search engine optimization firm Operatic Agency tracks website metrics including how high CAFII ranks on credit protection insurance term search results. Operatic Agency's President Chris Barrett will be providing a virtual presentation for CAFII member representatives on the key measures of how CAFII's website performed in 2020 on 3 February, 2021.

4.c. Market Conduct & Licensing

Brad Kuiper, Chair of the Market Conduct & Licensing Committee, provided a high-level overview of the regulatory submission issues that CAFII is currently working on.

4.c.i. FSRA Consultation on Proposed Rule [2020-002] – Unfair or Deceptive Acts or Practices, with March 18/21 Submission Deadline

Keith Martin reported that FSRA is replacing an existing FSCO regulation on Unfair or Deceptive Acts or Practices with a new Rule of its own, which will give it more flexibility to enforce its expectations and provide greater clarity on expectations of the industry. CAFII intends to make a formal written submission in response to this consultation, with some prior comments from the EOC suggesting that we will be largely supportive of this initiative. A key message to FSRA will be to make the language and clauses in the UDAP rule fully consistent with existing language and clauses in other FSRA regulations, including the *CCIR/CISRO Guidance: Conduct of Insurance Business and Fair Treatment of Customers*.

[Action Item: Distribute critical path for CAFII's response submission on FSRA's proposed UDAP Rule, and first draft of that submission; B. Wycks, K. Martin, February 2021.]

4.c.ii. Imminent AMF Consultations on Updated Sound Commercial Practices Guideline and Draft Regulation Respecting Complaint Processing

Keith Martin reported that the AMF has let CAFII know that it will soon be releasing formal public consultations on two initiatives: updates to its Sound Commercial Practices Guideline (2013); and a new Regulation respecting Complaint Processing.

CAFII will be monitoring these two AMF consultations carefully and making submissions in response to both. We have not yet seen any posting on the AMF website around these consultations. The AMF originally suggested that it would likely be posting the documents, for a 60-day consultation, in late November 2020, but that did not happen.

4.c.iii. CAFII Board Direction On Possible Follow-Up With AMF Re CAFII's July 7/20 "Creative Solutions" Submission on Degree to Which Industry Can Meet AMF's Requirements Around RADM's Application to Credit Card-Embedded Insurance Benefits

Keith Martin reported the CAFII Board provided clear direction at its 1 December, 2020 meeting that it does not want CAFII to reach out to the AMF and ask for an update on its response to our Association's "creative solutions" submission of 7 July, 2020. CAFII has made the submission and the ball is now in the AMF's court. In the absence of a response from the AMF, it is the Board's view that CAFII members do not need to do anything further.

4.c.iv. Insights Gained From November 25/20 Sectoral Advisory Committee (SAC) For Life and Health Insurance Virtual Meeting With FSRA Board

Keith Martin noted that the FSRA's Sectoral Advisory Committee (SAC) for Life and Health Insurance met on 25 November, 2020. This EOC meeting's consolidated package included a briefing note with details on some of the insights gained at that FSRA SAC meeting. Mr. Martin also noted that a very important development at FSRA is that Erica Hiemstra, who worked for 21 years at CLHIA before joining Sun Life in 2019, had left Sun Life in early November 2020 to join FSRA's staff team, effective Monday, November 16 2020, as Director, Insurance within Huston Loke's Market Conduct Division.

Ms. Hiemstra managed credit protection insurance files for CLHIA, and has intimate knowledge of credit protection insurance products and regulatory concerns and preoccupations around these products.

Mr. Martin advised that CAFII had developed a strong relationship with FSRA, which was evidenced in part by the fact that FSRA had acted on CAFII's recommendation that it increase its presence in the International Association of Insurance Supervisors (IAIS). FSRA Chair Bryan Davies reported at the recent SAC meeting that FSRA had applied for and been accepted into IAIS membership.

4.d. Travel Medical Insurance Experts

4.d.i. Reactivation of CCIR Travel Insurance Working Group (TIWG) and Consultation With Industry Around Reforms Needed To Trip Cancellation Component of Travel Insurance; and Tweaks To Travel Insurance Data Gathered Via CCIR's 2022 Annual Statement on Market Conduct

Afzal Baig, Chair of the Travel Medical Insurance Experts Working Group, noted that CCIR's Travel Insurance Working Group (TIWG) had recently been reactivated and had begun discussions around reforms needed to the trip cancellation component of travel insurance. In addition, tweaks were being discussed on the travel insurance-related questions/data requests which would be included in CCIR's 2022 Annual Statement on Market Conduct. Mr. Baig noted that the industry was working hard to explain to the TIWG that some of the questions being asked of industry were not possible to answer, as many in the industry do not collect the data that is being requested.

4.e. Networking & Events

4.e.i. Plans For CAFII Webinars In Q1 and Q2 of 2021

Keith Martin reported that the Co-Executive Directors are working with the Networking & Events Committee on plans for more CAFII webinars in 2021. Scott Kirby is currently the only member of this Committee, and EOC members were encouraged to volunteer to serve on this Committee if they have an interest in this area.

5. Recent and Upcoming Strategic and Regulatory Initiatives

5.a. Launch Of Working Group To Upgrade Data Collected and Report Produced By CAFII Quarterly CPI Benchmarking Study With RSM Canada

Keith Martin reported that with the co-operation and direct participation of RSM Canada, CAFII was in the process of launching a new *Working Group To Upgrade Data Collected and Report Produced By CAFII Quarterly CPI Benchmarking Study With RSM Canada*. All participants in the Working Group have sent CAFII management an email confirming that they have read, understood, and will comply with the Stikeman Elliott guidelines on competition law that the Working Group must follow. RSM Canada will be communicating with Working Group members about the next steps soon.

5.b. EOC Intelligence/Information-Sharing Re Internal Work Being Done Or Planned Re FCAC's Development Of "Appropriateness Guideline" for Financial Products and Services; and Next Steps in Board-Requested EOC Engagement on This Issue

Keith Martin reminded EOC members that at the 15 October, 2020 CAFII Board meeting, the Board requested that CAFII closely monitor the FCAC's work on the development of an "Appropriateness Guideline"; and in particular, **that the EOC members collect information about what work is being done on this file internally within their organizations, and share this with CAFII's Co-Executive Directors.**

It was also noted that the Board did not want CAFII to engage directly with the FCAC on this matter right now, but did want the key arguments for why credit protection insurance should not be subject to an Appropriateness Guideline to be developed and kept "in our back pocket" in case these arguments need to be sent to the FCAC. There was a robust discussion on the likelihood of the Appropriateness Guideline applying to credit protection insurance, with the view expressed that the Guideline would likely be very high-level and not prescriptive.

[Action Item: Develop arguments for why the FCAC's soon-to-be-developed Appropriateness Guideline should not apply to credit protection insurance; K. Martin, February 2021.]

5.c. Insights Gained From CAFII/CLHIA/THIA Weekly Calls Re Impact Of COVID-19 On Travel Insurance Industry

Brendan Wycks noted that CAFII had learned that the federal government was giving consideration to imposing a Level 4 Travel Advisory (the current Level 3 Travel Advisory advises against travel that is non-essential; a Level 4 Advisory would advise against any travel.) The Canada-U.S. border, it was learned, was expected to remain closed for the foreseeable future.

5.d. Launch of Saskatchewan RIA Advisory Committee

Brendan Wycks reported that Ron Fullan of the Insurance Councils of Saskatchewan (ICS) had responded favourably that ICS would be moving forward to launch the RIA Advisory Committee in early 2021 with all seven (7) industry nominees being appointed as its founding members. Three of the seven appointees are CAFII nominees (Moir Gill, Charles MacLean, and Shawna Sykes) and four of the seven appointees are CLHIA nominees; however, three (Emily Brown, Sharon Apt, and Greg Shirley) of the four CLHIA nominees are also actively involved in CAFII.

6. Governance Matters

6.a. Preparation For February 11/21 CAFII Board Special Purpose Meeting To Review and Update CAFII Strategic Plan, Including Development of a Pre-Read Document

Keith Martin recalled that CAFII's Board adopted a Three-to-Five-Year Strategic Plan for the Association in February 2018. With the passage of time, the Board has requested an opportunity to review the plan and see if updates or changes to it are required. There will be a one-hour Special Purpose Board Meeting on 11 February, 2020 to engage in this review.

Keith Martin shared the major themes of the Strategic Plan Review Pre-Read Document, including some of the areas where the Board may wish for a new priority to be included in the Strategic Plan.

6.b. Board Admission Of A New CAFII Member and Appointment of A New CAFII Director In Early 2021

Brendan Wycks reported that CAFII has had Canadian Premier Life Insurance (CPL) as a long-time Regular Member of the Association, but for the past several years, the Board member representing that organization has been Nicole Benson from CPL's affiliate company Valeyo. Because both Canadian Premier Life and Valeyo now wish to be CAFII members with each having their own Board member, Valeyo will be joining CAFII and Rob Robinson from Canadian Premier Life will become the Board member from CPL.

A formal Written Resolution will be sent via email to the 13 existing CAFII Directors, for them to vote on and approve these changes. As per CAFII's Bylaw, a Written Resolution requires participation by all Directors and unanimous approval in order to pass. As a result of this change, CAFII will then have 14 members and a new, lower-tier dues paying member.

6.c. Draft Minutes of November 17/20 EOC Meeting

The draft minutes of the November 17, 2020 CAFII EOC teleconference meeting were approved.

6.d. Draft Minutes of December 1/20 Board Meeting

The draft minutes of the December 1, 2020 CAFII Board meeting were approved.

6.e. CAFII Marketing/Outreach For Attracting New Associates

Keith Martin and Brendan Wycks reported that CAFII had developed over the past year, with EOC and Board engagement and approval, an enhanced value proposition for Associates; and, as a result, they had made an outreach to prospective new Associates in December 2020. Three of these prospects had now indicated that they intended to join CAFII as new Associates in 2021: Dog and Pony Studios; RSA Canada; and Stikeman Elliott.

6.f. Application Review and Admission of RSA as a New CAFII Associate

This item was deferred to the 23 February, 2021 EOC meeting as a completed CAFII Associate Status Application Form from RSA Canada was not received in time for this meeting.

6.g. Application Review and Admission of Dog and Pony Studios as a New CAFII Associate

The EOC unanimously approved the admission of Dog and Pony Studios as a new CAFII Associate.

6.h. CAFII Recognition For Recently Retired EOC Member And Past-EOC Chair John Lewsen

Brendan Wycks noted that an email would be sent shortly to EOC members inviting them to sign an e-card to congratulate and thank recently retired EOC member John Lewsen.

8. Other Business

There being no other business, the EOC meeting was terminated at 3:55 p.m.

Briefing Note

**CAFII EOC Meeting 23 February 2021—Agenda Item 6c
Application Review and Admission of RSA as a New Associate**

Purpose of this Agenda Item

Approval.

Background Information

The EOC is being asked to approve RSA as a new CAFII Associate.

Recommendation / Direction Sought – *Approval*

Approval.

Attachments Included with this Agenda Item

1 attachment.

Briefing Note

CAFII EOC Meeting 23 February 2021—Agenda Item 6d

Application Review and Admission of Stikeman Elliott as a New Associate

Purpose of this Agenda Item

Approval.

Background Information

The EOC is being asked to approve Stikeman Elliott as a new CAFII Associate.

Recommendation / Direction Sought – *Approval*

Approval.

Attachments Included with this Agenda Item

1 attachment.

CAFII ASSOCIATE STATUS APPLICATION FORM: 2021

Organization Name: Stikeman Elliott LLP

Representative's Name and Title: Stuart Carruthers, Partner

Address: 199 Bay Street, 5300 Commerce Court West

City: Toronto
1B9

Province: ON

Postal Code: M5L

Phone - Main: 416-869-5500

Direct: 416-869-5600

Fax: 416-947-0866

Email: scarruthers@stikeman.com

Website: www.stikeman.com

Parent Company (if applicable):

Description and Dues Amount:

- Associates \$4,800

Organizations that are suppliers to and/or supporters of the financial institutions in insurance industry in Canada or otherwise support the Association's goals are eligible to apply for CAFII Associate status. Associates receive invitations to have up to five representatives attend CAFII's Annual Members' Luncheon and Reception events (typically three per year); and also receive periodic CAFII-produced industry information/intelligence communications. For 2021, Associates pay \$4,800 per annum in one instalment with the invoice to be issued on or about February 1/21.

Associate Status is valid from January 1 to December 31 each year.



Signature of Applicant:

January 25, 2021 _____

Date:

As a signing authority for my organization, I hereby acknowledge that as an applicant for Associate status in CAFII, my organization supports the Association's mission, objectives, and policy positions. For more information visit www.cafii.com.

Briefing Note

**CAFII EOC Meeting 23 February 2021—Agenda Item 6e
CAFII Marketing/Outreach For Attracting New Associates**

Purpose of this Agenda Item

Update.

Background Information

CAFII has identified key prospects to join the Association as Associates. A marketing effort has been launched, including follow-up virtual meetings with prospects. This is an update on this initiative and on the successes to date.

Recommendation / Direction Sought – *Update*

Update.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting 23 February 2021—Agenda Item 6f

Insurance Portal’s Six Week Free Trial Subscription For CAFII Member Representatives

Purpose of this Agenda Item

Update.

Background Information

Co-Executive Directors Brendan Wycks and Keith Martin will inform the EOC about a currently underway six week free trial subscription to the Insurance Portal and various of its publications and business intelligence resources, which the Insurance Portal has extended to CAFII Member representatives. This arises from CAFII’s interaction with the CEO of the Insurance Portal in connection with the CAFII Alerts Weekly Digest.

Recommendation / Direction Sought – *Update*

Update.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting 23 February 2021—Agenda Item 7a

CAFII Board’s Approval of Three-Part Written Resolution Re Admission of Valeyo as New Regular Member; Confirmation of Nicole Benson’s Continuation As A CAFII Director, Now Representing Valeyo; and Appointment of Rob Robinson as CAFII Director From Canadian Premier Life Insurance

Purpose of this Agenda Item – *Read Only Update*

Update.

Background Information

CAFII has a new member, as Valeyo and Canadian Premier Life Insurance are now separate members of the Association, each with its own Director on the CAFII Board. This change required a three-part written resolution to be adopted by the Board.

Recommendation / Direction Sought – *Update*

Update.

Attachments Included with this Agenda Item

1 attachment.

CAFII Board's Approval of Three-Part Written Resolution Re Admission of Valeyo as New Regular Member; Confirmation of Nicole Benson's Continuation as A CAFII Director, Now Representing Valeyo; and Appointment of Rob Robinson as CAFII Director from Canadian Premier Life Insurance

February 11, 2021

From: Brendan Wycks

Sent: February-11-21 9:59 AM

To: *CAFII Board Members (c.c. EOC Members):*

Subject: CAFII Board's Approval of Three-Part Written Resolution Re Admission of Valeyo as New Regular Member; Confirmation of Nicole Benson's Continuation as A CAFII Director, Now Representing Valeyo; and Appointment of Rob Robinson as CAFII Director from Canadian Premier Life Insurance

I am pleased to advise that all 13 CAFII Directors have now signed and returned the attached Three-Part Written Resolution and, as a result, it can be declared Approved.

Therefore:

- Valeyo, an affiliate of current CAFII Member Canadian Premier Life Insurance Company, is admitted as a Regular Member of the Association, effective today, February 11, 2021;
- Nicole Benson, previously the CAFII Director from Canadian Premier Life Insurance Company, is confirmed to continue on the Association's Board of Directors as the CAFII Director from Valeyo, effective today, February 11, 2021; and
- Rob Robinson, Senior Vice President, Affinity Insurance Solutions at Canadian Premier Life Insurance Company, is appointed to the CAFII Board of Directors as the Director from Canadian Premier Life Insurance Company, effective today, February 11, 2021.

Thank you to all Directors for their co-operation in expediting the Board's approval of these important governance matters through a Written Resolution.

Please join Keith Martin and me in

- congratulating and welcoming Valeyo as a new/independent and 14th Member of our Association;
- congratulating Nicole Benson on her confirmation for continuation on the CAFII Board as the Director from Valeyo; and
- congratulating and welcoming Rob Robinson on his appointment as the CAFII Director from Canadian Premier Life Insurance Company.

Given that there are now 14 Members of CAFII and 14 Directors on the Board, quorum for any meeting of the Board of Directors is now eight (8) Directors (up from the 7 Directors required when we had 13 Members).

See/speak to you at today's CAFII Special Purpose Board Meeting – focused on a review and possible updating of the Association's Three-to-Five-Year Strategic Plan (pre-read deck attached) – from 1:00 to 2:00 p.m.

Brendan Wycks, BA, MBA, CAE

Co-Executive Director

Canadian Association of Financial Institutions in Insurance

Brendan.wycks@cafii.com

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www.cafii.com

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From: Brendan Wycks

Sent: February-05-21 5:11 PM

To: CAFII Board Members (c.c. EOC Members)

Subject: For CAFII Board Approval: Three-Part Written Resolution Re Admission Of Valeyo To Membership; Confirmation Of Nicole Benson As Director From Valeyo; and Appointment Of Rob Robinson As Director From Canadian Premier Life Insurance Company

CAFII Board Members (c.c. EOC Members):

Attached for your consideration, as a CAFII Director, is a Three-Part Written Resolution – moved by Peter Thompson, National Bank Insurance; and seconded by Paul Cosgrove, Assurant -- recommending the Board's

- admission of Valeyo, an affiliate of current CAFII Member Canadian Premier Life Insurance Company, as a Regular Member of the Association, effective February 11, 2021;
- confirmation of Nicole Benson, currently the CAFII Director from Canadian Premier Life Insurance Company, to continue on the Association's Board of Directors as the CAFII Director from Valeyo, effective February 11, 2021; and
- appointment of Rob Robinson, Senior Vice President, Affinity Insurance Solutions at Canadian Premier Life Insurance Company, to the CAFII Board of Directors as the Director from Canadian Premier Life Insurance Company, effective February 11, 2021.

These three governance-related matters are being undertaken as a Written Resolution of the Board in order to expedite their approval prior to the upcoming February 11/21 Special Purpose CAFII Board Meeting; and so that that one-hour meeting can maintain a single-minded focus on reviewing and possibly updating the Association's current Strategic Plan, without having to deal with other matters at its outset.

If you are supportive of this Three-Part Written Resolution, we ask that you

- print the first two pages in the attached document;
- initial at the bottom of Page 1 to indicate your approval of the Resolution set out on that page;
- sign and date in the appropriate place on Page 2; and
- submit your signed and initialed two-page Resolution in the following manner: scan and submit the two pages electronically to each of Albert Lin (albert.lin@cafii.com), Brendan Wycks (brendan.wycks@cafii.com), and Keith Martin (keith.martin@cafii.com) **by 12 Noon on Wednesday, February 10/21.**

Nicole Benson: please sign and initial the two-page Resolution as the Director from Canadian Premier Life Insurance Company, as you remain its current Director until after the Board's approval of this three-part Written Resolution.

Clause 5.13 Resolutions In Writing of our CAFII Bylaw permits such a Written Resolution outside of a Board meeting, and thereby allows the Board to deal with each of the above-noted, inter-related governance matters prior to the February 11/21 Special Purpose Board meeting.

Approval of this Written Resolution requires a favourable and unanimous response from all 13 current Directors. Therefore, we will be following up with any Director whose signed and initialed two-page Resolution is not received by 12 Noon on Wednesday, February 10, with a view to securing the complete tally of Director responses by end of day on Wednesday.

If the outcome of the Written Resolution is favourable, Rob Robinson will be able to participate in the February 11 Board meeting at its outset, without any further ado; and Nicole Benson will be able to do the same under a new Director affiliation, representing the Association's newest and 14th Member, Valeyo.

Thanks, in advance, for your co-operation in attending to this Board Resolution.

Brendan Wycks, BA, MBA, CAE
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Briefing Note

CAFII EOC Meeting 23 February 2021—Agenda Item 7b

Launch of Working Group To Upgrade Data Collected and Report Produced By CAFII Quarterly CPI Benchmarking Study with RSM Canada

Purpose of this Agenda Item – *Read Only Update*

Update only.

Background Information

When CAFII was asked to relaunch the former CBA quarterly CPI benchmarking study, there was discussion around at some point developing a Working Group that RSM Canada would participate in with CAFII members, to improve the data quality and comparability of the study.

The direction from the Board was to get the report going just as before, and only create this Working Group when the study was back on track. There was no specific timeline and, of course, since the report was launched the COVID pandemic has occurred. At the 1 December, 2020 Board meeting, the Board provided direction that the timing was now right to launch the Working Group.

CAFII Board members have been invited to nominate participants for the Working Group. The characteristics of Working Group members as identified by RSM Canada are as follows:

Further to our discussion yesterday morning, below are some specific qualifications that could be utilized by your members in deciding who should take part in the Benchmarking Improvements Working Group. We have tried to identify areas of expertise which will allow us both to work through the changes as expeditiously as possible and ensure that the members get the most value out of the changes to the study:

- *An end-user of the current benchmarking report to help us identify beneficial improvements to the participants;*
- *Have a working knowledge of the data available and the various loan and insurance data systems that feed into the benchmarking reports; and*
- *Have sufficient decision-making authority over the benchmarking report contents so that the group can make reasonable implementations during these meetings with minimal back-and-forth after the fact.*

All participants have sent CAFII management an email confirming that they have read, understood, and will comply with the Stikeman Elliott guidelines on competition policy that the Working Group must follow. RSM Canada will be launching the next steps soon. The members of the Working Group are listed below.

**Members of the Working Group To Improve the Data Quality and Comparability Of
CAFII Quarterly CPI Benchmarking Study With RSM Canada**

<u>Institution</u>	<u>Participating Member</u>
BMO Insurance	Maeesha Patel Maeesha.Patel@bmo.com
National Bank Insurance	Martin Houde-Bergeron MARTIN.HOUDEBERGERON@BNC.CA
TD Insurance	Damian Kim Kim, Damian damian.kim@td.com
RBC Insurance	Gunther Rathgeb Rathgeb, Gunther gunther.rathgeb@rbc.com
ScotiaLife Financial	Ben King King, Ben ben.king@scotiabank.com
CIBC Insurance	Ernest Weidner Ben Gray 'Gray, Ben' Ben.Gray@cibc.com Ernest.weidner@cibc.com
CUMIS Services Inc.	Pius Tang Michelle Costello Pius.tang@cumis.com 'Michelle Costello' michelle.costello@cumis.com
Valeyo	Sara Mazhar Sara.mazhar@valeyo.com
Desjardins Insurance	Rita Ricci Maxime Veilleux Rita Ricci Rita.Ricci@dsf.ca Maxime Veilleux maxime.veilleux@dsf.ca
<u>STAFF RESOURCES</u>	
CAFII	Keith Martin Brendan Wycks Keith.martin@cafii.com Brendan.wycks@cafii.com

Recommendation / Direction Sought – Read Only Update
Update only.

Attachments Included with this Agenda Item
No attachments: this Briefing Note only.

Briefing Note

CAFII EOC Meeting 23 February 2021—Agenda Item 7c

Report on 2020 CAFII Website Search Engine Optimization and Related Performance Metrics

Purpose of this Agenda Item – *Read Only Update*

Update only.

Background Information

Operatic Agency President and CEO Chris Barrett presented the results of CAFII’s website search engine optimization efforts in 2020 to the CAFII membership, on 3 February 2021. A copy of the report he presented is attached.

Recommendation / Direction Sought – *Read Only Update*

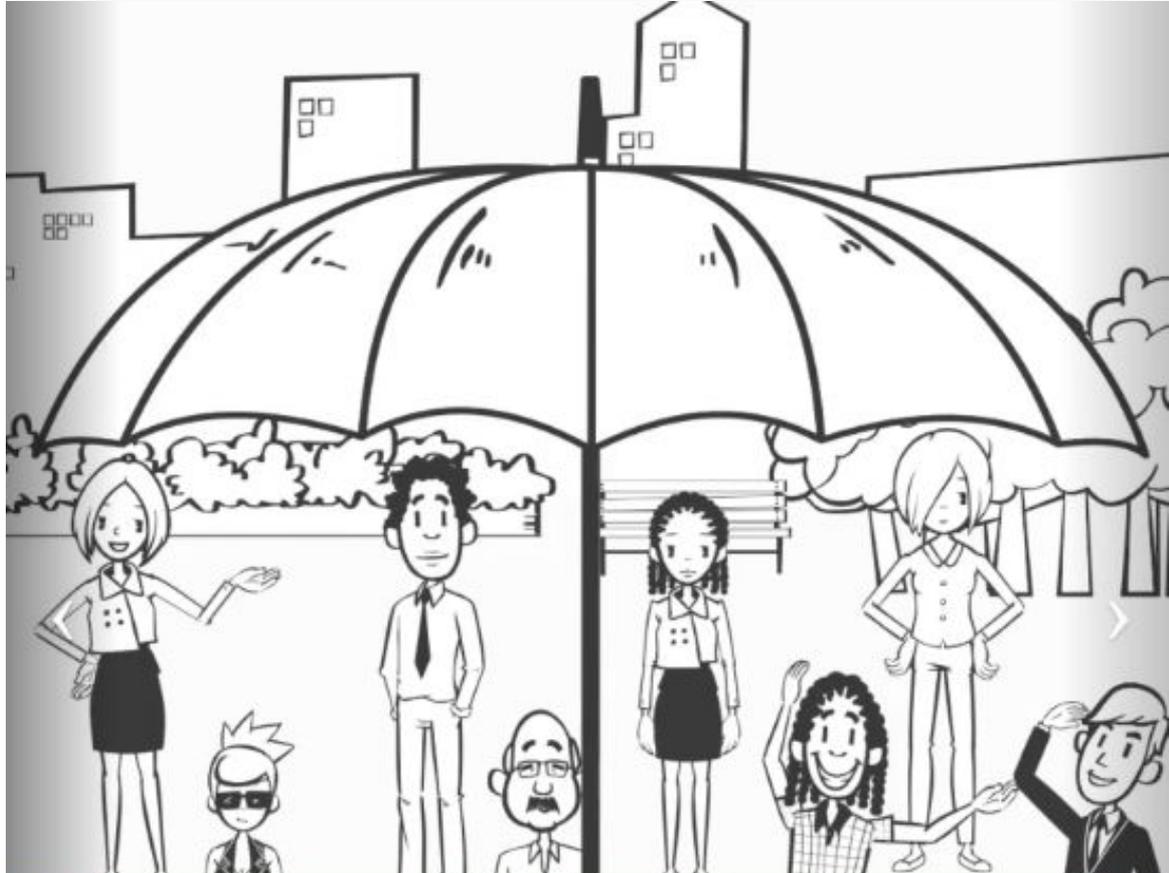
Update only.

Attachments Included with this Agenda Item

1 attachment.

AGENDA

- 01 2020 Program Summary
- 02 2020 Website Performance
- 03 2020 Business Listing Performance
- 04 Glossary of Key Terms



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and Affordable for Canadians

cafii acifa

The Canadian Association of
Financial Institutions in Insurance

L'association canadienne des
institutions financières en assurance

2020 Program Summary

2020

2020 Program Summary

Project Status

Element	Item	Status
Video Production	Disability CPI & Critical Illness CPI motion graphic	Complete
	TBD motion graphic	Will be executed in 2021
FAQ's & Vignettes	FAQ page clean up <ul style="list-style-type: none">- Add New FAQ's - EN + FR- Rewording of Q&A - EN + FR- Reordering of Q&A - EN + FR	Complete
	5 new vignettes added to both the FAQ and insurance product sections of the website	Complete
SEO Update	Update/enhancement of: <ul style="list-style-type: none">- Title Tags, Meta Descriptions, Headers- Image Alt Tags- Schema Data- Site Speed Enhancements- Correction of Broken Links & 404 errors	Complete

cafii acifa

The Canadian Association of
Financial Institutions in Insurance

L'association canadienne des
institutions financières en assurance

2020 Website Performance



2020 Website Performance

Traffic Overview

Website Metrics



2020 Website Performance

Traffic Overview (28,036)

Sources



*Not the responsibility of Operatic



100

2020 Website Performance

Where Your Traffic Comes From

Your Top Cities

City	Visits	Avg. Session Duration
Toronto	3,430	3:15
Montreal	1,061	0:57
Calgary	661	1:02
Edmonton	454	0:35
Hamilton	414	3:54
New York	374	1:17
Vancouver	341	0:51
Ottawa	335	1:05
Mississauga	284	0:58

Device Usage

Device	Visits
Desktop	14,683 (52%)
Mobile	12,509 (45%)
Tablet	847 (3%)

*18% YoY Increase



Top Mobile Device
Apple iPhone
(46.18% of Visitors)



Top Tablet Device
Apple iPad
(3.05% of Visitors)

2020 Website Performance

How You're Ranking For The Keywords/Phrases People Are Using...

**Keywords in
1st Position**

32

↑ 113%
15 (2019)

**Keywords on
Page 1**

84

↑ 171%
31 (2019)

**Keywords with
Improved Rankings**

42

↑ 1,300%
3 (2019)

102

2020 Website Performance

Keyword/Phrase Rankings – Examples Of Top Position



2020 Website Performance

Keyword/Phrase Rankings – Examples Of Increase

Keyword	Ranking Change	Current Position	Position in 2019
What is trip interruption insurance	↑52	5	57
What does mortgage insurance cover	↑40	31	71
Credit card insurance benefits	↑18	11	29
What is credit card insurance	↑17	2	19
Travel cancellation insurance	↑14	17	31
What is trip cancellation insurance	↑10	2	12
Disability mortgage insurance	↑9	19	28
Trip interruption insurance	↑7	3	10
How does mortgage insurance work	↑7	60	67
Benefits of credit insurance	↑5	23	28

2020 Website Performance

Top entry points – the pages on your website that people find / go to most often...

#1 Landing / Entry Page Job Loss Insurance

- 8,913 Page Views (+29% YoY | 6,895)
- Time on page is 2:11 (+17s YoY | 1:52)
- 273 visitors went to “contact” page next
- 138 visitors went to “about” page next
- 109 visitors went to “insurance” page next
- 105 visitors went to “home” page next

#2 Landing / Entry Page Credit Protection Insurance

- 4,673 Page Views (+24% YoY | 867)
- Time on page: 3:18 (+16s YoY | 2:51)
- 28 visitors went to “home” page next
- 26 visitors went to “contact” page next
- 20 visitors went to “news” page next
- 17 visitors went to “about” page next

cafii acifa

The Canadian Association of
Financial Institutions in Insurance

L'association canadienne des
institutions financières en assurance

Business Listing Performance

The screenshot shows a Google Business Listing for CAFII. At the top, the search bar contains 'cafii' and the search results show 'About 181,000 results (0.40 seconds)'. The listing header includes the name 'CAFII | The Canadian Association of Financial Institutions in ...' and a description: 'Making Insurance Simple and Accessible for Canadians. Established in 1997 to provide a voice for financial institutions involved in selling insurance.' Below the header are several sections: 'About CAFII' (The Canadian Association of Financial Institutions in ...), 'Sitemap' (Pages. About CAFII - Accessibility · Contact Us · Credit Card ...), 'News & Research' (Yahoo Finance picked up the CAFII news release about the ...), 'CAFII Welcomes Canada Life ...' (CAFII Welcomes Canada Life as a New Member. April 30 ...), 'Contact Us' (Contact us if you have a question about the association and our ...), and 'Travel Medical Insurance' (Travel Medical Insurance covers emergency medical care ...). A 'Videos' section features three video thumbnails: 'CAFII | The Canadian Association of Financial Institutions in ...' (1:09), 'CAFII - Travel Medical Insurance Consumer Research' (2:00), and 'CAFII: Mortgage Life Insurance' (1:23). The right sidebar contains a map, a photo gallery, and business details: 'The Canadian Association of Financial Institutions in Insurance', 'Website', 'Directions', 'Save', 'Non-profit organization in Toronto, Ontario', 'Address: 411 Richmond St E #200, Toronto, ON M5A 3S5', 'Hours: Open · Closes 5 p.m.', 'Phone: (416) 494-9224', and 'Province: Ontario'. There are also sections for 'Questions & answers' and 'Reviews'.

Business Listing Performance

2020 vs. 2019

In 2020, your business listing **improved** in both searches and views. That means more people have:

- found you when searching for the CAFII branded terms.

- found you when searching for non-branded terms which are relevant you.

That said, we would like to see more visitors click on your listing and then continue through to your website.

Your business listing was viewed more than **10,000** times last year, but less than 1% of those individuals took action.

Element	2020 Performance	Compared to 2019 Performance
Searches		
Branded Searches (CAFII)	2,091	↑ 16.3% YoY
Non-Branded Searches	8,839	↑ 72.5% YoY
Total	10,930	↑ 57.9% YoY
Views		
Total	11,555	↑ 29% YoY
Actions		
Clicks To Website	109	↓ 28.8% YoY
Clicks For Driving Directions	5	↓ 58.3 YoY
Clicks To Place Phone Call	9	↑ 200% YoY
Total	123	↓ 26.8% YoY

Thank You!

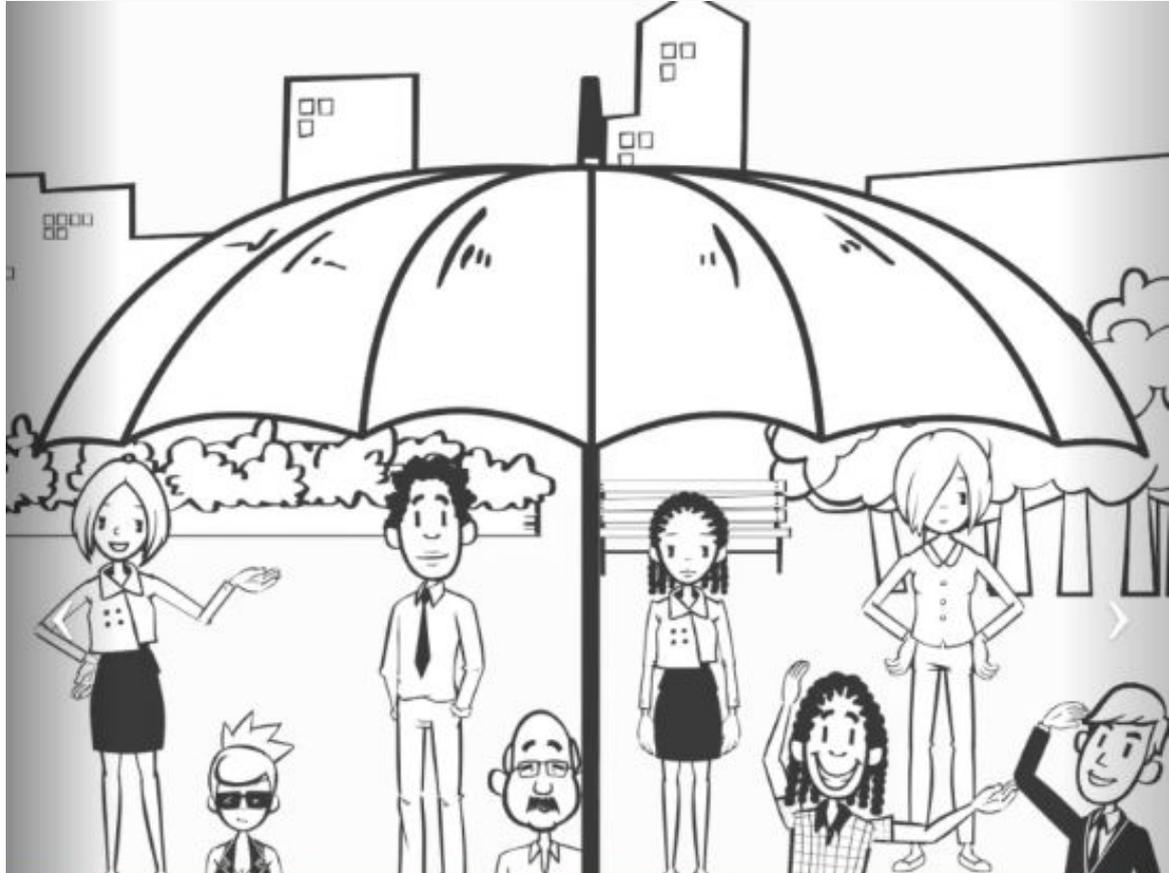
OPERATIC

cafii acifa

The Canadian Association of
Financial Institutions in Insurance

L'association canadienne des
institutions financières en assurance

Glossary of Key Terms



Making Insurance Simple, Accessible,
and Affordable for Canadians

Glossary

Website – Key Terms

Website Visits

The overall number of visits to your website within a given period. A single person can visit a website multiple times.

Unique Visits

The number of unique people who visited your website within a given period (ie: last quarter).

Bounce Rate

The percentage of individuals that instantly leave a website without taking any action.

Conversions

The completion of a specific action on a website deemed to be important to a business' success. (ie: Visitor fills out a contact form, clicks to make a phone call or clicks to write an email).

Contact Form (submission)

A website visitor who fills out a form on your website.

Phone Call

A website visitor who places a phone call from your website.

Email Click

A website visitor who clicks to email from your website.

Direct Website Visits

The visits that came to your website from someone typing in your website URL into a browser, or through browser bookmarks.

Organic Website Visits

The number of visits that came to a website through a search engine (not including paid advertisements).

Referral Website Visits

The visits that came to a website by clicking on a link placed on a different website.

Glossary

Google My Business – Key Terms

Branded Searches

Visitors who find your listing searching for your business name or address.

Non-Branded Searches

Visitors who find your listing searching for a category, product or service without using your brand in their search query.

Map Views

Users who view your listing on Google Maps.

Search Views

Users who view your listing on a Google Search Engine Results Page.

Clicks To Website

When a visitor finds you on Google My Business and clicks through to your website.

Clicks For Driving Directions

When a visitor finds you on Google My Business and clicks to find driving directions.

Clicks To Place Phone Call

When a visitor finds you on Google My Business and clicks to place a phone call.

Briefing Note

CAFII EOC Meeting 23 February 2021—Agenda Item 7d

Imminent AMF Consultations on Updated Sound Commercial Practices Guideline and Draft Regulation Respecting Complaint Processing

Purpose of this Agenda Item – *Update*

Update only.

Background Information

The AMF has let CAFII know that it will be providing consultations on two initiatives: an update to its Sound Commercial Practices Guideline (2013); and a new Regulation respecting Complaint Processing.

CAFII will be monitoring these two consultations carefully and plans to make response submissions for both. We have not yet seen any posting on the AMF website about the timing of these consultations. The AMF originally suggested that it would likely be posting the documents, for a 60-day consultation, in late November 2020, but that did not happen.

Recommendation / Direction Sought – *Update*

This is an update only.

Attachments Included with this Agenda Item

1 attachment.

FAIR TREATMENT OF CUSTOMERS:
DIRECTIONS FOR PROPOSED FRAMEWORKS –
SOUND COMMERCIAL PRACTICES
GUIDELINE AND
DRAFT REGULATION RESPECTING COMPLAINT PROCESSING



Proposed Frameworks

- 1. Updated Sound Commercial Practices Guideline**
2. Draft Regulation respecting complaint processing and dispute resolution
3. Next steps



1. Updated Guideline

- 1.1. Key messages**
- 1.2. Background**
- 1.3. Underlying philosophy**
- 1.4. Main changes**

1.1. KEY MESSAGES

Financial institutions have a legal obligation to adhere to sound commercial practices

Commercial practices mean financial institutions' behaviour in their relationships with customers

1.1. KEY MESSAGES

Fair Treatment of Customers (FTC):

- Is based on international core principles
- Manifests itself at every stage of a product's life cycle, from product design to after-sales service

1.1. KEY MESSAGES

The Guideline sets out:

- Expected FTC outcomes for financial institutions
- Measures financial institutions can take to achieve the outcomes and meet their legal obligation to adhere to sound commercial practices

1.2. BACKGROUND

Ensure compliance with international core principles (International Association of Insurance Supervisors, ICP 19, updated in 2017)

Reflect the work done across Canada

- Insurance industry – CCIR guidance (2018)
- Banking sector – Changes to consumer protection framework (2017 - 2020)

1.2. BACKGROUND

Take into account:

- Bill 141
- Updates to certain AMF guidelines
- Draft Regulation respecting complaint processing and dispute resolution
- New personal information protection provisions

1.3. UNDERLYING PHILOSOPHY

Emphasize how important it is for institutions' decision-making bodies to firmly commit to and exercise strong leadership in making FTC a core component of their governance and business culture

1.4. MAIN CHANGES

Going forward, financial institutions are expected to have agreements in place with market intermediaries to ensure FTC

1.4. MAIN CHANGES (CONT.)

The topic of incentive management leads into the topic of conflict of interest management

- The proposed expectations take into account the customer-mutual fund registrant relationship reforms

1.4. MAIN CHANGES (CONT.)

Product design and product marketing are dealt with separately, in different sections, to promote a better understanding of the AMF's expectations

1.4. MAIN CHANGES (CONT.)

- Introduction of a new expected outcome for deposit institutions:
 - The AMF expects the customer's needs and situation to be taken into account when offering a product



Proposed Frameworks

1. Updated Sound Commercial Practices Guideline
2. Draft Regulation respecting complaint processing and dispute resolution
3. Next steps



2. Draft Regulation respecting complaint processing and dispute resolution

2.1. Background

2.2. Directions

2.1. BACKGROUND

Bill 141: New complaint processing provisions

Provisions practically identical in the 7 sector-based laws concerned:

- Treat complaints fairly
- Adopt a complaint processing policy
- Make a summary of the policy publicly available on the institution's website
- Keep a register
- Deliver an “acknowledgement of receipt” to the complainant stating the complainant's right to have the complaint examined by the AMF

2.1. BACKGROUND (CONT.)

The proposed framework covers registrants' complaint processes, not the AMF's internal mechanisms

2.1. BACKGROUND (CONT.)

The AMF wishes to leverage its role as an integrated regulator to propose a harmonized, FTC-based framework applicable to all sectors (various frameworks)

The AMF's objective is twofold:

- Facilitate the application of new legislative provisions for financial sector participants
- Improve customers' complaint experience

2.1. BACKGROUND (CONT.)

The AMF's thought process:

- Draws on practices that are working well for the industry in Québec
- Is aimed at eliminating certain practices that the AMF wants to see an end to
- Has been tested with its advisory committees and specific stakeholders

2.1. BACKGROUND (CONT.)

The content being considered for a framework:

- Is consistent with international core principles, including ICP 19
- Aligns with national principles, such as CCIR Guidance
- Compares favourably with what is being done elsewhere in the world

2.1. BACKGROUND (CONT.)

The content being considered for a framework is intended to ensure that:

- Complaints are dealt with in an objective and impartial manner
- Recurring weaknesses and issues are addressed
- Institutions are proactive in analyzing how other customers are impacted by the facts relating to the complaint

2.2. DIRECTIONS HARMONIZED FRAMEWORK

Comparable obligations across all sectors but set out in various instruments

Implementation by the financial institution or intermediary of a process that takes into account the nature, scope, size and complexity of its operations

2.2. DIRECTIONS

DEFINITION OF A COMPLAINT

Definition of a complaint:

- Initial obligation trigger event
- Must be sufficiently broad to prevent circumvention of the regime

The industry is asking for a clear definition

Transparency is critical for consumers

2.2. DIRECTIONS FUNCTIONS AND RESOURCES

Designation of a “complaints officer” function and a “complaint examination staff” function

Competence, independence and accountability of complaint examination functions

2.2. DIRECTIONS TIME LIMITS

60-day complaint examination period = strict time limit

15-day limit for transferring a complaint file to the AMF
at the request of the complainant

2.2. DIRECTIONS PROHIBITIONS AND PENALTIES

Conditions and restrictions may not be attached to a settlement offer

Confusing terms (e.g., Ombudsman) may not be used

Administrative penalties added

2.2. DIRECTIONS ADDITIONAL CLARIFICATION

Clarification regarding:

- Fair treatment and analysis of complaints
- Contents of a complaint file
- Contents of a final decision
- Contents of the complaint processing policy summary made publicly available
- Time limit for registering complaints in the register
- Contents of the complaints register
- Contents of the notice of the complaint's registration in the register
- Length of time complaint records must be kept



Proposed Frameworks

1. Updated Sound Commercial Practices Guideline
2. Draft Regulation respecting complaint processing and dispute resolution
3. Next steps

3. NEXT STEPS

GUIDELINE AND DRAFT REGULATION

September – October 2020: Meetings with stakeholders

Coming months: Publication in the AMF Bulletin of the updated Sound Commercial Practices Guideline and the Draft Regulation for a 60-day comment period

QUESTIONS?