

CAFII Executive Operations Committee Meeting

Date: Tuesday, January 16, 2018
Location: CIBC Insurance
33 Yonge Street (between Wellington and
Front), 6th Floor [China Room] Toronto, ON

Chair: P. Thorn
Time: 3:00 – 5:00 p.m. EST
Dial-in: 416-764-8662 or 1-888-884-4534
Participant: 4532491#; Moderator: 5829171#

Agenda

Item		Presenter	Action	Document
1.	Call to Order 3:00 p.m.	P. Thorn		
2.	Approval of Agenda and Previous Minutes 3:02 p.m.			
	a. EOC Minutes of November 14/17	All	Approval	✓
	b. Board Minutes of November 28/17	All	Approval	✓
	c. Summary of Board and EOC Action Items	B. Wycks	Update	✓
3.	Strategy and Governance 3:10 p.m.			
	a. Special Purpose Board Teleconference Meeting to Approve	B. Wycks/K. Martin	Discussion	
	i. Proposed CAFII 2018-2020 Strategic Plan			
	ii. Proposed New CAFII Membership Category and Related Amendment to CAFII Member Dues Policy			✓
	b. Upcoming CAFII Meetings With New Member Prospects:	B. Wycks/K. Martin	Discussion	
	i. HSBC on February 8/18			
	ii. Laurentian Bank Insurance on February 9/18 in Montreal			
	c. CAFII Associate Status Applications from	B. Wycks	Approval	
	i. AXA Assistance			✓
	ii. Manulife Financial			✓
	iii. Torsys LLP			✓
	d. Leveraging CAFII Annual Members' Luncheon (February 20/18) In Support of New Strategic Plan	K. Martin	Discussion	
	e. New Approach to EOC Meetings and 2018 Schedule of EOC Meetings	K. Martin/B. Wycks	Update	✓
4.	CAFII Financial Management 3:40 p.m.	T. Pergola		
	a. Financial Statements as at November 30/17		Approval	✓
	b. 2018 CAFII Operating Budget (Reflecting Board Decisions)		Update	✓
5.	Regulatory 3:50 p.m.			
	a. Consultations/Submissions Timetable	B. Wycks	Updates	✓
	i. Quebec Bills 141 and 150: CAFII Submission and Possible Meeting	R. Beckford/K. Martin		✓
	b. Regulatory Update	B. Wycks	Updates	✓
	i. FSCO Life Insurance Working Group 1.5 Hour Consultation Session with CAFII on December 5/17	K. Martin	Update	
	ii. FSCO Incidental Insurance Market Conduct Questionnaire, including formation of CAFII/CLHIA Working Group	K. Martin	Update	
	iii. FSCO Bank-Owned Insurance Company CEO Attestation	K. Martin	Update	
	iv. CAFII/Member Response(s) To Manitoba Concerns Re 'Single Premium' Insurance Products	B. Wycks/K. Martin	Update	✓
	v. RAMQ Requirement of Insured's Written Consent for Life Insurance Claim Investigation	P. Thorn/B. Wycks	Update	✓
	vi. Alberta Consultation on Seven Insurance Regulations	B. Wycks	Discussion	✓ [6]
	c. Regulator and Policy-Maker Visit Plan	B. Wycks/K. Martin	Updates	✓
	i. CISRO LLQP Stakeholder Information Session, December 6/17	K. Martin		
	ii. January 29/18 CAFII Meeting With CCIR TIWG Re Travel Health Insurance Products Position Paper and Industry Reforms	B. Wycks		

CAFII Executive Operations Committee

Tuesday, November 14, 2017

TD Insurance

320 Front St., Toronto

DRAFT MINUTES

EOC Present:

Rob Dobbins, Assurant Solutions *(by teleconference)*
Moirra Gill, TD Insurance
John Lewsen, BMO Insurance
Sue Manson, CIBC Insurance
Tony Pergola, ScotiaLife Financial *Treasurer (by teleconference)*
Andrea Stuska, TD Insurance
Shawna Sykes, The Co-operators *(by teleconference)*
Peter Thorn, TD Insurance *Chair*

Also Present:

Caroline Bucksbaum, TO Corporate Services *Recording Secretary*
Keith Martin, CAFII *Co-Executive Director*
Brendan Wycks, CAFII *Co-Executive Director*

Regrets:

Jason Beauchamp, BMO Insurance
Rose Beckford, ScotiaLife Financial
Laura Bedford, RBC Insurance
Charles Blaquiere, valeyo
Isabelle Choquette, Desjardins Financial Security
Jérôme Savard, Desjardins Financial Security
Charles MacLean, RBC Insurance
Katherine Geisler, CIBC Insurance
Diane Quigley, CUMIS Group Inc

1. Call to Order

The meeting was called to order at 2:02 p.m.; P. Thorn acted as Chair; C. Bucksbaum acted as Recording Secretary. It was noted that a new CAFII EOC member, Laura Bedford from RBC Insurance, would be unable to attend this meeting, so she would be welcomed at the next EOC meeting.

2. CAFII Website Video Presentation by RankHigher

K. Martin introduced visitors David Moorcroft of S2C Consulting, CAFII's media consultant, and Cornelius Mwalwanda of RankHigher, the search engine optimization and website development firm which had recently worked with CAFII. Mr. Mwalwanda gave a presentation on the opportunity to have video content as a next step for the new CAFII website. The new website was designed with the capability and expectation of implementing videos. RankHigher's immediate recommendation is to have a video on the home page, with future consideration of videos on insurance products and on the FAQ pages.

A home page video would craft a brand position and mission statement for CAFII; and effectively and concisely communicate this to consumers. The video would answer four questions currently addressed in written content on insurance products pages: (1) what products do CAFII members provide; (2) why is it important to use them; (3) how are the products used; and (4) where can people obtain them.

It would also answer questions currently addressed in written content on the “About CAFII” page: (a) what is CAFII; (b) why is CAFII important; (c) how can people connect with CAFII members; and (d) where can people connect with CAFII. RankHigher clarified that all written content would also remain on the website.

Actor-based videos cost \$5-7K, depending on the talent sought, and animation videos cost approximately \$5K. RankHigher suggests a mix of animation and actors on the home page, allowing for storyboard brainstorming while keeping the video relatable. Videos on insurance products pages and the FAQ page could be animation only, as these could be informative and visual, without need for human connection. Whiteboard animation is a cost-effective option for these pages. RankHigher presented a testimonial video as a future option, illustrating how it can be creatively cut to be organic, dynamic, and engaging.

RankHigher would create multiple outputs of any video/social media content CAFII decides to have, e.g. a short 15-30 second version and a longer 60-90 second version. The outputs would be tested to see which resonates better with the target audience. The test could include an internal group of CAFII members and/or some stakeholders. RankHigher’s strict creative process ensures that all stakeholders are aligned in terms of messaging and timeframe. A question arose as to whether videos would appear the same across devices. RankHigher confirmed it would if embedded on Youtube. Youtube provides a distinct benefit in terms of search optimization.

Following the CAFII website video presentation, D. Moorcroft provided a visibility report on the new CAFII website launched earlier on November 14/17, with the press release going having gone out at 8:30 a.m. As of two hours after the launch, 10 online media organizations had picked up the release and put it on their news sites; at least one print publication picked it up and interviewed K. Martin (the French version of advisors.ca); and overall the release had received 161 views, 106 web crawler hits, 73 media views by individuals at media organizations, and 19 organizational views by CAFII members.

It was noted that RankHigher is limited in tracking website visits, and can only track by geography and device information. Third party tools can be placed on the site to determine visitors’ IP addresses; however, it is not certain this would correlate with specific businesses.

ACTION: Send an email to all Regulators and Policy-Makers with CAFII’s new website URL to announce the website’s launch and encourage feedback on its design, usability, and content [C. Bucksbaum; November 15/17].

ACTION: Forward the email announcing the website launch to Regulators and Policy-Makers to all EOC members [C. Bucksbaum; November 15/17].

ACTION: Replace Maria Cece, Ontario Ministry of Finance, with Lucy Kang on the list of Regulators to be invited to CAFII’s Year-End Reception on November 28/17 [C. Bucksbaum; Nov 15; 17].

3. Approval of Agenda and Previous Minutes

The agenda for this November 14/17 meeting was approved as circulated.

3.a. EOC Minutes of October 24/17

The EOC Minutes of October 24/17 were approved as presented.

3.b. Summary of Board EOC and Action Items

B. Wycks provided an update on Action Items that had been added or changed in status since the October 24/17 EOC meeting.

It was also noted that the September 19/17 EOC Minutes had been adjusted to reflect housekeeping notes provided at the October 24/17 EOC Meeting.

4. Strategy and Governance

4.a. Outcomes of CAFII Board Special Purpose Meeting, October 30/17

B. Wycks reported that CAFII had a special purpose Board teleconference meeting on October 30/17, at which quorum was achieved and the Board addressed two time-sensitive issues: (1) appointing two new CAFII Directors: André Langlois from Desjardin Financial Security to succeed Linda Fiset; and Sandra Rondzik from CIBC Insurance to succeed Todd Lawrence; and (2) approving the timelines, launch plan, and English and French versions of the media release for the new CAFII website on November 14/17.

5. CAFII Financial Management

5.a. Financial Statements as at October 31/17

Treasurer T. Pergola reported on the highlights of CAFII's financial statements as at October 31/17:

- October 2017 produced a deficit of approximately \$7.7K, arising from revenue of \$40K, and expenses of \$48K;
- the Statement of Operations shows a YTD deficit of just under \$120K;
- from a Balance Sheet perspective, CAFII has a bank balance of \$334K and deferred revenue of \$80K;
- from a financial reserves perspective, current Total Unrestricted Net Assets are \$263K which corresponds to 35% of annual operating expenses, providing a cushion of available funds going forward.

CAFII's Total Unrestricted Net Assets is currently in the mid-range between 25% and 50% of annual operating expenses, and the reserves are expected to stay in that same mid-range by the end of the 2017 fiscal year. CAFII budgeted for a 2017 deficit of \$193K; however, due to lower than expected spending, the year-end deficit will likely be of a somewhat smaller magnitude. That is the case despite the fact that there will be significant spending on Pollara research late in 2017, which has not yet been factored into the financial statements.

5.b. CAFII 2018 Operating Budget

This item was moved to the *in camera* discussion, as per the meeting agenda.

6. Regulatory

6.a. Consultations/Submissions Timetable

Updates to the Consultations/Submissions Timetable were highlighted, as recorded below.

i. Quebec Bill 141 and Bill 150: CAFII Response Plan, Including Notes from October 23/17 CAFII/AMF Industry Issues Dialogue

The Quebec Ministry of Finance has tabled new legislation, Bill 150, on October 31/17. Bill 150 is inter-related with Bill 141, tabled on October 5/17, so the two must be reviewed in combination.

On November 13/17, B. Wycks and K. Martin met in-person with Sylvie Bourdeau, CAFII's legal counsel from Fasken Martineau, who subsequently provided an outline of her understanding of CAFII's issues analysis assignment to review Bills 141 and 150, the timeline for it, and a quote to undertake it. A call with Eric Stevenson and Louise Gauthier of the AMF will be made to confirm elements of her analysis.

Reviewing both Bills would cost \$21,800 - \$29,750, not including anticipated future costs for reviewing the regulations coming in 2018/2019. As the legal provision in CAFII's 2017 budget is \$15K, the EOC discussed narrowing the scope of initial review to certain sections of the Bills and taking the risk as an Association if anything is hidden elsewhere.

B. Wycks and K. Martin raised CAFII's main concerns – the requirement of a “natural person” inhibiting the ability to sell and the inhibiting of selling certain products – with its legal counsel and AMF executives. The AMF stated that Bill 141 does not intend to impair existing business opportunities, but to liberalize the selling of products. While the AMF told CAFII to send any concerns directly to the National Assembly during the consultation period, the underlying message was that Bill 141 has no intention of imposing restrictions on providers of insurance. CAFII's legal counsel and the AMF advise CAFII to focus its energy on the regulations when they come out.

There was a consensus among the EOC to do a preliminary legal analysis focusing on clause 49, section 408, and the “natural person,” and to undertake a fuller analysis when the regulations come out. The EOC agreed to work towards a written submission that will specify its main concerns and offer legal analysis to back them up, while making a broader point that the thrust of the Bill should be about competition and consumer choice, and should not inhibit existing business practices nor restrict choices available to consumers. The consultation period has not been defined; however, AMF staff executives have advised that even if there is no consultation, CAFII should still send a written submission.

ACTION: Follow-up with S. Bourdeau to highlight the areas of focus for a high level review of Bills 141 and 150, which can be accommodated within the \$15K budget allocation which CAFII has available for that purpose [B. Wycks/K. Martin; November 17/17].

ii. CCIR Annual Statement on Market Conduct

Martin Boyle, CCIR Policy Manager, has offered CAFII a members-only webinar on the Year II tweaks to the CCIR Annual Statement on Market Conduct. The webinar will be delivered on the afternoon of November 23/17; and there will also be the opportunity for CAFII members to be present at the FSCO office during the webinar, where questions can be asked of Mr. Boyle and other CCIR presenters in-person.

iii. CCIR Travel Health Insurance Products Position Paper

CAFII continues to wait for CCIR to schedule a follow-up meeting re its Travel Health Insurance Products Position Paper. CCIR is waiting on CLHIA's completion of consumer testing focus groups on proposed new language and policy layout enhancements, which stems from work by CAFII's Travel Medical Experts.

iv. Saskatchewan Insurance Act/Regulations

Saskatchewan's *Insurance Amendment Act 2017*, which had been distributed to CAFII EOC members on an embargoed basis, was tabled on October 31/17 and is now public. The Financial and Consumer Affairs Authority (FCAA) is now targeting the Fall of 2018 for the new Insurance Act and related Regulations to come into force, which will give affected industry participants one year to make necessary systems changes.

B. Wycks advised that the FCAA has taken CAFII's views into account to a large degree in its development of the Regulations in support of the Insurance Act.

6.b. Regulatory Update

i. Nov. 8/17 Sask Finance Minister Letter Re PST On Insurance Premiums

Donna Harpauer, the new Saskatchewan Finance Minister, sent CAFII a letter confirming its commitment to the recent imposition of the 6% PST on insurance premiums and asking industry Associations, such as CAFII, to provide data on the impact of that decision on consumers, with just a one-week timeframe to provide the requested information. As there is currently little data available, it seems that the Minister's intent was to not generate any response from industry Associations.

The EOC agreed that CAFII should respond by stating that impacts on consumers will take time to reflect in data and reiterating CAFII's initial proposed timeline of providing data six months and twelve months after the introduction of the PST.

ACTION: Respond to the Donna Harpauer reiterating CAFII's proposed timeline of providing data on the impact on consumers of implementation of PST on insurance premiums six months thereafter and twelve months thereafter [B. Wycks; November 15/17].

ii. CAFII/Member Response(s) To Insurance Council of Manitoba Queries Re Offering And Administration Of 'Single Premium' Insurance Product

B. Wycks wrote to Barabara Palace Churchill, Executive Director of the Insurance Council of Manitoba (ICM), to seek clarification on the questions ICM is asking CAFII. Once the questions are clear, CAFII will decide whether to provide an integrated response as an Association or have members respond independently. K. Martin's written summary on the October 19/17 liaison visit with ICM is included in the meeting package for the purpose of discussing how CAFII should respond. For competitive reasons, and because the answer could differ company to company, it is likely CAFII will not offer a collective response.

6.c. Regulator and Policy-Maker Visit Plan

i. CAFII Stakeholder Meeting with CCIR, October 25/17

CAFII had a productive Stakeholder Meeting with CCIR on October 25/17. CAFII's participating representatives divided up issues to speak to, which generated good dialogue within the condensed 45 minutes available. This opportunity allowed CAFII to raise its profile with CCIR. CCIR noted that this year, as per every two years, its Stakeholder Meetings were reduced from two days to one, and therefore the number of industry Associations invited had been reduced down to 10 or 11; and CAFII made the cut.

ACTION: Send the summary from the Stakeholder Meeting that included CCIR's responses and what CCIR wants to know from CAFII [B. Wycks; November 30/17].

ii. Meeting With Insurance Councils of Saskatchewan & CLHIA, October 27/17

B. Wycks provided a summary on the three-party meeting between CAFII, the Insurance Councils of Saskatchewan (ICS), and CLHIA, to discuss the representation for restricted license holders in Saskatchewan. ICS is happy with the submissions CAFII and CLHIA have made historically, beginning with CAFII's submission in 2013. ICS is now ready to address them, but requests a joint updated submission that it can ultimately bring forward to two key stakeholders for review and approval: the Life Insurance Council and the Superintendent of Insurance. CAFII and CLHIA intend to provide Ron Fullan, Executive Director of ICS, with a joint submission in January 2018.

ACTION: Schedule a follow-up meeting with Erica Hiemstra and Sarah Hobbs from CLHIA for mid-December to discuss the joint submission to ICS [B. Wycks/K. Martin; November 24/17].

iii. FSCO 2017 Life and Health Insurance Market Conduct Symposium, November 6/17

The FSCO Life and Health Insurance Market Conduct Symposium was well organized with good content. On Friday, November 10/17, FSCO distributed to attendees only, on an embargoed basis, a slide deck highlighting the sessions. B. Wycks requested permission to share this with all CAFII Board and EOC members. There were two main takeaways from the symposium. First, FSCO is moving forward with a Questionnaire on incidental sales of insurance and a separate CEO Attestation insurance for bank-owned insurance companies. FSCO will offer a consultation on the Attestation to CAFII members alone, as the Attestation relates only to banks that offer incidental insurance, and a broader consultation on the Questionnaire, which relates to all offerers of incidental insurance, is to be held in late November/early December, 2017. CAFII will participate in both consultations.

Second, FSCO is moving forward with a Fair Treatment of Consumers Guideline and will be having a consultation on it with the industry. At the Symposium, CAFII raised the concern that this Guideline is not being drafted nationally.

It is unclear whether Anatol Monid passed on to Izabel Scovino or other FSCO staff the insights that J. Lewsen and M. Gill shared with him in the Summer of 2017. They informed him that the assumption that all banks manufacture products is not correct. CAFII will reiterate this to FSCO staff in the upcoming Questionnaire consultation.

iv. AMF 2017 Rendez-Vous, November 13/17

In a private conversation with AMF staff executives at this Rendez-Vous event, it was made clear that they had known about Bill 150 during the CAFII/AMF Liaison Luncheon and Industry Issues Dialogue in Levis on October 23/17; however, they were bound to secrecy not to mention it.

v. CAFII Liaison Lunch with CCIR Policy Managers, November 17/17

The liaison meeting with CCIR Policy Managers Martin Boyle and Tony Toy has been rescheduled to Friday, November 17/17, to be hosted in Assurant Solutions' Maple Leafs Boardroom.

vi. CISRO LLQP Information Session, December 6/17

CISRO will be holding an LLQP Stakeholder Information Session at the FSCO offices on the afternoon of December 6/17. K. Martin will be representing CAFII at that session.

7. Committee Updates

7.a. Market Conduct

No further update beyond those provided under the Regulatory section of the agenda.

7.b. Media Advocacy

i. CAFII Website Update: Soft/Hard Launch Dates and Media Release

No further update at this time.

ii. Media Strategy Op-Ed Responses for Review

No update at this time.

7.c. Licensing Efficiency issues

The Licensing Committee is looking forward to, and has budgeted for, potential licensing matters that could require legal expertise, specifically on the representation of restricted licensees in Saskatchewan. Alberta and Manitoba may follow suit on this. The BC Ministry of Finance has told CAFII that its Policy Paper will include a proposal to introduce an RIA regime, which would be another area where the committee may seek expert help in responding to the specifics of BC's proposal.

7.d. Research & Education

The Research & Education Committee has done preliminary work in anticipation of an increased focus on research in the 2018 Operating Budget and CAFII Strategic Plan. Work has gone into restructuring the committee to benefit more from the knowledge and strength of current and new committee members. New members will be meeting with CAFII's Co-Executive Directors individually to discuss past work and future goals. Regular meetings will be structured in 2018 to develop a list of potential topics and prepare recommendations for the EOC of where potential research could occur from 2018.

7.e. Travel Medical Experts (including Pollara Research)

The Travel Medical Insurance Working Group will proceed with a bit of additional spend on the refreshed Pollara research project -- to achieve a larger number of claimant respondents by going back 24 months for a claimant experience; and to increase the overall number of respondents by between 100 and 200 .

As the EOC previously agreed, CAFII will pay for the research in December, 2017 but will field the research in early 2018 to achieve 2018 data. Pollara is refining the final cost, which is expected to be approximately \$35K.

The time required for a respondent to complete the survey online is aimed to be no more than 17 minutes, which is one minute longer than the previous version of the survey. The draft survey (included in the meeting package) is nearly final, but is undergoing a final check.

A question arose regarding whether Pollara is planning to ensure that the survey is visually and graphically attractive to engage respondents.

ACTION: Request that Pollara provide the Travel Medical Insurance Working Group with the opportunity to review the visual presentation of the final survey [S. Manson; November 30/17].

8. In Camera Session

The Members of the EOC met in *camera* from 3:40 until 4:28 p.m.

9. Termination

With no further business, the CAFII EOC meeting was terminated at 4:31 p.m. EST.

CAFII Board of Directors Meeting
Tuesday, November 28, 2017
CIBC Insurance, 25 King St
7th Floor, Commerce Court North, Toronto, ON
3:00 – 5:00 p.m.

DRAFT MINUTES

Board Present:	Nicole Benson	valeyo
	Bob Grant	ScotiaLife Financial
	Chris Knight	TD Insurance
	Chris Lobbezoo	RBC Insurance
	Peter McCarthy	BMO Insurance <i>Chair</i>
	Sandra Rondzik	CIBC Insurance
	Kelly Tryon	The CUMIS Group <i>(by teleconference)</i>
Regrets:	Nick Bilodeau	AMEX Bank of Canada
	André Langlois	Desjardins Financial Security
	Robert Zanussi	Assurant
EOC Present:	Jason Beauchamp	BMO Insurance
	Rose Beckford	ScotiaLife Financial
	Charles Blaquiere	Canadian Premier Life
	Moiria Gill	TD Insurance
	John Lewsen	BMO Insurance
	Sue Manson	CIBC Insurance
	Tony Pergola	ScotiaLife Financial <i>Treasurer</i>
	Andrea Stuska	TD Insurance
	Peter Thorn	TD Insurance <i>Secretary and EOC Chair</i>
Also Present:	Keith Martin	CAFII <i>Co-Executive Director</i>
	Brendan Wycks	CAFII <i>Co-Executive Director</i>
	Caroline Bucksbaum	T•O Corporate Services <i>Recording Secretary</i>

1. Call to Order; Welcome; and Meeting Confirmation

The meeting was called to order at 3:08 p.m. P. McCarthy acted as Chair; P. Thorn acted as Secretary; and C. Bucksbaum acted as Recording Secretary.

P. McCarthy extended a particular welcome to Sandra Rondzik from CIBC Insurance, who is attending her first CAFII Board meeting as a newly appointed CAFII Director.

P. McCarthy noted two reasons for a larger than usual Consent Items section on the agenda: (1) to allow for a hard-stop adjournment at 5:00 p.m. for a timely departure to Canoe Restaurant for the Year-End Reception beginning at 5:30 p.m.; and (2) to provide at least 30 minutes for the Board's *in-camera* session, where there are important matters to discuss.

The purpose of the Consent item approach is to streamline the meeting by bundling non-controversial items together for one vote of approval and receipt for the record by the Board.

Secretary P. Thorn confirmed that notice of the meeting had been sent to all Directors in accordance with the Association's By-Law and that there was a quorum of Directors present, with six Directors present in-person and one Director participating by teleconference.

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

1.1. Approval of Agenda

On a motion duly made, seconded and unanimously carried,

IT WAS RESOLVED that:

The Meeting Agenda be and is approved as presented.

1.2. Welcome to New CAFII Directors

Sandra Rondzik from CIBC Insurance was welcomed to her first meeting as a new CAFII Director.

2. Consent Items

On a motion duly made, seconded and unanimously carried,

IT WAS RESOLVED that:

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

- 2.1. Draft Board Meeting Minutes, June 6, 2017**
- 2.2 Draft Board Meeting Minutes, October 30, 2017**
- 2.3 Summary of Board & EOC Action Items**
- 2.4 Balanced Scorecard**
- 2.5. Regulatory Update**
- 2.6. Regulator and Policy-Maker Visit Plan**
- 2.7. Notes from October 23/17 CAFII/AMF Industry Issues Dialogue**
- 2.8. Notes from November 13/17 AMF Rendez-Vous Event**
- 2.9. CAFII Committee Updates**

IT WAS FURTHER RESOLVED that:

The Minutes of the meeting of the Board held on June 6, 2017, and the Minutes of the meeting of the Board held on October 30, 2017, be and are adopted in the form presented, and that a copy of these minutes be signed and placed in the Minute Book of the Corporation.

3. Regulatory

3.1. Alberta Authorization of CI Sales Under an RIA Certificate

The Alberta Insurance Council (AIC) agreed on approved definitions of the types of insurance that can be sold as “credit-related insurance” under a Restricted Certificate of Authority in that province – including *Creditors’ critical illness insurance* – as of July 2017. This definition, along with three other definitions, were acceptable to CAFII and CLHIA; however, an ongoing issue is whether the AIC will publicly publish the four definitions on its website. CLHIA is concerned that publishing these publicly could be counter-productive and could lead to confusion among consumers.

During CAFII’s regulator and policy-maker visits tour in Western Canada in October, 2017, Joanne Abram, CEO of the AIC, told CAFII that the decision to publish is delayed indefinitely. The AIC will not bring the issue forward until two public representatives are appointed to fill vacant seats, as the two public representatives ought to be involved in the decision-making. CAFII has shared this news with CLHIA.

3.2. Insurance Regulator and Policy-Maker Visits in BC, Alberta, and Manitoba, October 17-19/17

B. Wycks, K. Martin, and members of the EOC provided an update on the six (6) CAFII liaison visits with regulators and policy-makers in BC, Alberta, and Manitoba. CAFII was warmly received by each regulatory body, and left with the sense that each appreciated CAFII’s initiative to make the trip. All regulators were pleased that CAFII intends to have regular visits in their locale no less than once every 18 months. CAFII gained at least 2-3 important nuggets of intelligence from each visit. The FICOM meeting was the only notable exception to the friendly, co-operative tone which marked each of the other five meetings, with the tenor and tone of that meeting being more authoritarian and focused partly on FICOM’s recent issuance of a Cease and Desist Order against Western Life Assurance sales practices with payday lenders.

At each meeting, CAFII made a presentation that included highlights from its soon-to-be-launched website, along with its intention to invest more in research. Regulators reacted positively to both initiatives and indicated an interest in being consulted on the research, specifically on topics of interest to them, such as the impact of Fintech, technology, and digitization on their regulatory models.

These visits enabled CAFII to successfully raise awareness of the Association’s priorities, and left regulators, their staff, and members of western Insurance Councils with a better understanding and impression of CAFII. The Insurance Council of BC benefited from learning about CAFII members, bank-owned insurers, and creditor insurance products that are offered within their marketplace. As well CAFII “gained” a new member prospect based in BC called CUISA, a credit unions-based Association focused on creditor insurance.

3.3. Manitoba Concerns Re ‘Single Premium’ Insurance Products

The Insurance Council of Manitoba (ICM) raised a concern regarding ‘single premium’ insurance products and the fair treatment of consumers during its liaison meeting with CAFII in Winnipeg in October, 2017. The ICM’s Incidental Sale of Insurance (ISI) Committee is specifically concerned about how single premium products are being sold and structured; for example, having the insurance premium rolled into the principal of the loan. In instances where a consumer repays a loan early, this should result in a refunded premium; however, it is unclear to the ICM whether this occurs in single premium situations.

Prior to the introduction of the province's RIA regime in July, 2015, the ICM reviewed a number of consumer complaints involving consumers and financial institutions such as credit unions that charged the entire insurance premium for creditor-related products up front by adding the insurance premium into the principal of the loan (vs. having the premium payments made separately and periodically, over the course of the loan).

The ICM has asked CAFII members for a response on whether their companies offer single premium products, and if so, how they are structured to ensure fair treatment of consumers. The ICM clarified that these questions are about disclosure to consumers at the point of sale by RIAs, and are not meant to challenge CAFII members.

The Board noted that the information requested applies more to insurers than to CAFII members as distributors. For CAFII's response, individual members could respond directly or CAFII could provide a joint aggregated response. It was suggested that CAFII consider a joint response, which D. Quigley and R. Dobbins offered to draft and circulate to the EOC for review. It was decided that the EOC should discuss the best approach in formulating a response to the ICM, and keep Directors informed of their decision.

3.4. Stakeholder Meeting With CCIR, October 25/17

CAFII was one of the limited number of stakeholders to participate in a meeting with CCIR in a condensed single day of Stakeholder Meetings on October 25/17, as opposed to the two days CCIR allocates in alternating years, during which it meets with a larger number of stakeholders. CCIR noted its completion of its 2017-2020 Strategic Plan, and stated that it is now working on a second co-operative supervisory plan for 2018, to include reviews on the recognized need to improve the Annual Statement, specifically the Instructions section. CCIR has offered to hold a webinar with each stakeholder group to go over the Year II tweaks to the Annual Statement.

A new area of interest for CCIR is home warranty insurance, and compliance with related market conduct requirements. CCIR spoke about the move in Ontario from FSCO to the Financial Services Regulatory Authority (FSRA), an integrated financial services regulator excluding only securities. The formal launch of FSRA is expected in 2019. Currently, FSCO cannot engage in regulatory sandbox activity because it does not have the rule-making authority to approve regulatory forbearance; whereas the OSC does have this rule-making authority and has launched a regulatory sandbox. When the OSC proposes a forbearance initiative on its regulatory body, The Ministry of Finance has 75 days to approve or deny it, and FSRA – when launched – will have the same rules and powers.

A staff executive from the AMF stated that, while it is still necessary for insurance sales representatives to be licensed in each jurisdiction across the country, CCIR recognizes that the industry could find a system of mutual reciprocal recognition to be easier. CCIR's Regulatory Harmonization Working Group will be looking into possibilities in this area. CCIR was asked to send CAFII a list of CCIR Working Groups and their Chairs, which we have subsequently received.

3.5. Meeting With Insurance Councils of Saskatchewan & CLHIA, October 27/17

B. Wycks, K. Martin, and M. Gill attended this meeting along with two CLHIA representatives, and two executive staff members from the Insurance Councils of Saskatchewan (ICS). ICS requested that CAFII and CLHIA work together to submit a joint updated proposal about "representation" for Restricted Insurance Agent licence holders in Saskatchewan. CAFII and CLHIA plan to prepare a joint response over the coming months with a target to submit a joint proposal to the ICS by March 1/18.

3.6. FSCO Life and Health Market Conduct Symposium, November 6/17

Two key learnings from the FSCO Life and Health Market Conduct Symposium are: (1) FSCO will be issuing its planned Incidental Insurance Market Conduct Questionnaire, as well as its CEO Attestation; and (2) FSCO plans to introduce a Fair Treatment of Consumers (FTC) Guideline for the insurance industry in 2018, on which it will be consulting with the industry. CAFII has raised with CCIR Policy Managers the question of why FSCO would create their own FTC Guideline as an independent provincial initiative, rather than at a national level through CCIR – further noting that the AMF has its own FTC Guideline already. CCIR responded that provincial regulators have their own authority. CCIR will take learnings from FSCO's Guideline and ensure it is reflected at the national level.

3.7 Liaison Lunch with CCIR Policy Managers, November 17/17

Two CCIR Policy Managers, Martin Boyle and Tony Toy, joined CAFII for a liaison lunch hosted by Assurant Solutions at its offices near FSCO headquarters in North York. The lunch was held in a Boardroom and catered instead of held at a restaurant, which was more effective, avoiding extra noise and din and allowing for more CAFII representatives around the table and some on the phone. The liaison was valuable to both sides. CAFII will continue to have these liaison lunches with CCIR on a quarterly basis.

3.8 FSCO Life Insurance Working Group Meeting, November 21/17

i. Process for Responding to FSCO Incidental Insurance Market Conduct Questionnaire and CEO Attestation for Bank-Owned Insurance Companies

K. Martin reported on FSCO's newly released Incidental Insurance Market Conduct Questionnaire, and the Bank-Owned Insurance Company CEO Attestation. This was raised at the FSCO Life and Health Market Conduct Symposium on November 6/17, and again at the FSCO Life Insurance Working Group Meeting on November 21/17. FSCO agreed that CAFII could consult with its members and share the drafts of both documents with its members. Materials have subsequently been distributed to CAFII's EOC members, who have provided helpful suggestions.

FSCO has offered to hold a 90 minute consultation session with CAFII. Originally the session was to include only one CAFII representative and one CLHIA representative, meeting together in the same session. Upon CAFII's suggestion, FSCO agreed to have a session with CAFII separately and to let more than one representative be present. The session will be held on December 5/17.

A draft written response will be circulated to the EOC for feedback and comments, and will be developed into a final written submission from CAFII. CAFII's submission will seek clarity as to whether FSCO is only asking bank-owned insurance companies, or also the manufacturers of insurance products whether they are banks or not, to fill out the Questionnaire. It will also clarify that not all bank-owned insurance companies manufacture or underwrite the products they distribute. While FSCO has not asked for a written submission, the EOC will decide whether it would like to use the draft written submission as a discussion guide for the in-person 90 minute session with FSCO, or as a submission. It was also suggested that consideration be given to collaborating with the CLHIA and possibly even meeting FSCO with them, as there could be significant overlap in the positions of the two Associations.

ACTION: Send a written draft submission for responding to FSCO re: the proposed FSCO Incidental Insurance Market Conduct Questionnaire and CEO Attestation for Bank-Owned Insurance Companies to all EOC members for review and feedback [K. Martin; November 29/17].

ACTION: Schedule a conference call for the EOC to discuss CAFII's written response to FSCO in advance of a 90 minute consultation on December 5/17 [C. Bucksbaum; November 30/17].

ACTION: Send a plan and agenda for CAFII's consultation with FSCO to all CAFII representatives attending the session [K. Martin; December 5/17].

CAFII's key message during the private consultation and in the possible written submission will be that FSCO does not realize that several bank-owned insurers are just distributors, not manufacturers, and that the Questionnaire is not applicable to all CAFII members. It is not clear whether FSCO intends to only send the Questionnaire to insurance companies manufacturing these products, which is the direction CAFII feels they should take.

It was suggested that CAFII discuss its input with CLHIA prior to the consultation to ensure the two Associations are aligned in their responses. As well, CAFII will be sure to include responses from the two CAFII members that are insurers.

3.9 CISRO LLQP Stakeholder Engagement Committee

Ron Fullan, Chair of CISRO, recently brought to stakeholders' attention CISRO's plan to form a Stakeholder Engagement Committee around the new Life Licence Qualification program (LLQP) launched on January 1, 2016. CISRO wants CLHIA to quarterback the new committee, which will consist of a small group of approximately 5 members. The primary mandate will be to have a lot of information-sharing and liaison with the LLQP Governance Committee. CAFII must decide if it would like to have a representative on this new committee.

ACTION: Canvass the EOC for suggestions to determine if CAFII should have a representative on CISRO's new LLQP Stakeholder Engagement Committee [B. Wycks/K. Martin; December 4/17].

3.10 Consultations/Submissions Timetable

i. AMF Issues Paper on "Managing Conflict Of Interest In Relation To Incentives"

CAFII made a formal submission to the AMF in mid-October, 2017, on its "Managing Conflict Of Interest In Relation To Incentives" Issues Paper.

ii. BC Ministry of Finance 10-Year Review of FIA

With regard to the BC Ministry of Finance 10-year Review of Financial Institutions Act (FIA), CAFII learned during its recent Western Canada regulatory visits tour that the Ministry is now planning to release its Policy Paper in Q1 of 2018; and that it will include a proposal that the province align with the other three Western Canada provinces by introducing an RIA regime. The release of the Policy Paper has been delayed due to a change of government, with a new Deputy Minister of Finance who has not previously been involved in Finance and with the lead on the FIA initiative being away on personal leave. The earliest possible implementation date for any changes arising from the FIA review is now mid-2019.

4. Strategy

4.1. Proposed CAFII 2018-2020 Strategic Plan

K. Martin presented on the proposed 2018-2020 Strategic Plan, reviewing the decision-making process, highlighting key documents the EOC used to review the strategic options for the Association, and summarizing the main recommendations. There were a variety of opportunities for EOC members to consult and provide feedback on the Strategic Plan, both at and between meetings in June, July, and August of 2017.

To allow the Board an opportunity to reflect on the proposed priorities for CAFII over the next three to five years, it was suggested by the EOC that the Board of Directors only be asked for formal approval of the key components of the Strategic Plan at a subsequent meeting, which would likely be achieved through a special purpose Board teleconference meeting in early 2018.

The focus of CAFII has been on regulatory and policy-maker relationship building, with a strong communications and advocacy component, with limited focus on research and public relations. CAFII will want to maintain its regulatory priority, but could also develop new initiatives to supplement, reinforce, and build on this strength. It was noted that a consumer-oriented website, enhanced communication and networking capabilities, and original research all reinforce CAFII's regulatory emphasis.

The strategic initiatives reviewed by the EOC were reviewed in different buckets. One bucket was initiatives related to CAFII's existing regulatory emphasis, such as meeting with regulators on a regular basis, in their own locale; a newsletter to share regulatory findings; developing proactive, forward looking regulatory positions that reflect our long-term regulatory objectives; and new committees that can develop positions on specific regulatory issues. Another bucket was initiatives outside the direct regulatory emphasis, such as thought leadership, additional research, enhancing the website, developing a networking and communication plan with influencers such as bureaucrats, politicians, academics, and thought leaders, and a more active media presence. The EOC looked at options in terms of which paths to pursue, the implications of investing in different priorities, and potential costs. A prioritization structure was developed by evaluating each potential initiative as a high, medium, or low priority. Each initiative was then scored and bucketed into categories of unanimous support, strong support, medium support, and low support (see slide 12).

High priorities included more emphasis on research, continuing to invest in the website, executing on a communication and networking plan with influencers, and being proactive with regulators. All of these priorities were supported in particular by high-quality research, which was a factor in the success of the other components of the strategy.

It was agreed that medium priorities such as more meetings on our research, internal presentations on CAFII within member institutions, and developing the value proposition for Associations, would continue to receive attention but would not be the subject of immediate investment or resources.

The Board's approval will be requested on the areas that the Strategic Plan has identified as important to invest in.

ACTION: Each Board member to meet will with his/her EOC member to go through the options and recommended priorities set out in the Proposed CAFII 2018-2020 Strategic Plan [All Board members; January 22/18.]

It was noted that, while T. Pergola will speak to the 2018 Operating Budget options in the *in-camera* session, an entity's Operating Budget is meant to be a costing out of its Strategic Plan; which might lead to a challenge if the budget is approved before the Strategic Plan. A thought was raised by the Board that approving the budget at the current Board Meeting can help inform what CAFII will do in terms of the Strategic Plan, and ensure the EOC goes down a Strategic Path that the Board generally supports.

P. McCarthy recommended that further discussion and considerations regarding approving the 2018 Operating Budget and CAFII 2018-2020 Strategic Plan be held for the *in-camera* Session.

4.2. Media Strategy Pre-Approved Op-Ed Responses

The Board was asked to approve the Pre-Approved Op-Ed Responses – collaboratively developed by CAFII’s Co-Executive Directors and CAFII’s Media Consultant, and vetted by EOC members – that will enable CAFII to respond in a timely period of one-two days to negative media articles.

K. Martin outlined the proposed Media Protocol involving a small committee comprised of CAFII’s Co-Executive Directors, CAFII’s Media Consultant, the Board Chair and the EOC Chair, to discuss specific negative media articles, and assemble responses based on the existing pre-approved material to submit on the Board’s behalf. It was raised that, if the Board approves – in advance – the several Op-Ed responses, perhaps it is not necessary to have this small committee review and approve each drafted response. It was proposed to instead give the CAFII Co-Executive Directors and CAFII’s Media Consultant authority to draft and submit final responses without further approval. It was suggested that the pre-approved responses be shared with the Media Advocacy Committee for their comments, and noted that where there are product nuances in a response, EOC members are available to be consulted prior to a response being sent through.

On a motion duly made, seconded and unanimously carried,

IT WAS RESOLVED that:

The Board approves the Pre-Approved Op-Ed Responses for CAFII’s implementation and use, as specified in the related Media Protocol, with the exception that the “small Committee” for final authority be comprised only of the CAFII Co-Executive Directors and CAFII’s Media Consultant.

4.3. New CAFII Website Launch; Media Coverage; and Announcement to Insurance Regulators and Policy-Makers

K. Martin reported that the new CAFII website launched two weeks ago; and an announcement was subsequently sent to insurance regulators and policy-makers across the country. CAFII has already received positive feedback. The site has had over 700 hits on the English side and over 200 hits on the French side. English and French Media Releases were issued about the launch of the new site, yielding Media Coverage including two media articles, one in English and one in French. Both articles were positive and reflected key messages CAFII wanted to share. The initiative has been successful, and the new website is an instrument that can continue to be utilized as a communication tool as CAFII finds new ways to invest in it going forward.

4.4 New Website Launch-Based Outreach to National Bank Insurance and Laurentian Bank Insurance

B. Wycks provided an update on the new website-based outreach initiative in which the new website launch was used as a vehicle to reach out to National Bank Insurance and Laurentian Bank Insurance. CAFII sent an email to the primary contact at each bank announcing CAFII’s new website in both English and French with Media Coverage in both languages, and encouraged them to share this news internally. National Bank, a former member of CAFII, has not yet responded. Laurentian Bank replied that they will discuss internally and follow up with CAFII. Laurentian was a CAFII Associate for several years until this year, and has indicated that their Associate status was not beneficial to them, given that they are in Montreal and cannot attend many Toronto events. They are considering becoming a full member.

ACTION: Follow-up with Joane Bourdeau at National Bank and schedule a meeting with Caroline Oum at Laurentian Bank to pitch the benefits of membership with CAFII [B. Wycks/K. Martin; January 31/18].

5. Financial Management

5.1. Financial Statements as at October 31, 2017

Treasurer T. Pergola reported on the financial statements as at October 31, 2017. He noted that the Statement of Operations shows a YTD deficit of \$118K; revenues are down as a result of one member and three Associate members not renewing. There has been some savings on expenses, relative to forecast. The budgeted YTD figure shows a budgeted deficit of \$161K; however, this is pro-rated over 10 months and is not time-adjusted, meaning there may be timing differences in the current and budgeted YTD figures. The 2018 Operating Budget will provide more accurate monthly budgets to have more reflective YTD figures. With respect to the Balance Sheet, there are no liquidity concerns; CAFII has the funds to meet obligations and satisfy the remaining expenses for 2017. From a financial reserves perspective, CAFII is operating between the minimum and maximum targets of 25% and 50% of annual operating expenses, currently at 35% as at October 31, 2017.

On a motion duly made, seconded and unanimously carried,

IT WAS RESOLVED that:

The CAFII Financial Statements as at October 31, 2017 be and are approved in the form presented.

5.2 Draft CAFII 2018 Operating Budget Options (*assigned to In-Camera Session*)

P. McCarthy noted that, as indicated on the agenda, the discussion of the draft CAFII 2018 Operating Budget Options would be deferred to the *in-camera* session at the conclusion of this meeting.

6. Other Business

6.1. New CAFII Associate: DGA Careers

DGA Careers was approved by the EOC as a new CAFII Associate. DGA Careers is an executive recruiting agency that specializes in P&C insurance and hopes to branch into life and health insurance. They see benefit in becoming an Associate of CAFII in terms of networking and business development. DGA Careers joined in September 2017, and was given pro-rated dues of \$1200 for the last quarter of 2017. Gerald Legrove, DGA Careers' CEO, will attend the CAFII Year-End Reception following this meeting.

Regarding other prospective Associates, it was shared that two lawyers from Torys LLP will also attend the reception following this Board meeting. As well, a marketing executive from Manulife Financial reached out about full membership with CAFII. B. Wycks and K. Martin provided information on the costs, benefits, and opportunities for a CAFII member, and contrasted this with Associate status membership. Fasken Martineau, and other law firms, might be prospective Associate members; however, law firms may be a harder sell because the partnership model within a law firm requires that all partners must be in agreement that the firm join an Association.

ACTION: Follow-up with the pitch to law firms to join CAFII as an Associate [B. Wycks/K. Martin; January 31/18].

6.2. Proposed 2018 CAFII Annual Members' Luncheon and Board Meeting Dates

B. Wycks highlighted the dates proposed for the four Board Meetings in 2018 and for the upcoming Annual Members' Luncheon & Speaker Forum, outlined on a one-page document in the meeting package. The Board assented to the five dates.

i. Proposed Speaker for 2018 CAFII Annual Members' Luncheon

It was proposed that the 2018 CAFII Annual Members' Luncheon speaker be Richard Nesbitt, CEO of the Global Risk Institute. The Board assented to the proposed speaker for this CAFII annual event.

7. In-Camera Session

The Board of Directors met *in-camera* from 4:40 p.m. to 5:23 p.m. Co-Executive Directors B. Wycks and K. Martin, along with EOC members, remained with the Board at first to discuss the below-noted two items on the *in-camera* agenda, following which they departed from the *in camera* session.

- 7.1 Re-Evaluation of CAFII Administrative Support Model; and
- 7.2 Draft CAFII 2018 Operating Budget Options.

8. Termination

There being no further business to discuss, the meeting was terminated at 5:23 p.m.

It was noted that the next CAFII Board of Directors meeting will be held on Tuesday, April 17, 2018, from 2:30 to 4:30 p.m., with the location TBA.

Date

Board Chair

Recording Secretary

Summary of CAFII Board and EOC Action Items					
	Source	Action Item	Responsible	Deadline	Status 16-Jan-2018
		CCIR			
1	EOC November 14, 2017	• Send the summary from the October 25/17 Stakeholder Meeting that included CCIR's responses and what CCIR wants to know from CAFII	Brendan	30-Nov-17	Complete
		Ontario Ministry of Finance & FSCO Regulatory Issues			
2	Board November 28, 2017	• Send a plan and agenda for CAFII's consultation with FSCO to all CAFII representatives attending the session	Keith	5-Dec-17	Complete
3		• Schedule a conference call for the EOC to discuss CAFII's written response to FSCO in advance of a 90 minute consultation on December 5/17	Caroline	30-Nov-17	Complete
4		• Send a written draft submission for responding to FSCO re: the proposed FSCO Incidental Insurance Market Conduct Questionnaire and CEO Attestation for Bank-Owned Insurance Companies to all EOC members for review and feedback	Keith	29-Nov-17	Complete
		Alberta Critical Illness Insurance Issue			
5	EOC February 21, 2017	• Contact J. McCutcheon to ask her to review the definition of Creditors' Critical Illness Insurance approved by the Alberta LIC to ensure there are no issues with it from an industry-wide perspective.	Brendan	28-Feb-17	Deferred
		Canadian Insurance Services Regulatory Organizations (CISRO)			
6	Board November 28, 2017	• Canvass the EOC for suggestions to determine if CAFII should have a representative on CISRO's new LLQP Stakeholder Engagement Committee	Brendan, Keith	4-Dec-17	Complete
		Saskatchewan Insurance Act and Regulations Issues			
7	EOC November 14, 2017	• Schedule a follow-up meeting with Erica Hiemstra and Sarah Hobbs from CLHIA for mid-December to discuss the joint submission to ICS	Brendan, Keith	24-Nov-17	Deferred
8		• Respond to the Donna Harpauer reiterating CAFII's proposed timeline of providing data on the impact on consumers of implementation of PST on insurance premiums six months thereafter and twelve months thereafter	Brendan	15-Nov-17	Complete
		Quebec Ministry of Finance & AMF Regulatory Issues			
9	EOC November 14, 2017	• Follow-up with S. Bourdeau to highlight the areas of focus for a high level review of Bills 141 and 150, which can be accommodated within the \$15K budget allocation which CAFII has available for that purpose	Brendan, Keith	17-Nov-17	Complete
		Finance Canada Regulatory Issues			
10	Board Nov 29, 2016	• Monitor Canadian Bankers Association's plans and actions for seeking redress with Finance Canada re deficiencies in Bill C29, Budget Implementation Act's Consumer Framework related to creditor insurance and standalone insurance products.	Brendan	Ongoing	In progress
		Regulator and Policy-Maker Meetings			
11	EOC April 25, 2017	• Prepare and present proposal for an Atlantic Canada Regulators and Policy-Makers Visits Tour in the Fall of 2017	Brendan	31-Aug-17	Deferred to Spring 2018
		Association Strategy and Governance			
12	Board November 28, 2017	• Follow-up with the pitch to law firms to join CAFII as an Associate	Brendan, Keith	31-Jan-18	Complete
13		• Follow-up with Joane Bourdeau at National Bank and schedule a meeting with Caroline Oum at Laurentian Bank to pitch the benefits of membership with CAFII	Brendan, Keith	31-Jan-18	Complete
14		• Each Board member to meet with his/her EOC member to go through the options and recommended priorities set out in the Proposed CAFII 2018-2020 Strategic Plan	All Board	22-Jan-18	In progress
15	EOC October 24, 2017	• Discuss possible options with P. McCarthy re: the Board's approval of the proposed CAFII Strategic Plan and 2018 Operating Budget, in advance of the November 28/17 Board Meeting	Keith, Brendan	24-Nov-17	Complete
16	EOC September 19, 2017	• Approach Directors to see if they would consider becoming the new CAFII Chair to succeed Peter McCarthy; or becoming the Vice-Chair	All EOC	23-Oct-17	In progress
17	EOC June 20, 2017	• Review "Candidate Profile: CAFII Board Chair" and "Reverse Chronology CAFII Board Chair, Board Vice-Chair, EOC Chair, and Treasurer Appointees" and discuss with own CAFII Board member the possibility of his/her being a nominee for the CAFII Board Chair or Vice-Chair roles, for a 1 or 2 year appointment.	All EOC	05-Sep-17	In progress
		Association Media and Communications			
18	EOC November 14, 2017	• Forward the email announcing the website launch to Regulators and Policy-Makers to all EOC members	Caroline	15-Nov-17	Complete
19		• Send an email to all Regulators and Policy-Makers with CAFII's new website URL to announce the website's launch and encourage feedback on its design, usability, and content	Caroline	15-Nov-17	Complete
20		Association Administration			
21	EOC November 14, 2017	• Replace Maria Cece, Ontario Ministry of Finance, with Lucy Kang on the list of Regulators to be invited to CAFII's Year-End Reception on November 28/17	Caroline	15-Nov-17	Complete
22	EOC June 20, 2017	• Review the mandate of the CAFII Networking and Events Committee; solicit/recruit interest, as necessary; and propose 3-5 volunteers -- from among current EOC member or other individuals from member organizations -- to reconstitute and reactivate the Committee.	All EOC	24-Oct-17	In progress
		CAFII Research			
23	EOC November 14, 2017	• Request that Pollara provide the Travel Medical Insurance Working Group with the opportunity to review the visual presentation of the final survey	Sue	30-Nov-17	Complete

Agenda Item 3(a)(ii)
January 16/18 EOC Meeting

Concept Proposal For CAFII “Initiation Member” Category
CONFIDENTIAL DRAFT ONLY (not for distribution beyond CAFII EOC and Board Members)

Eligibility

Companies/organizations which are distributors and/or underwriters/manufacturers of creditor’s group insurance and/or other forms of life and health insurance sold through alternate distribution channels in Canada; and which support the mission, vision, and values of the Canadian Association of Financial Institutions in Insurance may apply for admission as a “CAFII Initiation Member.”

Initiation Member applicants may not have been a Member of CAFII for at least the past five years.

Term

CAFII Initiation Member status is limited to two membership years, following which the related Initiation Member Dues Incentive shall cease, and the Initiation Member must transition to CAFII Regular Member status or depart as a Member of the Association.

Initiation Member Dues Incentive

An applicant approved by the CAFII Board for Initiation Member status will receive, for each of the first two years only, a 40% discount and pay just 60% of the CAFII Member Dues that would otherwise be payable.

For example:

	<u>2018 Dues</u>	<u>2019 Dues¹</u>	<u>Savings over 2 years</u>
CAFII Regular Member (>\$75 billion assets)	\$73,438	\$73,438	
Initiation Member (>\$75 billion assets)	\$44,063	\$44,063	\$58,750
CAFII Regular Member (<\$75 billion assets)	\$36,719	\$36,719	
Initiation Member (<\$75 billion assets)	\$22,031	\$22,031	\$29,376

¹assumes no change in Member Dues for 2019.

Privileges and Benefits

The privileges and benefits of CAFII Initiation Member status shall be identical to those of CAFII Regular Member status, including all of the following representation, voice, and influence dimensions:

- having a Director on the CAFII Board of Directors;
- participation/involvement in the Association’s Executive Operations Committee (EOC) and other committees;
- input to and involvement in CAFII submissions to insurance regulators and policy-makers;

- participation/involvement in CAFII regulator and policy-maker meetings and visits tours; and
- preferred access to CAFII-commissioned research results, etc.

Application Process

CAFII Initiation Member applicants must apply using the standard CAFII Membership Application Form and submit the completed Form to CAFII's Co-Executive Directors; and, in addition,

- submit any additional information which may be requested on behalf of the CAFII Board of Directors; and
- undergo a review/vetting process which will include an interview between members of the applicant's senior management team and a CAFII membership review committee.

The CAFII Board of Directors will review and make a determination on all Initiation Member applicants, with the benefit of a recommendation from the Association's membership review committee. The decision of the CAFII Board of Directors shall be final.

ASSOCIATE STATUS APPLICATION FORM

Company/Organization Name: **AXA Assistance Canada**

Representative's Name and Title: **Isabelle Jaegly**

Address: **2001 Robert Bourassa, suite 1850**

City: **Montréal**

Province: **Québec**

Postal Code: **H3A 2L8**

Office Phone - Main: **(514) 285-9053**

Representative's Direct Phone Number: **1-514-265-3141**

Fax:

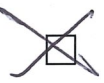
Email: **isabelle.ceff@axa-assistance.ca**

Website: **<https://www.axa-assistance.ca/>**

Parent Company, if applicable:

Description and Annual Dues:

I. Associate



\$4,800

Organizations that are business partners of CAFII members or otherwise support the Association's goals are eligible to apply for Associate status. Associates receive periodic CAFII communications and invitations to CAFII events. Associates pay \$4,800 per annum in one instalment.

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

Signature of Applicant:

Date:

22 / 12 / 2017

As a signing authority, I hereby acknowledge that as an applicant for Associate status in CAFII, my company/organization supports the Association's mission, objectives, and policy positions.

ASSOCIATE STATUS APPLICATION FORM

Company/Organization Name: **Manulife**

Representative's Name and Title: **Monika Spudas, Director, Account Management, Consumer Markets**

Address: **250 Bloor St East, 7th floor**

City: **Toronto**

Province: **ON**

Postal Code: **M4W 1E5**

Office Phone - Main: **416 687-4649**

Representative's Direct Phone Number: **416 687-4649**

Fax:

Email: **Monika_Spudas@Manulife.com**

Website:

Parent Company, if applicable:

Description and Annual Dues:

I. Associate ☒ \$4,800

Organizations that are business partners of CAFII members or otherwise support the Association's goals are eligible to apply for Associate status. Associates receive periodic CAFII communications and invitations to CAFII events. Associates pay \$4,800 per annum in one instalment.

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

M. Spudas
Signature of Applicant

Jan 9, 2018
Date:

As a signing authority, I hereby acknowledge that as an applicant for Associate status in CAFII, my company/organization supports the Association's mission, objectives, and policy positions.

ASSOCIATE STATUS APPLICATION FORM

Company/Organization Name: **Torys LLP**

Representative's Name and Title: **Jill McCutcheon**

Address: **79 Wellington St W #3000**

City: **Toronto**

Province: **Ontario**

Postal Code: **M5K 1N2**

Office Phone - Main: **416.865.8121**

Representative's Direct Phone Number:

Fax: **416.865.7380**

Email: **jmccutcheon@torys.com**

Website:


Parent Company, if applicable:

Description and Annual Dues:

I. Associate ☐ \$4,800

Organizations that are business partners of CAFII members or otherwise support the Association's goals are eligible to apply for Associate status. Associates receive periodic CAFII communications and invitations to CAFII events. Associates pay \$4,800 per annum in one instalment.

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

Signature of Applicant: 

Date: 11/01/2018

As a signing authority, I hereby acknowledge that as an applicant for Associate status in CAFII, my company/organization supports the Association's mission, objectives, and policy positions.

Agenda Item 3(e)
January 16/18 EOC Meeting

MEMO TO: Members of the CAFII EOC
MEMO FROM: CAFII Co-Executive Directors Brendan Wycks and Keith Martin
DATE: 4 December, 2017
RE: CONFIDENTIAL: Achieving Cost Savings by Reducing our Administrative Requirements

Dear EOC Member,

In a December 1/17 debrief session with EOC Chair Pete Thorn and Treasurer Tony Pergola on the in camera discussion at the 28 November, 2017 Board meeting, we were informed that the proposed CAFII 2018 Operating Budget, with a 25% Member Dues Increase, was approved, as was the related, included-in-the-budget recommendation that CAFII move to a new Association Management Company (AMC), Managing Matters.

However, we were also informed that in approving those key budgetary recommendations, the Board took note of the fact that implementation of the proposed CAFII Strategic Plan would require substantial additional investments beyond those proposed in the 2018 Operating Budget; and that even though the 2018 Operating Budget includes only partial, restrained expenditures for the new Strategic Plan's initial implementation, a significant deficit of \$93,000 would be incurred in 2018, based on current revenue projections, and the Association's financial reserves would be drawn down to just 15% of Annual Operating Expenses.

As a result, we, as CAFII's Co-Executive Directors, were issued a directive/request to find a way to try to reduce our AMC spend in 2018 and subsequent years, if possible.

The bulk of the proposed Managing Matters expense provision is for a full-time administrator. We do not believe that we can reduce the Association's related requirements for IT and Accounting support from an AMC.

In reviewing the activities associated with a full-time administrator's work, the following buckets were identified:

1. Preparing for and executing on 10 to 12 in-person EOC meetings each year, including the securing of venues; refinement and posting of meeting documents; preparation of Minutes and Action Items; and related logistical efforts;
2. Preparing for and executing on four (4) Board meetings each year;
3. Preparing for and executing on three (3) post-Board meeting Networking Receptions; one (1) Annual Members' Luncheon; and one (1) Liaison Lunch and one (1) Industry Issues Dialogue in Quebec with the AMF staff executives each year;

4. Various other administrative activities including some support of CAFII's written regulatory submissions and occasional travel arrangements for insurance regulator and policy-maker visit tours; and support of other CAFII committees and their meetings.

In our view, CAFII cannot contemplate any change to items 2, 3, and 4 without affecting the Association's Member and Associate value propositions and the achievement of our overall objectives. However, it is a fact that a significant amount of administrative work is required for each EOC meeting, including significant document refinement and posting requirements; the production of Minutes and Action Items; and related logistical arrangements.

Therefore, an updated and modernized approach to our annual EOC meetings calendar has the potential to reduce significantly CAFII's administrative support requirements to the level of three (3) days per week rather than five (5) days per week; and thereby save the Association a considerable sum of money.

Our updated and modernized approach to EOC meetings which we recommend to achieve the Board's directive/request to secure AMC spend savings in 2018 and future years is to have five in-person EOC meetings each year, every two months (with the exception of July and August)—for example, in January, March, May, September, and November; and In four or five of the alternating months (with the exception of July and August) – for example, in February, April, June, October, and December (if necessary) --we would have a one-hour EOC teleconference meeting, without the requirement for original or updated reports (with the exception of the Regulatory Update and the one-page Regulatory Consultations/Submissions Timetable which would continue to be produced 10 times per year), and without minutes.

The agendas for these once-every-two-months EOC teleconference meetings would be much simplified, consisting mainly of verbal regulatory and strategic initiative updates from the Co-Executive Directors and Committee Chairs, with the opportunity for feedback and commentary from EOC members. Regulatory submissions and materials already otherwise developed, the Regulatory Update, and the Consultations/Submissions Timetable would still be provided as documents and topics for discussion focus for these EOC teleconference meetings.

With this approach, we believe we could reduce our AMC administrator support requirements from 5 days a week to 3 days a week.

We are proposing a 30-minute teleconference call on Wednesday, 6 December, 2017 at 9:30 a.m. to discuss this proposal and obtain your feedback. An Outlook Invitation for that meeting will be sent to you in conjunction with this memo.

Thank you

Brendan Wycks

Keith Martin

	<u>Board Meeting Date</u>	<u>New In Person EOC Meeting Date</u>	<u>New Teleconference call EOC date</u>	<u>Location</u>
Jan		Tuesday 16 January 2018		CIBC Insurance, 33 Yonge Street, 6 th Floor [China Room], Toronto, ON
Feb			Tuesday 27 February 2018	
Mar		Tuesday 27 March 2018		CIBC Insurance, 33 Yonge Street, 6 th Floor [China Room], Toronto, ON
Apr	Tuesday 17 April 2018		Tuesday 24 April 2018	
May		Tuesday 29 May 2018		TD Insurance, 320 Front Street, 3 rd Floor [Arrowhead Boardroom], Toronto, ON
June	Tuesday 5 June 2018		Tuesday 26 June 2018	
July			Tuesday 24 July 2018 (tentative, if necessary)	
Aug			Tuesday 14 August 2018 (tentative, if necessary)	
Sept		Tuesday 25 September 2018		TBA
Oct	Tuesday 2 October 2018		Tuesday 23 October 2018	
Nov	Tuesday 27 November 2018	Tuesday 20 November 2018		TBA

CAFI

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

Balance Sheet As at November 30, 2017

	Current 2017	Year End 2016
ASSETS		
Current Assets		
Bank Balance	\$288,086	\$322,192
Investments	\$0	\$54,077
Accounts Receivable	\$0	\$0
Interest Receivable	\$0	\$109
Prepaid Expenses	\$2,619	\$17,856
Computer/Office Equipment	\$8,014	\$2,334
Accumulated Depreciation -Comp/Equip	(\$3,375)	(\$1,906)
Intangible Assets-Trademarks	\$0	\$0
Accumulated Amortization-Trademark	\$0	\$0
Total Current Assets	\$295,344	\$394,661
TOTAL ASSETS	\$295,344	\$394,661
LIABILITIES		
Current Liabilities		
Account Payable ^B	\$10,426	\$13,903
Deferred Revenue	\$39,919	\$0
Total Current liabilities	\$50,345	\$13,903
TOTAL LIABILITIES	\$50,345	\$13,903
UNRESTRICTED NET ASSETS		
Unrestricted Net Assets, beginning of year	\$380,758	\$358,991
Excess of revenue over expenses	(\$135,759)	\$21,767
Total Unrestricted Net Assets	\$244,999	\$380,758
Total Unrestricted Net Assets	\$244,999	\$380,758
TOTAL LIABILITIES AND UNRESTRICTED NET ASSETS	\$295,344	\$394,661

Financial Reserves Targets as per 2017 Budget:

Minimum 3 months (25%) of Annual Operating Expenses=	\$ 188,161
Maximum 6 months (50%) of Annual Operating Expenses=	\$ 376,322

Current Level of Financial Reserves (total unrestricted net assets):	\$244,999
Current Level of Financials Reserve (%) :	33%

CAFII

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

Statement of Operations As at November 30, 2017

	Current Month	Current YTD	Budget YTD	Budget 2017	YTD % Used
Revenue					
Membership Fees	\$39,919	\$435,506	\$512,531	559,125	85%
Interest Revenue	\$0	\$126	\$229	250	55%
TOTAL REVENUE	\$39,919	\$435,632	512,760	559,375	85%
Expenses					
Management Fees	\$36,912	\$405,049	\$458,439	500,115	88%
CAFII Legal Fees/Corporate Governan	\$0	\$2,735	\$6,417	7,000	43%
Audit Fees	\$0	\$271	\$13,347	14,560	2%
Insurance	\$437	\$4,802	\$5,042	5,500	95%
Website (incl translation)	\$3,249	\$42,512	\$30,892	33,700	138%
Telephone/Fax/Internet	\$1,025	\$4,777	\$4,583	5,000	104%
Postage/Courier	\$94	\$355	\$344	375	103%
Office Expenses	\$186	\$1,052	\$3,025	3,300	35%
Bank Charges	\$0	\$25	\$37	40	68%
Miscellaneous Expenses	\$43	\$433	\$0	-	
Amortization Expense	\$0	\$0	\$0	-	
Depreciation Computer/Office Equipm	\$134	\$1,469	\$429	468	342%
Board/EOC/AGM					
Annual Members Lunch	\$0	\$10,247	\$12,100	13,200	85%
Board Hosting (External)	\$7,500	\$7,500	\$13,750	15,000	55%
Board/EOC/Meeting Expenses	\$2,938	\$22,647	\$10,083	11,000	225%
Industry Events	\$0	\$36	\$1,833	2,000	2%
EOC Annual Lunch	\$0	\$8	\$2,017	2,200	0%
Sub Total Board/EOC/AGM	10,438	40,438	39,783	43,400	102%
Provincial Regulatory Visits	\$1,726	\$7,975	\$7,333	8,000	109%
Research/Studies	\$0	\$50	\$45,833	50,000	0%
Regulatory Model(s)	\$0	\$0	\$18,333	20,000	0%
Federal Financial Reform	\$0	\$0	\$1,833	2,000	0%
Media Outreach	\$3,766	\$31,639	\$18,333	20,000	173%
Marketing Collateral	\$0	\$0	\$6,417	7,000	0%
Tactical Communications Strategy	\$0	\$379	\$0		
Media Relations, CAFII Consultant	\$0	\$136	\$0		
Networking Events	\$0	\$350	\$0		
Speaker fees & travel	\$0	\$0	\$3,667	4,000	0%
Gifts	\$0	\$452	\$458	500	99%
Sub Total Networking & Events	-	\$445	4,125	4,500	11%
20th Anniversary Event	-	\$26,495	\$25,378	27,685	104%
TOTAL EXPENSE	58,010	571,391	689,923	752,643	83%
NET INCOME	- 18,091	-135,759	- 177,162	- 193,268	77%

Explanatory Notes:

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

CAFI

21 St Clair Ave East, Suite 802

Toronto, ON M4V 2Y7

Membership Fees

As At Nov 30, 2017

	<u>Jan-17</u>		<u>Jul-17</u>	
	<u>Billed</u>	<u>Received</u>	<u>Billed</u>	<u>Received</u>
BMO Bank of Montreal	\$ 29,375.00	31-Mar-17	\$ 29,375.00	28-Aug-17
CIBC Insurance	\$ 29,375.00	17-Mar-17	\$ 29,375.00	18-Aug-17
RBC Insurance	\$ 29,375.00	16-Mar-17	\$ 29,375.00	10-Aug-17
ScotiaLife Financial	\$ 29,375.00	10-Mar-17	\$ 29,375.00	4-Aug-17
TD Insurance	\$ 29,375.00	3-Mar-17	\$ 29,375.00	28-Jul-17
National Bank Insurance Company				
Desjardins Financial Security Life Assurance Company	\$ 14,687.50	22-Aug-17	\$ 14,687.50	22-Aug-17
AMEX Bank of Canada	\$ 14,687.50	17-Mar-17	\$ 14,687.50	28-Jul-17
Assurant Solutions	\$ 14,687.50	28-Feb-17	\$ 14,687.50	4-Aug-17
Canadian Premier Life Insurance Company	\$ 14,687.50	10-Mar-17	\$ 14,687.50	11-Aug-17
Cumis Group Ltd/Co-operators Life Insurance Co.	\$ 16,596.88	10-Mar-17	\$ 12,778.12	18-Aug-17
Willis Towers Watson	\$ 4,800.00	17-Mar-17		
Aimia				
Collins Barrow Toronto Actuarial Services	\$ 4,800.00	17-Mar-17		
CSI Brokers Inc.				
KPMG LLP	\$ 4,800.00	17-Mar-17		
Laurentian Bank of Canada				
Munich Reinsurance Company Canada Branch (Life)	\$ 4,800.00	31-Mar-17		
Optima Communications	\$ 4,800.00	13-Apr-17		
RGA Life Reinsurance Company of Canada	\$ 4,800.00	10-Mar-17		
The Canada Life Assurance Company	\$ 4,800.00	17-Mar-17		
January Invoices	\$255,822		\$218,403	
July Invoices	\$218,403			
Total Membership Fees	\$474,225			
DGA Careers Inc. (Membership from Oct - Dec 2017)	\$ 1,200		\$ 1,200.00	2-Oct-17
DGA careers Inc. Realocated monthly income Oct -Dec 2017	\$ 400			
Total amount to realocate monthly Jan-Sept	\$ 39,519			
Total amount to realocate monthly Oct-Dec	\$ 39,919			

	2017 Forecast ¹	2017 Budget	2017 Forecast to Budget Variance	2018 Budget Total (25% Dues Increase, Incremental Membership Dues, & All Expenses)	January	February	March	April	May	June	July	August	September	October	November	December	Comment/Rationale
Revenue																	
Membership Dues	\$475,426	\$559,125	-15.0%	\$640,304													"Just Keep Lights On" Member Dues is based on 5 Members @ upper tier dues; 5 Members @ lower tier dues; and 8 Associates @ \$4800; for conservatism, does not assume any Member or Associate growth
Interest	\$150	\$250	-40.0%	\$200													
TOTAL REVENUE	\$ 475,576	\$ 559,375		\$ 640,504													
EXPENSE																	
Management Fees ^{2,3}	\$442,000	\$500,115	-11.6%	\$516,368													includes two Co-Executive Directors, with provision for 5% increase; plus provision for renewal of Association Management Company administrative support model. See Mgmt. Fee Calculation tab and Explanatory Note #2 below.
CAFII Legal Fees/Corporate Governance	\$3,000	\$7,000	-57.1%	\$5,000													
Audit Fees	\$14,560	\$14,560	0.0%	\$14,600													
Insurance	\$4,500	\$5,500	-18.2%	\$5,000													
Website Ongoing Maintenance	\$40,000	\$33,700	18.7%	\$14,000													
Website SEO and Enhancements				\$14,220													includes video content development; & SEO monitoring and reporting
Telephone/Fax/Internet	\$4,000	\$5,000	-20.0%	\$4,000													
Postage/Courier	\$310	\$375	-17.3%	\$300													
Office Expenses	\$1,170	\$3,300	-64.5%	\$2,500													
Bank Charges	\$50	\$40	25.0%	\$60													
Amortization Expense				\$0													
Depreciation Computer/Office Equipment ⁴	\$1,604	\$468	242.7%	\$1,200													
Board/EOC/AGM				\$0													
Annual Members Luncheon	\$10,247	\$13,200	-22.4%	\$10,000													
Board Hosting (External)	\$7,500	\$15,000	-50.0%	\$15,000													
Board/EOC Meeting Expenses	\$25,000	\$11,000	127.3%	\$19,000													
Industry Events	\$200	\$2,000	-90.0%	\$2,000													
EOC Annual Appreciation Dinner	\$8	\$2,200	-99.6%	\$1,900													
Provincial Regulatory Visits	\$10,000	\$8,000	25.0%	\$11,000													
Research/Studies	\$35,000	\$50,000	-30.0%	\$35,000													includes provision for one(1) major research project in 2018, rather than R&E Ctte's originally requested two(2) projects
Regulatory Model(s)	\$15,000	\$20,000	-25.0%	\$27,000													includes provision for legal advice re RIA representation on Sask, Alta, Manitoba; possible new RIA regime in BC; new single integrated regulators in Ontario and Alta; and additional provision re Quebec Bills 141 and 150
Federal Financial Reform	\$0	\$2,000	-100.0%	\$500													
Media Outreach	\$35,873	\$20,000	79.4%	\$30,000													includes media training session; and media consultant support but at a reduced level (down from \$3700/month to \$2000/month after Q1 2018); and no provision for outreach to key influencers
Marketing Collateral	\$0	\$7,000	-100.0%	\$2,000													budget provision requested by Media Committee
Tactical Communications Strategy	\$515			\$0													
CAFII Reception Events	\$500			\$500													
Speaker fees & travel	\$0	\$4,000	-100.0%	\$2,000													
Gifts	\$500	\$500	0.0%	\$500													
CAFII 20th Anniversary Celebration	\$26,495	\$27,685		\$0													
TOTAL EXPENSE	\$ 650,537	\$ 752,643	-13.6%	\$ 733,648													
Excess of Revenue over Expenses	(\$174,961)	(\$193,268)	-9.5%	(\$93,144)													
Unrestricted Net Assets (beginning of year)	\$380,758	\$380,758		\$ 205,797													
Unrestricted Net Assets (end of year)	\$205,797	\$187,490		\$ 112,653													

Explanatory Notes:

- (1) 2017 Forecast includes January to October actuals and forecast for November and December
- (2) For "Keep the Lights On" Option, Management Fees Assumes Two Co-Executive Directors, one @ 5 days per week; one @ 4.5 days per week. But AMC Admin support @ only 2.5 days per week, which means that only 6 EOC meetings and 4 Board meetings per year can be supported
- (3) For Discretionary Component of Membership Dues, includes securing one (1) additional Member @ lower tier dues plus three(3) new Associates
- (4) For Discretionary Component of Management Fees, assumes AMC Admin support for an additional 2.5 days per week, i.e. a full-time Administrative Co-ordinator @ 5 days per week
- (5) Amortization of office equipment based on 4 year straight line depreciation

Actual/Forecasted Financial Reserves	2017 Forecast	2018 "Just Keep the Lights On" Budget Option	2018 Budget Illustration; Incremental Membership Revenue and Discretionary Expenses Only	2018 Budget Option; Including Incremental Membership Dues and All Expenses
Minimum 3 months (25%) of Annual Operating Expenses =	\$162,634	\$134,400	\$49,013	\$183,412
Maximum 6 months (50%) of Annual Operating Expenses =	\$325,269	\$268,799	\$98,025	\$366,824
Actual/Forecasted Level of Financial Reserves :	\$205,797	\$257,584	\$0	\$112,653
Actual/Forecasted Level of Financial Reserves %:	32%	48%	0%	15%

CAFII Consultations/Submissions Timetable 2018-19

Regulatory Issue	Deliverable	Deadline	Accountable
BC FICOM 10-Year Review of FIA (consultation paper released June 2, 2015)	<ul style="list-style-type: none"> CAFII Response to Initial Consultation Paper Meetings with Ministry of Finance officials Public Report on input received on Initial Consultation Paper Policy Paper on proposals for change CAFII Response to Policy Paper <i>Meeting with Ministry of Finance officials, if necessary</i> Amendments to Act and drafting of Regulations 	<ul style="list-style-type: none"> Sep 15, 2015 Nov 10, 2015 Issued March 23, 2016 Expected Q1 2018 Q1 or Q2 2018 <i>Q2 or Q3 2018</i> Q4 2018 or Q1 2019 	<ul style="list-style-type: none"> Joint Market Conduct/Licensing Committee; ED to monitor
QC Ministry of Finance Review of Distribution Act	<ul style="list-style-type: none"> CAFII Response to June 12/15 Consultation Report Dialogue with Ministry re meeting re online distribution CAFII secures specialized legal counsel, in preparation for draft Bill Omnibus Bill 141 tabled and related Bill 150 subsequently tabled <u>CAFII submission to National Assembly Committee on Public Finance</u> <i><u>Meeting with Ministry of Finance officials on CAFII submission</u></i> <u>CAFII Submission on Regulations Supporting Bills 141 and 150</u> 	<ul style="list-style-type: none"> Sep 30, 2015 Completed March 2016 Nov 2016 Oct 5 and 23, 2017 <u>January 16, 2018</u> <u>Q1 or Q2 2018</u> <u>Q4 2018</u> 	<ul style="list-style-type: none"> Joint Mkt Conduct/Licensing Committee; ED to monitor
CCIR Annual Statement on Market Conduct	<ul style="list-style-type: none"> Access to AMF-developed system for data submissions provided Insurers submit “best attempts” data based on 2016 fiscal year CAFII Member Webinar on Year 2 Tweaks to Annual Statement Insurers submit based on 2017 fiscal year for Year 2 Annual Statement 	<ul style="list-style-type: none"> March 28, 2017 May 1, 2017 Nov 23, 2017 May 1, 2018 	<ul style="list-style-type: none"> Market Conduct Cttee; ED to monitor
CCIR Review of Travel Health Insurance	<ul style="list-style-type: none"> CAFII Response to Issues Paper Meeting with CCIR TIWG re draft Recommendations in Position Paper CAFII Submission on draft Recommendations in Position Paper Meeting with CCIR TIWG re Communications Plan for Position Paper CCIR THI Products Position Paper Released <i><u>Meeting with TIWG Re Position Paper and industry reforms</u></i> 	<ul style="list-style-type: none"> Sep 30, 2016 Feb 22, 2017 March 10, 2017 May 10, 2017 May 31, 2017 <u>January 29, 2017</u> 	<ul style="list-style-type: none"> EOC; ED to monitor
SK Bill 177	<ul style="list-style-type: none"> FCAA releases Draft Regulations for industry consultation CAFII Responses to Draft Regulations & TPA Sub-consultation CAFII Response to FCAA-proposed definition of TPA Meeting with FCAA officials re CAFII submissions Final Regulations released along with new Insurance Act The Insurance Amendment Act, 2017 tabled New Saskatchewan Insurance Act and Regulations come into force 	<ul style="list-style-type: none"> Oct 7, 2016 Dec 2 and 9, 2016 March 13, 2017 June 1, 2017 June 29, 2017 Oct 31, 2017 Fall 2018 	<ul style="list-style-type: none"> Market Conduct Cttee; ED to monitor
“Modernizing the New Brunswick Insurance Licensing Framework”	<ul style="list-style-type: none"> CAFII Response to Position Paper on aspects related to life agents FCNB delivers final recommendations to Minister 	<ul style="list-style-type: none"> Jan 22, 2016 ? 	<ul style="list-style-type: none"> Licensing Committee; ED to monitor

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

16 January, 2018

M. Raymond Bernier
Chair, Committee on Public Finance
National Assembly of Québec
c/o Clerk of the Committee, M. Mathew Lagacé
Édifice Pamphile-Le May
1035, rue des Parlementaires
3e étage, Bureau 3.15
Québec (Québec) G1A 1A3
cfp@assnat.qc.ca

Re: Québec Bills 141 and 150

Dear M. Bernier:

The Canadian Association of Financial Institutions in Insurance (CAFII) appreciates the opportunity to provide the National Assembly's Committee on Public Finance with feedback and comments on Bill 141 – *An Act mainly to improve the regulation of the financial sector, the protection of deposits of money and the operation of financial institutions* -- and Bill 150 – *An Act respecting mainly the implementation of certain provisions of the Budget Speeches of 17 March 2016 and 28 March 2017* -- which were recently tabled by the Ministry of Finance.

For Committee members who may not be familiar with CAFII/ACIFA, an "About CAFII" overview is provided as an addendum to this letter.

First, CAFII congratulates the Honourable Carlos Leitão and his Ministry of Finance colleagues for tabling Bills 141 and 150, as we believe that this legislation will bring about a much-needed modernization of the province's financial services sector, including insurance.

For example, we strongly support section 484 of Bill 141 that amends section 70 of *An Act Respecting the Distribution of Financial Products and Services (ARDFPS)* which will bring about an important modernization of the regulatory framework by allowing a firm to offer insurance without necessarily having a certified representative involved in the process. This is a very favourable change for consumer choice and for the ability of CAFII members and other industry players to meet consumers' demand for such choice.

While our Association supports the overall thrust of Bills 141 and 150, we do have concerns about the particular language used in certain clauses of the two Bills. Because our members utilize alternate distribution channels (i.e. client contact centres, agents and brokers, travel agents, direct mail, branches of financial institutions, and the internet) to provide life and health insurance products to Québécois, we are concerned about the potential for undue restrictions that would impede their ability to do so. There are ambiguous and unclear provisions in both Bill 141 and Bill 150 that could potentially be interpreted in a manner that results in unintended limitations or restrictions on the ability to sell insurance directly to consumers.

In that connection, our Association is strongly opposed to the *Association professionnelle des conseillers en services financiers (APCSF)*'s self-serving recommendation that the Quebec government should require distributors to place a prominent warning on their websites about the risks of acquiring an insurance product without the advice of a registered professional.

Online Insurance Sales through a Distributor

Based on our legal counsel's analysis of Bill 141 – specifically those clauses that pertain to Sections 408, 426, and 431 of *ARDFPS* – we understand that a distributor will be permitted to sell insurance online **or** through a natural person. CAFII applauds these important clauses of the Bill. It is critical that consumers be able to purchase insurance in the way they desire, including online. Supporting the ability of new technologies and distribution channels to offer insurance options to consumers is critical to the industry staying relevant and current.

However, we would like the National Assembly and/or the Ministry of Finance to confirm this interpretation, as the wording used in the relevant clauses of Bill 141 is somewhat ambiguous.

By way of example, Section 408 of *ARDFPS* currently reads as follows:

“An insurer may, in accordance with this Title (Distribution without representative), offer insurance products through a distributor. A distributor is a person who, in pursuing activities in a field other than insurance, offers, as an accessory, for an insurer, an insurance product which relates solely to goods sold by the person or secures a client's adhesion in respect of such an insurance product.”

Bill 141 would see this clause modified through the addition of the following sentence (Clause 530 of Bill 141):

“Only a natural person may distribute an insurance product on behalf of a distributor.”

Therefore, as currently worded, Bill 141 could be interpreted as mandating a regressive change whereby online insurance sales would only be allowed if a natural person acts for the distributor. In other words, based on this interpretation, sales via an electronic tool or platform, including through the internet, would not be allowed. It is our belief that this is not the intent of this clause, because financial institutions cannot be licensed as a firm for the purpose of insurance sales.

Impediments/Limitations on the Sale of Creditor Insurance through a Distributor

CAFII has taken note of the fact that Clause 257 of Bill 150 indicates that Section 426 of *ARDFPS* will be repealed. Section 426 reads as follows:

*“For the purposes of this Title, the following insurance products are deemed to be insurance products which relate solely to goods and to which clients adhere:
(1) debtor life, health and employment insurance;
(2) investor life, health and employment insurance.”*

In addition, Clause 256 of Bill 150 states that Section 409 of *ARDFPS* will also be repealed. Clause 409 includes a direct reference to sales of creditor insurance and it is inter-connected with Clause 426 (by direct reference).

CAFI is seriously concerned about Bill 150's repeal of Sections 409 and 426 of *ARDFPS*, as their removal can be interpreted as abolishing a distributor's ability to sell creditor insurance.

We would appreciate a clarification as to the intent of Clauses 256 and 257 of Bill 150; and, more specifically, a confirmation that the intent is **not** to prohibit financial institutions and other industry players from selling creditor insurance. Our understanding is that the actual intent of these clauses is to enable the enrolment of consumers in a creditor's group insurance policy without the involvement of a certified representative. We believe that consumers should be offered as much choice as possible, and that having the ability to purchase directly through alternate distribution channels is critical to consumer choice.

In addition, we have taken note of the possible scenario where Bill 150 is adopted before Bill 141. If that possibility does occur, Section 59 of the new *Insurers Act* -- successor legislation to the current *Act respecting Insurance (Quebec)* -- will need to be reviewed to ensure that financial institutions and other industry players will continue to be allowed to enrol consumers in a creditor's group insurance policy.

Sales of Insurance without a Representative

Section 59 of Bill 141 gives rise to an entirely new provision in the new *Insurers Act* which will allow for the sale of insurance with or without the involvement of a natural person, including through an electronic tool or platform; and, more specifically, provides that an insurer can distribute insurance through the intermediary of a natural person or without the involvement of such person (if a natural person is involved, that person must be a certified representative).

We would like confirmation that financial institutions and other industry players will be allowed to enrol consumers in creditor's group insurance policies through an electronic tool or platform. We would also appreciate confirmation that Section 85 of *the Regulation under the Act respecting insurance* will be amended to allow financial institutions and other industry players to receive remuneration for doing so (other than reimbursement of expenses relating to the administration of the contract for group insurance on the life or health of debtors).

Abolition of the Distribution Guide

We note that Sections 410 to 418, 429, 430, 435, 474, 475, and 476 of *ARDFPS* are to be removed. The removal of those clauses effectively abolishes the Distribution Guide as a document governing insurance distribution in the province.

CAFI members would like to know if the Distribution Guide is to be replaced by the document referred to in the new Section 222.3 of the *Insurance Act (Québec)* introduced in Bill 150; and the new Section 62 of the *Insurers Act* introduced by Bill 141 (which shall be provided in addition to the insurance certificates referred to in Article 2401 of the *Civil Code of Québec*). If not, we would like to inquire as to how insurance sales will be governed once the Distribution Guide is abolished.

Registration as a Firm

Since Bill 150 removes the ability of a distributor to sell creditor insurance, we request confirmation that financial institutions and other industry players will **not** have to register as firms with the Autorité des marchés financiers (AMF) in order to continue to enrol consumers in creditor insurance.

As well, with reference to the second paragraph of Section 71 of *ARDFPS*, we would like confirmation that persons who enrol consumers in creditor's group insurance policies will not have to register as firms with the AMF, even if they receive commissions or other remuneration based on the sale of financial products or the provision of financial services.

AMF Approval Authority With Respect To Third Party/Outsourced Partners

We have a concern with respect to Clause 49 in Chapter III of Bill 141 as currently worded, which reads as follows:

“The Authority may prohibit that an authorized insurer’s obligations under this Act be performed by a third person on the insurer’s behalf if, in the Authority’s opinion, such performance would render the application of this Act difficult or ineffective. Before rendering its decision, the Authority must notify the prior notice prescribed by section 5 of the Act respecting administrative justice to the insurer in writing and grant the latter at least 15 days to submit observations.”

Our concern is that this clause could render an authorized insurer vulnerable to unilateral decisions on the AMF's part with respect to the insurer's chosen third party administrator or other outsourced partner. We believe that a process which is more consultative —one that is based upon objective criteria and includes an appeal process -- would be a better approach which would still achieve the objectives of this clause.

Summary and Conclusion

Despite the issues we have identified, which could give rise to confusion and possibly unintended interpretations, our Association believes that, overall, Bills 141 and 150 will introduce an appropriate balance between fostering industry innovation and minimizing regulatory burden. At the same time, the proposed revisions work to safeguard the consumer's interests and enhance consumer protection. In addition, the Bills will improve the soundness of the overall financial services regulatory framework in Québec by consolidating various legislation and regulations and by centralizing regulatory responsibilities and authority within the AMF.

CAFII supports the assignment of increased supervisory and regulatory powers to the AMF within Bills 141 and 150. In addition, the granting of further autonomy to the AMF would increase its efficiency and effectiveness, and strengthen its position as an exemplary and highly regarded integrated financial services regulator. We also support the integration of the Chambres within the AMF.

We strongly suggest that both Bill 141 and 150 be adopted before the end of the current parliamentary session.

Thank you again for giving CAFII the opportunity to make this written submission. We look forward to receiving responses to the issues we have raised herein, as well as to our Association's previously communicated request for an opportunity to present and discuss the highlights of this submission with members of the Committee on Public Finance during its hearings scheduled for that purpose.

Should you require further information or wish to meet with representatives of our Association at any time, please contact Keith Martin, CAFII Co-Executive Director, at keith.martin@cafii.com or 647-460-7725.

Sincerely,

Peter Thorn
Board Secretary and Chair, Executive Operations Committee

c.c. Honourable Minister Carlos Leitão, Minister of Finance, Government of Québec
Louis Morisset, CEO, Autorité des marchés financiers

About CAFII

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

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

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

CAFII is currently the only Canadian Association with members involved in all major lines of personal insurance. Our members are the insurance arms of Canada's major financial institutions – BMO Insurance; CIBC Insurance; Desjardins Financial Security; RBC Insurance; ScotiaLife Financial; and TD Insurance – along with major industry players American Express, Assurant Solutions, Canadian Premier Life Insurance Company, and The CUMIS Group Ltd.

Regulatory Update – CAFII Board of Directors and Executive Operations Committee, October 20, 2017

Prepared By Brendan Wycks, CAFII Co-Executive Director

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Federal/National

Financial Consumer Agency of Canada (FCAC)

FCAC Delays Report On Banks' Sales Practices To Q1 2018

In late December 2017, the Financial Consumer Agency of Canada (FCAC) announced that it would not be releasing the results of its review of business practices among Canada's major banks by the end of the year, as originally intended.

FCAC Commissioner Lucie Tedesco had indicated to a parliamentary committee in June that an interim report on its review would be issued by the end of 2017; and a full report would follow in 2018. But FCAC spokeswoman Lynne Santerre s announced in December that the Commission had since determined that the better approach would be to issue one report in the first quarter of 2018.

Government of Canada

Broker Predicts Banks Will Soon Renew Call To Sell P&C Insurance In Branches

With the federal Bank Act up for review in 2019, a Montreal-based broker is warning that some banks will try to have the government change a law restricting the way banks can sell property and casualty insurance.

"I am sure that the banks are going to try to have the current restrictions lifted," Ted Harman, president at Accent Insurance Solutions, told Canadian Underwriter in a phone interview.

It is "up to individual banks what their views would be" on banks selling insurance, Aaron Boles, the CBA's vice president of communications, told Canadian Underwriter.

Federal law allows banks to sell home and auto insurance through subsidiaries but not in their branches. They may sell "authorized" lines of insurance, such as creditors' disability. Banks are also not allowed to provide access, from their web pages, to other web pages through which insurance other than "authorized" types are sold.

The Bank Act has a five-year sunset clause, which was extended in 2016 to March 29, 2019.

"Credit and insurance are two things that ought not be joined at the hip," said Harman, commenting in his capacity as a brokerage owner. He added the bank representative should not be able to say to a consumer, "We are going to give you your mortgage and, oh, by the way, here is an insurance policy to cover you."

Harman said there is no shortage of examples in which people have purchased mortgage insurance at the point of sale and received credit, only to find out later that for some reason the insurance isn't going to get paid out.

Whether or not individual banks push for easing the restrictions, a backbench Liberal MP recently told Toronto area brokers he does not "foresee a lot of changes" with banks and insurance.

"I think we need to ensure that we have a healthy competitive marketplace for insurance at the point of origination of insurance," Francesco Sorbara, MP for Vaughan-Woodbridge, said during the Insurance Brokers of Toronto Region breakfast in November 2017.

If banks are allowed to start selling personal lines insurance within the retail branch, "it potentially opens up the door for them to consider selling small property packages to small businesses and then expanding that to medium enterprises," Rael Levy, vice president of the Toronto Insurance Conference, told Canadian Underwriter earlier.

"Brokers feel like there is a presumptive element of undue influence over the consumer when they are applying for credit, a business loan or mortgage and they might feel intimidated or out of options and then insurance is foisted upon them at the last minute to consider as well," Levy said.

Canadian Council of Insurance Regulators (CCIR)

CCIR Recommends Changes To Seg Fund Disclosure

The regulatory requirements facing segregated funds and the financial advisors who sell such products should more closely mirror the rules pertaining to mutual funds, the Canadian Council of Insurance Regulators recommends in a position paper released in December 2017.

The CCIR position paper on seg fund regulation highlights the results of a consultation in which the regulatory body examined the gaps between the regulation of seg funds and mutual funds. Seg funds are often compared to mutual funds as they both involve the pooling and professional management of assets; however, the products differ in that seg funds are structured as life insurance contracts that guarantee 75% to 100% of the contract holder's contributions.

The consultation was prompted, in part, by the second phase of the client relationship model (CRM2), which introduced new disclosure requirements related to the costs and performance of mutual funds. Given the similarities between seg funds and mutual funds, the introduction of stringent new rules for one product, but not the other, raised concerns about the potential for regulatory arbitrage.

"CRM2 has created a gap in the level and type of disclosure given for mutual funds and for segregated funds," the position paper states. As a result, the CCIR recommends changes to seg fund disclosure to bring that information more closely into alignment with the information clients receive about their mutual fund investments. The CCIR paper specifies that the information should be conveyed in plain language and should allow for ease of comparison between mutual funds and seg funds.

Insurers Need To Better Educate Consumers On Home Insurance Policies: CCIR

In its *Findings Report & Position Paper: Natural Catastrophes and Personal Property Insurance* released in August 2017, CCIR calls upon insurers to better educate consumers so that they can understand the terms – including limitations, exclusions and deductibles – of their property insurance contracts; while also calling upon p&c industry stakeholders to share aggregated property risk data in order to help update building codes.

There is “value and need for direct and clear communications with consumers and intermediaries regarding coverages,” the report says.

CCIR also said it “encourages stakeholders to better collaborate so that aggregated risk data is made more readily available to support the conditions necessary to enhance preparedness, as well as the affordability and availability of natural catastrophe insurance.”

Canadian Life and Health Insurance Association (CLHIA)

CLHIA Trying To Stay In Front Of Rapidly Changing Regulatory Environment

Looking at the current regulatory environment and the swift pace of change, Stephen Frank, who became president and CEO of the Canadian Life and Health Insurance Association in July 2017, describes it as “almost without precedent.”

“We’ve got a new capital regime coming into place next year, which is a fundamental change from decades prior. At the same time we’re struggling and working through how to implement a new accounting regime. Either of those on their own would be significant change for the industry, but both are coming at the same time,” said Frank in an interview with *The Insurance and Investment Journal*.

“We’ve got dialogue and questions around our distribution model in Canada. How should we be incenting agents and advisors? How should we be overseeing them? What’s the right amount of disclosure? What form should that take? Those things go right to the heart of how we distribute – and support our clients.”

Then there are discussions about the appropriate use of various kinds of information in the underwriting process, tax changes, and more. “When you look at the regulatory environment, there’s just an awful lot coming at us at the same time and when you think through where that could land us in five years, it’s pretty clear we’ll be in a different environment, a different industry than we are today.”

Beyond the regulatory change, the insurance industry is also dealing with a changing market with the emergence of fintech, changing expectations of how consumers want to interact with insurers, and the persistent low interest rate environment in Canada and globally. “So there’s market things happening, there’s regulatory things happening – we’re in the middle of that, saying how do we help our members not just react, but how do we help shape that? How do we be proactive?”

The CLHIA, which represents Canada’s life insurance companies, has been taking a hard look at these issues in recent months and establishing its priorities in terms of where it wants to focus its resources over the next couple of years. Asked what is of greatest concern, Frank said, “It jumps out immediately that we need to be on top of the whole question of how we distribute our product,” such as the need for increased oversight over distribution channels. He adds that this priority also includes agent/broker compensation issues, in particular incentives and disclosure.

The industry, he says, needs to challenge itself on these issues. “We need to look at our own operations and say, ‘where can we do a little bit better and are we really confident we’re doing everything we need to do?’” Some of the CLHIA’s proposed new guidelines and approaches are the industry’s way of stepping up with some solutions to these issues, Frank says.

“It’s part of that effort to try to shape the debate, be part of the solution and be proactive and not simply wait for regulators to identify problems. We don’t want to have that kind of relationship with the regulators in Canada where we’re just sitting back and saying everything’s fine and reacting as things come. So we’re trying to be a partner in this and making sure we’re treating customers fairly.”

What the CLHIA has put forward is to create a licensing regime for MGAs under which an advisor would have a lead or primary MGA, but would still be able to work with multiple MGAs. However, the lead MGA would have the power to collect information on that advisor’s business activities from other MGAs. This solution would avoid forcing a one-to-one relationship between advisors and MGAs, yet still provide a central location to get a complete view of an advisor’s business, explains Frank. Then, insurers who work with the advisor could have access to the totality of this information.

The CLHIA has started having discussions on this issue with the MGA community and the MGA association CAILBA, says Frank. He adds that the CLHIA is open to other ideas on how to do better in this regard. “We’d love to have this discussion. I think we’re at the very, very early stages on that.”

He adds that this issue is an example of one where it would be better for the industry to try to address the oversight gap rather than to wait for a regulatory response. A response that comes from the industry, he says, might include a better understanding of the reality of the market and be better for everyone.

Canadian Bankers Association (CBA)

CBA Leading Push For Liberalizations To Help Banks Make Digital Transformation

Neil Parmenter, the new CEO of the CBA whose background is firmly rooted in the delivery of crisp, clear messages, recognizes that his member banks, known for their stability and caution, are grappling with fundamental change. Among other challenges, customers are being tempted away by new and nimble digital competitors with low overhead and sometimes lighter regulatory burdens.

As a result, banks are scrambling to adopt new technologies and ways of doing business to avoid the fate of slow-footed incumbents in other, already disrupted industries. At the same time, Canada's banks remain accountable to regulators to prove they're fulfilling their obligations as the backbone of the country's widely admired financial services system.

Perhaps the CBA's biggest immediate challenge, Parmenter says, will be managing the digital transformation.

In September, the CBA issued its submission in response to the Department of Finance Canada's second consultation paper reviewing the financial services sector. The CBA's submission to Finance Canada asks the government to modernize legislation that significantly limits banks from working with fintech firms.

Rules currently prevent banks from investing in companies that engage in commercial, non-financial services activities. For example, if a fintech firm's main business is providing a payments service, but the firm also has a secondary, non-banking business, such as food delivery, a bank would not be able to invest in that fintech firm without obtaining government approval.

However, banks can be given greater latitude to partner with fintech firms safely, Parmenter says. If such updates are not made, the domestic banking industry runs the risk of falling behind its global peers.

"The last thing we want, as a country," he says, "is to stifle innovation; to stifle investment in the digital space; to allow other jurisdictions to capture that investment, to grow the base and then to dictate what the new global standards are going to be."

To get the word out about the priorities of the CBA's 64 member firms - the Big Five, other domestic banks and foreign banks' subsidiaries - to customers, employees, shareholders and the government, Parmenter has had a packed speaking schedule throughout the latter half of 2017.

"What we're trying to do here is share our stories where we can," he says. "I think the industry does a lot of good. But, at the same time, we need to be available to take tough questions."

Safeguarding customers' trust will remain paramount as banks adopt new technologies and offer digital services. Customers demand new, convenient digital ways to deposit, borrow, save, conduct transactions and invest, and they expect accountability when things go wrong. Balancing digital innovation while providing security and customer recourse will be the key to navigating this move to digital business platforms, Parmenter says.

Parmenter says he relishes the chance to lead the CBA through this period of change: "I just view it as an exciting time to have a front-row seat and to influence where the industry goes next."

Canadian Securities Administrators (CSA)

Securities Regulators Concerned About Complaint Handling

The Canadian Securities Administrators (CSA), Investment Industry Regulatory Organization of Canada (IIROC, and Mutual Fund Dealers Association of Canada (MFDA) released a joint notice on December 7/17 that highlights concerns about some registered firms' complaint handling systems and their participation in Ombudsman for Banking Services and Investment's (OBSI) dispute resolution process.

The joint notice sets out potential regulatory responses and outlines staff's concerns regarding the use of an internal "ombudsman" as part of complaint handling systems.

The notice also points out that while OBSI's compensation recommendations are not decisions that are binding on firms or clients, the regulators are of the view that "refusals to compensate clients consistent with OBSI recommendations, or repeatedly settling for lower amounts than recommended by OBSI can sometimes be a risk-based indication of problems with a firm's complaint handling practices."

The regulators add that as part of their risk-based reviews, they “will particularly take note of patterns involving these activities. Such activities could suggest the possibility that the firm may not have: participated in the OBSI process in good faith, complied with the applicable standard of care, or implemented and maintained effective complaint handling procedures.”

"We expect firms to participate in OBSI's dispute resolution process in a manner consistent with their obligation to deal fairly, honestly and in good faith with their clients and to respond to each customer complaint in a manner that a reasonable investor would consider fair and effective," said Louis Morisset, CSA Chair and CEO of Québec's Autorité des marchés financiers.

The regulators say they are continuing to consider options for strengthening OBSI's ability to secure redress for investors, a key recommendation made by an independent evaluator in its 2016 report.

Association of Canadian Travel Agencies (ACTA)

ACTA Monitoring For Insurer Responses To CCIR Travel Position Paper

In a Fall 2017 advisory to members, the Association of Canadian Travel Agencies (ACTA) indicated that from its perspective, the recommendations made by CCIR in its Travel Health Insurance Products Position Paper, released May 31/17, do not immediately impact the retail travel industry community since they are directed at insurers to implement.

“However, as the insurers begin to make changes, travel agencies will hear from their respective insurers to advise of any changes in their policies or processes. Training and education within the distribution channel of an insurer is ultimately where retail travel agencies may see some changes. ACTA will continue to work closely with CCIR and our Travel Health Insurance Partners to keep members updated on the status of these industry recommendations,” the Association said.

Canadian Foundation For Advancement of Investor Rights (FAIR)

Former Assistant Deputy Minister Becomes FAIR Executive Director

In August 2017, Ermanno Pascutto, Chair of FAIR, announced that Frank Allen, a seasoned securities lawyer and former Ontario Assistant Deputy Minister of Finance, who was the inaugural head of its Financial Services Policy Division, would become the Foundation's new Executive Director.

“Frank Allen has over 35 years of experience in the private sector as well as with government and securities regulators. He will add to our expertise on shareholder rights and consumer retail investor issues,” said Pascutto.

At the Ontario Ministry of Finance, Allen provided policy advice to the Minister and Deputy Minister and was actively involved in the creation and launch of the Expert Committee to Consider Financial Advisory and Financial Planning Policy Alternatives and the negotiation and early implementation of the Cooperative Capital Markets Regulatory System. He also acted as the General Counsel at the Ontario Securities Commission.

During his time with the Ontario Ministry of Finance, Mr. Allen was an attendee at CAFII Reception events.

Provincial/Territorial

British Columbia

Financial Institutions Commission of BC (FICOM)

FICOM Clarifies CGI Information Bulletin In CMT Article

In the April 24/17 issue of Canadian Mortgage Trends (CMT), a column on BC FICOM's "CGI Information Bulletin" of September 2015 provides the following direct quote from Chris Carter, FICOM's Deputy Superintendent of Supervision:

FICOM has undertaken a number of investigations of creditor group insurance (CGI) that stemmed from consumer complaints. Common concerns include aggressive sales practices, inadequate oversight by insurers over CGI distribution, inadequate training of CGI sellers, and lack of creditor involvement in the initiation of a CGI product. The Information Bulletin was issued to address these consumer protection concerns.

When CGI is sold through an exempt channel, including through mortgage brokers, consumers do not have the benefit of advice from a licensed insurance professional to help determine whether the insurance is suitable to their needs. In this environment, FICOM believes that strong oversight and controls by insurers, and creditor involvement in the development of the CGI product, are essential to protect the interests of consumers.

Insurance Council of BC

Insurance Council Cancels Life Agents' Licences For Exam Cheating

In late November 2017, the Insurance Council of British Columbia announced that it had cancelled the licenses of two life agents and suspended the licences of two others after finding that they likely cheated on their licensing exams.

The Insurance Council's written decision states that a "collusion detection analysis" that was carried out on life license qualification program (LLQP) exam results nationwide in early 2017 identified a number of examinees who wrote in British Columbia with similar answer sequences."

A subsequent investigation found that all of the agents with similar answer sequences on two of the four LLQP exam components (involving segregated funds and accident and sickness insurance) were linked to the same branch of an agency in B.C.

"Any attempt to collude or cheat on a pre-licensing exam brings into question an individual's competency, trustworthiness, and their ability to act in good faith," the Council stated in cancelling one agent's license.

"By cheating on the LLQP exam, the licensee has brought into question her suitability to hold an insurance licence. Council determined that the licensee's life agent licence should be cancelled."

Manitoba

Insurance Council of Manitoba (ICM)

ICM's ISI Committee To Reach Out To RIA Licensees In 2018

In her Executive Director's Report in ICM's recently published 2017 Annual Report, Barbara Palace Churchill advises that the number of RIA licences issued by the Council in 2016-17, the second year of Manitoba's new RIA regime, climbed to 588 from 447 in the first year. "The increase arose in the automobile and equipment dealership category, as during this fiscal year the Government made amendments to Regulation 389/87, which governs the sale of insurance and RIA licences. A new allowable class of insurance was added to the Regulation – guaranteed asset protection insurance, also known as GAP insurance."

Ms. Palace Churchill further indicated that the Insurance Council's RIA licensee-related "ISI Committee" continues to gather information pertaining to this new area of regulation in Manitoba, and "will be working on outreach to a variety of stakeholder groups in the coming year. The role of the ISI committee is to be an advisory body in ISI-related matters, and to provide information to the industry Councils. Because of the nature of how ISI products are sold, there are situations where compliance investigations involve both a life-based and a property-based product. In these situations, both the Life and General Councils may have jurisdiction in the investigation. The Councils have worked cooperatively in developing a protocol for how these cross-Council matters will be heard effectively."

Ontario

Ontario Ministry of Finance

Ontario Appoints New Chair Of Financial Services Tribunal (FST)

In September 2017, Ontario's Ministry of Finance announced that it had appointed Ian McSweeney as the new Chair of the Financial Services Tribunal (FST), an adjudicative body that holds hearings on decisions of the Superintendent of Financial Services for Ontario.

As Chair of the FST, Mr. McSweeney will also serve as the Chair of the Financial Services Commission of Ontario (FSCO)—the regulator of insurance, pension plans, credit unions and caisses populaires, mortgage brokering, loan and trust companies, and co-operative corporations which is soon to be replaced by the Financial Services Regulatory Authority (FSRA), a new, independent and modernized regulator of financial services and pensions in the province.

Mr. McSweeney was previously Acting Vice-Chair of FSCO and the FST. A retired partner of Osler, Hoskin & Harcourt LLP, he chaired the firm's Pension and Employee Benefits Department for many years. He is also a founding member of the executive of the Canadian Bar Association (Ontario) Pension and Benefits Section and former chair and founding member of the International Pension & Employee Benefits Lawyers Association.

In a *Quick Facts* addendum to the announcement of Mr. McSweeney's appointment, the Ministry of Finance indicated that the government expected to introduce, by the end of 2017, legislative amendments regarding FSRA's mandate and governance structure as well as the new structure and powers of the FST. However, as at January 12/18, those legislative amendments had not yet been introduced.

Financial Services Commission of Ontario (FSCO)

FSCO Ramping Up Compliance Scrutiny of High Risk Advisors In 2018

FSCO is ramping up some of its compliance measures this year, focusing on high-risk insurance advisors.

Heather Driver, FSCO's director, licensing, told the fall summit of the Independent Financial Brokers of Canada (IFB) on November 8/17 that FSCO is adding a new layer of supervision through desk reviews prior to the on-site examinations which FSCO has already been conducting for a couple of years.

The examinations, prompted by the provincial auditor, will target advisors considered high-risk, rather than going out and talking to advisors at random, said Driver.

The first step in the desk review will see a questionnaire go out to several hundred life agents. Those who receive the questionnaire will need to respond within 15 business days or be escalated to regulatory and disciplinary officers.

FSCO will be looking at a number of key issues, including unlicensed activity, false information on application forms, continuing education credits, having E&O insurance, as well as a new section on failure to disclose a conflict of interest or potential conflict of interest, said Driver.

Quebec

Quebec Ministry of Finance

Brokers Call For Cigarettes-Style Warning About Online Insurance Purchases

Adopted as is, Quebec's Bill 141 will lead to an increase in the number of simplified products sold via the Internet without advice, believes the Association professionnelle des conseillers en services financiers (APCSF), Quebec's financial advisor organization.

The Association is highly concerned about this prospect and is recommending that the Quebec government require distributors to place a prominent warning on distributors' websites about the risks of acquiring an insurance product without the advice of a registered professional.

With respect to Bill 141, the APCSF made its position known in a submission to the Quebec government on January 8/17. In this submission, the APCSF explained that it wants direct sales of financial products to carry an explicit warning – that they are only for informed consumers.

The submission proposes a warning – similar to those posted on cigarette packages – that the online purchase of insurance products, without the advice of a registered professional who would carry out a complete analysis of the client's personal financial situation, involves risks "that could have a significant impact on an individual and his family's financial security. If you are not an informed insurance consumer, the [Quebec regulator] Autorité des marchés financiers recommends that you consult a duly accredited professional..."

"Unrepresented Internet sales pose an incredible threat to consumers," said Flavio Vani, president and spokesperson for the APCSF, in an interview with The Insurance and Investment Journal. "Insurance products are not only complex in terms of legibility of contracts and guarantees, but also because of the regulatory environment, including taxation."

Autorité Des Marchés Financiers (AMF)

AMF Appoints New Superintendent, Client Services And Distribution Oversight

In late December 2017, Louis Morisset, CEO of the AMF, announced that Frédéric Pérodeau had been appointed Superintendent, Client Services and Distribution Oversight, succeeding Eric Stevenson in that role. Mr. Pérodeau will take up his new position on January 22/18.

The AMF's client services and distribution oversight division supervises the activities of representatives and firms in the insurance and financial planning sectors. The division administers the rules governing eligibility for and pursuit of distribution activities while issuing certificates to individuals and registering firms. It is also responsible for helping financial services consumers as well as for the AMF Information Centre, in addition to supervising the activities of the Chambre de l'assurance de dommages and the Chambre de la sécurité financière and administering the Fonds d'indemnisation des services financiers.

Pérodeau joined the AMF in 2012. Previously, he was senior director, investigations, at the regulator. He also chaired the enforcement committee at the umbrella group of regulators, the Canadian Securities Administrators, and chaired the Canadian Corporate Counsel Association. Before joining the AMF, he was legal counsel at SNC-Lavalin and a partner at McCarthy Tétrault.

"I am confident that, given his wealth of experience, strategic vision, leadership and considerable communication skills, Frédéric will quickly engage with and be attentive to the sector's various stakeholders," says Louis Morisset, president and CEO of the AMF, in a statement.

AMF Appoints First Fintech Director

The AMF, the regulatory and oversight body for Québec's financial sector, recently appointed Moad Fahmi to the new position of Director of Fintech and Innovation.

"This new function will foster the collaboration that is essential to developing Québec's fintech ecosystem," said Louis Morisset, AMF CEO. "It is good news for our Fintech Working Group, the industry and the academic research milieu."

Fahmi will co-ordinate the work of the Fintech Working Group, which includes six major projects:

- blockchain technology;
- mobile payment solutions and virtual currencies;
- fundraising platforms;
- automated insurance and investment tools;
- regtech; and
- big data and connected devices.

He will also be responsible for chairing the Technological Innovation Advisory Committee, ensuring effective guidance for emerging businesses, and supporting innovation at the AMF.

AMF Becomes A Member Of IVADO

In early November 2017, the AMF announced that it was proud to join the members of the Montréal-based Institute for Data Valorisation (IVADO), an organization that aims to bring together industry professionals and academic researchers to develop cutting-edge expertise in data science.

"Joining the IVADO is very much in keeping with the orientations and objectives of our 2017-2020 Strategic Plan to deepen our understanding of technological innovations applied to the world of finance and strengthen our role as a local regulator in the fintech ecosystem," said Louis Morisset, AMF CEO. "Given the critical role that data science and artificial intelligence play in the evolution of the financial sector, we are delighted that the IVADO will be contributing to the work we are doing in our Fintech Lab."

Last spring, the AMF created its Fintech Lab to explore the current and potential applications of new technologies in the industry and in connection with its regulatory activities. Fintech Lab projects are carried out by interns who are university students in engineering and technology. As a member of the IVADO, the AMF will have access to training and leading-edge expertise to optimally define, structure and execute lab projects.

AMF To Collect Data On Firms' Practices And Business Relationships

In November 2017, the AMF announced that in 2018 it will start collecting additional data on registrants' practices and relationships with different industry stakeholders in an effort to improve industry compliance.

Specifically, the AMF will ask for further information about firms' and individuals' business relationships as part of the ongoing registration process. This includes information on referral arrangements and commission-sharing agreements, along with information on complaints and disciplinary actions.

The goal is to "better support the industry," the AMF says in its announcement. "Better support involves a greater understanding of the reality and needs of firms, independent partnerships, and independent representatives," the regulator added.

Additionally, the AMF intends to publish a governance and compliance guide for firms in early 2018 that explains "the regulatory framework" for firms and sets out recommended best practices.

International

Government of Australia

Australia To Investigate Alleged Financial Industry Misconduct

In late November 2017, the Government of Australia announced the launch of a Royal Commission to investigate the financial industry and its regulation, amid growing concerns about alleged misconduct by the country's banks and other financial services firms.

Industry customers "have the right to be treated honestly and fairly in their dealings with financial firms," the government said in a statement. "The highest standards of conduct are critical to the good governance and corporate culture of those providers."

The inquiry will examine the conduct of the country's financial firms, and it will consider how well equipped regulators are to identify and address misconduct.

"This will be a sensible, efficient and focused inquiry into misconduct and practices falling below community standards and expectations," the government says. "Trust in a well-functioning banking and financial services industry promotes financial system stability, growth, efficiency and innovation over the long term."

The inquiry is expected to report within 12 months, with a preliminary report anticipated by September 2018.

"Momentum for an inquiry has increased following a number of conduct issues across wealth management, life insurance, and banking that have been identified in recent years," says a report from Fitch Ratings.

Australian Securities and Investments Commission (ASIC)

Australian Banks To Overhaul Credit Insurance Sales Processes

In early August 2017, ASIC announced that it had brought together representatives from the banking industry and consumer advocates to improve outcomes for consumer credit insurance, with the establishment of a Consumer Credit Insurance (CCI) Working Group.

The CCI Working Group will progress a range of reforms, including a deferred-sales model for CCI sold with credit cards over the phone and in branches.

CCI is a type of add-on insurance sold with credit cards, personal loans, home loans and car loans. It is promoted to borrowers to help them meet their repayments if they lose their job, become sick or injured, or die. However, CCI has long been associated with poor consumer outcomes in Australia and overseas, including consumers being unaware that they have purchased CCI and consumers being ineligible to make a claim on their CCI policy. Compared with other common insurance products (such as car and home insurance), consumers can receive very little back in claims compared to what they pay in CCI premiums.

The establishment of the CCI Working Group comes off the back of extensive work by ASIC in relation to CCI, including audits of eight Australian banks following systemic illegal conduct in the United States by Wells Fargo Bank, N.A.; and work in relation to add-on insurance products (including CCI) sold through car dealerships.

Following discussions with ASIC, the banks have now committed to a range of measures to improve consumer outcomes in relation to CCI. Significantly, this includes a deferred-sales model for CCI sold with credit cards over the phone and in branches. This will mean that consumers cannot be sold a CCI policy for their credit card until at least four days after they have applied for their credit card over the phone or in a branch. This reduces the risk that a consumer will feel pressured to purchase the CCI product, or purchases a CCI product that does not meet their needs.

In addition, the CCI Working Group will identify improvements that will be made to banks' sales practices for CCI on credit cards sold online, and with other loan products in all sales channels. For example, the banks have committed to strengthening their processes for obtaining express consent from customers who purchase CCI and to provide improved disclosure about the cost and duration of the policy.

The Australian Bankers' Association (ABA) will incorporate these measures into the revised Code of Banking Practice and will accelerate their introduction so that they commence in the first half of 2018 and well before the new code is fully in place.

CCI sold with credit cards accounts for the majority of CCI sales by banks. While the forthcoming deferred-sales model will not apply to CCI sold on-line, or with home loans and personal loans, other measures will be introduced to promote good consumer outcomes in these areas. Importantly, the success of these measures will be monitored by ASIC to determine if further reforms are required.

In 2016, ASIC released three reports covering its review of the sale of add-on insurance through car dealerships, which found that the insurance is expensive, of poor value and provides consumers very little or no benefit. ASIC will shortly release a consultation paper to consult on proposals in relation to add-on insurance products sold through car dealerships, including a deferred-sales model for this channel.

In October 2011, ASIC issued Report 256 Consumer credit insurance: A review of sales practices by authorized deposit taking institutions which included a number of recommendations by ASIC, after the review found a number of deficiencies in the areas of sales practices, disclosure, training programs and monitoring.

***Agenda Item 5(b)(v)
January 16/18 EOC Meeting***

From: Joan Weir [mailto:JWeir@clhia.ca]
Sent: Nov 22, 2017 7:56 AM
To: Working Group on Life Claims Matters; Privacy Committee
Subject: Life Insurance RAMQ / Assurance Vie RAMQ

Dear Committee Member,

CLHIA has been approached by some members regarding a change of practice at RAMQ relating to life insurance claims. We are reaching out to you today to know if you are also dealing with this situation.

Two scenarios have been highlighted to us.

1) Some members have heard that RAMQ now requires that an insured provide written consent, while alive, in order for an insurance company to be able to check the insured's files for a life insurance claim. The consent can no longer be given (verbally or in writing) by the beneficiary or power of attorney.

2) Others have heard that RAMQ stills allows for the consent to be given by the beneficiary or the power of attorney, but that the consent needs to be given in writing and not verbally.

Here is the link to the form that an insurance company must use to request information concerning a deceased person: :

http://www.ramq.gouv.qc.ca/SiteCollectionDocuments/citoyens/fr/formulaires/3380-365-17-04_d_p.pdf

Please let us know if you are dealing with one of these scenarios, and if so, if this situation is problematic for your organization.

Thank you in advance for responding to this email by November 28.

Joan Weir
Director, Health and Disability Policy
Direct: 416-359-2003
Cell: 416-294-9384

Canadian Life and Health Insurance Association Inc.
79 Wellington St. West, Suite 2300
P.O. Box 99, TD South Tower
Toronto, Ontario M5K 1G8

From: Tavares, June
Sent: Nov 27, 2017 8:34 AM
To: 'Joan Weir'
Subject: RE: Life Insurance RAMQ / Assurance Vie RAMQ

Good Morning Joan – yes we are dealing with this and it is problematic for us. In the last 2-3 months, we were advised by XPERA that RAMQ rejected their request for provincial health records that we had asked them to obtain on our behalf. We were told that our authorization/consent was not valid for the request as they had new requirements and we needed to resubmit the request using an authorization/consent signed by the insured when he was living. Our Analyst spoke to XPERA and asked them to question RAMQ about this as our credit applications do not have an authorization/consent as part of what the applicant completes. The outcome of this is still pending as RAMQ has not responded with a solution. We have also reached out to the Legal Department at RAMQ ourselves and are still waiting for a response

Most of the claims we deal with are Creditor Insurance.

June Tavares FLHC ACS I Director Claims I TD Insurance
T: 416 983 6536 I F: 416 308 1223

From: Tavares, June
Sent: Monday, November 27, 2017 8:44 AM
To: Omaljev, Aleksandar; Fitzmaurice, Christina
Cc: Thorn, Peter; Elsinga, David
Subject: RE: Life Insurance RAMQ / Assurance Vie RAMQ

See e-mail from CLHIA and my response. Any thoughts on how to handle this for the claims in Quebec. I don't believe the Agreement and Signature section of the insurance application covers us.

June Tavares FLHC ACS I Director Claims I TD Insurance
T: 416 983 6536 I F: 416 308 1223

From: Thorn, Peter [mailto:Peter.Thorn@td.com]
Sent: Wednesday, December 20, 2017 9:09 AM
To: Brendan.wycks@cafii.com; keith.martin@cafii.com
Subject: FW: Life Insurance RAMQ / Assurance Vie RAMQ

Hi Keith and Brendan,

Our claims team brought this to my attention. RAMQ is now requiring the insured's written consent for an investigation into a life insurance claim. Because the existence of a Life Insurance Claim generally means the insured is dead... this becomes problematic for a Creditor Insurance Claim where generally we have not collected any such consents at the time of sale as we don't have an application form as such.

This would seem to be a broader issue affecting Creditor in general. Is this something you think would be appropriate to have one of our committees to look into?

Pete

From: Brendan Wycks [mailto:brendan.wycks@cafii.com]
Sent: Wednesday, December 20, 2017 9:28 AM
To: Thorn, Peter; keith.martin@cafii.com
Subject: RE: Life Insurance RAMQ / Assurance Vie RAMQ

Thanks for sharing this news, Pete.

I had never heard of RAMQ before. Based on a contextual reading of the information below, I take it that RAMQ is Quebec's equivalent of the Medical Information Bureau (MIB) in the rest of Canada. N'est-ce pas?

Yes, I would definitely agree that CAFII should definitely add this to our roster of regulatory issues and look into it.

I find it very surprising that if RAMQ has indeed decided to make such a major policy change re the release of individuals' medical information to insurers, that it would not have accompanied that decision with a formal announcement of the change to the industry.

And I wonder if the AMF is aware of this change in the RAMQ's privacy/release of information policy?

Brendan Wycks, BA, MBA, CAE
Co-Executive Director
Canadian Association of Financial Institutions in Insurance

From: Thorn, Peter [mailto:Peter.Thorn@td.com]
Sent: Thursday, December 21, 2017 11:24 AM
To: Brendan Wycks; keith.martin@cafii.com
Cc: Stuska, Andrea
Subject: RE: Life Insurance RAMQ / Assurance Vie RAMQ

Hi... Bit of an update. We had a call this morning internally with our legal and compliance people. There does not appear to have been any change communicated by RAMQ, any changes to the Act, nor any change to RAMQ's web page related to requests for information (<http://www.ramq.gouv.qc.ca/en/regie/access-information/Pages/how-apply-access-to-information.aspx>)

Apparently we started having our requests rejected in mid summer. I think reaching out to the AMF on the issue is a good start, to try and determine what the reasons behind this unannounced and undocumented change.

Thanks.

Pete

Agenda Item 5(b)(vi) (1 of 6)
January 16/18 EOC Meeting

From: Kylie Brown [<mailto:kylie.brown@gov.ab.ca>] **On Behalf Of** Nilam Jetha
Sent: Thursday, January 11, 2018 4:01 PM
To: Undisclosed recipients:
Subject: Group 1 Consultation Papers and Related Documents

Dear Stakeholders,

As you are aware, in March 2016, seven insurance regulations were renewed without change to allow my department sufficient time to conduct meaningful stakeholder consultations. I would like to provide you with an opportunity to submit your comments and feedback on these regulations.

My department has developed consultation papers (attached) for four regulations, with identified issues for your consideration.

- [Provincial Companies Regulation](#)
- [Recovery of Administration Costs Regulation](#)
- [Fair Practices Regulation](#)
- [Enforcement and Administration Regulation](#)

At this time, my department has not identified any items for consideration for the three remaining regulations. I would, however, encourage you to review these regulations and submit comments and feedback if you identify any issues with the regulations. I have also attached a description of the regulations for your information.

- [Reciprocal Insurance Exchange Regulation](#)
- [Replacement of Life Insurance Contracts Regulation](#)
- [Insurance Councils Regulation](#)

Please submit your comments and feedback to Debbie Manning at (debbie.manning@gov.ab.ca) or 780-638-4590 by **February 2, 2018**. If you have any questions, please feel free to contact Ms. Manning.

I would like to thank you for your efforts and collaboration in the review of these regulations.

Sincerely,

Nilam Jetha, PMP
ADM, Financial Sector Regulation and Policy &
Superintendent of Pensions, Insurance & Financial Institutions
Treasury Board and Finance

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Recovery of Administration Costs Regulation Consultation Paper

Introduction

Treasury Board and Finance (the department) is reviewing the [Recovery of Administration Costs Regulation](#) (regulation) of the [Insurance Act](#) (Act).

Purpose

The purpose of this consultation paper is to seek comments and feedback from stakeholders, and to provide an opportunity to identify other issues for consideration.

Summary of the regulation

Insurance companies are responsible for paying the operational costs of the Office of the Superintendent and the department as it pertains to insurance oversight. The Regulation allows the Superintendent to recover, from the insurance industry, the costs incurred by government to regulate industry and administer the Act.

While a number of Canadian jurisdictions conduct cost recovery, the manner in which it is calculated and administered varies by jurisdiction. In Alberta, the calculation for cost recovery is based on insurers' written premiums. In British Columbia, it is calculated based on insurers' assets. In Ontario, the Financial Services Commission of Ontario charges the cost of its operation to regulated sectors, which includes provincial insurance companies, through a combination of assessments and fees levied on industry.

Items for consideration

The department has identified some items for consideration. These items have been identified with efficiency, clarity and cost recovery in mind. Applicable excerpts from the Regulation are provided in the Appendix. Please inform the department of any comments you have on these items.

1. Change the date set out in Section 2(2) for when the Superintendent notifies each insurer indicating the amount of administration fees payable for the current fiscal year including the date by which the amount is due.
 - This would align the date administration fees are collected with the date licensing fees are collected by the Superintendent, increasing administrative efficiency.
2. Clarify the language for calculating administration fees in Section 3(1) to specify that non-consolidated premiums (as opposed to consolidated premiums) be used for the purposes of the calculation.
 - Consolidated premiums are the combined premiums of a parent company and its subsidiaries. These let one gauge the overall health of an entire group of companies as opposed to one company's standalone position.

- This would align the Regulation with best practices and the regulatory reporting requirements introduced by International Financial Reporting Standards in 2011.
3. The department is considering requiring all insurers to pay a minimum administration fee of \$250.
- Currently, no administration fee is payable by an insurer if the amount calculated is less than \$250, in accordance with Section 3(2). However, there is still an administration cost associated with each insurer, as they still require regulatory oversight.
 - This would be similar to Alberta's Employment Pension Plans Regulation in which the Superintendent of Pensions collects a minimum annual filing fee of \$250.

Stakeholder comments and feedback

Those interested are invited to submit comments and feedback on this consultation paper. Stakeholders are encouraged to identify any other issues the department should consider while reviewing the Regulation.

If you are identifying a new issue, please consider the following:

- Rationale for the proposed issue/change;
- Evidence to support the issues/changes, including what other jurisdictions are doing (if applicable); and
- Solution to the identified issue, including what implementation would look like.

Please note that all submissions will be subject to the [Freedom of Information and Protection of Privacy Act](#) (FOIP). All information received, including the names of stakeholders consulted in this process and any comments received about the Regulation, may be used or disclosed in the future in accordance with FOIP. Comments will not be publicly attributed to the stakeholder without consent.

Stakeholders interested are invited to submit their comments and feedback to Debbie Manning (debbie.manning@gov.ab.ca or 780-638-4590) by February 2, 2018.

Thank you for your time and comments!

Appendix

Excerpts from the Recovery of Administration Costs Regulation

Authority to charge administration fees

2(2) The Superintendent shall, on or before September 1 of each year, send a notice to each insurer indicating the amount of the administration fee payable under Section 3 for the current fiscal year and indicating the date by which the amount is due.

Calculation of administration fees

3(1) Subject to Subsection (2), the administration fee payable by each insurer in respect of a fiscal year shall be calculated in accordance with the following formula:

$$A = \frac{B}{C} \times (D - E - F)$$

where

A is the amount of the administration fee payable by the insurer;

B is the insurer's total direct premiums written by the insurer in the previous calendar year, as reported under Sections 44 and 46 of the Act;

C is the total of the direct premiums written for all insurers in the previous calendar year, as reported under Sections 44 and 46 of the Act;

D is the annual budget approved by the Minister for the administration of the Act and the regulations for the fiscal year;

E is 1/2 of the amount of the licence fees paid by all insurers for the current calendar year;

F is, with respect to administration fees payable for the 2010 and subsequent fiscal years, the amount by which the administration fees collected from all insurers for the previous fiscal year exceed the actual expenditures for the administration of the Act and the regulations for that same year.

3(2) No fee is payable by an insurer under this Section if the amount calculated for that insurer is less than \$250.

Provincial Companies Regulation Consultation Paper

Introduction

Treasury Board and Finance (the department) is reviewing the [Provincial Companies Regulation](#) (Regulation) of the [Insurance Act](#) (Act).

Purpose

The purpose of this consultation paper is to seek comments and feedback from stakeholders, and to provide an opportunity to identify other issues for consideration.

Summary of the regulation

Alberta's Superintendent of Insurance (Superintendent) is responsible for the supervision and regulation of various types of provincially licensed companies, including property and casualty insurance companies, which are incorporated in Alberta.

The regulation contains provisions that apply to insurance companies incorporated in Alberta, which are subject to the Superintendent's oversight regarding solvency, risk management and governance. The Superintendent ensures these companies are financially healthy, and able to pay claims to Albertans when they come due.

Items for consideration

The department has identified some items for consideration, listed below. These items have been identified with consumer protection in mind. Applicable excerpts from the regulation are provided in the Appendix. Please inform the department of any comments you have on these items.

1. Further limit shareholding, as prescribed in Section 15 of the regulation, by ensuring certain prescribed bodies corporate are not a related party to a provincial insurer.
 - This proposed change would limit provincial companies from investing in certain businesses owned by a related party and would align with prudent investment standards.
 - The intent is to prohibit certain types of transactions by related parties of a provincial company, unless approved by the Minister under Section 443 of the Act, and subject to terms and conditions considered appropriate by the Minister.
 - The potential change would allow the Minister to approve such a transaction, if the Minister is satisfied that it would be in the best interests of the company and would not be prejudicial to the interests of shareholders and policyholders.
2. Update the language in section 20.1(1) regarding the maintenance of adequate capital to reflect the current practice of using other regulatory capital calculations, in addition to the Minimum Capital Test.

- This would align with the Superintendent's current practice, which uses appropriate and relevant regulatory capital calculations in addition to the Minimum Capital Test.
 - The potential change would amend the language to include any measures deemed appropriate and relevant by the Superintendent.
3. Update the language found in section 20.1(1) of the Act by clarifying that provincial life insurance companies are also required to maintain adequate capital.
- The Act requires both provincial property and casualty, and provincial life insurance companies to maintain adequate capital. However, section 20.1(1) of the regulation only refers to property and casualty companies.

Stakeholder comments and feedback

Those interested are invited to submit comments and feedback on this consultation paper. Stakeholders are encouraged to identify any other issues the department should consider while reviewing the Regulation.

If you are identifying a new issue, please consider the following:

- Rationale for the proposed issue/change;
- Evidence to support the issues/changes, including what other jurisdictions are doing (if applicable); and
- Solution, including what implementation would look like.

Please note that all submissions will be subject to the [Freedom of Information and Protection of Privacy Act](#) (FOIP). All information received, including the names of stakeholders consulted in this process and any comments received about the Regulation, may be used or disclosed in the future in accordance with FOIP. Comments will not be publicly attributed to the stakeholder without consent.

Stakeholders interested are invited to submit their comments and feedback to Debbie Manning (debbie.manning@gov.ab.ca or 780-638-4590) by February 2, 2018.

Thank you for your time and comments!

Appendix

Excerpts from the Provincial Companies Regulation

Limitation of shareholding

15 The following are prescribed bodies corporate for the purpose of Section 421(3)(e) of the Act:

- a) a factoring corporation, being a body corporate whose activities are limited to acting as a factor in relation to accounts receivable, including the lending of money and the raising of money for the purpose of financing those activities;
- b) a financial leasing corporation, being a body corporate that enters into or acquires agreements as defined in Section 14(1)(a) of this Regulation;
- c) an information management corporation, being a body corporate that carries on the business of
 - i. the collection, manipulation and transmission of information that is primarily financial or economic in nature, or
 - ii. the sale of related software;
- d) an investment counselling corporation, being a body corporate that is registered as an investment counsel under the *Securities Act* or in a similar capacity under comparable legislation in another jurisdiction in Canada;
- e) a mutual fund corporation, being a body corporate whose activities are limited to the investing of the funds of the body corporate or a body corporate that is an issuer of securities that entitle the holder to receive, on demand or within a specified period after demand, an amount computed by reference to the value of a proportionate interest in the whole or in a part of the net assets, including a separate fund or trust account, of the issuer of those securities;
- f) a mutual fund distribution corporation, being a body corporate that is registered as a mutual fund dealer under the *Securities Act* or in a similar capacity under comparable legislation in another jurisdiction in Canada;
- g) a portfolio management corporation, being a body corporate that is registered as a portfolio manager under the *Securities Act* or in a similar capacity under comparable legislation in another jurisdiction in Canada;
- h) a real property brokerage corporation, being a body corporate whose activities are limited to acting as an agent for vendors or purchasers of real estate;
- i) a real property corporation, being a body corporate that is primarily engaged in holding, managing or otherwise dealing with
 - i. real property, or
 - ii. shares of a body corporate or ownership interests in an unincorporated entity that is primarily engaged in holding, managing or otherwise dealing with real property, including another real property corporation or a real property holding vehicle;
- j) a real property holding vehicle, being a limited partnership or a trust that is primarily engaged in holding, managing or otherwise dealing with
 - i. real property, or
 - ii. shares of a body corporate or ownership interests in an unincorporated entity that is primarily engaged in holding, managing or otherwise dealing with real property, including a real property corporation or another real property holding vehicle;

- k) a securities dealer;
- k.1) an insurance agency corporation, being a body corporate that sells insurance;
- l) a service corporation, being a body corporate whose activities are limited to the provision of management services to
 - i. a provincial company,
 - ii. a financial institution that is affiliated with a provincial company, or
 - iii. a body corporate in which a provincial company or financial institution that is affiliated with a provincial company holds or beneficially owns, separately or in the aggregate, more than 50% of the issued and outstanding voting shares;
- m) a specialized financing corporation, being a body corporate that is primarily engaged in providing specialized business management in making investments or providing financing or advisory services.

Maintenance of adequate capital

20.1(1) A provincial property and casualty company maintains adequate capital if the amount of capital available to it on an ongoing basis is equal to or exceeds the minimum amount of capital required, as calculated using the Minimum Capital Test form in the annual return form designated "P & C 1," as established for provincial property and casualty companies under Section 803 of the Act.

Fair Practices Regulation Consultation Paper

Introduction

Treasury Board and Finance (the department) is reviewing the [Fair Practices Regulation](#) (Regulation) of the [Insurance Act](#) (Act).

Purpose

The purpose of this consultation paper is to seek comments and feedback from stakeholders, and to provide an opportunity to identify other issues for consideration.

Summary of the Regulation

The Regulation establishes a number of consumer protection measures dealing with a variety of insurance topics. The Regulation includes items such as:

- Insurers must give notice to insureds of their liability (informing them they have been found at fault) in the event of an automobile collision claim;
 - The prohibition of tied selling of insurance products (tied selling is when an insurer or insurance agent requires an applicant to purchase a product or service from them, including another insurance policy, as a precondition to obtaining insurance); and
- Insurers must give written notice of the dispute resolution process set out in the Act to an insured.

Items for consideration

The department has identified a number of items for consideration, listed below. These items have been identified with consumer protection in mind. Applicable excerpts from regulations are provided in the Appendix. Please inform the department of any comments you have on these items.

1. Requiring an insurer give written notice of liability to an insured in the event of an automobile collision claim.
 - Section 2(a) of the regulation does not specify that notice of liability must be in writing.
 - This would prevent situations in which an insurer has determined an insured is liable for an automobile collision, and the insured is unaware of his or her liability. Written notice clearly communicates the determination of liability an insurer has made that affects an insured.
2. Expansion of the provision that requires the disclosure of a consumer's right to choose his or her own service provider to include medical services.
 - Section 3 of the regulation currently only addresses the right to choose one's own service providers for property damage. However, the right to choose a service provider is available for other types of insurance.

- If this change is adopted, an insurer would be responsible for advising an insured of his or her right to choose a medical service provider in writing, so that the insured may make an informed and independent decision regarding medical services to be obtained.
3. Clarifying existing prohibited tied selling practices.
- Section 4 of the regulation prevents insurers and insurance agents from tied selling. However, Section 4 does not prevent insurers or insurance agents from requiring an applicant to purchase a product or service from a third party as a precondition to obtaining insurance.
 - This proposed change would broaden the provision and clarify that requiring an applicant to purchase another product or service from an insurer, insurance agent, or third party as a precondition to obtaining insurance is prohibited.
 - o This proposed change is not meant to limit an insurer or insurance agent from refusing to provide an insurance product until an applicant purchases a product or service that is relevant to underwriting the risk; rather, it is meant to prohibit the requirement of purchasing a product or service from a particular provider/seller/company as a precondition to obtaining insurance.
4. Ensuring the dispute resolution process for home warranties is provided to the insured in writing.
- Section 5.2(2)(a) of the Regulation states that an insurer must provide written notice to the insured within 10 days after the insurer determines a dispute has arisen between the insurer and the insured. Currently, this does not include disputes under home warranties.
 - o Section 5(6) of the Home Warranty Insurance Regulation includes the process for disputes over defects, repairs or replacements covered by home warranties. This regulation came into force in February 2014.
 - This proposed change would require insurers to provide written notice of the dispute resolution process when a dispute arises concerning defects, repairs or replacements covered under home warranties.
5. Adding a section that states insurers must provide the applicable statutory conditions verbatim to an insured when an automobile or property policy is undertaken.
- Sections 540 and 556 of the Act provide the text that is to be printed in a policy under the heading of Statutory Conditions.
 - This proposed addition is meant to clarify that insurers are to provide the *full text* of relevant Statutory Conditions to an insured when a policy is undertaken.
 - This proposed new section would accompany a proposed addition to the Schedule of the Enforcement and Administration Regulation, making non-inclusion of the statutory conditions subject to an administrative penalty.

Stakeholder comments and feedback

Those interested are invited to submit comments and feedback on this consultation paper. Stakeholders are encouraged to identify any other issues the department should consider while reviewing the Regulation.

If you are identifying a new issue, please consider the following:

- Rationale for the identified issue;
- Evidence to support the identified issue, including what other jurisdictions are doing (if applicable); and
- Solution to the identified issue, including what implementation could look like.

Please note that all submissions will be subject to the [Freedom of Information and Protection of Privacy Act](#) (FOIP). All information received, including the names of stakeholders consulted in this process and any comments received about the regulation, may be used or disclosed in the future in accordance with FOIP. Comments will not be publicly attributed to the stakeholder without consent.

Interested stakeholders are invited to submit their comments and feedback to Debbie Manning (debbie.manning@gov.ab.ca or 780-638-4590) by February 2, 2018.

Thank you for your time and comments!

Appendix

Excerpts from the Fair Practices Regulation

Claims disclosure

2 Where there is a claim against the insured under a contract of automobile insurance and in the insurer's opinion the insured is liable, the insurer who settles the claim must

(a) notify the insured of the insured's liability within 30 days of forming the opinion that the insured is liable, and

(a.1) repealed AR 145/2011 s2,

(b) on the request of the insured, disclose to the insured

(i) the dollar amount of any claim paid to a third party

(ii) the date of the settlement,

(iii) the name of the third party, and

(iv) the nature or purpose of the settlement.

AR 128/2001 s2;96/2006;145/2011

Disclosure of insured's right to choose service provider

3 Where an insurer, insurance agent or adjuster is notified by an insured of a loss respecting damage to property and the insurer, insurance agent or adjuster recommends a particular service provider to the insured, the insurer, insurance agent or adjuster must advise the insured in writing, at the time of the recommendation, that the insured may have the repairs estimated and completed by a service provider of the insured's choice, except where the insurer exercises its right to undertake the repairs.

AR 128/2001 s3;96/2006

Prohibited tied selling practices

4 For the purpose of section 509(1)(b) of the Act, the following tied selling practices are prohibited:

(a) where an insurer or insurance agent other than the holder of a restricted certificate is asked to sell insurance to a person, informing the person that the person must purchase another product or service, including an insurance policy, from the insurer or insurance agent, as the case may be, before the insurance requested will be undertaken;

(b) where an insurer is asked to make a loan to a person, informing the person that the person must purchase a product or service, including an insurance policy, from the insurer before the loan will be made.

Notice of dispute resolution process

5.2(1) In this section, "dispute resolution process" means the dispute resolution process described in section 519 of the Act.

- (2) An insurer must give written notice to the insured of the dispute resolution process
 - (a) within 10 days after the insurer determines that a dispute has arisen between the insurer and the insured about a matter under Statutory Condition 11 set out in section 540, or Statutory Condition 4(9) set out in section 556, of the Act, or
 - (b) within 70 days after the insured has submitted a proof of loss, if the insurer has not yet made a decision as to the validity or the amount payable in respect of the claim.
- (3) A written notice referred to in subsection (2) must include a copy of section 519 of the Act.

AR 145/2011 s4;183/2011

Excerpt from the Home Warranty Insurance Regulation

Policy Conditions

In Case of Disagreement

- 5(6)(1) In the event of disagreement as to whether a defect exists, the nature and extent of the repairs or replacements required, the adequacy of repairs or replacements made or the amount of loss or damage, those questions must be determined using the applicable dispute resolution process set out in section 519 of the *Insurance Act* whether or not the insured's right to recover under the home warranty insurance contract is disputed, and independently of all other questions.
- (2) There is no right to a dispute resolution process under this condition until
 - (a) a specific demand is made for it in writing, and
 - (b) the proof of loss has been delivered to the insurer.

Enforcement and Administration Regulation Consultation Paper

Introduction

Treasury Board and Finance (the department) is reviewing the [Enforcement and Administration Regulation](#) (Regulation) of the [Insurance Act](#) (Act).

Purpose

The purpose of this consultation paper is to seek comments and feedback from stakeholders, and to provide an opportunity to identify other issues for consideration.

Summary of the Regulation

Under Section 790 of the Act, the Superintendent of Insurance (Superintendent) has the authority to issue administrative penalties for contraventions of the Act and its related regulations. The purpose of the regulation is to set out such matters as:

- The information that must be contained in a notice of an administrative penalty;
- The factors the Superintendent must consider when determining the amount of an administrative penalty; and
- The sections of various regulations that constitute an offence when they are not complied with.

Items for consideration

The department has identified a number of items for consideration, listed below. These items have been identified with consumer protection in mind. Applicable excerpts from regulations are provided in the Appendix. Please inform the department of any comments you have on these items.

1. Updating the Regulation's Schedule to include three new items as being subject to administrative penalties.
 - a) Failure to provide written notice of the dispute resolution process
 - Sections 5.2(2) and 5.2(3) of the Fair Practices Regulation state that in the event of a dispute between the insurer and the insured, an insurer must provide written notice of the dispute resolution process to the insured within a certain period of time.
 - Making these sections subject to administrative penalty helps to ensure insurers are making consumers aware of, and may easily refer to, the dispute resolution process.
 - b) Statutory Conditions to be printed verbatim in every automobile or property policy
 - This proposed addition would accompany a proposed section to the Fair Practices Regulation, making non-inclusion of the full text of Statutory Conditions subject to administrative penalty.

- This proposal would reinforce Sections 540 and 556 of the Act, which provide the text that is to be printed in a policy under the heading of Statutory Conditions.
- The intent is to ensure insurers are providing the full text of relevant Statutory Conditions to an insured when a policy is undertaken.
- c) Failure to pay Section B total disability benefits, pursuant to requirements of the Automobile Accident Insurance Benefits Regulation
 - Section B total disability benefits ensure Albertans disabled by automobile collisions have access to expenses for daily living.
 - If adopted, this would codify the importance placed on these benefits for consumers, as enumerated in Superintendent Bulletin 04-2015 (attached as Appendix 2).

Stakeholder comments and feedback

Those interested are invited to submit comments and feedback on this consultation paper. Stakeholders are encouraged to identify any other issues the department should consider while reviewing the Regulation.

If you are identifying a new issue, please consider the following:

- Rationale for the identified issue;
- Evidence to support the identified issue, including what other jurisdictions are doing (if applicable); and
- Solution to the identified issue, including what implementation could look like.

Please note that all submissions will be subject to the [Freedom of Information and Protection of Privacy Act](#) (FOIP). All information received, including the names of stakeholders consulted in this process and any comments received about the Regulation, may be used or disclosed in the future in accordance with FOIP. Comments will not be publicly attributed to the stakeholder without consent.

Interested stakeholders are invited to submit their comments and feedback to Debbie Manning (debbie.manning@gov.ab.ca or 780-638-4590) by February 2, 2018.

Thank you for your time and comments!

Appendix 1

Excerpt from the Enforcement and Administration Regulation

Schedule

Regulatory Provisions in Respect of Which an Administrative Penalty is Payable

- 1** Provincial Companies Regulation
- sections 2, 3, 4, 5, 6, 7(1) and 14(2) and (3).
 - 2** Replacement of Life Insurance Contracts Regulation
- sections 2, 8 and 10.
 - 3** Insurance Agents and Adjusters Regulation
- sections 15(3), 18(2) and 28.
 - 4** Fair Practices Regulation (AR 128/2001)
- sections 2, 3 and 5(3).
 - 5** Repealed AR 99/2006 s3.
 - 6** Automobile Insurance Premiums Regulation
- sections 2, 3, 4, 5, 6, 8, 11(1) and 12.
AR 129/2001 Sched.;382/2003;124/2004;99/2006;117/2014
-

Excerpt from the Fair Practices Regulation

Notice of dispute resolution process

- 5.2 (1)** In this section, “dispute resolution process” means the dispute resolution process described in section 519 of the Act.
- (2)** An insurer must give written notice to the insured of the dispute resolution process
- (a) within 10 days after the insurer determines that a dispute has arisen between the insurer and the insured about a matter under Statutory Condition 11 set out in section 540, or Statutory Condition 4(9) set out in section 556, of the Act, or
 - (b) within 70 days after the insured has submitted a proof of loss, if the insurer has not yet made a decision as to the validity or the amount payable in respect of the claim.
- (3)** A written notice referred to in subsection (2) must include a copy of section 519 of the Act.

AR 145/2011 s4;183/2011

Appendix 2

BULLETIN NUMBER: 04-2015
TITLE: Automobile Insurance - Total Disability Benefits
DATE: December 2015

PURPOSE:

This Bulletin is being issued to advise automobile insurers that I consider failing to provide automobile insurance total disability benefits in accordance with the provisions of legislation, automobile insurance policy forms and interpretation Bulletins to be an unfair act or practice.

BACKGROUND:

One of the major objectives and coverages of the Insurance Act (Act), the Automobile Accident Insurance Benefits Regulations (AAIB) and automobile insurance policy forms is income replacement for those that are disabled as the result of injuries sustained in automobile accidents. Under automobile insurance, income replacement is provided as a total disability benefit, which enables claimants to pay for the necessities of life, and mitigate the financial consequences of accidents. Given the impact on claimants, I consider not paying total disability benefits as prescribed to be a serious matter.

INTERPRETATION:

In accordance with my delegated authority under Section 791(2) of the Act and pursuant to Section 792(1) of the Act I have determined that failing to pay automobile accident insurance total disability benefits as prescribed by the Act, the AAIB and automobile insurance policy forms is an unfair act, or practice. An unfair act or practice is prohibited by Section 509(1) (c) of the Act. Non-compliance with Section 509 of the Act is an offence under Section 780 (d) of the Act, for which an administrative penalty may be assessed pursuant to Section 789 of the Act. An administrative penalty of up to \$25,000.00 may be assessed for each occurrence in which an offence is committed.

I strongly encourage insurers to ensure that all of their applicable staff are aware of this Bulletin.

If you have questions regarding this Bulletin please contact our office at TBF.insurance@gov.ab.ca or (780) 427-8322 (toll-free in Alberta by first dialing 310-0000).

[ORIGINAL SIGNED]

Mark Prefontaine
Superintendent of Insurance
402 Terrace Building, 9515 – 107 Street
Edmonton, AB T5K 2C3
Telephone: 780-427-8322
Facsimile: 780-420-0752
www.finance.alberta.ca

Description of Seven Insurance Regulations Expiring on April 30, 2018

1. Provincial Companies Regulation

- The Provincial Companies Regulation contains provisions that apply to insurance companies incorporated in Alberta, whom are subject to prudential supervision, which includes oversight with respect to solvency, risk management and governance by the Superintendent of Insurance (Superintendent).
 - The Superintendent ensures that insurance companies incorporated in Alberta are solvent and financially healthy, and able to pay claims to Albertans when they come due.
- The Provincial Companies Regulation contains provisions that govern the assets, investments and capital adequacy of insurance companies incorporated in Alberta.
- At this time, minor technical changes are being considered to the regulation, such as:
 - Ensuring the language surrounding accounting standards is updated to align with Alberta's *Chartered Professional Accountants Act* (CPAA). The CPAA created a new designation for accounting professionals and it regulates the conduct of these professionals.
 - Updating the language to align with harmonized national forms used by all insurers in Canada.

2. Reciprocal Insurance Exchange Regulation

- The Reciprocal Insurance Exchange Regulation contains provisions that apply to reciprocal insurance exchanges (reciprocals) licensed to operate in Alberta.
 - Reciprocals are groups of commercial entities with like risks that exchange contracts of insurance through a legal agreement. The members agree to exchange contracts of insurance and set aside resources to pay claims when they arise.
 - All provincially supervised reciprocals are subject to prudential oversight similar to what is provided to Alberta incorporated insurance companies.
 - There are currently 16 reciprocals formed in and supervised by Alberta, and five extraprovincial reciprocals (which were formed and supervised in another province) that transact business in Alberta.
 - Reciprocals were formed as an alternative to the traditional insurance market when the availability of required insurance and stable pricing was lacking for municipalities, airports, and some professions. They are useful for organizations that have a very particular set of risks that are better understood within the industry.
 - For example, a reciprocal has been established to handle roofers' risks and cover their legal liability exposure. In the broader insurance marketplace, this type of insurance can be expensive depending on the availability in the marketplace. The establishment of a reciprocal insurance exchange is more cost-effective because a reciprocal insurance exchange is an entity formed under the Insurance Act and there is lower overhead for the organization.
 - Examples of reciprocals include the Alberta School Boards Insurance Exchange, the Canadian Airports Reciprocal Insurance Exchange, three municipal insurance exchanges and a reciprocal providing coverage to Alberta Health Services.
- At this time, minor technical changes are being considered to the regulation, such as updating the regulation to reflect consistent terminology with the *Insurance Act*.
 - For example, the Act no longer refers to fire insurance – it refers to property insurance instead.

3. Recovery of Administration Costs Regulation

- Insurance companies are responsible for paying the operational costs of the Office of the Superintendent of Insurance and the Insurance Policy branch.
- The Recovery of Administration Costs Regulation allows the Superintendent to recover, from the insurance industry, the costs incurred by the government to regulate the industry and administer the *Insurance Act*. This money is paid into General Revenue.
- At this time, minor technical changes are being considered to the regulation, such as changing the date the Superintendent notifies each insurer of the amount of the administration fees payable for the current fiscal year.

4. Fair Practices Regulation

- The purpose of the Fair Practices Regulation is to establish a number of consumer protection measures dealing with a variety of insurance topics.
- For example:
 - Automobile insurers must disclose the details of claim settlements they make when one of their insureds is liable;
 - “Tied selling” of insurance products is prohibited under this regulation. For example, an insurer cannot require a person to purchase an insurance product in order to be able to purchase another insurance product.
 - Plaintiff lawyers are required to give notice to defendant automobile insurers when they have been retained by a claimant. Following receipt of this, the defendant’s insurer must inform the lawyer whether there is a motor vehicle liability policy issued by the insurer to the defendant and the liability limits.
- At this time, minor changes are being considered, for example enhancing consumer protection by requiring the notice to the insured of fault specifically be done in writing.

5. Enforcement and Administration Regulation

- Under the *Insurance Act*, the Superintendent has the authority to issue administrative penalties (which are monetary fines) for contraventions of the *Insurance Act* and regulations.
- The purpose of the Enforcement and Administration Regulation is to set out such matters as:
 - The information that must be contained in a notice of an administrative penalty;
 - The factors the Superintendent must consider when determining the amount of an administrative penalty; and
 - The sections of various regulations that constitute an offence when those sections are not complied with.
- At this time, two changes are being considered to the regulation:
 - To create an offence for violating certain sections of the Home Warranty Insurance Regulation, which came into force in February 2014; and
 - To create an offence for failing to provide total disability benefits pursuant to requirements of the Automobile Accident Insurance Benefits Regulations.

6. Replacement of Life Insurance Contracts Regulation

- The Replacement of Life Insurance Contracts Regulation sets out rules and requirements that govern circumstances when an insured purchases a life insurance policy that replaces an existing life insurance policy.
 - Replacing an existing life insurance policy with a new life insurance policy can sometimes result in very serious consequences for the insured. This regulation provides measures to ensure consumer protection, such as:

- An insurer or insurance agent cannot influence or recommend the replacement of an individual's life insurance policy; and
- If an individual wishes to replace their life insurance policy, and the replacement is considered harmful to the individual in the opinion of the insurer or insurance agent, the individual must be made aware of the advantages and disadvantages of replacing their policy.
- At this time, no substantive changes are being considered.

7. Insurance Councils Regulation

- The Insurance Councils Regulation sets out the composition, delegated authority and term limits of the four insurance councils (not subject to the *Alberta Public Agencies Governance Act* (APAGA)): Alberta Insurance Council (AIC); General Insurance Council (GIC); Life Insurance Council (LIC), and Insurance Adjusters' Council (IAC).
 - These councils are the regulatory bodies responsible for the licensing and discipline of insurance agents, brokers, and adjusters in Alberta.
 - The councils are formed under the *Insurance Act* and they derive their authority from a delegation by the Minister of Finance.
- This regulation also sets out the composition, remuneration and term limits for the Insurance Councils Appeal Board (non-APAGA).
 - This board is not a standard board, but a roster of names (on call), for when an appeal panel needs to be constituted to hear an appeal from a council decision.
 - The regulation sets out certain requirements for the appeal process.
- The regulation also sets out requirements regarding industry election of representatives to the various councils and board.
- Some stakeholders have submitted considerations for change but no substantive changes are being considered at this time.

CAFII Regulator and Policy-Maker Visit Plan 2018-19

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Jan 11/18
British Columbia				
Insurance Council of BC: Janice Sinclair, Executive Director (started November 1/17) Gerry Matier, Executive Director (outgoing; but retained as an interim consultant by successor J. Sinclair)	-liaison meeting on October 17/17 in Vancouver as part of CAFII tour of BC/Alberta/Manitoba regulators and policy-makers -Dec 6/17 informal discussion with K. Martin at CISRO LLQP Session -liaison meeting on October 17/17 in Vancouver as part of CAFII tour of BC/Alberta/Manitoba regulators and policy-makers -June 2/17 CAFII presentation to CISRO in Saskatoon -May 5/17 liaison breakfast in London, Ontario -Dec 9/16 informal discussion with B. Wycks at CISRO LLQP Session -Feb. 27/15 liaison breakfast in Toronto	May 2-4, 2018, during CLHIA Conference in Calgary None at this time	-Council's current view on 10-Year Review of Financial Institutions Act -Representation of alternate distribution/non-resident sellers on Council -Update on Council priorities	Pending
FICOM: Frank Chong, Acting Superintendent of Financial Institutions (effective August 1/16)	-liaison meeting on October 17/17 in Vancouver as part of CAFII tour of BC/Alberta/Manitoba regulators and policy-makers -Dec. 12/16 CAFII Stakeholder Dialogue with CCIR in Toronto -Nov 10/15 in Vancouver re CGI Information Bulletin	None at this time	-FICOM Information Bulletin on CGI ('effecting' of CGI in BC issue: ED and EOC to monitor re need for meeting/ dialogue around any member or industry issues re compliance with CGI Info Bulletin -Monitoring for appt. of interim or permanent FICOM CEO successor -10 yr. Review of BC Financial Institutions Act (if appropriate)	
Doug McLean, Deputy Superintendent of Insurance	-liaison meeting on October 17/17 in Vancouver as part of CAFII tour of BC/Alberta/Manitoba regulators and policy-makers	None at this time	-See F. Chong above	
Chris Carter, Acting Superintendent, Real Estate and Acting Registrar, Mortgage Brokers (effective August 1/16)	-April 14/16 teleconference re CAFII follow-up letter -Follow-up letter, seeking clarification on CGI Info Bulletin key issues, sent March 15/16 -Nov 10/15 in Vancouver re CGI Information Bulletin	None at this time	-See F. Chong above	

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Jan 11/18
Michael McTavish, Acting Executive Director, Market Conduct (joined FICOM in Spring 2017)	-liaison meeting on October 17/17 in Vancouver as part of CAFII tour of BC/Alberta/Manitoba regulators and policy-makers	None at this time	-See F. Chong above	
Lorena Dimma, Director, Market Conduct (assuming Harry James' former policy advisor role re 'effecting' of CGI issue)	-April 14/16 teleconference re CAFII's March 15/16 follow-up letter on CGI Info Bulletin	None at this time		
Harry James, Senior Regulatory Advisor (Chair of CCIR's Travel Insurance Working Group)	-liaison meeting on October 17/17 in Vancouver as part of CAFII tour of BC/Alberta/Manitoba regulators and policy-makers -Dec. 8/16 cordial reply email to E. Fang, agreeing with CAFII's request that auto dealers are creditors for a moment-in-time issue be closed. -April 14/16 teleconference re CAFII's March 15/16 follow-up letter on CGI Info Bulletin	None at this time	-See F. Chong above	
Molly Burns, Analyst, Policy Initiatives	-April 14/16 teleconference re CAFII's March 15/16 follow-up letter on CGI Info Bulletin -Nov 10/15 in Vancouver	None at this time	-See F. Chong above	
Erin Morrison, Regulatory Analyst, Policy Initiatives	-August 10/16 in Toronto, accompanied Harry James and participated in CCIR TIWG meeting with CAFII	None at this time	-See F. Chong above	
Ministry of Finance: Carole James, Minister of Finance	-None to date. Appointed Minister of Finance in July 2017, with change in BC government. Delivered first provincial budget on September 11/17	None at this time	TBD until CAFII has a "direct ask" at Ministerial level	
Lori Wanamaker, Deputy Minister of Finance	-None to date. Appointed July 2017	None at this time	-See E. Cole below	

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Jan 11/18
Elizabeth Cole, Executive Director, Strategic Projects & Policy (head of 10-Year Review of FIA) (on personal leave until sometime in mid- to late 2018)	-April 20/17 and June 23/16 telephone conversations with B. Wycks re updates on expected release date of Policy Paper and other FIA Review timelines -November 10/15 in Vancouver along with Dan Ashton; and separate meeting along with Brian Dillon and Kari Toovey	None at this time	-Policy Paper emerging from 10-Year Review of Financial Institutions Act, making proposals for change, now due to be released in early 2018	
Brian Dillon, Director, Financial Institutions		None at this time	-See E. Cole above	
Kari Toovey, Acting Executive Director, Strategic Projects & Policy (head of 10-Year Review of FIA); normally Senior Policy Advisor	-liaison meeting on October 17/17 in Vancouver as part of CAFII tour of BC/Alberta/Manitoba regulators and policy-makers	None at this time	-See E. Cole above	
Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Jan 11/18
Alberta				
Alberta Insurance Council: Joanne Abram, CEO	-liaison meeting on October 18/17 in Edmonton as part of CAFII tour of BC/Alberta/Manitoba regulators and policy-makers -June 2/17 CAFII presentation to CISRO in Saskatoon -May 4/17 liaison lunch in London, Ontario -December 21/16 letter to CAFII confirming definition of CGI critical illness insurance approved by Life Council to include selling of CI under existing RIA licence -Oct 31/16 CAFII submission of letter proposing definition of CGI critical illness insurance to be adopted for inclusion under existing RIA licence -Sept 16 & 28/16 and Oct 11/16 e-mail correspondence with B. Wycks re LIC decision on allowing CI to be sold under an RIA licence	May 2-4, 2018 during CLHIA Conference in Calgary	-AIC's implementation of approved definition and process for CI to be sold under existing RIA licence -Representation for Restricted Licence Holders on Life Insurance Council	Pending

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Jan 11/18
Anthonet Maramieri, COO	<ul style="list-style-type: none"> -liaison meeting on October 18/17 in Edmonton as part of CAFII tour of BC/Alberta/Manitoba regulators and policy-makers -March 8/17 email to B. Wycks advising of Life Council's further look at definition of credit-related insurance approved to be offered under a Restricted Certificate, at April 12/17 meeting. -Sept 12/16 teleconference with G. Grant and B. Wycks -July 12/16 teleconference with G. Grant and B. Wycks - April 11/16 informal discussion with B. Wycks, at CISRO LLQP Info Session - Feb 27/15: Toronto: B. Wycks met A. Maramieri and had get acquainted chat at CISRO LLQP Stakeholder Info Session 	May 2-4, 2018 during CLHIA Conference in Calgary	-See J. Abram above	Pending
Warren Martinson, Legal Counsel	<ul style="list-style-type: none"> -liaison meeting on October 18/17 in Edmonton as part of CAFII tour of BC/Alberta/Manitoba regulators and policy-makers -June 2/17 CAFII presentation to CISRO in Saskatoon -W. Martinson in attendance at Feb. 22/17 CAFII stakeholder meeting with CCIR TIWG -May/June 2016 telephone discussion with J. McCutcheon (on CAFII's behalf) re legislative and regulatory underpinnings of selling of CI benefits as credit-related insurance under an RIA licence -Feb 10/14: Toronto, ON (with B. Wycks, as W. Martinson then on LLQP Governance Cttee.) 	May 2-4, 2018, during CLHIA Conference in Calgary	-See J. Abram above	Pending
Sylvia Boyetchko, Director of Licensing	<ul style="list-style-type: none"> -liaison meeting on October 18/17 in Edmonton as part of CAFII tour of BC/Alberta/Manitoba regulators and policy-makers 	-May 2-4, 2018, during CLHIA Conference in Calgary	-See J. Abram above	Pending

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Jan 11/18
<u>Treasury Board and Ministry of Finance:</u> Nilam Jetha, Superintendent of Insurance (made permanent at beginning of 2017, following one year interim period)	-liaison meeting on October 18/17 in Edmonton as part of CAFII tour of BC/Alberta/Manitoba regulators and policy-makers	February or March 2018 teleconference, if necessary, related to ATBF consultation on 7 insurance regulations	-Update on Superintendent's priorities -Communicate CAFII issues; build and strengthen relationship	Pending
David Sorensen, Deputy Superintendent of Insurance	-liaison meeting on October 18/17 in Edmonton as part of CAFII tour of BC/Alberta/Manitoba regulators and policy-makers	February or March 2018 teleconference, if necessary, related to ATBF consultation on 7 insurance regulations	-See N. Jetha above	Pending
Laurie Balfour, Director, Financial Compliance, Insurance Regulation and Market Conduct Branch (Chair of CCIR Insurance Core Principles Implementation Ctte) Wayne Maday, Director, Insurance Policy	-liaison meeting on October 18/17 in Edmonton as part of CAFII tour of BC/Alberta/Manitoba regulators and policy-makers -CAFII 20 th Anniversary: April 5/17 -Sep 30/14: Fredericton, NB (informal meeting) -Jul 28/14: call with CAFII reps re: "effecting of CGI" -liaison meeting on October 18/17 in Edmonton as part of CAFII tour of BC/Alberta/Manitoba regulators and policy-makers	February or March 2018 teleconference, if necessary, related to ATBF consultation on 7 insurance regulations February or March 2018 teleconference, if necessary, related to ATBF consultation on 7 insurance regulations	-See N. Jetha above -See N. Jetha above	Pending Pending
Joe Ceci, President of Treasury Board and Minister of Finance	No contact – appointed May 24/15	-None at this time	TBD until CAFII has a "direct ask" at Ministerial level	

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Jan 11/18
Saskatchewan				
<u>Insurance Councils of Saskatchewan:</u> Ron Fullan, Executive Director, (CISRO Chair)	-October 27/17 three-way meeting in Toronto -- involving ICS (R. Fullan and A. Stadnek), CAFII, and CLHIA -- re “Representation for RIA Licence Holders in Saskatchewan” -June 2/17 liaison meeting in Saskatoon -CAFII 20 th Anniversary: April 5/17 -R. Fullan in attendance at Feb. 22/17 CAFII stakeholder meeting with CCIR TIWG -Dec. 12/16 CAFII Stakeholder Dialogue with CCIR in Toronto -Dec 9/16 informal discussion with B. Wycks at CISRO LLQP Session	-May 2-4, 2018, during CLHIA Conference in Calgary -further three-way meeting re “Representation for RIA Licence Holders in Saskatchewan” in Q2 2018, once CAFII and CLHIA develop and submit joint proposal to R. Fullan (project deferred to Spring 2018 at CLHIA’s behest)	-establishing and implementing a Restricted Insurance Agents Advisory Committee -ICS-relevant aspects of implementation of new Saskatchewan Insurance Act and Regulations -Sask. RIA regime and licensure issues	-Pending -Pending
April Stadnek, Director of Compliance	-October 27/17 three-way meeting in Toronto -- involving ICS (R. Fullan and A. Stadnek), CAFII, and CLHIA -- re “Representation for RIA Licence Holders in Saskatchewan” -June 2/17 liaison meeting in Saskatoon -Sept 22/15 CISRO LLQP Stakeholder Info Session in Toronto (B. Wycks) - Sep 30/14; Fredericton, NB (informal meeting) - November/13 in Toronto when April attended CLHIA CCOSS Seminar	-See R. Fullan above	-See R. Fullan above	-Pending
<u>Financial Consumer Affairs Authority (FCAA):</u> Roger Sobotkiewicz, former Director of FCAA Legal Branch, became Interim Chairperson and Superintendent of Insurance, effective Feb. 1/15	-June 1/17 get acquainted and liaison meeting in Regina	-See J. Seibel below	-see J. Seibel below; and -introduce CAFII and build relationship -Regulations being developed following passage of <i>Bill 177, The Insurance Act (Saskatchewan)</i> -ISI: Representation for Restricted Licence Holders -Sask’s imposition of PST on all insurance premiums - Update on Superintendent’s priorities	-Pending (see J. Seibel below)

Ian McIntosh, Deputy Superintendent of Insurance	-Jul 28/14 call with CAFII reps re: “effecting CGI”	-see J. Seibel below	-see J. Seibel below; and -see R. Sobotkiewicz above	-Pending (see J. Seibel below)
Janette Seibel, Lawyer, became lead on Bill 177 and Regulations file effective June 1/15	-June 1/17 get acquainted and liaison meeting in Regina -March 2017 email exchange with B. Wycks re invitation to CAFII to provide feedback on FCAA-proposed definition of TPA, for inclusion in Insurance Regulations -February 17/17 call to B. Wycks advising that “in force” date for new Insurance Act and Regulations had been deferred to Spring 2018 -Jan 2017 email exchange with B. Wycks re timing of “in force” date for new Saskatchewan Insurance Act and related Regulations -Nov and Dec. 2016 email exchanges with B. Wycks re Insurance Regulations Consultation and TPAs sub-consultation. -June 1/17 get acquainted and CAFII profile-raising meeting in Regina with Minister and Ministry officials re Sask’s imposition of PST on insurance premiums	-teleconference meeting in Q2 or Q3 2018, if necessary, for final questions/clarifications as Fall 2018 “coming into force” target date for Insurance Act, Saskatchewan; related Regulations; and The Insurance Amendment Act, 2017 approaches	-timing of “in force” date for new Saskatchewan Insurance Act and related Regulations -CAFII’s response submissions on FCAA’s Insurance Regulations Consultation document (submitted Dec. 2/16) and TPAs sub-consultation (submitted Dec. 9/16) -Sask’s imposition of PST on all insurance premiums	-Pending
<u>Ministry of Finance</u> Donna Harpauer, Minister of Finance (appointed Oct/17) (predecessor: Kevin Doherty, whom CAFII met with on June 1/17 in Regina)		-March or September 2018 meeting, if warranted, following CAFII’s gathering and submission of six months and one year of data on impact of 6% PST on consumer purchases of CGI and other life and health insurance policies	-further introduce CAFII and build relationship -Sask’s imposition of PST on all insurance premiums	-Pending

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Jan 11/18
Manitoba				
Ministry of Finance: Scott Moore, Deputy Superintendent of Insurance	-CAFII Stakeholder Meeting with CCIR on October 25/17 in Toronto -liaison meeting on October 19/17 in Winnipeg, hosted by ICM, as part of CAFII tour of BC/Alberta/Manitoba regulators and policy-makers -CAFII 20 th Anniversary event: April 5/17 -Dec. 12/16 CAFII Stakeholder Dialogue with CCIR in Toronto -August 10/16 CAFII stakeholder meeting re CCIR travel health insurance Issues Paper (participated by teleconference) -April 15/15 teleconference with three CAFII reps -April 29/14: meeting in Winnipeg, MB	-None at this time	-Maintain and build relationship -Representation for Restricted Licence Holders on Life Insurance Council -concern about amended Insurance Act's apparent residency requirement for employees of Restricted Insurance Agents	
Cameron Friesen, Minister of Finance	No contact – took office May 3/16	-None at this time	TBD until CAFII has “direct ask” at Ministerial level	
Barbara Palace Churchill, Executive Director, Insurance Council of Manitoba (appointed late November 2016)	-liaison meeting on October 19/17 in Winnipeg, hosted by ICM, as part of CAFII tour of BC/Alberta/Manitoba regulators and policy-makers -June 2/17 CAFII presentation to CISRO in Saskatoon -May 4/17 short get acquainted/liaison meeting in London, Ontario	-May 2-4, 2018, during CLHIA Conference in Calgary	-Introduce CAFII and build/maintain relationship -Representation for Restricted Licence Holders on Life Insurance Council -Insurance Council's “ISI items for further review and development” -communicate CAFII issues	-Pending
Heather Winters, Director, Licensing & Compliance	-liaison meeting on October 19/17 in Winnipeg, hosted by ICM, as part of CAFII tour of BC/Alberta/Manitoba regulators and policy-makers	None at this time		
Lee Roth, Investigator	-liaison meeting on October 19/17 in Winnipeg, hosted by ICM, as part of CAFII tour of BC/Alberta/Manitoba regulators and policy-makers	None at this time		

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Jan 11/18
Ontario				
FSCO: Brian Mills, appointed Interim CEO and Superintendent on October 18/14. Will likely be FSCO's last CEO, as Ontario Government transitions to a new Financial Services Regulatory Authority (FSRA) over next two years (2017 and 2018), as stated by B. Mills at FSCO Symposium on November 25/16.	-November 6/17: informal chat with B. Wycks during FSCO 2017 Life and Health Insurance Symposium -CAFII Stakeholder Meeting with CCIR on October 25/17 in Toronto -May 3/17: informal chat with K. Martin during CLHIA Conference -Dec. 12/16 CAFII Stakeholder Dialogue with CCIR in Toronto -January 28/15 stakeholder meeting with CCIR	None at this time	(i)Build/maintain relationship (ii) Ontario government review of FSCO's mandate (iii) next steps in Life Insurance Product Suitability Review (iv)CCIR review of travel health insurance (v)Update on Superintendent's priorities (vi)communicate CAFII issues	
Anatol Monid, Executive Director, Licensing and Market Conduct Division	-November 6/17: informal chat with B. Wycks during FSCO 2017 Life and Health Insurance Symposium -June 2017 liaison lunch with M. Gill and J. Lewsen re CAFII advice on FSCO's planned survey of bank insurers re sales practices -June 2/17: questions raised by A. Monid, on the phone, at end of CAFII presentation to CISRO in Saskatoon -May 3/17: informal chat with K. Martin during CLHIA Conference -CAFII 20 th Anniversary event: April 5/17 -June 7/16, December 8/15 and June 9/15: informal update conversations at CAFII Reception events -January 28/15 stakeholder meeting with CCIR	None at this time	-next steps in Life Insurance Product Suitability Review -other FSCO initiatives re life insurance agent and/or insurer compliance -initiatives of FSCO LII Working Group	

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Jan 11/18
Izabel Scovino, appointed Director, Market Conduct Regulation Branch in Nov/14	<ul style="list-style-type: none"> -November 6/17 during FSCO 2017 Life and Health Insurance Symposium: private discussion with B. Wycks re setting up a consultation meeting with CAFII reps re FSCO's planned "Incidental Insurance Market Conduct Questionnaire and Attestation" -September 12/17 meeting of FSCO Life Insurance Industry Working Group (LII Working Group) of which Izabel Scovino is a member (K. Martin and H. Pabani) -Oct. 8/15 at CLHIA CCOS Fall Seminar (B. Wycks) -Nov 21/14 at FSCO Life & Health Insurance Symposium 	-February 1 or 2/18 meeting with joint CLHIA/CAFII Working Group re FSCO's planned "Incidental Insurance Market Conduct Questionnaire"	-see A. Monid above	-Pending
Heather Driver Director, Licensing Branch Licensing and Market Conduct Division (assumed position in Jan 2016, following retirement of Shonna Neil)	<ul style="list-style-type: none"> -September 12/17 second meeting of FSCO Life Insurance Industry Working Group (LII Working Group), of which H. Driver is Chair (K. Martin and H. Pabani) -June 2/17 CAFII presentation to CISRO in Saskatoon -May 30/17 initial meeting of LII Working Group (K. Martin and H. Pabani) -Oct. 14/16 email exchange with B. Wycks following CAFII's delivery of input, requested by FSCO in Oct. 7/16 meeting, re optimal wording to use in FSCO communications re life insurance agent and insurer relationship -Oct. 7/16 meeting with CAFII reps, at FSCO's invitation, re FSCO initiatives around life agent and insurer compliance, particularly re E&O insurance (also attended by Richard Tillman, Allan Amos, Kelly Picard, and Abina Rogers of FSCO) 	-February 1 or 2/18 meeting with joint CLHIA/CAFII Working Group re FSCO's planned "Incidental Insurance Market Conduct Questionnaire"	-see A. Monid above	-Pending
Andrea Chow, Senior Manager, Financial Services Regulatory Policy (joined FSCO in summer 2017; formerly with Ontario Ministry of Finance)	<ul style="list-style-type: none"> -November 6/17: get acquainted chat with B. Wycks during FSCO 2017 Life and Health Insurance Symposium, which she chaired 	None at this time	-see A. Monid above	

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Jan 11/18
Richard Tillman, Senior Manager, Insurance and Deposit Institutions Policy (currently seconded to FSRA Implementation Secretariat)	-Oct. 7/16 meeting with CAFII reps re life agent and insurer compliance	None at this time	-see A. Monid above	
Reena Vora, Manager, Market Regulation Branch, Licensing and Market Conduct Division	-December 8/16 with CAFII reps for feedback on draft questionnaire for life insurer examination visits (one pilot test visit planned in Q1 2017), as next phase in Life Insurance Product Suitability Review	None at this time	-Life insurer examination visits	
Ministry of Finance: -Sandy Roberts, Director, FSRA Implementation Secretariat (appointed Nov 2016)	-CAFII Year-End Reception on November 28/17 -congratulatory letter on appointment sent; no in-person contact to date. Was a no-show for June 29/17 CAFII stakeholder meeting with FSRA Implementation Secretariat; and April 5/17 CAFII 20 th Anniversary Celebration	-None at this time (awaiting release of further information and/or Regulations for consultation re FSRA structure, governance, and operating model)	-Ontario Government's replacement of FSCO with a new Financial Services Regulatory Authority (FSRA) over next two years (2017 and 2018); and Regulations to implement FSRA -FSRA's regulation of life and health insurance sector.	
-Stuart Wilkinson, Senior Manager, FSRA Implementation Secretariat (transferred from previous MOF role in Nov 2016)	-June 29/17 CAFII stakeholder meeting with FSRA Implementation Secretariat -CAFII 20 th Anniversary Reception: April 5/17 (regular attendee at CAFII Receptions)	- See S. Roberts above		
-David McLean, Policy Advisor	-June 7/16 and April 12/16 informal conversations with B. Wycks at CAFII Receptions -July 30/15 life & health insurance sector roundtable -May 21/15 informal meeting: insurance sector round table	-See S. Roberts above		
Paul Braithwaite, Policy Advisor	-November 6/17: informal chat with B. Wycks during FSCO 2017 Life and Health Insurance Symposium, as both at same small group table -June 29/17 CAFII stakeholder meeting with FSRA Implementation Secretariat -September 12/17 second meeting of FSCO Life Insurance Industry Working Group (LII Working Group) of which Paul Braithwaite is an attendee for the MOF (K. Martin and H. Pabani)	-See S. Roberts above		

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Jan 11/18
Quebec				
AMF: Louis Morisset, CEO	-AMF Rendez-Vous on November 13/17 in Montreal -AMF 2016 Rendez-Vous on November 14/16 in Montreal -Oct. 4/16 in Montreal: CAFII liaison lunch and Industry Issues Dialogue with AMF -Apr 8/14: CAFII liaison lunch and Industry Issues Dialogue with AMF in Montreal	-CAFII/AMF Liaison Lunch and Industry Issues Dialogue on October 2/18	-(i) Bill 141 and Bill 150 to modernize Quebec's financial services sector, including the Distribution Act (both released by Ministry of Finance in October 2017) -(iii) Distribution Guide template and implementation timelines -(iv) Update on AMF priorities -(v) Communicate CAFII issues -(vi) Maintain and strengthen relationship	-Pending
Patrick Dery, Superintendent, Solvency (appointed CCIR Chair effective April 1/15)	-CAFII Stakeholder Meeting with CCIR on October 25/17 in Toronto -CAFII/AMF Liaison Lunch and Industry Issues Dialogue in Levis, Quebec on October 23/17 -Dec. 12/16 CAFII Stakeholder Dialogue with CCIR in Toronto -Oct. 4/16 in Montreal: CAFII liaison lunch and Industry Issues Dialogue with AMF -Liaison lunch and industry issues dialogue on October 6/15 in Levis, Quebec -CAFII/AMF Liaison Lunch and Industry Issues Dialogue in Levis, Quebec on October 23/17 -Oct. 4/16 in Montreal: CAFII liaison lunch and Industry Issues Dialogue with AMF	-CAFII/AMF Liaison Lunch and Industry Issues Dialogue on October 2/18	-see L. Morisset above	-Pending
Phillip Lebel, Director General of Legal Affairs	-CAFII/AMF Liaison Lunch and Industry Issues Dialogue in Levis, Quebec on October 23/17 -Oct. 4/16 in Montreal: CAFII liaison lunch and Industry Issues Dialogue with AMF	-CAFII/AMF Liaison Lunch and Industry Issues Dialogue on October 2/18	-see L. Morisset above	-Pending
Nathalie Sirois, Senior Director, Supervision of Insurers and Control of Right to Practise		-CAFII/AMF Liaison Lunch and Industry Issues Dialogue on October 2/18	-see L. Morisset above	-Pending

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Jan 11/18
<p>Frédéric Pérodeau (becomes new Superintendent, Client Services and Distribution Oversight on January 22/18, succeeding Eric Stevenson; joined AMF in 2012 and was previously Senior Director, Investigations)</p> <p>Eric Stevenson, Superintendent, Client Services and Distribution Oversight (leaving the AMF's employ at end of January 2018 to "re-orient career in the financial services sector)</p>	<p>-None to date</p> <p>-AMF 2017 Rendez-Vous in Montreal on November 13/17 -CAFII/AMF Liaison Lunch and Industry Issues Dialogue in Levis, Quebec on October 23/17 -CAFII 20th Anniversary event: April 5/17 -AMF 2016 Rendez-Vous on November 14/16 in Montreal -Oct. 4/16 in Montreal: CAFII liaison lunch and Industry Issues Dialogue with AMF -Liaison lunch and industry issues dialogue on October 6/15 in Levis, Quebec</p>	<p>- CAFII/AMF Liaison Lunch and Industry Issues Dialogue on October 2/18</p>	<p>-See L. Morisset above</p>	<p>-Pending</p>

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Jan 11/18
Louise Gauthier, Senior Director, Distribution Policies and Compensation (member of CCIR TIWG). Lead on AMF's Distribution Guide rewrite initiative.	-AMF 2017 Rendez-Vous in Montreal on November 13/17 -CAFII/AMF Liaison Lunch and Industry Issues Dialogue in Levis, Quebec on October 23/17 -CAFII 20 th Anniversary event: April 5/17 -L. Gauthier in attendance at Feb. 22/17 CAFII stakeholder meeting with CCIR TIWG -AMF 2016 Rendez-Vous on November 14/16 in Montreal -Oct. 4/16 in Montreal: CAFII liaison lunch and Industry Issues Dialogue with AMF -August 10/16 CAFII stakeholder meeting re CCIR travel health insurance Issues Paper -Liaison lunch and industry issues dialogue on October 6/15 in Levis, Quebec	- CAFII/AMF Liaison Lunch and Industry Issues Dialogue on October 2/18	-See L. Morisset above	-Pending
Maryse Pineault, Senior Director, Distribution Framework	-AMF 2017 Rendez-Vous in Montreal on November 13/17 (hosted B. Wycks and M. Gill at special table for luncheon with Minister of Finance C. Leita as guest speaker) -June 2/17 CAFII presentation to CISRO in Saskatoon -Dec 9/16 informal discussion with B. Wycks at CISRO LLQP Session in Toronto -AMF 2016 Rendez-Vous on November 14/16 in Montreal	-None at this time	-See L. Morisset above	
Marie-Claude Soucy, Vice-President, Administrative Services (joined AMF in August 2015)	-AMF 2017 Rendez-Vous in Montreal on November 13/17 (hosted K. Martin at special table for luncheon with Minister of Finance C. Leita as guest speaker)	-None at this time	-See L. Morisset above	-Confirmed

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Jan 11/18
<p><u>Ministry of Finance:</u> Carlos Leitao, Minister</p> <p>Richard Boivin, Assistant Deputy Minister, Financial Institution Policy and Corporate Law</p> <p>Guillaume Caudron, Chief of Staff</p> <p>Yann Nachabé, Policy Advisor</p>	<p>-early December 2017 phone call with K. Martin, which encouraged CAFII to submit its concerns about Bills 141 and 150 to National Assembly Committee on Public Finance; and offered a meeting for CAFII representatives with Ministry of Finance officials if CAFII could not secure a presentation opportunity before National Assembly Committee</p> <p>-Feb. 25/16 phone call between B. Wycks and Yann Nachabé, Policy Advisor, Ministry of Finance, resulting from CAFII request for April 2016 in-person follow-up meeting with Richard Boivin and Guillaume Caudron</p>	<p>-in-person meeting with Ministry officials – to highlight kudos and concerns in CAFII submission on Bills 141 and 150 -- in Q1 or Q2 2018</p>	<p>- Bill 141 and Bill 150 to modernize Quebec’s financial services sector, including the Distribution Act (both released by Ministry of Finance in October 2017)</p> <p>-Ministry’s direction on online distribution of insurance without involvement of an advisor</p>	<p>-Pending</p>

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Jan 11/18
New Brunswick				
Financial and Consumer Services Commission (Insurance Division): Angela Mazerolle, Superintendent of Insurance	-Dec. 12/16 CAFII Stakeholder Dialogue with CCIR in Toronto -May 4/16 dinner meeting with Atlantic Canada regulators in Halifax -Oct 1/14: Fredericton, NB	-liaison meeting as part of CAFII tour of Atlantic Canada regulators and policy-makers, in Spring 2018 (target: week of May 14-18/18)	-refreshed "Seven Point Guide to The Creditor Insurance Regulatory Regime," to be presented by CAFII as an educational resource to counteract false impression that ISI is unregulated -implementation of further phases of online licensing system -legislative/regulatory change to support electronic beneficiary designations -other New Brunswick licensing issues	-Pending
David Weir, Deputy Superintendent of Insurance	-June 2/17 CAFII presentation to CISRO in Saskatoon -Dec 9/16 informal discussion with B. Wycks at CISRO LLQP Session in Toronto -May 4/16 dinner meeting with Atlantic Canada regulators in Halifax - April 11/16 informal discussion with B. Wycks, at CISRO LLQP Info Session - Feb. 19/16 re CAFII feedback on online insurance licensing system - Sept. 22/15 CISRO LLQP Info Session in Toronto (B. Wycks) -Oct 1/14: Fredericton, NB	-liaison meeting as part of CAFII tour of Atlantic Canada regulators and policy-makers, in Spring 2018 (target: week of May 14-18/18)	-see A. Mazerolle above -timing of final recommendations on reforming licensing framework for other-than-life agents and brokers -CAFII feedback on New Brunswick online insurance licensing system	-Pending
Opportunities New Brunswick: Jay Reid, Investment Attraction Officer	-Jun 3/14: Toronto, with Adam Mitton of predecessor organization Invest New Brunswick	None at this time	-CAFII submission re: Insurance Act and regulatory process changes necessary to support business efficiency and further inbound investment and additional jobs in New Brunswick -Introduce CAFII and build relationship -Position CAFII as an information resource	
Consumer Advocate for Insurance: Ronald Godin, Consumer Advocate	No contact	None at this time		

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Jan 11/18
Nova Scotia				
Superintendent of Insurance: William Ngu, Acting Superintendent of Insurance	-May 4/16 dinner meeting with Atlantic Canada regulators in Halifax -Appointed June 2015; no previous CAFII contact	-liaison meeting as part of CAFII tour of Atlantic Canada regulators and policy-makers, in Spring 2018 (target: week of May 14-18/18)	-refreshed "Seven Point Guide to The Creditor Insurance Regulatory Regime," to be presented by CAFII as an educational resource to counteract false impression that ISI is unregulated -Review of life and accident & sickness provisions of Insurance Act -legislative/regulatory change to support electronic beneficiary designations -Update on Superintendent's priorities -Communicate CAFII issues; build and strengthen relationship	-Pending
Jennifer Calder, Deputy Superintendent of Insurance	-CAFII 20 th Anniversary event: April 5/17 -Dec. 12/16 CAFII Stakeholder Dialogue with CCIR (participated by phone) -August 10/16 CAFII stakeholder meeting re CCIR travel health insurance Issues Paper (participated by teleconference) -May 4/16 dinner meeting with Atlantic Canada regulators in Halifax	-liaison meeting as part of CAFII tour of Atlantic Canada regulators and policy-makers, in Spring 2018 (target: week of May 14-18/18)	-See W. Ngu above	-Pending
Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Jan 11/18
PEI				
Superintendent of Insurance: Robert Bradley, Superintendent	-CAFII 20 th Anniversary event: April 5/17 -Dec. 12/16 CAFII Stakeholder Dialogue with CCIR in Toronto -Oct 1/14: Fredericton, NB	-liaison meeting as part of CAFII tour of Atlantic Canada regulators and policy-makers, in Spring 2018 (target: week of May 14-18/18)	-refreshed "Seven Point Guide to The Creditor Insurance Regulatory Regime," to be presented by CAFII as an educational resource to counteract false impression that ISI is unregulated -Review of life and accident & sickness provisions of Insurance Act (on April 23/15, R. Bradley advised that this may get underway in late 2015) -legislative/regulatory change to support electronic beneficiary designations -Update on Superintendent's priorities -Communicate CAFII issues -Maintain and strengthen relationship	-Pending

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Jan 11/18
Newfoundland				
Superintendent of Insurance: John O'Neill, Superintendent Craig Whalen, Deputy Superintendent of Insurance	-N/A; appointed in October 2015 -Oct 1/14: Fredericton, NB June 2/17 CAFII presentation to CISRO in Saskatoon	-liaison meeting as part of CAFII tour of Atlantic Canada regulators and policy-makers, in Spring 2018 (target: week of May 14- 18/18) -liaison meeting as part of CAFII tour of Atlantic Canada regulators and policy-makers, in Spring 2018 (target: week of May 14- 18/18)	-refreshed "Seven Point Guide to The Creditor Insurance Regulatory Regime," to be presented by CAFII as an educational resource to counteract false impression that ISI is unregulated -legislative/regulatory change to support electronic beneficiary designations -Update on Superintendent's priorities -Communicate CAFII issues; build and strengthen relationship	-Pending -Pending
Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Jan 11/18
FEDERAL/NATIONAL				
CCIR: Tony Toy, Policy Manager Martin Boyle, Policy Manager (left CCIR/FSCO employ at end of December 2017) Sean Jacobs, Policy Manager (left CCIR/FSCO employ in August 2017)	-liaison lunch on November 17/17 -CAFII Stakeholder Meeting with CCIR on October 25/17 in Toronto (first meeting with CAFII)	-liaison lunch in February 2018	-CCIR Annual Statement on Market Conduct -Framework for Cooperative Market Conduct Supervision -CCIR review of travel health insurance -Possible CCIR speakers/panelists at CAFII events -Update on CCIR 2017-20 Strategic Plan and related priorities -Communicate CAFII issues; and maintain and strengthen relationship -possible CAFII webinar(s) for CCIR audience	-Pending

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Jan 11/18
<p>Patrick Déry, Chair (Superintendent, Solvency, AMF)</p> <p>Harry James, Chair, CCIR Travel Insurance Working Group (TIWG)</p>	<p>-CAFII Stakeholder Meeting with CCIR on October 25/17 in Toronto</p> <p>-Dec. 12/16 CAFII Stakeholder Dialogue with CCIR in Toronto</p> <p>-Oct. 4/16 in Montreal: CAFII liaison lunch and Industry Issues Dialogue with AMF</p> <p>-CAFII Stakeholder Meeting with CCIR on October 25/17 in Toronto</p> <p>-May 10/17 teleconference with CAFII reps re CCIR TIWG Communications Plan for release of Travel Health Insurance Position Paper</p>	<p>None at this time</p> <p>-January 29/18 meeting with Harry James and TIWG members re Travel Health Insurance Products Position Paper (released May 27/17) and proposed industry reforms</p>	<p>-CCIR review of travel health insurance</p> <p>-Update on CCIR 2017-20 Strategic Plan and related priorities</p> <p>-Communicate CAFII issues; maintain and strengthen relationship</p> <p>-CCIR Travel Health Insurance Products Position Paper and CAFII/industry response to same</p>	-Confirmed
Laurie Balfour, Chair, CCIR Insurance Core Principles Implementation Committee (ICPiC)	<p>-November 23/17 CAFII Member-Exclusive Webinar On Year 2 Housekeeping Changes To CCIR Annual Statement On Market Conduct</p> <p>-CAFII liaison visit to Alberta Treasury Board & Finance, October 18/17 in Edmonton</p> <p>-CAFII 20th Anniversary event: April 5/17</p> <p>-March 1/17 CCIR webinar presentation for CAFII members on CCIR expectations for insurer completion of Annual Statement on Market Conduct (presented by L. Balfour and M. Boyle)</p> <p>-Dec. 12/16 CAFII Stakeholder Dialogue with CCIR in Toronto</p> <p>-August 10/16 CAFII stakeholder meeting re CCIR travel health insurance Issues Paper (participated by teleconference)</p> <p>-May 19/16 CCIR ICPiC webinar presentation for CAFII members (L. Balfour and M. Boyle)</p>	-None at this time	<p>-Harmonized Annual Statement on Market Conduct</p> <p>-Framework for Co-operative Market Conduct Supervision in Canada</p> <p>-ICPiC work on IAIS' Insurance Core Principles</p>	

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Jan 11/18
<u>CISRO:</u> Ron Fullan, Chair (SK); G. Matier (BC); J. Abram (AB), W. Martinson (AB); D. Weir (NB)	-December 6/17 CISRO LLQP Stakeholder Information Session At FSCO Office In Toronto -CAFII Stakeholder Meeting with CCIR on October 25/17 in Toronto (R. Fullan attends in capacity as CISRO Chair) -June 2/17 CAFII presentation to CISRO in Saskatoon -CAFII 20 th Anniversary event: April 5/17 -R. Fullan in attendance at Feb. 22/17 CAFII stakeholder meeting with CCIR TIWG -Dec 9/16 informal discussion with B. Wycks at CISRO LLQP Session in Toronto -Dec. 12/16 CAFII Stakeholder Dialogue with CCIR in Toronto	-January 29/18 meeting with Harry James and TIWG members re Travel Health Insurance Products Position Paper (released May 27/17) and proposed industry reforms	-national, online licensing system for insurance and related harmonization issues -possible CISRO Strategic Plan and opportunity for stakeholders to provide input	-Confirmed
<u>Financial Consumer Agency of Canada (FCAC):</u> Lucie Tedesco, Commissioner Brigitte Goulard, Deputy Commissioner Jane Rooney, Financial Literacy Leader	-May 1/15: B. Wycks made self-introduction and chatted with L. Tedesco, following her speech at CLHIA Conference -Jun 10/14: B. Goulard was speaker at CAFII event -Feb 10/15 (presentation at CAFII Annual Luncheon)		-FCAC consultation on its Proposed Supervision Framework and Publishing Principles for FCAC Decisions (released September 29/16 with November 14/16 deadline for submissions) of document expected). CAFII decided not to respond to this consultation, as out-of-scope	
Jeremie Ryan, Director, Financial Literacy and Consumer Education Karen Morgan, Marketing Officer	-Feb. 10/15 (with J. Rooney for presentation at CAFII event) -Jan 9/14 (meeting with M. Gill and B. Wycks in Ottawa)	-None at this time -None at this time		

Website Analytics

January 2018

Keyword Rankings

Nov 2017 - Jan 2018

Google | Bing

89 KEYWORDS

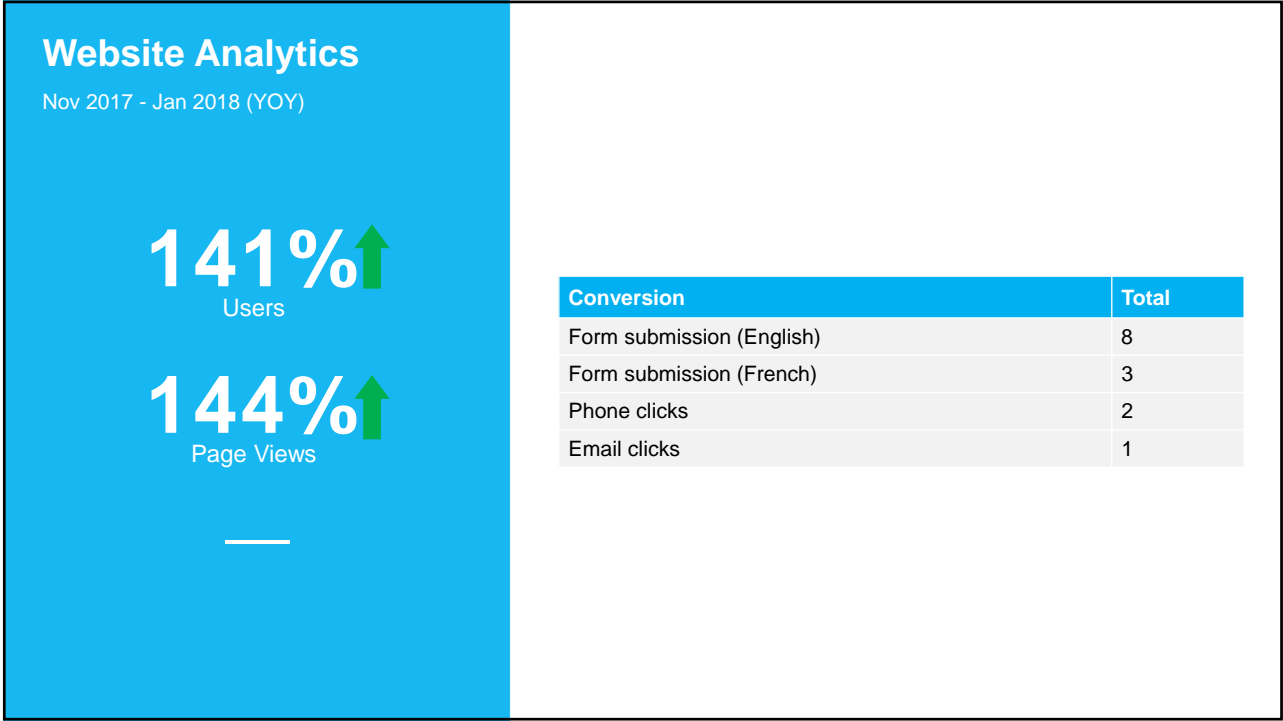
21% ↑ first page rankings
39% ↑ second page rankings
25% ↑ third page rankings

Top 5 Rankings

Keyword	Search Engine	Ranking
loan disability insurance	Google.ca	2 ↑ 13
what is credit protection insurance	Bing.ca	2 ↑ 14
what is credit protection insurance	Google.ca	3 ↑ 3
what is mortgage life insurance	Bing.ca	3 ↑ +
mortgage loan life insurance	Google.ca	5 ↑ 36

Top 3 Improved Rankings

Keyword	Search Engine	Ranking
disability mortgage insurance	Google.ca	34 ↑ 54
where do i get mortgage life insurance	Google.ca	43 ↑ 22
what is credit insurance premium	Google.ca	12 ↑ 16



2018 Digital Performance, Awareness and Video

Action	Benefit	Investment
Quarterly Reporting		
Quarterly reporting on website & digital key performance metrics, presented by conference call.	Insight into online visibility and consumer engagement.	\$985 Per Report
Directory Building		
Placement of CAFII business information on 100 Directories.	Search improvement, consumer trust, consumer awareness, access to CAFII.	\$985 One-time
Wikipedia Entry Creation		
Creation and submission of a CAFII Wikipedia entry.	Search improvement, consumer trust, consumer awareness, access to CAFII.	\$1,800 One-time
Membership Badge Creation		
Creation of membership badge and guidelines for member deployment.	Search improvement, consumer trust, consumer awareness, access to CAFII.	\$1,800 One-time
Website - Consumer Examples (16 Insurance products)		
Creation of new format for consumer examples.	Product application awareness, real-life examples of insurance products.	\$2,400 One-time
Website - News & Research		
Redesign of the News & Research section of the website.	Inclusion of research section and improvement to visuals of News posts.	\$1,200 One-time
Website - Home Page		
Incorporation of an image and video slider on the home page.	Allow CAFII to feature research publications and video content on the home page.	\$1,200 One-time
Video Production		
White board: Creation of 30 second whiteboard video. *English & French voice talent included.	Explain products, benefits and consumer application of creditor insurance products.	French & English - \$6,500 Est. both videos
Live Action & Animation: Creation of video introducing CAFII to consumers, for placement on the website and YouTube. *Actor talent investment not included.	Introduce CAFII and Creditor Insurance to consumer leveraging consumer facing positioning and slogan.	French & English - \$8,000 Est. both videos
Search Engine Marketing		
Targeted marketing for "what is", "how do" and information related searches for creditor insurance products on Google & Bing search engines.	Search visibility, targeted messaging, consumer awareness, access to CAFII, ongoing management and optimization of campaigns.	\$3,000 Quarterly

CAFI Media Proposal

S2C (David Moorcroft) will deliver a three-part Media Awareness and Training program as follows:

Part One (1 hour) – Setting Expectations (Keith, Brendan and interested board & EOC members)

- How the media works
- Risks and Rewards
- Implementing an effective engagement strategy

Part Two (1 ½ hours) – Managing the Media (Keith and Brendan)

- Theory and best practices
- How to become an effective spokesperson for CAFI
- How to become a desirable spokesperson for the media
- How to avoid pitfalls

Part Three (1 ½ hours) – Simulated Media Interviews (Keith)

- Conduct & video-tape simulated media interviews with CAFI spokesperson
- Critique and provide feedback on each interview

Budget:

- \$2,750 plus HST
- Includes leave-behind copies of presentation, use of S2C video camera
- CAFI to provide training room, projector, screen

Possible CAFII Research Topics

December 2017

A comparison of CGI and other competitive products along a series of dimensions:

- ease of signing up (medical tests required, questions, time to be signed up)
- cost
- Claims ratios

A summary of CAFII member's presence in each province, in the aggregate:

- Number of employees
- Total premium written
- Total claims payout
- Taxes paid to the province

A comparison of the regulatory structure of the Canadian insurance industry for the products offered by CAFII members, compared to other jurisdictions such as the United States, Great Britain, Australia, and Singapore

A comparison of the "regulatory sandbox" approach in Canadian provinces as compared to other jurisdictions such as the United States, Great Britain, Australia, and Singapore

A review of the economic costs to the Canadian economy from a lack of harmonized regulations and licensing regimes (for example, the need for a call centre to get multiple licenses and send calls only to the agents with a license from the province that the caller is from)

Comparison of the levels of life and other insurance coverages for Canadians in different wage brackets, broken out by term versus CGI, to show that lower and middle income Canadians are vastly underinsured and CGI addresses that gap. This same study could also look at this from an age perspective, to show the same issue for younger Canadians

Research on the potential impact of digitization, innovation, and technology change on insurance and the regulatory regime (this broad topic could be a series of more specific topics)

Review of some of the most innovative technology developments and how they could impact on the insurance industry

Pollara type survey but not on travel medical insurance, but on CGI products offered by CAFII members – level of satisfaction with sign up process, servicing, claims



CAFII TEAM

NATALIE HILL
ASSOCIATION EXECUTIVE
natalie@managingmatters.com
416.944.3183 x 223

TARA MORAN
ACCOUNTANT
taram@managingmatters.com
416.944.3183 x 321

DANIELLA BUSTAMANTE
SENIOR EVENT COORDINATOR
daniella@managingmatters.com
416.944.3183 x 325

MUJTABA MIRZA
IT
mujtaba@managingmatters.com
416.944.3183 x 234

NICOLE CORK
ASSOCIATION MANAGER

PEARL CHEN, CPA, CGA
FINANCIAL CONTROLLER

CATERINA SISCA
EVENT MANAGER

RACHEL KING
DIRECTOR,
ASSOCIATION MANAGEMENT
& MARKETING

RACHEL KING
DIRECTOR,
ASSOCIATION MANAGEMENT
& MARKETING

CLAIRE LEAHY, CMP
DIRECTOR OF EVENTS