

CAFII Executive Operations Committee Meeting

Date: Tuesday, June 20, 2017
Location: CIBC Insurance
 33 Yonge Street, 6th Floor,
 [China Room], Toronto, ON

Chair: E. Fang
Time: 1:30 – 3:00 p.m.
Dial-in: 416-764-8662 or 1-888-884-4534
 Participant: 4532491#
 Moderator: 5829171#

Agenda

Item	Presenter	Action	Document
1. Call to Order <i>1:30 p.m.</i> a. Welcome to incoming EOC Chair, Peter Thorn b. Welcome to new EOC Member Julie Medeiros	E. Fang		
2. Approval of Agenda and Previous Minutes <i>1:32 p.m.</i> a. EOC Minutes of May 23/17 b. Board Minutes of June 6/17 c. Summary of Board and EOC Action Items	All All B. Wycks	Approval Approval Update	✓ ✓ ✓
3. CAFII Financial Management <i>1:40 p.m.</i> a. Financial Statements as at May 31/17 b. Need For Management Control Action Due To Loss of National Bank Insurance Membership Dues	T. Pergola T. Pergola/B. Wycks/K. Martin	Approval Discussion	✓
4. Strategy and Governance <i>1:50 p.m.</i> a. CAFII EOC Chair Transition b. CAFII Board Chair Succession c. CAFII Co-Executive Directors 2017 Balanced Scorecard	E. Fang/P. Thorn E. Fang B. Wycks/K. Martin	Update Discussion Update	✓ ✓
5. Regulatory <i>2:00 p.m.</i> a. Consultations/Submissions Timetable i. BC FICOM 10-Year Review of FIA ii. Quebec Omnibus Bill on Financial Sector Modernization iii. Saskatchewan Insurance Regulations Consultation iv. CCIR Travel Health Insurance Position Paper b. Regulatory Update <i>2:15 p.m.</i> i. Alberta Authorization of CI Sales Under an RIA Certificate ii. CAFII Follow-up On June 1/17 Meeting With Saskatchewan Finance Minister iii. CAFII Follow-up On June 2/17 Presentation To CISRO c. Regulator and Policy-Maker Visit Plan <i>2:25 p.m.</i> i. Liaison Lunch With CCIR Policy Managers, June 2X,/17 ii. Meeting with Ontario FSRA Implementation Secretariat, June 29/17 iii. Late June/Early July Meeting With & Presentation To Insurance Council of Manitoba Staff iv. CAFII BC and Alberta Regulators and Policy-Makers Visits Tour, October 16-18/17	B. Wycks B. Wycks R. Beckford/B. Wycks B. Wycks S. Manson/K. Martin/B. Wycks B. Wycks B. Wycks B. Wycks/K. Martin B. Wycks/K. Martin B. Wycks B. Wycks B. Wycks B. Wycks	Update Update Update Update Discussion Update Update Discussion Discussion Update Update Update Update Update Update	✓ ✓ (3) ✓ ✓ ✓ ✓

<p>6. Committee Updates 2:35 p.m.</p> <ul style="list-style-type: none"> a. Market Conduct b. Media Advocacy <ul style="list-style-type: none"> i. CAFII Website Modernization ii. Revised CAFII Media Protocol iii. Media Consultant Retainer iv. Media Advocacy Lunch Meetings with Committee Members Re Presentations to FI Media Teams c. Licensing Efficiency Issues <ul style="list-style-type: none"> i. FSCO Life Insurance Industry Working Group ii. Representation for Restricted Licence Holders in Saskatchewan d. Research & Education e. Travel Medical Experts 	<p>R. Beckford C. Blaquiere K. Martin K. Martin K. Martin K. Martin M. Gill K. Martin B. Wycks/K. Martin D. Quigley S. Manson</p>	<p>Update Update Update Update Update Update Update Update Update Update Update</p>	
<p>7. Other Business 2:45 p.m.</p> <ul style="list-style-type: none"> a. Date and Location of October 2017 CAFII Board and AMF Liaison Meetings b. Renewal of CAFII's .Insurance Internet Domain c. Reconstitution of CAFII Networking and Events Committee 	<p>B. Wycks B. Wycks E. Fang</p>	<p>Discussion Update Discussion</p>	
<p>8. In Camera Session 2:50 p.m.</p>	<p>E. Fang/P. Thorn</p>	<p>Discussion</p>	

Next EOC Meeting [Tentative Summer Meeting via Teleconference]: Tuesday, July 22/17, 2:00 to 4:00 p.m.

CAFII EOC Meeting Minutes
Tuesday, May 23, 2017
Location: 33 Yonge Street, 7th Floor NW,
[Norway Room], Toronto, ON

DRAFT

EOC Present:	Jason Beauchamp Eleanore Fang Moirra Gill Charles MacLean Sue Manson Tony Pergola Andrea Stuska Raja Rajaram	BMO Insurance (<i>by teleconference</i>) TD Insurance <i>Chair</i> TD Insurance (<i>by teleconference, for part</i>) RBC Insurance (<i>by teleconference</i>) CIBC Insurance ScotiLife Financial TD Insurance CIBC Insurance (<i>by teleconference, for part</i>)
Also, Present:	Emily Cloutier Keith Martin Megan McLean Brendan Wycks	T•O Corporate Services (<i>by teleconference</i>) CAFII <i>Co-Executive Director</i> T•O Corporate Services <i>Recording Secretary</i> CAFII <i>Co-Executive Director (for part)</i>
Regrets:	Isabelle Choquette Rose Beckford Charles Blaquiere Rob Dobbins Katherine Geisler John Lewsen Jerome Savard Diane Quigley	Desjardins Financial Security Life Assurance ScotiLife Financial Canadian Premier Life Insurance Company Assurant Solutions CIBC Insurance BMO Insurance Desjardins Financial Security Life Assurance The CUMIS Group

1. Call to Order

The meeting was called to order at 2:05 p.m. E. Fang acted as Chair; M. McLean acted as Recording Secretary in-person; and E. Cloutier acted as Recording Secretary via teleconference. A special welcome was extended to T. Pergola, ScotiLife Financial, as he would be succeeding R. Rajaram in the role of CAFII Treasurer.

2. Approval of Agenda and Previous Minutes

a. Agenda

The agenda for this May 23, 2017 Executive Operations Committee meeting was approved as presented.

b. EOC Minutes of April 25/17

The draft minutes of the April 25/17 EOC meeting were approved as presented.

c. EOC Minutes of March 21/17

The draft minutes of the March 21/17 EOC meeting were approved as presented.

d. Board Minutes of April 5/17

The draft minutes of the April 5/17 CAFII Board of Directors meeting were approved as presented and would be added to the upcoming June 6/17 Board meeting package for approval by the Board of Directors.

e. Summary of Board and EOC Action Items

B. Wycks provided an update on the Summary of Board and EOC Action Items, briefly commenting on the following item that had been completed since the April 25/17 EOC meeting:

#5: B. Wycks followed-up with S. Roberts, Director, FSRA Implementation Secretariat, with a request for a stakeholder meeting so that CAFII can provide input for the Secretariat's development of Regulations that will serve to bring the new Financial Services Regulatory Authority into being. He had now received a reply from S. Roberts and the meeting date was likely to be confirmed for the latter part of June.

3. CAFII Financial Management

a. CAFII Financial Statements as at April 30/17

Treasurer R. Rajaram reported on CAFII's financial statements as at April 30/17. With regard to the Balance Sheet, he reported that the Association currently has Total Assets of \$502,290 and a Bank Balance of \$ 364,907. Total Unrestricted Net Assets at this time are \$ 353,367 which means CAFII's Financial Reserves are currently at 47% of Annual Operating Expenses.

With respect to the Statement of Operations, expenses have been incurred at the expected pace over the first four months of the year; and things appear to be on track towards the budgeted deficit of \$193,000 for the 2017 fiscal year.

The first semi-annual instalment of 2017 membership dues has been received from nine of the 11 Members thus far, Mr. Rajaram continued, and annual Associate dues have been received from all but two Associates.

E. Cloutier advised that she had sent a reminder email to the Members and Associates with dues payments still outstanding, with the exception of Aimia. As noted in a previous EOC meeting, Aimia had recently been acquired by Sigma Loyalty Group. Therefore, B. Wycks and K. Martin will be following-up to determine if Sigma Loyalty Group would be continuing as a CAFII Associate.

4. Strategy & Governance

a. Strategic Planning Session

K. Martin reported that he and B. Wycks met with E. Fang and A. Stuska on May 8/17 to review a draft Strategic Plan Development Backgrounder document. The feedback provided during that meeting was very helpful and is currently being incorporated into a revised draft of the document, he advised.

E. Fang indicated that the feedback provided on the draft Strategic Plan Development Backgrounder consisted of minor content and structure changes, along with the recommendation that a business case be created to better illustrate the financial impact of the new strategic initiatives being proposed. Initiatives that would require only a nominal financial and time investment might be fast-tracked, while others that would require a more substantial expenditure of time and money could potentially be tabled for future consideration, she noted.

K. Martin advised that the updated Strategic Plan Development Backgrounder would be circulated to the entire EOC at least 10 days prior to the June 20/17 Strategic Planning Session, to allow sufficient time for EOC members to review the document and determine their views on CAFII's overall direction and the prioritization and resourcing of strategic initiatives. The recommendations agreed to at the June 20/17 Strategic Planning Session would then be shared with Board Chair P. McCarthy for feedback, prior to being presented to the full Board of Directors at its October 3/17 meeting.

ACTION: Circulate updated Strategic Plan Development Backgrounder document to the entire EOC for review prior to the June 20/17 Strategic Plan Development Session [K. Martin; June 9/17]

5. Regulatory Update

a. Consultations/Submissions Timetable

B. Wycks provided high-level updates on the following items from the Consultations/Submissions Timetable:

- **BC Ministry of Finance 10-Year Review of FIA:** While the BC Ministry of Finance had previously stated that it intended to release its Policy Paper with proposals for change in July or August this summer, the minority government outcome of the early May provincial election could cause that plan to be delayed.
- **CCIR Annual Statement on Market Conduct: i. Quebec Omnibus Bill On Financial Sector Modernization**

i. Quebec Omnibus Bill on Financial Sector Modernization

B. Wycks recalled that Quebec Minister of Finance Carlos Leitao's most recently expressed commitment with respect to the release date of the Omnibus Bill to modernize the province's financial services sector – including the Insurance Act; the Distribution Act; and the Act Respecting the AMF – was that it would be tabled by June 16/17, the final sitting day of the current session of the National Assembly.

He noted that in a recent industry trade press article which reported on Minister Leitao's responses to questions posed at a National Assembly committee meeting, he appeared to be backing away from a previously expressed commitment that there would be a consultation period with stakeholders on the Omnibus Bill after it is released.

M. Gill noted that information she has received indicates that specifics within some of the eight pieces of legislation that are to be updated via the Omnibus Bill are going to be shifted to Regulations, in order to make things more flexible and adaptable. The Minister's desire to avoid consultation on the Omnibus Bill could be based on a desire to move to Regulations expeditiously.

In EOC discussion about whether CAFII should send a note to the Quebec Ministry of Finance requesting that consultations be held on the Omnibus Bill, it was agreed that the Association should first contact AMF staff executives Eric Stevenson and/or Patrick Déry to obtain their advice on the matter.

ACTION: Contact E. Stevenson and/or Patrick Déry of the AMF to obtain advice on whether CAFII should send a communication to the Quebec Ministry of Finance requesting that a consultation period be held on the Omnibus Bill [K. Martin/B. Wycks; June 19/17]

ii. Saskatchewan Insurance Regulations Consultation

B. Wycks reported that Saskatchewan's FCAA was continuing to work on finalizing the Regulations developed to support the province's Insurance Act, and there was no specific news to report. He noted that a CAFII delegation would be having a get acquainted/liaison meeting with FCAA representatives Roger Sobotkiewicz, Superintendent of Insurance, and Jan Seibel, Lawyer, on June 1/17 in Regina. Following that meeting, there would likely be a substantive update to report, at the June 6/17 CAFII Board meeting, with respect to where the FCAA stands on the Insurance Regulations.

iii. CAFII Draft Submission on FSCO Draft 2017 Statement of Priorities

B. Wycks reported that a draft CAFII submission on FSCO's Draft 2017 Statement of Priorities had been prepared based on the Market Conduct Committee's input and feedback; and it had been included in the meeting materials for the EOC's review and feedback. The deadline for submissions to FSCO was May 26/17.

In discussion, it was agreed that EOC members who had feedback to provide on the current draft of CAFII's submission should send it to B. Wycks by May 24, so that it could be incorporated into a penultimate draft which would be circulated for final review and feedback.

ACTION: Provide feedback to B. Wycks on CAFII's draft submission on FSCO's Draft 2017 Statement of Priorities [EOC Members; May 24/17]

b. Regulatory Update

i. Report on Regulator Liaison Visits at CHLIA Conference

B. Wycks summarized the highlights of CAFII's regulator liaison visits at the MAY 3-5/17 CLHIA Conference in London, Ontario, referencing his written report on those meetings with Joanne Abram, CEO of the Alberta Insurance Council; Barbara Palace Churchill, Executive Director of the Insurance Council of Manitoba; and Gerry Matier, Executive Director of the Insurance Council of BC.

ii. CCIR Annual Statement on Market Conduct

During an April 24/17 meeting with CCIR Policy Managers Sean Jacobs and Martin Boyle, CAFII learned that for the Year 2 (2018) Annual Statement on Market Conduct, only minor grammatical amendments will be made. However, for the Year 3 (2019) Annual Statement, a more substantive review and overhaul will be conducted, which will include consultation with the industry. CCIR also confirmed that an aggregated results report from the Year 1 Annual Statement will be shared with the industry before the end of 2017.

iii. CCIR Travel Health Insurance Review

B. Wycks reported that CAFII had a consultation teleconference with H. James, Chair of the Travel Insurance Working Group, and S. Jacobs on May 10/17 with respect to CCIR's communications plan and key messaging around its Travel Health Insurance Products Position Paper, expected to be released by May 31. CAFII conveyed some strong concerns about some of CCIR's key messaging, some of which was related to tone and some of which was related to wording on points of fact, which could give the reader a false impression. CCIR said that they had listened to and understood CAFII's concerns, and would do their best to make adjustments to address our concerns.

iv. Alberta Authorization of CI Sales Under an RIA Certificate

B. Wycks reported that in an immediate May 19/17 email response to his communiqué of earlier that day outlining CAFII's "Feedback on Definitions of Credit-Related Insurance Authorized for Sale Under a Restricted Insurance Agent's Certificate in Alberta," J. Abram, CEO of the Alberta Insurance Council, had said the following: "Thanks, Brendan. I appreciate your quick response on this issue and value your feedback. I will place this matter before the LIC at their next meeting and will let you know the outcome."

In discussion of this matter, EOC members reiterated the sentiment of CAFII's communiqué to J. Abram, emphasizing that should the Council decide to proceed with publishing the definitions, a review and revision should take place in accordance with the comments provided in CLHIA's document.

v. CAFII Letter of Concern to Saskatchewan Finance Minister

B. Wycks provided an update on the issue surrounding the Saskatchewan Ministry of Finance imposition of a 6% PST on insurance premiums, including creditor's group insurance.

Subsequent to the April 25/17 EOC meeting, he advised, CAFII had received and accepted an invitation from Minister of Finance Kevin Doherty to meet with him and Ministry officials to discuss the Association's concerns. A small CAFII delegation would therefore be meeting with the Minister in Regina on June 1/17.

c. Regulator and Policy-Maker visit plan

i. CAFII Presentation to CISRO, June 2/17 B. Wycks Update

B. Wycks requested feedback on the outline for CAFII's presentation to CISRO on June 2/17, which had been included in the meeting materials. EOC members provided positive, affirmative feedback on the presentation outline titled "CAFII: Past, Present, and Future."

In EOC discussion, it was agreed that B. Wycks and K. Martin would develop a Powerpoint presentation to cover the topics set out in the outline; and would vet the draft presentation deck with EOC Chair E. Fang; the members of the CAFII delegation for the June 2 visit and presentation to CISRO; Research and Education Committee Chair D. Quigley; and Travel Medical Experts Working Group Chair S. Manson.

S. Manson mentioned a presentation by LIMRA Director of Insurance Research Todd Silverhart at the LIMRA Canada Conference on May 18/17, which might provide some useful content for CAFII's presentation to CISRO. A highly relevant part of his presentation focused on the non-linear sources of information and channels used by consumers in making an insurance purchase decision.

ACTION: If possible, circulate to the entire EOC the presentation made by Todd Silverhart at LIMRA Canada Conference on May 18/17 [S. Manson; June 19/17]

ii. CAFII Western Canada Regulators and Policy-Makers Visits Tour, Fall 2017

B. Wycks reported to the EOC that considerable progress had recently been made in confirming meetings with regulators and policy-makers in Saskatchewan, Manitoba, BC, and Alberta, as set out in the document provided for this agenda item.

iii. CAFII Board and AMF Liaison on October 3/17

In response to an EOC member's question, B. Wycks advised that he had followed up on his invitation letter to AMF CEO Louis Morisset with respect to a liaison lunch and industry issues dialogue with CAFII Board and EOC members in Montreal on October 3/17; but surprisingly he had not yet received a response. He indicated that the lack of a response was likely due to the fact that Eric Stevenson and Patrick Déry were committed to speak on a panel from 10:30 a.m. to 12 Noon that morning at an industry conference being held in Québec City.

In EOC discussion of this matter, it was agreed that CAFII should give the AMF another few weeks to respond; and if no response is received prior to the next EOC meeting on June 20/17, appropriate direct follow-up action can be determined at that time.

6. Committee Updates

a. Market Conduct

No updates at this time.

b. Media Advocacy

On behalf of C. Blaquiere, Chair of the Media Advocacy Committee, K. Martin provided an update. He advised that 3:1 lunch meetings are being coordinated between C. Blaquiere, K. Martin, B. Wycks and each Media Advocacy Committee member to facilitate detailed discussion as to what the committee is trying to achieve with the website, and deepen understanding of Committee's overall priorities including its media strategy. These lunches will also provide an opportunity to request meetings with each Committee member's media team, at which there could be a presentation on CAFII media priorities.

i. CAFII Website Modernization

K. Martin reported that significant progress had been made on the CAFII website modernization project, with an expected internal soft-launch now scheduled for June. In addition, Mr. Martin provided an update on the cost-breakdown for the website modernization project

ii. Revised CAFII Media Protocol

Keith Martin reported that the CAFII Media Protocol had been updated based on direction from the CAFII Board at its April 5/17 meeting. He noted the following highlights of Media Protocol II:

- Step I – Preparation: the Media Spokesperson for CAFII (Co-Executive Director K. Martin), in consultation with Co-Executive Director B. Wycks, and in close collaboration with the Media Consultant (D. Moorcroft), will develop a set of Letters to the Editor (likely eight in total), which can serve as pre-approved responses to probable and typical negative print media columns/articles. These will differ slightly in content and tone, in anticipation of how best to respond to different types of negative columns/articles.
- Step II—Article Approval and Pre-Approval: the CAFII Board will make any desired changes to the Letters to the Editor, including eliminating any or requesting additional ones for development with a new, different, and specified content and tone. The final drafts will be approved by the Board and then serve as a pre-approved set available content for responding to negative print media columns/articles.

- Step III—The People and Process Involved in the Decision to Send a Letter to the Editor: the CAFII Board will review and approve, up-front, the following: the process for sending a Letter to the Editor including the people to be involved; and the set of Letters to the Editor to be used to respond to a negative column/article. The process to be followed in actually responding to a negative media column/article will be a streamlined one.

An EOC discussion ensued regarding whether it would be beneficial to present hypothetical instances of the types of critical columns/articles that could trigger a need for a response from CAFII. K. Martin added that the “reactive vs. proactive” response approach would be discussed in-depth at the Strategic Plan Development Session on June 20/17.

ACTION: Discuss whether a “reactive” or “proactive” path is best for media responses [All; June 20/17 Strategic Plan Development Session.]

iii. Extension of Media Consultant Retainer

K. Martin reported that the one year contract currently in place with media consultant D. Moorcroft was due to expire on June 30/17. He added that the experience and competencies which D. Moorcroft brings to CAFII are very valuable, such that CAFII should consider extending the monthly retainer arrangement on an ongoing basis. The monthly retainer amount is \$3390 plus HST.

Following EOC discussion, it was unanimously agreed that the EOC should recommend to the Board at its upcoming June 6/17 meeting that CAFII’s retainer contract with media consultant D. Moorcroft be extended on an ongoing basis.

ACTION: Recommend to the Board that CAFII’s media consultant retainer arrangement with D. Moorcroft be extended on an ongoing basis. [K. Martin; June 6/17]

c. Licensing Efficiency Issues

No updates at this time.

d. Research and Education

K. Martin provided an update on behalf of D. Quigley, Chair of the Research and Education Committee. He noted that D. Quigley is enthusiastic about the direction of the committee, with the Association’s new Strategic Plan document identifying new research initiatives as a potential area of future investment. It has also been suggested that the Committee would benefit from new members with a strong research background. K. Martin will be following-up with E. Fang and D. Quigley about the best process to identify and recruit new members for the committee.

ACTION: Discuss with E. Fang and D. Quigley the process and next steps for identifying and recruiting new members for the Research and Education Committee [K. Martin/D. Quigley; June 30/17]

e. Travel Medical Experts Working Group

S. Manson reported that the Travel Media Experts Working Group had identified a need to update the Pollara survey on consumers’ experiences and satisfaction with travel health insurance. A refresh is important so that this research remains current and can provide a benchmark for tracking trends over time. It will be interesting to see the CCIR’s upcoming Travel Health Insurance Products Position Paper and to use that as a guide for how the refreshed survey should be designed, she noted.

Provision has been made in the 2017 budget for the Pollara research to be refreshed this year, Ms. Manson advised.

7. Other Business

a. Reconstitution of CAFII Networking and Events Committee

Deferred to the June 20/17 EOC Meeting.

ACTION: Add Reconstitution of CAFII Networking and Events Committee to the Other Business section of the agenda for the June 20/17 EOC Meeting [B. Wycks/E. Cloutier; June 6/17]

a. CAFII Board (and Annual) Meeting and Networking Reception June 6/17B. Wycks provided a brief update and reminder that the next CAFII Board (and Annual) Meeting and Networking Reception would take place on June 6/17 at The Albany Club.

8. Termination

The open section of this EOC meeting terminated at 4:10 p.m., and was followed by an *in camera* session of EOC members not including Co-Executive Directors B. Wycks and K. Martin; and M. McLean and E. Cloutier of T.O Corp.

9. In-Camera Session

The members of the EOC met *in-camera*.

Date

Chair

Recording Secretary

CAFII Board of Directors Meeting
Tuesday, June 6, 2017
The Albany Club, President's Room
91 King St. East, Toronto, ON

Board Present:	Linda Fiset Bob Grant Chris Knight Peter McCarthy Chris Lobbezoo Kelly Tryon	Desjardins (<i>by teleconference</i>) ScotiaLife Financial TD Insurance BMO Insurance <i>Chair</i> RBC Insurance CUMIS Group
Regrets:	Nicole Benson Nick Bilodeau Robert Zanussi Director Vacancy	CRI AMEX Bank of Canada Assurant Solutions CIBC Insurance
EOC Present:	Jason Beauchamp Rose Beckford Eleanore Fang Moira Gill John Lewsen Charles MacLean Sue Manson Tony Pergola Andrea Stuska Peter Thorn Diane Quigley	BMO Insurance ScotiaLife Financial (<i>by teleconference</i>) TD Insurance <i>Secretary and EOC Chair</i> TD Insurance (<i>by teleconference</i>) BMO Insurance RBC Insurance CIBC Insurance ScotiaLife Financial TD Insurance (<i>by teleconference</i>) TD Insurance The CUMIS Group
Also Present:	Keith Martin Brendan Wycks Emily Cloutier	CAFII <i>Co-Executive Director</i> CAFII <i>Co-Executive Director</i> T•O Corporate Services <i>Recording Secretary</i>

1. Call to Order, Meeting Confirmation, & Governance Matters

The meeting was called to order at 2:45 p.m. P. McCarthy acted as Chair; E. Fang acted as Secretary; and E. Cloutier acted as Recording Secretary. Mr. McCarthy welcomed, in particular, T. Pergola to his first CAFII Board meeting, as the Association's Treasurer-designate; and, in addition, P. Thorn as a guest observer from TD Insurance.

Secretary E. Fang confirmed that notice of the meeting was sent to all Directors in accordance with the Association's By-Law and that there was a quorum of Directors present, with five 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. CAFII Competition Guidelines

P. McCarthy briefly summarized the CAFII Competition Guidelines. The practice of reviewing these guidelines annually, at the beginning of the first Board meeting after the Annual Meeting of Members, was adopted to ensure that the Board's deliberations adhere to best practices, Mr. McCarthy advised.

1.2. Approval of Agenda

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

The Meeting Agenda be and is approved as presented.

1.3. Election of 2017-18 CAFII Officers

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

The following slate of Officers be and is hereby appointed by the Board for a one year period, or in the case of the Board Chair, until the October 3/17 Board Meeting:

Chair: Peter McCarthy, Bank of Montreal, BMO Insurance
Vice-Chair: To Be Appointed At A Future Date
Secretary & EOC Chair: Eleanore Fang, TD Insurance
Treasurer: Tony Pergola, ScotiaLife Financial

1.4. Resignation of a CAFII Director; and of a CAFII Member

P. McCarthy reported that T. Lawrence, CAFII Director from CIBC Insurance, had recently sent him written notice of his resignation as a CAFII Director. Mr. Lawrence had resigned from CIBC Insurance to assume a new position as CEO of a different company and, hence, was no longer eligible to continue as the CAFII Director from CIBC Insurance.

S. Manson, EOC Member from CIBC Insurance, advised that her company expected to be in a position to nominate a new CAFII Director from among its executive ranks in the near future.

P. McCarthy also reported that National Bank Insurance had resigned as a member of CAFII. Mr. McCarthy advised that a recent change in executive leadership at that financial institution, including in CAFII Director and Board Vice-Chair J. Bourdeau's immediate boss, was the primary reason behind the company's decision to resign from membership in the Association.

B. Wycks provided some insight into the financial repercussions of the loss of National Bank Insurance as a member, noting that the revenue shortfall would be approximately \$49K in 2017.

Further discussion about the loss of National Bank Insurance as a Member of CAFII was deferred to the Board's *in-camera* session.

1.5. CAFII Board Chair, Vice-Chair, and EOC Chair Succession

P. McCarthy advised that he had requested that this item be added to the agenda, as he saw it as necessary to identify a successor for both the Board Chair and Vice-Chair positions. He advised that he was willing to stay on as Chair until the Board's October 2017 meeting, at which time he expected that a successor Board Chair to him and a successor Board Vice-Chair to J. Bourdeau could be appointed to fill those key roles.

With regard to EOC Chair succession, TD Insurance Director C. Knight advised that as a result of taking on a broader mandate with increased responsibilities within her position at TD Insurance, it would be necessary for E. Fang to step down as EOC Chair and Secretary.

E. Fang advised that she would be succeeded as EOC Chair and Secretary by P. Thorn, also from TD Insurance, and that the transition would be effected by July 2017. The next EOC meeting on June 20/17 is connected with a CAFII Strategic Plan Development Session and provides an ideal opportunity for P. Thorn to become immersed in CAFII initiatives and get acquainted with committee members, she noted.

P. McCarthy welcomed P. Thorn to CAFII as EOC Chair and Secretary-designate, and thanked E. Fang for her work in that capacity over the past year.

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 beside each agenda item:

- 2.1. Draft Board Meeting Minutes, April 5, 2017**
- 2.2. Summary of Board & EOC Action Items**
- 2.3. Regulatory Update**
- 2.4. Regulator and Policy-Maker Visit Plan**

IT WAS FURTHER RESOLVED that:

The Minutes of the meeting of the Board held on April 5, 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. Financial

3.1. Financial Statements as at May 31, 2017

It was noted that the April 30/17 Financial Statements were erroneously included in the Board Meeting materials package rather than the correct Financial Statements as at May 31/17.

***ACTION: Circulate the Financial Statements as at May 31/17 to the Board and EOC
[E. Cloutier; June 7/17]***

Treasurer T. Pergola reported on the financial statements as at May 31, 2017. He noted that the Statement of Operations showed a YTD deficit of \$36K at this time. With respect to the Balance Sheet, there is a healthy bank balance of \$303,989; and CAFII currently has unrestricted net assets of \$344,783 which constitutes financial reserves of 46% of annual operating expenses.

In Board discussion, it was observed that with the addition of a new Co-Executive Director and the departure of National Bank Insurance as a member, it will be necessary to re-evaluate the member dues levels and planned future expenditures when developing the Association's 2018 operating budget.

T. Pergola advised that he welcomed input on possible revisions and improvements to the Financial Statements.

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

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

3.2. Appointment of CAFII Cheque Signing Authorities

P. McCarthy noted that the Board's imminent appointment of a new EOC Chair and Secretary gave rise to a need to update the CAFII Cheque Signing Authorities, in a manner that meets the requirements of the Association's bank.

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

The CAFII Board of Directors approves the appointment of the following individuals as authorized signatories for all cheques prepared and issued by the Canadian Association of Financial Institutions, revoking any person previously named in that capacity:

- Brendan Wycks, CAFII Co-Executive Director
- Keith Martin, CAFII Co-Executive Director
- Tony Pergola, ScotiaLife Financial, CAFII Treasurer
- Peter Thorn, TD Insurance, CAFII EOC Chair & Board Secretary
- Lynn Beauregard, President, TO Corporate Services
- Senait Ghebru, Controller, TO Corporate Services

Action: Submit Board-approved resolution on appointment of CAFII Cheque Signing Authorities to TD Bank and follow-up to ensure that CAFII's signing authorities are brought up-to-date in the bank's systems [E. Cloutier; June 20, 2017].

4. Regulatory

4.1 Consultations/Submissions Timetable

i. BC FICOM 10-year Review of FIA

With regard to the BC Ministry of Finance's 10-year Review of the province's Financial Institutions Act, B. Wycks reported that he had spoken in mid-April to E. Cole, the BC Ministry of Finance staff executive responsible for this file. Ms. Cole indicated that the Ministry's Policy Paper, expected to lay out options for change, would likely be released in July or August. However, with the early May election of a minority government in British Columbia, it was possible and even likely that the Policy Paper would not be released this summer, Mr. Wycks opined.

In that connection, while attending the CLHIA Conference in early May 2017, K. Martin and other CAFII delegates heard BC FICOM's H. James, who was a panelist at the conference, strongly suggest that the BC Ministry of Finance's Policy Paper will propose the implementation of an RIA regime in British Columbia, following the lead of the three other Western Canada provinces.

ii. Quebec Omnibus Bill on Financial Sector Modernization

B. Wycks reported that the Quebec Ministry of Finance had failed to meet its most recently expressed June 1/17 deadline to table the Quebec Omnibus Bill on Financial Sector Modernization. Nothing has been posted as of yet. L. Fiset advised that she had heard from government contacts that the Omnibus Bill would be released on or before the June 16/17 last day of the current sitting of the National Assembly.

iii. CCIR Annual Statement on Market Conduct

B. Wycks reported that at an April 24/17 CAFII liaison lunch with CCIR Policy Managers Sean Jacobs and Martin Boyle, CAFII learned that for the Year 3 (2019) version of the Annual Statement, a substantive review and overhaul would be conducted; and that consultations with the industry in that regard could begin as early as the summer of 2017. CCIR also confirmed that an aggregated results report from the Year 1 Annual Statement would be shared with the industry before the end of 2017.

R. Beckford provided further information regarding the integrity of Annual Statement data and how they will be used. While the industry was appreciative of the help provided by the AMF in completing the Year 1 Annual Statement, there was still considerable confusion about how to complete the survey and there remains uncertainty about how the data will be analysed and used. P. McCarthy noted that CCIR is now embarking on a monumental task to collate and analyze the Annual Statement data.

iv. CCIR Travel Health Insurance Products Position Paper

S. Manson reported that CCIR's Travel Health Insurance Products Position Paper was released on May 31/17. She noted that the media release which accompanied the Position Paper was much less critical of the industry than the initial draft reviewed by CAFII. As well, some of the recommendations had been tidied up and acknowledgment was included that the industry had already come a long way in addressing many of the recommendations in the Paper. As a simple but telling example of the substantive amendments made to the tone and content of the media release – based on feedback from CAFII and other industry Associations – the term “change” was dropped in favour of “continuous improvement” as a way of acknowledging that the current state of travel health insurance in Canada is not one of grave concern, Ms. Manson concluded.

L. Fiset inquired as to who is leading the industry's work with respect to CCIR's travel health insurance review. S. Manson confirmed that CLHIA is leading the industry's work in this area; however, CAFII's Travel Medical Experts Working Group is working in the background and feeding its findings to CLHIA to benefit the industry.

v. Saskatchewan Insurance Act/Regulations

B. Wycks reported that while in Regina, Saskatchewan for a meeting with the Minister of Finance and his officials, the CAFII delegation also met with R. Sobotkiewicz, Superintendent of Insurance in the Financial and Consumer Affairs Authority (FCAA), and J. Seibel, Lawyer, on June 1/17. CAFII learned from them that with respect to the Regulations being developed to support the province's revisions to the Insurance Act, they appreciate CAFII's position that the industry needs sufficient lead time between the tabling of the final legislation and Regulations, and the “in force” date for those regulatory changes. The FCAA officials advised CAFII that they expect to release the Act and final Regulations in late June, July, or August 2017, with an in force date of Spring of 2018 at the earliest.

4.2 Alberta Authorization of CI Sales Under an RIA Certificate

B. Wycks advised that since the last Board meeting on April 5/17, the EOC had conducted an in-depth review of the credit-related insurance definitions which the AIC wanted to publish on its website. That review was in response to CLHIA's expression of concern that the publication of those definitions could cause consumer confusion; and the EOC determined that it agreed with that position. CAFII expressed that view to J. Abram, CEO of the Alberta Insurance Council, at a meeting during the CLHIA conference in early May 2017 in London, Ontario; and offered to follow up with a letter, subsequently sent after the meeting.

J. Abram subsequently communicated to B. Wycks that she had received CAFII's recommendations and would be tabling them with the Life Insurance Council.

4.3 Meeting With Saskatchewan Finance Minister, June 1/17

B. Wycks advised that CAFII's series of visits with regulators and policy-makers in Saskatchewan over two days, June 1-2/17, was very successful. The meeting with the Minister of Finance and his officials was attended by CAFII representatives Diane Quigley, Shawna Sykes and Kevin Daniel of Cooperators/CUMIS; Charles MacLean of RBC Insurance; Andrea Stuska of TD Insurance; and Co-Executive Directors Keith Martin and Brendan Wycks. CAFII had the opportunity to meet and prepare beforehand at the Cooperators office in Regina. The Minister was receptive to CAFII's concerns and provided his counter-points to each.

The Minister admitted that the decision to impose PST on insurance premiums was a difficult one and that it could have unintended consequences. But he emphasized the dire situation of Saskatchewan's finances and stated that the province had few options available to it. He stated that the province looked at all of the options available and ran them through econometric models; and broadening the PST base to include insurance premiums was one of the revenue generation options that was least problematic. The Minister also noted that the province had instituted reductions in income taxes to counter the broadening of the PST base. Saskatchewan, he added, was attempting to make tough decisions today to adapt to fiscal realities. He noted that Alberta was recording massive deficits and experiencing credit rating downgrades as a result, and said that was not a path which Saskatchewan wanted to take.

CAFII advised the Minister that his government's decision to broaden the PST base to include insurance premiums affected the ability of consumers to purchase insurance, a product that protected them and their loved ones. It was also noted that this policy could result in new costs down the road for the province, if consumers were deterred from protecting themselves from unforeseen incidents through insurance.

B. Wycks added that K. Daniel, Regina-based Chief Operating Officer of the Cooperators Insurance, was particularly effective in the meeting, as he advised the Minister that from a local perspective, his government's new PST on insurance premiums would cost his company nearly \$3 million in incremental employee benefits costs. Mr. Daniel also cited the Investors Group's recent downsizing announcement, and noted that the new tax on insurance premiums could realistically cause companies to consider relocating to other provinces to avoid incurring additional costs.

The Minister stated that his government had a record of correcting its mistakes, if their policy decisions were proven to be wrong. The Minister invited CAFII to monitor the situation and to share concrete data with the government in six months time, or after a year, on what it found were the practical implications of the PST on insurance premiums policy.

K. Martin added that the meeting was collegial and positive and that the Minister shared some concrete examples and insights into his perspective; and made a commitment to being open to re-evaluating the situation should CAFII be able to provide data demonstrating the negative impacts of the decision to broaden the PST base to include insurance premiums.

4.4 Meeting With Saskatchewan FCAA, June 1/17

B. Wycks advised the meeting with FCAA in Saskatoon was along the lines of an informal, get-acquainted meeting. CAFII learned that the FCAA is a fully integrated financial services regulator (see also 4.1.v.)

4.5 Presentation To CISRO, June 2/17

B. Wycks reported on CAFII's presentation to CISRO entitled "CAFII Past, Present and Future" on June 2/17 in Saskatoon. It was an overview of the Association and included highlights of CAFII's priorities; some of its major research outputs; and some of its areas of future focus including insurtech, millennial expectations of insurance, fair treatment of consumers, and the importance of CAFII's relationships with regulators and policy-makers, including its desire to meet all key regulators and policy-makers in-person no less than once every 18 months. The presentation also noted the current CAFII initiative to modernize its website to make it more consumer-facing, and briefly touched upon the current development of a new CAFII strategic plan.

Following the presentation, CAFII opened the floor to questions. Though not there in person, Anatol Monid, Executive Director of FSCO's licensing and market conduct division, asked if CAFII would provide a copy of the presentation deck to CISRO members. He also asked about the commission structure of CAFII member sales personnel, and whether the full Towers Watson research could be shared with attendees at the CISRO meeting. He also asked whether CAFII could provide CGI loss ratios. B. Wycks responded at the CISRO meeting that CAFII member sales personnel are almost all salary-only employees.

Additional questions came from Gerry Matier, Executive Director of the Insurance Council of BC, asking what sales incentives are offered by CAFII members to their sales employees; and Warren Martinson of the Alberta Insurance Council asking whether the Towers Watson research included voided policies.

In Board discussion, it was noted that CGI loss ratios were not included in the Towers Watson study; and that there are minimal voided policies in the CGI mortgage life space, such that they represent less than 1% of all CGI mortgage life policies.

B. Wycks stated that the CISRO audience was very attentive. The group was larger than anticipated, with representatives from both Quebec Chambres there who attend CISRO meetings regularly. C. MacLean added that he observed that the CISRO meeting was a very informal session and that CISRO seems to approach industry delegations to its meetings in a more casual, interactive way, similar to the approach taken by the AMF.

4.6 Meeting With Ron Fullan and April Stadnek, Insurance Council of Saskatchewan

B. Wycks updated reported on the June 2/17 meeting held by the CAFII delegation with R. Fullan and A. Stadnek of the Insurance Councils of Saskatchewan.

CAFII learned that CISRO plans to move to having a staff secretariat similar to the one used by the CCIR. Ron Fullan did not view this as a funding challenge, as members of CISRO were in agreement that this approach made sense.

With respect to moving the issue of "Representation for RIA Licence Holders In Saskatchewan" through an Advisory Committee to Mr. Fullan as ICS Executive Director back onto the front burner after an LLQP-dominated hiatus period of more than three years, Mr. Fullan and Ms. Stadnek agreed with CAFII's suggestion that a summer 2017 three-way brainstorming, consensus-building, and planning meeting -- involving ICS, CAFII, and CLHIA -- should be organized.

Mr. Fullan reminded the CAFII representatives that the best way to approach regulators such as CISRO members is to give them a compelling case that includes a "what's in it for them" component. It is always powerful to make the case for a change based on how it will help not just industry, but also the regulators, he advised. CAFII has always been an excellent partner and good at taking this very approach, he noted. Going forward, there will be many opportunities to make this sort of case to regulators—for example, there are many challenges around digitization, insurtech etc. that regulators will be grappling with; and an Association such as CAFII can be extremely helpful in assisting regulators in understanding and adapting appropriately to these changes.

4.7 Meeting With Ontario FSRA Implementation Secretariat, June 29/17

B. Wycks reported that a small CAFII delegation is being organized to meet with Sandy Roberts, Director, and other members of the FSRA Implementation Secretariat on June 29/17. He added that M. Gill has already met with the FSRA Implementation Secretariat on behalf of the Canadian Association of Direct Relationship Insurers (CADRI); and K. Martin and B. Wycks had intelligence shared with them by E. Hiemstra of CLHIA.

E. Hiemstra advised that the approach that the FSRA implementation Secretariat seems to be taking is “what needs to be blown up about FSCO?” E. Hiemstra continued by adding that she felt the FSRA Implementation Secretariat had only limited understanding of the life and health insurance industry but yet seemed well-versed on the p&c side of the industry.

4.8 Meeting/Presentation To Insurance Council of Manitoba Staff, July 3-7/17

B. Wycks advised that a small group of CAFII delegates was being organized to meet with Barbara Palace Churchill, Executive Director of the Insurance Council of Manitoba. Ms. Palace-Churchill had advised CAFII that she is still climbing a steep learning curve, and specifically asked the Association’s representatives to provide a substantive presentation to her and her staff team on incidental sales of insurance by financial institutions, as well as how CAFII members see themselves fitting into the RIA regime in Manitoba.

B. Palace Churchill had identified that the first week of July would be the best opportunity for this educational session at the ICM office in Winnipeg, and some specific date possibilities were currently being identified.

4.9 Proposed Visits To BC and Alberta Regulators And Policy-Makers

B. Wycks reported that when CAFII met with Gerry Matier, Executive Director of the Insurance Council of British Columbia, at the CLHIA conference in London, Ontario, he was keen to host and have CAFII meet with him on a day that the Council would be meeting in Vancouver. He specifically would like to introduce CAFII representatives to his staff and also Council members. Dates identified for this meeting are in the target range of October 16-18, flying out on the Monday and meeting with Mr. Matier, his staff, and the Council on the Tuesday morning.

J. Abram, CEO of the Alberta Insurance Council, similarly advised that she would like to host CAFII, preferably in Edmonton. This would also provide an opportunity for CAFII to meet with Laurie Balfour and Nilam Jetha, Superintendent of Pensions, Insurance and Financial Institutions, Alberta on the same day.

ACTION: Canvas CAFII EOC and Board members to determine delegates for these BC and Alberta regulator and policy-maker meetings. [B. Wycks; TBA]

5. Strategy

5.1 CAFII Strategic Plan Development

K. Martin provided an update on the process and structure of the CAFII Strategic Development Plan. The planned structure for developing the Strategic Plan is threefold—First, Where are We? Second, Where Do We Want to Go? Third, How do we Get There? The draft Strategic Plan Development Backgrounder was presented to E. Fang and A. Stuska in May for an initial review and feedback. Valuable feedback was provided at that review meeting, which included recommendations regarding the structure of the document, as well as the addition of a business and financial case to accompany the plan.

The revised Strategic Plan Development Backgrounder is now ready to be shared with the entire EOC. There has been time set-aside for a CAFII Strategic Plan Development Session immediately following the June 20/17 EOC meeting. The following step would be to present a consolidated Proposed CAFII Strategic Plan to the Board, including which of the strategic options we think the Association should pursue, the prioritization of those options, and the resource and investment implications. K. Martin indicated that the document and plan is well-advanced and ready to be presented to the EOC.

E. Fang concurred with K. Martin's update and advised that she was looking forward to the presentation of the plan to the EOC in June, and subsequently to the Board in October 2017.

5.2 Revised CAFII Media Protocol

K. Martin reported that following the April 5/17 Board meeting he worked with B. Wycks to update the Media Protocol and to identify a clearer process, along with additional information about what would trigger a response to a media column or article. K. Martin emphasized that this remains a work in progress, and that the Board was being asked to approve continuing down this road, but was not being asked to approve any immediate responses to the media as we had not arrived at that stage yet.

K. Martin added that even if further work is done on this effort, but in the end the desire is not to respond to negative or inaccurate media columns or articles, the effort will still provide valuable clarification of the key messages that CAFII wishes to use to position itself; and this can be useful in many other ways including in networking and general communication efforts.

If Media Protocol II was approved, K. Martin continued, the next step would be for him to work with media consultant D. Moorcroft to develop content that could be used to respond to negative or inaccurate media columns or articles: currently ten stock pieces are envisioned, which could then be used in combination to develop a Letter to the Editor in response to a media column/article.

C. Knight inquired as to whether CAFII would consider separating the types of draft responses prepared, depending upon whether the column/article is inaccurate or negative to the industry. K. Martin responded that there will be two buckets of draft responses to the media: misinformation/inaccurate columns/articles and negative columns/articles. Within each bucket, there will be a series of sub-groups, which would lead to a total of ten pieces of content that could be used depending upon the type of column/article to which we were responding. The next step will be for K. Martin to bring to the EOC and Board these ten responses; and, if approved, they would constitute the pre-approved material that could be used for a Letter to the Editor.

In Board discussion, it was unanimously agreed that this was a good approach to execute responses on behalf of CAFII and its members. K. Tryon added that it is essential to limit the potential for third parties to argue with the content of our responses. K. Martin responded that anytime we respond in the media, there is the potential that the broker community will respond to what we have to say.

C. Lobbezoo indicated that he would support moving forward because it proves CAFII is willing to “stand on the mountain,” and the Association should not shy away from the broker community. P. McCarthy added that he agrees with moving forward with this process, noting that he works with the broker community and that they can perpetuate misinformation. C. Lobbezoo added that if we are spending resources in building a relationship with regulators, it is also important to “carve out a space” for CAFII education of the media.

P. McCarthy added that when CAFII met with BC FICOM in November 2015, CAFII asked how many complaints had been received in relation to CGI and the answer was zero. R. Beckford added that when CAFII met with J. Abram, CEO of the Alberta Insurance Council, last month, we specifically asked if there were any issues with creditor insurance. J. Abram responded that the complaints her Council was receiving related to travel agents, resulting from insufficient training and leading to consumer misunderstandings regarding their policies.

ACTION: Draft ten versions of CAFII responses to negative and/or inaccurate media columns/articles, to present to the EOC and the Board [K. Martin; TBA]

5.3 Extension of Media Consultant Retainer

K. Martin provided background on CAFII’s engagement in June 2017 of media consultant D. Moorcroft, Strategy2Communication, including his significant recent contributions to the Association’s website redesign. In addition, developing the next stage of Media Protocol II will benefit from Mr. Moorcroft’s expertise, and this is even more important should CAFII move forward with implementing a more assertive media strategy in future.

K. Martin and B. Wycks recommended that CAFII retain D. Moorcroft on retainer on an ongoing basis.

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

CAFII proceed with extending D. Moorcroft, Strategy2Communication, on a monthly retainer on an ongoing basis.

6. Committee Reports Addressing CAFII Priorities:

6.1 Market Conduct

R. Beckford, Chair of the Market Conduct Committee, reported that CAFII had recently made a submission on FSCO’s Draft 2017 Statement of Priorities. Our response was supportive of FSCO’s two key themes for this year – enabling innovation; and fair treatment of consumers --but it highlighted that the consumer also has a responsibility to educate him/herself on financial products including insurance policies.

Ms. Beckford also noted that the International Monetary Fund (IMF) will return to Canada in 2018 to repeat its Financial Sector Assessment Program (FSAP) review, on behalf of the International Association of Insurance Supervisors, of Canada's insurance supervision system, in which the AMF and FSCO will serve as surrogates for the entire country. In that connection, the AMF has said that it would like to be more proactive; and with new technological innovations, the AMF is also saying these changes may require adjustments to its current regulatory approach.

Ms. Beckford advised that Lucie Tedesco, FCAC Commissioner, recently testified before a parliamentary committee on the Agency's current review of bank sales practices; Ms. Tedesco's comments are published on the FCAC's website.

6.2 Media Advocacy

i. CAFII Website Modernization

D. Moorcroft of Strategy2Communication joined the meeting as a visitor, to provide the Board with a live demonstration of CAFII's new consumer-facing website that had been produced by RankHigher. The new website is intended to have a simple, accessible, uncluttered look and feel that consumers will find attractive, along with content that is relevant, easy to absorb, and written in consumer-friendly language. The website has also been developed to be consistent with the Accessibility for Ontarians with Disabilities Act (AODA). Another feature of the website is that it has been written and edited to drive traffic to it, using best practices in the field of Search Engine Optimization (SEO).

Board members provided feedback that the new website was very consumer-friendly with relevant and easy-to-read content. Feedback was provided on some of the features, and D. Moorcroft and K. Martin made note of these with the intention of following up on them with RankHigher.

It was noted that the website was still being developed, with additional work to be done on some of the content and graphics. The website has been designed with an architecture which allows for additional features to be added seamlessly and with minimal additional development work, such as potentially later adding videos or additional sub-tabs. The consumer-facing website has been developed in WordPress, which is very easy to maintain and update, and is also a desirable environment for later adding additional features and content.

B. Grant asked about consumer advocacy on the website, and it was noted that that type of content could be enhanced in future iterations of the site.

Overall, feedback on the website was positive, with Board members finding it a significant improvement on the current CAFII website. The Board supported moving forward in the project and progressing to the next stage, which includes further tweaks to the site, finalization of the content, and translation of all the content into French so that the site is fully bilingual prior to live launch.

ACTION: Circulate the link to the modernized website for Board and EOC members to review and provide feedback [K. Martin/TBA]

6.3 Licensing Efficiency Issues

M. Gill advised that CAFII's recent work, under the auspices of the LEIC, with respect to liaison with CISRO nationally and with the four Western Canada Insurance Councils individually had already been addressed under other agenda items.

i. First Meeting of FSCO Life Insurance Industry Working Group

K. Martin provided an update on the intention by FSCO, announced by Heather Driver, its Director of Licensing, at the inaugural meeting of the FSCO Life Insurance Industry Working Group (LII Working Group) on May 30/17, to circulate to the insurance arms of banks a questionnaire on their sales practices.

He noted that a suggestion had been made by H. Pabani of TD Insurance, a CAFII appointee to the LII Working Group along with Mr. Martin, that CAFII should reach out to FSCO to offer support in the design of the questionnaire, as CAFII could provide expertise on how to pose the intended questions and on how best to address the issues the questionnaire was intending to cover.

C Lobbezoo expressed some reservations about that proposed outreach to FSCO. M. Gill suggested that this initiative had not been well “socialized” within FSCO. It was therefore suggested that an informal discussion between CAFII and more senior FSCO leaders – such as Anatol Monid, Executive Director of FSCO’s Licensing and Market Conduct Division and Ms. Driver’s boss -- could be fruitful.

It was noted that it is important to understand what FSCO is trying to achieve through this exercise and whether the proposed questionnaire would achieve them; and that once a questionnaire is circulated, it will be difficult to change.

Following Board discussion, it was agreed that it would be valuable for M. Gill to reach out to a more senior FSCO leader on this issue informally, to better understand what they are trying to achieve; and to engage in a dialogue on whether this is the best way for FSCO to achieve that objective.

ACTION: Proceed with an informal discussion through M. Gill – asking for a clarification on what FSCO is trying to achieve with its proposed questionnaire for the insurance arms of banks. [M. Gill, K. Martin, B. Wycks; TBA]

ACTION: Consider sending a letter to FSCO offering to assist in designing its proposed questionnaire. [K. Martin, B. Wycks; TBA]

6.4 Research & Education

D. Quigley and K. Martin provided a high-level update on the proposed initiatives of the Research and Education Committee, noting that the Strategic Plan options include investments in additional research efforts by CAFII. If CAFII moves down this road, the R&E Committee will need to add new members that have a strong research background.

6.5 Travel Medical Experts

S. Manson reported that the Travel Media Experts Working Group had identified a need to update the Pollara survey on consumers’ experiences and satisfaction with travel health insurance. Before proceeding, the Committee will review the CCIR’s Position Paper to identify potential new issues related to travel health insurance to probe in a repeat of this CAFII-commissioned research.

7 7. Other Business

7.1 June 6/17 CAFII Reception, Including Expected Regulator and Policy-Maker Guests

B. Wycks advised that the Reception to immediately follow the Board meeting would be attended by (5) five regulators; and he encouraged Board and EOC members to engage them in conversation.

7.2 Next CAFII Board Meeting: October 3/17 In Montreal

With the recent departure of National Bank Insurance as a CAFII member, B. Wycks advised that there is now a need to identify a new venue and host for the October 3/17 Board Meeting and AMF Liaison Luncheon and Industry Issues Dialogue. The intention is to maximize the attendance of AMF staff executives; and unfortunately E. Stevenson and P. Déry will be panelists at an industry conference in Québec City that morning.

ACTION: Consider moving the October 3/17 CAFII Board meeting to Québec City; and contact the AMF and ask if they would like CAFII to move the date to October 2/17 or October 4/17 to accommodate their schedules [B. Wycks; June 30/17]

8 In Camera Session

The Board of Directors met in camera from 4:35 p.m. to 5:00 p.m.

9. In-Camera Session

There being no further business to discuss, the meeting was terminated at 5:00 p.m. The next CAFII Board of Directors meeting is to be held on Tuesday, October 3/17 at a location to be confirmed in Montréal or Québec City.

Date

Board Chair

Recording Secretary

Summary of CAFII Board and EOC Action Items					
	Source	Action Item	Responsible	Deadline	Status 16-Jun-2017
BC Ministry of Finance & FICOM Regulatory Issues					
1	EOC April 25, 2017	• Review CAFII's September 2015 submission in response to BC's Initial Public Consultation Paper on its 10-Year Review of the FIA/CUIA, and recommend whether an updated submission should be made to E. Cole to reflect any changes in CAFII's views, issues, or priorities since that time.	Brendan	23-May-17	Complete
2	EOC Feb 16, 2016	• Investigate opportunities to engage with BC Ministry of Finance to provide information and find out more about what will be included in the Policy Paper to be released in late 2016.	Brendan	Ongoing	In progress
Alberta Critical Illness Insurance Issue					
3	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
Ontario Ministry of Finance & FSCO/FSRA Regulatory Issues					
4	Board June 6, 2017	• Proceed with an informal discussion through M. Gill – asking for a clarification on what FSCO is trying to achieve with its proposed questionnaire for the insurance arms of banks.	Moira, Keith, Brendan	26-Jun-17	In progress
5		• Consider sending a letter to FSCO offering to assist in designing its proposed questionnaire.	Keith, Brendan	30-Jun-17	In progress
6	EOC May 23, 2017	• Provide feedback to B. Wycks on CAFII's draft submission on FSCO's Draft 2017 Statement of Priorities	All EOC	24-May-17	Complete
Quebec Ministry of Finance & AMF Regulatory Issues					
7	Board June 6, 2017	• Consider moving the October 3/17 CAFII Board meeting to Québec City; and contact the AMF and ask if they would like CAFII to move the date to October 2/17 or October 4/17 to accommodate their schedules.	B. Wycks	23-Jun-17	In progress
8	EOC May 23, 2017	• Contact E. Stevenson and/or Patrick Déry of the AMF to obtain advice on whether CAFII should send a communication to the Quebec Ministry of Finance requesting that a consultation period be held on the Omnibus Bill	Keith, Brendan	20-Jun-17	In progress
Canadian Insurance Services Regulatory Organizations (CISRO)					
9	EOC May 23, 2017	• If possible, circulate to the entire EOC the presentation made by Todd Silverhart at LIMRA Canada Conference on May 18/17	Sue	30-Jun-17	In progress
10	EOC April 25, 2017	• Prepare an initial draft of content for June 2/17 presentation to CISRO	Working group of Keith, Brendan, Diane, Sue	23-May-17	Complete
Finance Canada Regulatory Issues					
11	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					
12	Board June 6, 2017	• Canvas CAFII EOC and Board members to determine delegates for these BC and Alberta regulator and policy-maker meetings.	Brendan	26-Jun-17	In progress
13	EOC April 25, 2017	• Prepare and present proposals for a Western Canada Regulator and Policy-Makers Visit Tour and an Atlantic Canada Regulator and Policy-Makers Visit Tour in the Fall of 2017	Brendan	23-May-17	In progress

	Source	Action Item	Responsible	Deadline	Status 16-Jun-2017
Strategy and Governance					
14	EOC May 23, 2017	• Add Reconstitution of CAFII Networking and Events Committee to the Other Business section of the agenda for the June 20/17 EOC Meeting	Brendan, Emily	20-Jun-17	Complete
15		• Discuss with E. Fang and D. Quigley the process and next steps for identifying and recruiting new members for the Research and Education Committee	Keith, Diane	28-Jun-17	In progress
16		• Circulate updated Strategic Plan Development Backgrounder document to the entire EOC for review prior to the June 20/17 Strategic Plan Development Session	Keith	09-Jun-17	Complete
17	EOC March 21, 2017 and Board April 5, 2017	• Prepare a proposed CAFII Strategy Plan Development Backgrounder document to be reviewed with the EOC Chair, and subsequently provided to the full EOC well in advance of the confirmed date for the Strategic Planning Session.	Keith	15-May-17	Complete
Media and Communications					
18	Board June 6, 2017	• Circulate the link to the modernized website for Board and EOC members to review and provide feedback	Keith	23-Jun-17	In progress
19		• Draft ten versions of CAFII responses to negative and/or inaccurate media columns/articles, to present to the EOC and the Board	Keith	31-Aug-17	In progress
20	EOC May 23, 2017	• Recommend to the Board that CAFII's media consultant retainer arrangement with D. Moorcroft be extended on an ongoing basis.	Keith	06-Jun-17	Complete
21		• Discuss whether a "reactive" or "proactive" path is best for media responses at the Strategic Development Session	All EOC	20-Jun-17	In progress
22	Board April 5, 2017	• Revise and renew CAFII's media consultant retainer relationship with D. Moorcroft--to extend beyond June 30/17--and build his involvement as a sounding board into the updated Media Protocol so that the number of review/approval steps can be minimized and CAFII Co-ED K. Martin can be empowered to respond to media on behalf of the Association expeditiously.	Keith	30-May-17	Complete
Association Budgeting and Financial Management					
23	Board June 6, 2017	• Circulate the Financial Statements as at May 31/17 to the Board and EOC	Emily	07-Jun-17	Complete

CAFII

21 St Clair Ave East, Suite 802
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Balance Sheet As at May 31, 2017

	Current 2017
ASSETS	
Current Assets	
Bank Balance	\$303,989
Investments ^A	\$54,077
Accounts Receivable	\$72,316
Interest Receivable	\$198
Prepaid Expenses	\$5,050
Computer/Office Equipment	\$8,014
Accumulated Depreciation -Comp/Equip	(\$2,573)
Intangible Assets-Trademarks	\$0
Accumulated Amortization-Trademark	\$0
Total Current Assets	\$441,070
TOTAL ASSETS	\$441,070
LIABILITIES	
Current Liabilities	
Account Payable ^B	\$13,805
Deferred Revenue	\$82,481
Total Current liabilities	\$96,286
TOTAL LIABILITIES	\$96,286
UNRESTRICTED NET ASSETS	
Unrestricted Net Assets, beginning of year	\$380,758
Excess of revenue over expenses	(\$35,975)
Total Unrestricted Net Assets	\$344,783
Total Unrestricted Net Assets	\$344,783
TOTAL LIABILITIES AND UNRESTRICTED NET ASSETS	\$441,070

Financial Reserves Targets as per 2016 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):	\$344,783
Current Level of Financials Reserve (%) :	46%

CAFI I
21 St Clair Ave east, Suite 802
Toronto, ON, M4T 1L9
Balance Sheet Items
As at May 31, 2017

Item A

Investment Portfolio

Investment Type	Issue Date	Principal	Rate	Deemed Interest	Maturity Date
Cashable GIC #0087-8019718-13	June-16-16	\$54,077.01	0.40%	\$216.31	June-16-17
Total		\$54,077.01		\$216.31	

Item B

Accounts Payable

	<u>Total</u>
	13,560.00
	245.15
Total outstanding:	<u><u>13,805.15</u></u>

CAFII

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

Statement of Operations As at May 31, 2017

	Current Month	Current YTD	Budget 2017	% Used
Revenue				
Membership Fees	44,594	230,969	559,125	41%
Interest Revenue	18	89	250	36%
TOTAL REVENUE	44,612	231,058	559,375	41%
Expenses				
Management Fees	37,375	183,577	500,115	37%
CAFII Legal Fees/Corporate Governan	-	110	7,000	2%
Audit Fees	-	-	14,560	0%
Insurance	437	2,183	5,500	40%
Website (incl translation)	14,501	25,311	33,700	75%
Telephone/Fax/Internet	133	965	5,000	19%
Postage/Courier	35	138	375	37%
Office Expenses	111	- 1,069	3,300	-32%
Bank Charges	-	-	40	0%
Miscellaneous Expenses	-	-	-	-
Amortization Expense	-	-	-	-
Depreciation Computer/Office Equipm	134	668	468	143%
Board/EOC/AGM	-	-	-	-
Annual Members Lunch	-	10,247	13,200	78%
Board Hosting (External)	-	-	15,000	0%
Board/EOC/Meeting Expenses	470	4,701	11,000	43%
Industry Events	-	36	2,000	2%
EOC Annual Lunch	-	-	2,200	0%
Sub Total Board/EOC/AGM	470	14,984	43,400	35%
Provincial Regulatory Visits	-	-	8,000	0%
Research/Studies	-	-	50,000	0%
Regulatory Model(s)	-	-	20,000	0%
Federal Financial Reform	-	-	2,000	0%
Media Outreach	-	13,560	20,000	68%
Marketing Collateral	-	-	7,000	0%
Tactical Communications Strategy	-	-	-	-
Networking Events	-	-	-	-
Speaker fees & travel	-	-	4,000	0%
Gifts	-	113	500	23%
Sub Total Networking & Events	-	113	4,500	3%
20th Anniversary Event	-	26,495	27,685	96%
TOTAL EXPENSE	53,196	267,033	752,643	35%
NET INCOME	- 8,584	- 35,975	- 193,268	19%

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

CAFII

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

Membership Fees As At May 31, 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	
CIBC Insurance	\$ 29,375.00	17-Mar-17	\$ 29,375.00	
RBC Insurance	\$ 29,375.00	16-Mar-17	\$ 29,375.00	
ScotiaLife Financial	\$ 29,375.00	10-Mar-17	\$ 29,375.00	
TD Insurance	\$ 29,375.00	3-Mar-17	\$ 29,375.00	
National Bank Insurance Company	\$ 29,375.00		\$ 29,375.00	
Desjardins Financial Security Life Assurance Company	\$ 20,562.50		\$ 20,562.50	
AMEX Bank of Canada	\$ 14,687.50	17-Mar-17	\$ 14,687.50	
Assurant Solutions	\$ 14,687.50	28-Feb-17	\$ 14,687.50	
Canadian Premier Life Insurance Company	\$ 14,687.50	10-Mar-17	\$ 14,687.50	
Cumis Group Ltd/Co-operators Life Insurance Co.	\$ 14,687.50	10-Mar-17	\$ 14,687.50	
Willis Towers Watson	\$ 4,800.00	17-Mar-17		
Aimia	\$ 4,800.00			
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	\$ 4,800.00			
Munich Reinsuranace 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	\$298,763		\$255,563	
July Invoices	\$255,563			
Total Membership Fees	\$554,325			
Total amount to realocate monthly Jan-Dec	\$46,193.75			

Agenda Item 4.b
June 20/17 CAFII EOC Meeting

CAFII Board Chair Succession

In light of the need for the CAFII Board to identify a successor Board Chair and appoint a candidate at the October 3/17 Board meeting, the following information is provided:

- Candidate Profile: CAFII Board Chair
- Reverse Chronology of CAFII Board Chair, Board Vice-Chair, EOC Chair, and Treasurer Appointees

Candidate Profile: CAFII Board Chair

CAFII Bylaw-Prescribed Duties and Responsibilities of the Board Chair:

- if present, preside at all meetings of the Board and of the Members;
- be an *ex officio* member of all committees appointed by the Board;
- sign all instruments which require his or her signature in accordance with the By-laws or otherwise;
- represent the Corporation as a spokesperson at public or official functions;
- have such other powers and duties as may from time to time be assigned to him or her by the Board; and
- must be a Director, i.e. from/nominated by a Foundation Member or a Regular Member.

The following are desired skills, attributes, experience, and related qualifications for the position of CAFII Board Chair:

- strong knowledge of principles, ethics, and practices of successful organizations, in particular industry Associations;
- strong verbal communication, interpersonal, and relationship-building skills;
- a collegial nature, as must be able to work co-operatively with other Directors; the EOC Chair; the Co-Executive Directors; and the Administrative Co-ordinator;
- ability to partner with and manage the EOC Chair and Co-Executive Directors;
- strong numeracy and financial literacy skills;
- strong monitoring orientation and attention-to-detail;
- ability to work effectively with a diverse group of stakeholders;
- experience in communicating and dealing with insurance regulators and policy-makers;
- experience and skills in Board meeting management; ability to set, control, and run the agenda, keeping within time limits;
- demonstrated strength in handling confidential matters;
- ability to lead by example and “set the standard” for the Board; and
- ability to groom and help to develop the next Board Chair.

Reverse Chronology of

CAFII Board Chair, Board Vice-Chair, EOC Chair, and Treasurer Appointees

Appointments to the CAFII volunteer Officer positions of Board Chair, Board Vice-Chair, Executive Operations Committee (EOC) Chair, and Treasurer have typically been made during the first Board meeting of a new governance year, immediately following the Annual Meeting of Members each June, except where noted below. In most cases, the appointed Officers have served two consecutive, one-year terms, except where noted below.

Terms (June to June, except where noted)	Board Chair	Board Vice-Chair	EOC Chair	Treasurer
2016-2017	Peter McCarthy, BMO Insurance	Joane Bourdeau, National Bank Insurance	Eleanore Fang, TD Insurance	Raja Rajaram, CIBC Insurance
2015-2016	Peter McCarthy, BMO Insurance	Joane Bourdeau, National Bank Insurance <i>(Oct 6, 2015 onwards)</i> Isaac Sananes, Canadian Premier <i>(Jun 9-18, 2015)</i>	Greg Grant, CIBC Insurance	Raja Rajaram, CIBC Insurance
2014-2015	Rino D’Onofrio, RBC Insurance <i>(Sep 19, 2014)</i>	Isaac Sananes, Canadian Premier <i>(Sep 19, 2014)</i>	Greg Grant, CIBC Insurance	Raja Rajaram, CIBC Insurance
2013-2014	Mark Cummings, ScotiaLife Financial	Rino D’Onofrio, RBC Insurance	Jennifer Hines, RBC Insurance	Raja Rajaram, CIBC Insurance
2012-2013	Mark Cummings, ScotiaLife Financial <i>(Dec 2012 onwards)</i> Cathy Honor, RBC Insurance <i>(until Dec 2012)</i>	Keith Demmings, Assurant Solutions <i>(until Dec 2012)</i>	Jennifer Hines, RBC Insurance <i>(Dec 2012 onwards)</i> John Lewsen, BMO Insurance <i>(until Oct 2012)</i>	Matt Fabian, BMO Insurance <i>(until Dec 2013)</i>
2011-2012	Cathy Honor, RBC Insurance <i>(Dec 2011 onwards)</i> David Minor, TD Insurance <i>(until Dec 2011)</i>	Keith Demmings, Assurant Solutions	John Lewsen, BMO Insurance	Matt Fabian, BMO Insurance
2010-2011	David Minor, TD Insurance	Keith Demmings, Assurant Solutions	John Lewsen, BMO Insurance	Matt Fabian, BMO Insurance
2009-2010	David Minor, TD Insurance	Keith Demmings, Assurant Solutions	Lawrie McGill, CIBC Insurance	Matt Fabian, BMO Insurance

Terms (June to June, except where noted)	Board Chair	Board Vice-Chair	EOC Chair	Treasurer
2007-2009	Rick Lancaster, CIBC Insurance	Steve Phillips, Assurant Solutions	Moira Gill, TD Insurance	Matt Fabian, BMO Insurance (<i>Dec 2009 onwards</i>) Monica Smith, BMO Insurance (<i>Oct to Dec 2009</i>) Victor Pywowarczuk, BMO Insurance (<i>until Oct 2009</i>)
2005-2007	Neil Skelding, RBC Insurance (<i>Oct 2005 onwards</i>)	Steve Phillips, Assurant Solutions	Lawrie McGill, CIBC Insurance	Victor Pywowarczuk, BMO Insurance
2004-2005	Cathy Honor, RBC Insurance (<i>until Oct 2005</i>)	Steve Phillips, Assurant Solutions	Lawrie McGill, CIBC Insurance	Victor Pywowarczuk, BMO Insurance
2002-2004	Oscar Zimmerman, ScotiaLife Financial	Isaac Sananes, Canadian Premier		Ambrish Jaiswal, CIBC Insurance
2001-2002	Oscar Zimmerman, ScotiaLife Financial	Isaac Sananes, Canadian Premier		Karen Ramdhan, CIBC Insurance Tamesh Paraboo, Canadian Premier Life Insurance (2001)
2000	Russell Dunbar, TD Insurance	Isaac Sananes, Canadian Premier (Mar 2000 onwards) Bernard Dorval, Canada Trust (until Mar 2000)		
1998	Russell Dunbar, TD Insurance	Bernard Dorval, Canada Trust		

CAFII - 2017 Co-Executive Directors Balanced Scorecard						
H = High Priority; M = Medium; L = Low						
Priority	Objectives	Measures	Lead Accountability	Timing	Status As At June 14/17	Outcome
Regulatory, Advocacy, and Strategy (60% of ED and EOC focus/time)						
#1	Overall: Draft and deliver highly quality regulatory submissions and follow-up with regulators and policy-makers, as appropriate.	Overall: Regulatory submissions are well-written, impactful, and produced on time; consultation issues are reviewed with relevant CAFII committee and input and feedback incorporated into draft submission; Board and EOC have sufficient time to review and provide input, which is given due and equitable consideration and included where appropriate; submissions reflect consultation with allied industry Associations where appropriate. ED monitors, gathers intelligence, and reports on key regulatory developments; any hot button issues dealt with in timely, appropriate manner.	Market Conduct-related submissions, including travel health insurance: B. Wycks; Licensing-related submissions and Research and Education-related presentations: K. Martin	Ongoing		
H	British Columbia Consultation on 10-Year Review of Financial Institutions Act (FIA)	Co-ED monitors progress/status through regular contact with Ministry of Finance. CAFII communicates with and influences Ministry thinking in its preparation of a Policy Paper, such that CAFII's positions are taken into account. CAFII responds to Policy Paper with a compelling submission.	B. Wycks	Q1 thru Q4 2017	Awaiting Ministry's release of Policy Paper on proposals for change (expected in Q3 2017). On March 24/16, Ministry released Public Report on input received in response to Initial Consultation Paper; and all stakeholder submissions were published on its website.	
M	BC FICOM's 'effecting' of creditor's group insurance issue	Co-ED monitors progress/status through regular contact with Harry James, FICOM, to ensure that CAFII members are kept well-apprised of any new developments, especially re regulator's expectations for compliance CGI Information Bulletin.	B. Wycks	Q1 thru Q4 2017	CAFII intelligence indicates that FICOM plans to conduct audits re compliance with CGI Information Bulletin. CAFII to meet with FICOM officials in Vancouver in October 2017, and this will be key agenda topic. Following review/analysis of legal opinion obtained from J. McCutcheon, EOC decided on November 15/16 not to provide it to FICOM; instead CAFII sent short letter to H. James to close off dialogue on auto dealers are creditors for a moment-in-time issue. Following April 14/16 teleconference between CAFII and FICOM, FICOM was expecting CAFII to provide further information in support of auto dealers are creditors for a "moment-in-time" argument.	Favourable clarification on other major issues received from FICOM via April 14/16 teleconference and April 20/16 response letter from H. James
H	Quebec Ministry of Finance Omnibus Bill aimed at modernizing province's financial services sector, including Insurance Act and the Act respecting the Distribution of Financial Products and Services	Co-ED monitors progress/status through regular contact with Ministry of Finance and AMF executives. CAFII communicates with and influences. CAFII responds to Omnibus Bill, aided by specialized legal counsel, with a compelling submission. Ministry of Finance takes CAFII's positions into account in final decisions on modernizing the Insurance and Distribution Acts	B. Wycks	Q1 thru Q4 2017	Awaiting Ministry's release of Omnibus Bill (expected before end of June 2017). On March 24/16, Finance Minister indicated on November 14/16, at AMF Rendez-Vous, that omnibus Bill would be tabled by December 9/16 but strike by province's civil service lawyers prevented that. CAFII has secured specialized legal counsel S. Bourdeau de Fasken Martineau, via a letter of engagement, and is well-prepared to make authoritative submission on this matter.	CAFII received verbal assurance from Ministry of Finance official on Feb. 25/16 that Quebec will be implementing measures to support online distribution of insurance without need for involvement of a licensed advisor
H	CCIR Annual Statement on Market Conduct	Co-ED monitors progress/status through regular contact with Martin Boyle, CCIR. CAFII continues to communicate its views to CCIR as Annual Statement is implemented and thereafter evolves; CCIR takes CAFII's views into account in roll-out and implementation of Annual Statement; and in any subsequent iterations	B. Wycks	Q1 thru Q4 2017	96% of insurers selected for completion of Year 1 version of Annual Statement did so by May 1/17 deadline. CCIR has issued warning re regulatory sanctions against 4% of non-compliant insurers. CCIR consultation with industry on revisions to Year 3 (2019) version of Annual Statement expected to occur in Summer/Fall 2017. CAFII to seek clarification on plans for consultation around Annual Statement overhaul, in June 23/17 liaison meeting with CCIR Policy Managers M. Boyle and S. Jacobs.	CAFII member-exclusive webinar on the final version of the Annual Statement on Market Conduct - Life and Health presented by CCIR on March 1/17. CAFII made strong submission on Draft 3 of Annual Statement on August 26/16. CAFII staged May 19/16 preliminary webinar for members with Laurie Balfour, CCIR ICPIC Chair.
H	Ontario government implementation of new Financial Services Regulatory Authority (FSRA)	Co-ED monitors progress/status through regular contact with Sandy Roberts, Director, Financial Services Modernization Secretariat. CAFII meets with Secretariat representatives and influences development of FSRA Regulations.	B. Wycks	Q1 thru Q4 2017	CAFII has stakeholder meeting with FSRA Implementation Secretariat leaders scheduled for June 29/16, to discuss future regulation of the life and health insurance sector; and the transition from FSCO to FSRA. In November 2016, Minister of Finance Charles Sousa tabled legislation to create a new Financial Services Regulatory Authority (FSRA), to replace FSCO and DICO, and at the same time set up the Financial Services Modernization Secretariat.	
H	CCIR Review of Travel Health Insurance	Co-ED monitors progress/status through regular contact with Sean Jacobs, CCIR; Joan Weir, CLHIA; and THIA executive members. ED supports work of CAFII's Travel Medical Experts Working Group. CAFII in a position of readiness to make regulatory submission or otherwise make its views known, as distributors of travel insurance, should need arise. CAFII communicates views on TIWG Position Paper in timely, persuasive, effective manner. CCIR takes CAFII's views into account in final decisions on travel insurance regulatory reforms	B. Wycks; transitioning to K. Martin in September 2017	Q1 thru Q4 2017	CCIR released Travel Health Insurance Products Position Paper, along with Media Release and personalized transmittal letter to each industry stakeholder, on May 31/17. CAFII to seek clarification re CCIR expectations on timelines for industry's addressing its Position Paper findings/recommendations, in June 23/17 liaison meeting with Policy Managers S. Jacobs and M. Boyle.	CAFII held productive stakeholder meeting with CCIR TIWG on draft Recommendations intended for inclusion in Position Paper on February 22/17. CAFII submitted response to CCIR TIWG's Issues Paper on Travel Health Insurance for September 30/16 deadline. CAFII held productive stakeholder meeting with CCIR TIWG on Issues Paper on August 10/16. On May 4/16, C. Rogers advised CAFII that because the industry had demonstrated significant movement in terms of reforms, at its April 7-8/16 meeting the Council decided that the Issues Paper (which was slated for release in the spring) would be revised to reflect the latest industry input and released in the summer instead.
H	Bill 177, The Insurance Act (Saskatchewan)	Co-ED monitors progress/status of finalization of Regulations and communication of "proclamation into force date" through regular contact with Jan Seibel, FCAA. CAFII communicates views on draft Regulations in timely, persuasive, effective manner. FCAA takes CAFII's views into account in final Regulations	B. Wycks	Q1 thru Q4 2017	CAFII held liaison meeting with R. Sobotkiewicz, Superintendent of Insurance, and J. Seibel, Lawyer, FCAA, in Regina on June 1/17. FCAA advised that in summer 2017 (June/July/August) final Regulations will be released along with the revised Insurance Act and the timing of their coming into force. On February 17/17, J. Seibel communicated that in-force date of the new Act and Regulations would be deferred to Spring 2018.	CAFII responded to FCAA proposed definition of TPA, for inclusion in Regulations, on March 13/17; to sub-consultation on TPAs-related Regulations on December 9/16; and to main consultation on draft Regulations on December 2/16. FCAA released Insurance Regulations Consultation document on October 7/16.
M	Saskatchewan Finance Minister's imposition of 6% PST on insurance premiums	Finance Minister listens to CAFII's arguments re imposition of PST on insurance premiums is counter-productive public policy. Ministry considers data that CAFII provides -- based on 6 months and one year of experience after August 1/17 implementation date -- on impact of 6% PST on consumer purchases of CGI and other life and health insurance policies; and considers reversing its decision. CAFII raises its profile and builds a relationship with Ministry, secures prominent stakeholder status, thereby encouraging advance consultation with industry on any future fiscal policy changes being contemplated which would impact CAFII members.	B. Wycks and K. Martin	Q2 2017 thru Q3 2018	CAFII had productive initial get acquainted/relationship-building meeting and dialogue with Finance Minister Kevin Doherty and his officials in Regina on June 1/17.	
M	AMF's Distribution Guide template initiative	Co-ED monitors progress/status through regular contact with L. Gauthier, AMF. CAFII communicates views on draft Distribution Guide Regulation in timely, persuasive, effective manner. AMF takes CAFII's views into account in final Distribution Guide template and related Regulation	B. Wycks	Q1 thru Q4 2017	Awaiting reactivation of this initiative via AMF's circulation of a draft Regulation on the Distribution Guide for industry consultation	
M	New Brunswick's "Modernizing the Insurance Licensing Framework" for Other than-Life Agents and Brokers	Co-ED monitors progress/status through regular contact with David Weir, FCNB. FCNB takes CAFII's views into account in final positions on new licensing framework	K. Martin	Q1 thru Q4 2017	Awaiting release of FCNB's final recommendations to Government re change proposals, especially re implications for life agents' licensing framework	

H = High Priority; M = Medium; L = Low						
Priority	Objectives	Measures	Lead Accountability	Timing	Status As At June 14/17	Outcome
M	New Brunswick's "Online Insurance Licensing System"	Co-ED monitors progress/status through regular contact with David Weir, FCNB. FCNB takes CAFII's views into account in functionality and features decisions for Phase 2 of online licensing system, especially administrator rights for applicant's insurer sponsor	K. Martin	Q1 thru Q4 2017	FCNB launched Phase 2 of online insurance licensing portal in October 2016 but will be making further enhancements in future. Effective November 1/16, will only accept online applications for for insurance agent, broker, adjuster, and damage appraiser licences.	
M	ICS considers CAFII's request to secure Insurance Council representation for CAFII members as Restricted Insurance Agents in Saskatchewan	CAFII communicates and engages with Ron Fullan, ICS Executive Director, in a timely, persuasive, effective manner. CAFII's proposed model for a Restricted Insurance Agent Advisory Committee is reviewed and considered by the ICS.	K. Martin	Q1 thru Q4 2017	CAFII had liaison meeting with R. Fullan and A. Stadnek, ICS, on June 2/17 and discussed plan for moving this issue back onto front burner. ICS agreed that a summer 2017 three-way brainstorming, consensus-building, and planning meeting -- involving ICS, CAFII, and CLHIA -- re "Representation for RIA Licence Holders in Saskatchewan" should take place. CAFII submission pending re proposed Terms of Reference for RIA Advisory Committee, to augment Concept Proposal sent in October 2013.	
#2 H	Develop and execute on Regulator and Policy-Maker Visit Plan in support of CAFII positions on legislative and regulatory issues	CAFII investments in regulator and policy-maker visits are appropriately scheduled; well-organized and executed, including briefing/preparation of CAFII participants	B. Wycks and K. Martin	Ongoing	CAFII completed visits tour to Saskatchewan regulators and policy-makers on June 1-2/17. Visit and presentation to Insurance Council of Manitoba and Financial Institutions Regulation Branch in late June/early July 2017 awaiting confirmation. CAFII visits tour to BC and Alberta regulators and policy-makers from October 16-18/17 awaiting confirmation. Regulator visits tour to Atlantic Canada regulators and policy-makers in Fall 2017 in early planning stages.	
#3 H	Maintain ongoing monitoring of and liaison/communications with regulators, policy-makers, allied Associations, and other industry stakeholders for relationship-building and intelligence gathering	EOC and Board members are kept well-informed of hot button, urgent, time-sensitive issues through CAFII "Alerts"	B. Wycks and K. Martin	Ongoing	K. Martin attended LIMRA's one day research conference on May 18/17 in Toronto. B. Wycks and K. Martin had productive liaison lunches with CLHIA on May 17/17 and Feb. 27/17. Liaison lunch with CCIR Policy Managers held on April 24/17 and further liaison lunch scheduled for June 23/17, immediately following June 22/17 CCIR Summer Teleconference Meeting. B. Wycks is an individual member of THIA and gathers intelligence through that connection.	Based on intelligence gathered at inaugural meeting of FSCO's Life Insurance Industry Working Group, K. Martin disseminated CAFII Alert on FSCO's plan to issue a questionnaire probing selling practices of the insurance arms of banks operating in Ontario.
#4 H	Networking and advocacy with key decisionmakers (politicians, bureaucrats, academics, business leaders, media, thought leaders and influencers etc.) on key messages related to CAFII	Quarterly updates through "Networking and Meeting Grid"	K. Martin	Ongoing	Specific plan to be developed upon completion and Board approval of CAFII Strategic Plan.	
#5 H	Develop a strategic plan with options around new investments and outputs for CAFII; develop a prioritization of the options; deliver against the top priorities identified	Submit plan before end of Q2; prioritize plan before end of Q3; begin implementation in Q4.	K. Martin and B. Wycks	Q2 thru Q4 2017	K. Martin has developed CAFII Strategic Plan Development Backgrounder, with input from B. Wycks; and Strategic Plan Development Session with EOC scheduled for June 20/17.	
Media and Communications (20% of ED and EOC focus/time)						
#1 H	Move CAFII into a position of readiness and confidence to respond to media opportunities re Creditor's Group Insurance and Alternate Distribution	Development of revised/updated Communications Plan (followed by execution of Communications Plan tactics within specified timelines, in 2018 and thereafter)	K. Martin	Ongoing	K. Martin prepared revised CAFII Media Protocol; approved by Board on June 6/17. Now developing 10 articles, for Board approval, to move Association into position of readiness and strength re selective responsiveness to CAFII-relevant media opportunities. Board approval secured for extension of retainer contract with media consultant (D. Moorcroft) as ongoing media expert sounding board for CAFII. K. Martin/B. Wycks/C. Blaquiere meeting with all Media Advocacy Committee members, and planning presentations to their media/pr teams to strengthen CAFII's network of member media relations expert contacts and resources.	
#2 H	Monitor media coverage re CGI, travel insurance, and alternate distribution	Any hot button issues related to media coverage are identified and dealt with in a timely, appropriate manner	K. Martin	Ongoing	Ongoing, in concert with Media Advocacy Committee. Negative column on FI CGI products by R. Carrick, Globe and Mail, became subject of EOC and Board discussion, leading to confirmation that media strategy of achieving a position of readiness to respond to such columns is moving CAFII in right direction.	
#4 M	Monitor Consumer Interest Groups	Include intelligence on Consumer Interest Groups' issues and activities in Regulatory Updates for EOC and Board meetings	B. Wycks and K. Martin	Ongoing	Consumers Association of Canada, Consumers Council of Canada, and Public Interest Advocacy Centre web sites monitored regularly for issues/activities related to insurance and alternate distribution	
#3 H	Website enhancements to drive traffic to the CAFII site and ensure that the backend is upgraded to Drupal 8 and the frontend is user friendly and consumer oriented.	Drupal migration by end of Q2; front end enhancements beginning in Q3 and continuing in Q4	K. Martin	Q2 thru Q4 2017	Update to Drupal platform used for back-end of CAFII site completed. Board approval secured for investment to make CAFII site compliant with Accessibility for Ontarians with Disabilities Act (AODA).	
#5 M	Develop thought leadership products that provide relevant information that can be shared with key decisionmakers.	EOC and Board members receive useful, timely, relevant materials; by end of Q4 approve resources for commissioned research	K. Martin	Ongoing	EOC in process of adding new members with strong research background and expertise to Research & Education Committee. Initial planning underway to repeat CAFII-commissioned research on consumers' perceptions and attitudes towards, and satisfaction with travel health insurance.	
#6 M	Organize additional events that members and nonmembers can have access to and which increase the profile of CAFII.	Develop a plan for additional events by end of Q3; budget approval by end of Q4	K. Martin	Q2 thru Q4 2017	Pending completion and Board approval of CAFII Strategic Plan.	
Association Oversight and Management (20% of ED and EOC focus/time)						
#1 H	Produce an "industry intelligence" Regulatory Update monthly, for each EOC and Board meeting	Regulatory Update is produced for each EOC and Board meeting, containing outside-of-the-public-domain information on regulatory actions, pronouncements, trends and leading indicators	B. Wycks; transitioning to B. Wycks and K. Martin on an alternating months basis, effective September 2017	Ongoing	March, April, and May Regulatory Updates included new intelligence on issues in CAFII Regulatory Consultations/Submissions Timetable	
#2 H	Efficient, effective CAFII meetings: with EOC Chair and standing committee Chairs, ensure agendas are focused and goal-oriented and meetings are well-managed	Agendas and meeting materials are distributed with appropriate lead time. Board and committee members are engaged in meeting discussions and feel meetings are productive and advance CAFII's objectives	B. Wycks and K. Martin	Ongoing	March, April, and May EOC meetings; and April and June Board meetings well-managed; executed successful 2017 Annual Members' Luncheon	
#3 H	Ensure that CAFII prepares an annual operating budget that is well-grounded in approved strategic and operational plans; funds are spent according to plan; and financial control policies and procedures -- including monthly financial statements -- are adhered to	Play a leadership role in development, management, and tracking/monitoring of CAFII's annual operating budget, and committee and project budgets. Budget targets are met, except for explainable/approved variances	B. Wycks and K. Martin	Ongoing	Management control financial options analysis developed, given loss of National Bank Insurance as a member of CAFII. Development of 2017 CAFII Operating Budget Options and Budget for CAFII 20th Anniversary Celebration completed, led by B. Wycks.	
#4 H	Provide strategic and operational support to the EOC Chair in management of CAFII priorities and activities, and accountability reporting thereon	Engaged strategic and operational support to EOC Chair; appropriate matters escalated to EOC Chair for review and decision-making	B. Wycks and K. Martin	Ongoing	Co-EDs leading in engagement with TO Corp for discussions re service delivery performance; in trademark registration initiative, and in executing 20th Anniversary Celebration.	
	Develop a plan to increase the value proposition for Associates with the objective of increasing the number of Associates that belong to CAFII.	Develop a plan by end of Q3; begin approaching potential new Associates before end of Q4	K. Martin	Q3 and Q4 2017	Pending completion and Board approval of CAFII Strategic Plan.	

CAFII Consultations/Submissions Timetable 2017-18

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 Q3 2017 Q3 or Q4 2017 <i>Q3 or Q4 2017</i> Q4 2017 or Q1 2018 	<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 Draft omnibus Bill to be tabled, for industry consultation CAFII Response to draft legislation <i>Meeting with Ministry of Finance officials, if necessary</i> 	<ul style="list-style-type: none"> Sep 30, 2015 Completed March 2016 Nov 2016 Q2 2017 Q3 or Q4 2017 <i>Q3 or Q4 2017</i> 	<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"> CAFII Response to Draft 3 CCIR releases implementation-ready final version of Statement CCIR presents webinar on Annual Statement for CAFII members Access to AMF-developed system for data submissions provided Insurers submit “best attempts” data based on 2016 fiscal year <u>CCIR consultation with industry on changes to Year 3 (2019) version of Annual Statement</u> CCIR to share aggregated results report from Year 1 with industry 	<ul style="list-style-type: none"> August 26, 2016 Dec 2016 March 1, 2017 March 28, 2017 May 1, 2017 <u>Q3 2017</u> Q3 or Q4 2017 	<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 <u>CCIR THI Products Position Paper Released</u> CAFII Response to Position Paper, if necessary <i>Meeting with CCIR TIWG Re Position Paper, if necessary</i> 	<ul style="list-style-type: none"> Sep 30, 2016 Feb 22, 2017 March 10, 2017 May 10, 2017 <u>May 31, 2017</u> Q3 2017 <u>Q3 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 <u>Meeting with FCAA officials re CAFII submissions</u> <u>Final Regulations to be released along with new Insurance Act</u> 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 <u>June 1, 2017</u> <u>July/August 2017</u> <u>Spring 2018 or later</u> 	<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



31 May 2017

Brendan Wycks
Executive Director, CAFII
21 St. Clair Avenue East Suite 802
Toronto, Ontario
M4T 1L9
Canada

Re: CCIR's Travel Health Insurance Products Position Paper

Dear Brendan,

The Travel Insurance Working Group of the Canadian Council of Insurance Regulators (CCIR) has released its Travel Health Insurance Products Position Paper.

The purpose of the Position Paper is to respond to stakeholders on what the Working Group has learned from the consultation and to set out the final recommendations to CCIR members, insurers, intermediaries and the public regarding the issues that were identified.

Overall, Canada has a strong travel insurance market place, however there is opportunity for improvements to be made to ensure consumers maintain confidence in their insurance protection when they travel.

Since the start of this initiative in early 2015, the CCIR's Travel Insurance Working Group has been working closely with key stakeholders, including members of CAFII, on issues and concerns around travel health insurance. The industry itself has recognized the opportunity for improvement and is proactively taking steps to respond to the issues raised under this initiative.

Moving forward CCIR will be monitoring the effectiveness of the recommendations put forth to ensure that they achieve the desired outcomes, recognizing that it will take some time for the recommendations to take affect within the market.

Yours,

Patrick Déry
Chair, Canadian Council of Insurance Regulators

c. Harry James
Chair, Travel Insurance Working Group



**TRAVEL HEALTH INSURANCE PRODUCTS
Position Paper**

**A document prepared by the
Canadian Council of Insurance Regulators (CCIR)
Travel Insurance Working Group**

This document reflects the work of regulators who are members of CCIR and is intended to generate discussion. The views expressed should not be considered as legal opinions.

This document does not necessarily represent the official position or views of any provincial, territorial or federal government or agency.

MAY 2017

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Executive Summary

This Position Paper sets out the recommendations put forth by the Canadian Council of Insurance Regulators (“CCIR”) in respect to the issues identified in its May 2016 Issues Paper regarding the Canadian Travel Health Insurance marketplace.

The purpose of this Position Paper is to respond to stakeholders on what the CCIR has learned from the consultation and to set out the CCIR’s expectations for improvement of travel insurance to CCIR members, insurers, intermediaries and the public regarding the issues that were identified.

Overall, Canada does have a strong and reliable travel insurance market. However, from the comprehensive review that was undertaken to better understand the issues and concerns raised, it is the CCIR’s conclusion that there are opportunities for improvements to be made within the travel insurance marketplace, especially in the fair treatment of consumers.

It is also observed that key stakeholders in the industry are taking a proactive approach to improve the consumer experience in order to ensure confidence in the product is improved. The industry has collectively come together to propose possible solutions to improve individual and group travel insurance in the Canadian marketplace. The CCIR acknowledges the engagement of the industry in this regard and will continue to work with these stakeholders in light of the issues raised.

1. INTRODUCTION

1.1. CANADIAN COUNCIL OF INSURANCE REGULATORS

The CCIR is an inter-jurisdictional association of provincial, territorial and federal insurance regulators. The provincial and territorial regulators are responsible for market conduct regulation and legislative compliance of insurers authorized in their province or territory. They may also have responsibility for the solvency of insurers incorporated in their jurisdictions.

The CCIR has developed a framework for cooperative market conduct supervision among its members. CCIR members have made a commitment to observing, where reasonable, the Insurance Core Principles (“ICPs”) of the International Association of Insurance Supervisors (“IAIS”). Of particular importance are ICP 18 and 19 which address the supervision of conduct of business or market conduct and intermediaries:

- ICP 18 Intermediaries – the supervisor sets and enforces requirements for the conduct of insurance intermediaries, to ensure that they conduct business in a professional and transparent manner.
- ICP 19 Conduct of Business – the supervisor sets requirements for the conduct of the business of insurance to ensure customers are treated fairly, both before a contract is entered into and through to the point at which all obligations under a contract have been satisfied.¹

One of the main goals of the CCIR is to facilitate harmonization of insurance regulation across Canada to benefit both consumers and the insurance industry. Working towards a harmonized approach promotes efficiencies and cost savings while providing consistent protection to consumers across Canada. It is recognized that individual jurisdictions may need to accommodate any local or regional issues in implementation.

1.2. TRAVEL INSURANCE WORKING GROUP

In response to growing concerns over public confidence in the market and the manner in which travel health insurance (“THI”) is manufactured and distributed, the CCIR formed a working group on THI at its fall 2014 meeting (the “Working Group”).

The Working Group is composed of representatives from the CCIR and from the Canadian Insurance Services Regulatory Organizations² (“CISRO”). The Working Group’s mandate is to:

- Improve consumer’s confidence in the THI market;
- Promote harmonization in regulatory approaches to THI in Canada;

¹ Insurance Core Principles (ICPs) 18 and 19 “Intermediaries” and “Conduct of Business”, International Association of Insurance Supervisors, <http://iaisweb.org/page/supervisory-material/insurance-core-principles//file/58067/insurance-core-principlesupdated-november-2015>.

² The Canadian Insurance Services Regulatory Organizations is a national association of insurance intermediary (agents, brokers, adjusters) regulating authorities. Its objectives include creating a common voice to deal with issues that may be of interest to other financial services regulators, consumers and intermediaries.

- Identify practices that are causing harm, or have the potential to cause harm to the public; and
- Develop recommendations to address them in order to prevent loss of consumer confidence.

In achieving this mandate, the Working Group was also asked to consult with industry stakeholders where possible.

The work of the Working Group is in alignment with the CCIR's strategic priorities of identifying common emerging issues (fact gathering), and engaging stakeholders and policy makers so that the right information is in the hands of those in charge of making policy decisions in a timely manner. It is also in alignment with the CCIR's risk-based approach to regulation.

The Working Group undertook a thorough review of the Canadian THI market in order to identify and better understand the issues. The Working Group conducted a survey in 2015 and liaised with various industry stakeholders³. The survey was completed by 33 THI insurers.

In addition, the Working Group called for public submissions in February 2015 and received 27 submissions from the public, mostly private citizens, about problems they saw in THI market. Finally, the Working Group considered disclosure documents, insurance policies and other materials made available and obtained through the course of the regulatory activities of its members.

In July 2016, the CCIR released its [Travel Health Insurance Products Issues Paper](#) on THI (the "Issues Paper"). The Issues Paper aimed to set out the context and situation of the THI market as the CCIR believed it existed as of July 2016. It reflected what the Working Group had learned from the 2015 survey and other findings based on the above-mentioned materials. Stakeholders and consumer associations were invited to provide comments by September 30, 2016.

1.3. THE PURPOSE OF THIS POSITION PAPER

The purpose of this Position Paper is to respond back to stakeholders on what the CCIR has learned from the consultation and to set out the proposed recommendations to CCIR members, insurers, intermediaries and the public regarding the issues that were identified.

This Position Paper considers some of the initiatives industry stakeholders are already undertaking to enhance consumers' experience with THI. The CCIR acknowledges the engagement of the industry in this regard and will continue to work with these stakeholders in light of the issues raised in this Paper.

³ Such as the Canadian Life and Health Insurance Association, the Travel Health Insurance Association, the Canadian Association of Financial Institutions in Insurance, the General Insurance Ombudservice and the Ombudservice for Life and Health Insurance.

2. RESULTS OF CONSULTATION AND RECOMMENDATIONS

From its 2016 Issues Paper, the Working Group sought input from stakeholders, both the industry and the public, with regard to:

- Whether the CCIR's understanding of the topics and issues as presented was accurate;
- Whether all significant gaps and issues had been identified;
- Which initiatives have already been undertaken or should be undertaken to enhance consumers' experience with THI and to best achieve the fair treatment of consumers in the THI market.

In total, the CCIR received 13 submissions from stakeholders to the Issues Paper that included industry associations and insurance companies. In addition, the Working Group met with some associations as a follow-up to the Issues Paper.

We thank all stakeholders who participated in the consultation process: your input has been invaluable.

2.1. PRODUCT DESIGN

2.1.1. COMPLEXITY OF TRAVEL HEALTH INSURANCE PRODUCTS

As outlined in its Issues Paper, the Working Group believes that the common practice by insurers of combining different coverages in THI products, such as single trip and multiple trip coverages, medical or non-medical coverages, emergency medical care, ambulance costs and hospitalization, overall increases the complexity of design of some THI products. This complexity may impact consumers' ability to effectively comprehend the available options and the relevant limitations in the products as they apply to them.

In their responses to the Issues Paper, stakeholders in general were in disagreement with the Working Groups position that the complexity of THI products is a core issue affecting consumers' ability to fully understand the nature of the THI products they are purchasing. From the submissions received, the industry generally believes that their initiatives focused on disclosure and education will reduce the concerns raised with regard to policy complexity and clarity in THI products. It is the CCIR's belief that the amalgamation of coverages and how policy documents are presented (e.g. bundling, number of plans, regimes and options) are factors that influence public perception regarding the complexity of THI products. The information provided to consumers should enable them to fully understand the characteristics of the THI products they are buying and help them understand whether and why they meet their requirements.

Recommendation

The CCIR recommends that product features be presented more clearly to consumers and laid out in a manner that is easy to understand.

To help reduce the perception of complexity and ensure the fair treatment of consumers, the industry should make THI products and related materials simpler and more targeted, preferably with a limited number of plans, regimes and options.

2.1.2. TERMINOLOGY AND DEFINITIONS

The travel insurance marketplace in Canada is quite diverse in the range of THI products offered to consumers. In its analysis, the Working Group observed an absence of standardization within the industry regarding the terms and expressions used in THI products. This lack of consistency in the use of terminology and the absence of standard definitions add to the confusion faced by consumers navigating the products and options available to them, and also make it difficult to adequately compare and understand product features.

The Issues Paper asked:

- What terms or expressions should be defined and standardized in order to allow a better understanding of THI products by consumers, and enable them to more readily compare products and make informed decisions?
- What other initiatives related to product design could be put in place by the industry to help consumers better understand the extent of the coverage offered and the terms and exclusions, so they can make informed decisions?
- What type of controls should be put in place at the insurer or other levels in order to ensure that consumers of THI products are treated fairly?

On this issue, there was general agreement from stakeholders that better clarification and standardization of key THI terms and expressions were necessary to help resolve the issue of consumers' understanding of the products available to them in the marketplace. However, it was observed that there is a variation amongst stakeholders as to what terms and expressions should be defined and standardized.

With regard to specific recommendations related to the design of products to help consumers better understand the coverages offered, it was suggested that insurers implement a 1-800 customer helpline. The Working Group notes, however, that this is already prescribed by law in Quebec⁴ for incidental selling of insurance and that many guides produced for the Quebec market are also used across Canada.

Stakeholder suggestions regarding the types of controls to be put in place in order to ensure the fair treatment of consumers seemed more relevant to section 2.2 *Product Marketing and Sales*. As is discussed in section 2.2, the Working Group observed that in general, the solutions put forth by stakeholders in this regard are focused on the selling of insurance, such as training and testing programs, rather than on the product design itself and types of controls that should be put in place.

The CCIR believes that the definition and standardization of key THI terms and expressions are an important building block to the success of reforms within the THI market because they will improve consumers' understanding of the extent of the coverage offered, of exclusion, restriction and limitation clauses and of medical questionnaires and disclosure documents. They will also allow consumers to more easily compare products and facilitate the training of sellers.

⁴ *An Act Respecting the Distribution of Financial Products and Services*, section 421: "The insurer shall maintain a consultation service to answer any inquiries from a distributor or from a client concerning the distribution guide."

The CCIR recognizes that the industry is already taking important steps to provide improved clarity on key terms, standardize key definitions and increase the use of more plain language in policy documents. As part of these steps, it is important that all industry stakeholders have the opportunity to provide input in developing a complete list of terms and expressions to be defined and standardized.

Recommendations

The CCIR recommends that the industry:

1. Produce a preliminary list, to be followed by a more complete list, of all relevant terms to be included in the standardization process;
2. Establish general rules regarding the use of defined terms and expressions, such as avoiding the use of synonyms and of confusing terms and expressions;
3. Establish a target deadline by which the industry can agree to use the standardized definitions for the relevant terms identified.

The industry should conduct consumer focused testing to ensure that the definitions and terminology developed and used are clear and being interpreted and understood by consumers in the intended manner.

The industry should look for opportunities to strengthen its oversight and control processes to address any recurring problems with language used with THI products.

2.1.3. UNDERWRITING OF TRAVEL INSURANCE PRODUCTS

Traditional underwriting processes for life and health insurance products have applicants providing detailed medical information to insurers for their review in order to make the decision to underwrite the risk or not. However, the Working Group found that 95% of applicants for THI products sold in 2014 were automatically accepted, in most cases based on very general medical questions with no additional underwriting.

This rate of automatic acceptance is considered to be unusually high by the Working Group, and may be due, in part, to the existence of exclusion, restriction and limitation clauses, including those pertaining to pre-existing medical conditions, that allow for insurers not to engage in further medical underwriting at the time the application is made. As such, the burden of determining the limits of coverage that apply to the insured and the product's suitability lies with the applicant, who may not be in a position to properly understand the important conditions that would affect their eligibility or suitability, contributing to existing expectation and knowledge gaps. This burden can be made even more complicated when exclusions for pre-existing medical conditions are applicable given the complex nature of the medical questions and terminology used. Together, these factors and the expectations that are created as a result contribute to the public perception that THI applications are reviewed post-claim.

The Issues Paper asked:

- How could the industry improve consumers' awareness about and understanding of exclusion, restriction and limitation clauses, especially pre-existing medical conditions?
- What changes could be made to the application process to ensure that consumers have sufficient knowledge to have a thorough understanding of exclusions for pre-existing medical conditions as well as to complete an application for THI, thus enhancing consumer confidence in the underwriting process?
- How can the industry ensure that consumers are offered THI products that are suitable for their needs?
- How can the use of medical questionnaires by insurers be improved in the context of the underwriting of travel insurance products, in order to ensure the fair treatment of consumers?

In aggregate, the industry was of the view that the education of consumers and the clarification of policy terms, including using plain language, will allow for consumers to have a better understanding of their eligibility for coverage prior to them making a purchase. There was little in the way of other feedback on how to improve underwriting practices or on assisting consumers to determine product suitability. While the industry seems to suggest that better consumer education is the answer, the Working Group believes that this approach does not address the problem and instead places a substantive burden on the shoulders of the consumer to be the expert.

The CCIR recognizes that a number of the initiatives undertaken by industry will help to reduce instances of consumer harm in the marketplace. However, the consumer perception issue described above remains a primary concern and needs to be addressed in order to reduce and eliminate existing consumer expectation and knowledge gaps.

Regarding product suitability, the CCIR believes that insurers need to ensure that the products they offer are suitable for their specific target audience and they have in place controls and processes to limit customer access to products likely to be inappropriate. In developing products insurers must ensure that they have identified the target audience to whom the product is to be targeted, have looked at the needs of that audience and have developed a product that is suitable for those needs. The CCIR believes insurers should carry out a diligent review of existing products to ensure that the products are adapted to meet the needs of the consumers to which they are the most suitable and realign or develop additional products for those consumers that have more distinct needs.

Recommendations

The CCIR recommends that insurers take steps to improve their application and screening process in order to properly identify applicants who would benefit from either a different THI product or undergo additional underwriting prior to making a purchase. Such an approach is also consistent with the outcomes promoted by ICP 19.

Steps should also be taken to better assist consumers' understanding of their eligibility requirements and applicable exclusions at time of application. Insurers should also look at how to better assist consumers who may have questions or concerns during the application process, through enhanced educated staff at call centres and help lines, and better educated sales forces to allow consumers to have more confidence over their eligibility and coverage.

The CCIR also recommends that insurers prominently inform consumers before purchase that they will use the information from the application to assess eligibility for any claim made.

2.2. PRODUCT MARKETING AND SALES

2.2.1. DISCLOSURE OBLIGATIONS AND SALES

2.2.1.1. THI DOCUMENTS

THI products can be lengthy and complex in their design, offering a wide variety of protections that may be offered in bundles or combined to create plans offered under a single-trip plan, a multiple trip plan or both. In addition to this complexity, THI products target a wide range of consumers of different ages, education and literacy where the burden of understanding the scope and significance of the product features lies with the consumer. Therefore, the Working Group believes that these products would benefit from having clear, structured and readable documents for consumers.

The Issues Paper asked:

- How could insurers ensure that the information shown in the disclosure documents is limited to that which is essential, and that the format of these documents promotes a quick understanding of the fundamental information?
- How could the industry improve disclosure documents so that they can be more easily understood by consumers?

In general, stakeholders agree with the arguments raised in the Issues Paper, that THI documents are lengthy and complex regarding the language used and the manner in which they are packaged/bundled. However, stakeholders did not provide any tangible suggestions on how to simplify disclosure documents and to help reduce their length and complexity.

Recommendations

It is the CCIR's expectation that insurers must simplify and improve disclosure documents to ensure consumers have a clear and proper understanding of the coverage, conditions, limitations and exclusions of the THI products they are offered so that they can make informed purchase decisions. Taking such steps to provide consumers with clear information before the sale will help ensure the fair treatment of consumers in the marketplace.

In addition to using plain language, insurers must consider limiting the length of disclosure documents. These documents should draw consumers attention to the important elements needed to make a purchase decision, and also refer them to specific policies therein. Furthermore, disclosure documents should be made specific to one plan, regime or option.

2.2.1.2. TIMELY DISCLOSURE

Customers should be properly informed and in a timely manner when buying any insurance product. In the case of THI products, which are complex and are offered through a variety of channels, the need to ensure appropriate disclosure before the product is sold is even more important in order to enable consumers to make informed purchase decisions before entering into a contract.⁵

The Issues Paper asked:

- How can the industry ensure that consumers are informed of the key elements of the THI coverage in a timely manner, before they make a purchase decision?

In general the submissions referred to work being undertaken to improve the quality of disclosure and to provide a one page summary of important information. The submissions otherwise did not provide other suggestions for improvement.

The CCIR strongly believes that consumers are entitled to have access to sufficient information to make an informed purchase decision. That information must be available upfront prior to the purchase and this information must be comprehensive enough to allow the consumer to understand the key terms, conditions, exclusions, etc. and be presented in a manner that is easy to comprehend.

While disclosure forms and information documents can assist consumers, ultimately it is the policy contract itself that governs the relationship. Having access to that document prior to purchase can assist consumers not only in confirming their understanding of the coverage and limits but also enable comparative shopping.

⁵ ICP 19 (19.5 - *the supervisor sets requirements for insurers and intermediaries with regard to the timing, delivery, and content of information provided to customers at point of sale*).

Recommendation

It is the CCIR's expectation that insurers should publish disclosure documents and policy specimens through the various sales channels it uses (internet, phone, in-person, group policies) for pre-purchase consultation and without the obligation to close a transaction. In addition, insurers should promote the availability of such documents in any of their promotional or advertising material. This will help ensure the fair treatment of consumers by reducing the risk of sales which are not appropriate to customers' needs.

2.2.2. DISTRIBUTION CHANNELS

THI products are distributed as individual or group plans through various distribution channels, including licenced insurance representatives, deposit-taking institutions, travel agents, employee benefit plans, directly from insurers and as a credit card benefit (embedded or not). Concerns were raised in the Issues Paper as to whether the distribution channel that consumers use to obtain their THI product has an impact on their understanding of the coverages for which they are eligible.

There were also questions raised over whether insurers have sufficient oversight and controls to ensure that those involved in distributing their products or involved in claims are appropriately licensed or qualify for an exemption. The CCIR has long taken the view that insurers are ultimately responsible for ensuring that anyone selling their products have sufficient knowledge and expertise about the product to be able explain its features and exclusions, restrictions and limitations and/or identify where consumers should seek more expert information.

The Issues Paper asked:

- How do insurers ensure that they have effective controls and oversight over their distribution channels and that proper distribution channels are used for the distribution of their travel insurance products, as well as for other coverages that do not qualify as travel insurance and which are embedded in these products?
- What should the industry do to ensure that all consumers get an appropriate and timely disclosure relating to THI embedded in credit cards?

The feedback received from stakeholders regarding disclosure for group products, including travel insurance embedded in group products and credit cards, is that it may not be well understood by consumers, and there is an opportunity for improvement. In aggregate, industry believes that its current initiatives with respect to disclosure and education will help reduce concerns regarding distribution of group products.

It was also observed that the industry agrees with the CCIR's view that insurers retain accountability for ensuring that individuals are appropriately licensed.

Recommendation

It is the CCIR's recommendation that insurers be able to demonstrate that they have in place effective controls and oversight over all their distribution channels regardless of the type of sales channel. Where appropriate, insurers should also have in place effective controls and oversight regarding those who solicit customers with respect to insurance products, or negotiate or transact an insurer's products to ensure they are knowledgeable about the product and adequately trained to sell those products. Such controls should include the collection and monitoring of data per sale channel.

The CCIR also reminds insurers that in developing clearer disclosure documents regarding THI coverage in group insurance products, insurers should consider testing the effectiveness of that disclosure and consumers' understanding of the group insurance coverage.

2.3. INVOLVEMENT OF THIRD-PARTY SERVICE PROVIDERS/PROGRAM ADMINISTRATORS

Third party administrators play significant roles in the THI product life cycle, including claims management, program development, and distribution. It is recognized that there are benefits to outsourcing business functions, such as cost efficiencies, access to markets and needed expertise. However, there must be appropriate measures in place to ensure that third parties are in compliance with applicable legislative requirements and codes of conduct and that the manner in which third parties are conducting business on behalf of the insurer does not harm consumers.

In its Issues Paper, the Working Group identified specific concerns regarding the lack of clarity as to the identity of insurers, the lack of direct recourse to the insurer regarding additional information or to pursue complaints, and in some cases using unlicensed third parties to adjust claims or sell products. Insurers are expected to have adequate controls and oversight over outsourced functions, because ultimately, an insurer is accountable for their products and for how those products are delivered.

The Issues Paper asked:

- What can be done to make sure that promotional material and policy or certificate documentation provided indirectly by the insurer through the use of third parties are not misleading or deceptive as to the identity and responsibilities of the insurer?
- Are there functions that should not be outsourced to third-party administrators in order to make the roles and responsibilities clear?
- How does delegating product development to third parties affect the insurer's role as manufacturer?
- What should be done to ensure that consumers are made aware of their right to contact the insurer regarding questions about the terms and conditions of the policy and claims disputes?
- What are some of the best practices insurers could follow to ensure that there is appropriate oversight and controls over outsourced claims functions?

In aggregate, the responses from industry indicate strong agreement that the insurer remains ultimately accountable where the development of THI products is outsourced to a third party. Some stakeholders felt that existing oversight and controls are sufficient, while others indicated that there were opportunities to make improvements in some areas, such as by ensuring the proper disclosure of an insurer's identity, and that consumers should have clear and direct access to the insurer.

From the responses received, the industry recognizes the need to pay closer attention to third party service providers; however, the Working Group remains concerned that some within the industry have differing views regarding the amount of oversight that is necessary. If insurers outsource their services, they need to have in place proper controls and oversight over such groups to make certain they are providing services properly, as if the insurer was themselves providing such services for their products.

Recommendations

It is CCIR's expectation that insurers have in place adequate controls and oversight mechanisms to ensure that customers continue to be treated fairly throughout the product lifecycle (design, promotion and disclosure, sales/marketing/conflicts of interest, post sales and policy servicing, claims, complaints/disputes) regardless of whether the customer is dealing with the insurer directly or through a third party services provider. For guidance on CCIR expectations regarding the use of third party service providers, industry should refer to the principles set out in Appendix 1 of CCIR's 2012 Position Paper "[Strengthening the Life MGA Distribution Channel](#)".

Insurers need to take steps to ensure that in all policies, documents and other materials used in conjunction with their products their identity is clearly disclosed and information is readily made available regarding how to contact the insurer regarding a complaint, dispute, or concern. Providing consumers with clear information, including who the insurer is, before, during and after the point of sale is a key outcome in ensuring the fair treatment of consumers.

2.4. CLAIMS MANAGEMENT

Insurers are expected to ensure the fair treatment of consumers throughout the entire insurance product life cycle, including claims management. In support of this, insurers should have in place fair and transparent claims handling and claims dispute resolution procedures that are also documented in writing. Consumers should similarly be informed of such claims handling and dispute resolution procedures and how the process works before, during and after a claim is submitted.

Concerns have been raised by some consumers as to how insurers manage claims, specifically with regard to claims being denied for material misrepresentation even when consumers made the most honest efforts to complete their applications truthfully. Similar concerns have been expressed about the common practice of insurers conducting a thorough review of an application only at the time a claim is made by a consumer, leaving consumers with the perception the insurers engage in "post-claim

underwriting” when in fact insurers are conducting a “claims investigation”. Such perceptions have begun to erode consumer confidence in THI.

The Issues Paper asked:

- What initiatives could be put in place by insurers to ensure that best practices are implemented with regards to claims handling?

In general, stakeholders were supportive of the need to have in place fair and transparent claims handling and claims dispute resolution procedures, some suggestions of which include adopting quality standards, including putting in place a Claims Appeals Committee, to manage and review claims handling, and for insurers to publish online information on their complaint examination process.

Recommendations

The CCIR recommends insurers look at ways to improve their claims handling processes to ensure that consumers are not unnecessarily denied for unrelated health situations or for errors or omissions in applications made by consumers acting in good faith and making best efforts to disclose.

As part of this, the CCIR also recommends the development of industry best practices regarding review and escalation processes for rejected claims to ensure that consumers are being treated fairly.

Insurers are also expected to take steps to provide better upfront disclosure regarding their claims handling processes to consumers including a clear explanation of the consequences of a misrepresentation as well as claims dispute processes so that consumers understand how to escalate a claim and how to access appropriate Ombudservices, as referenced in section 2.5.

Claims handling and claims dispute resolution practices and procedures should be documented in writing and include oversight and control functions to ensure that consumers are not being unfairly treated. Where an insurer outsources claims handling functions to a third party service provider, the insurer needs to have in place oversight and control mechanisms to ensure that the third party is acting in accordance with the claims handling processes/procedures, is acting within authority and is not engaging in any behaviour that may lead to unfair treatment to the consumer.

The CCIR supports the industry’s proposals to improve disclosure in travel insurance documentation and to review claim rejections from unrelated health application errors or omissions.

2.5. COMPLAINTS

As described in the Issues Paper, it was observed that many consumer complaints related to claims denial yet the Working Group also found that some policies, especially when a third party program administrator is involved, did not clearly disclose the insurer's complaint process. It is expected that all insurers have processes in place to deal with consumer dissatisfaction and to disclose to consumers how those processes work and how a complaint might be initiated⁶.

The Issues Paper asked:

- What initiatives could be put in place by insurers to ensure better claims dispute processes?

In general, stakeholders support the need for insurers to have documented processes in place to manage consumer complaints, and to communicate the complaints process to consumers when they purchase a new product. The Working Group believes that, similar to claims management described previously, insurers should have in place documented procedures on how complaints are managed, including for third parties that insurers outsource their services to.

Recommendations

It is the CCIR's recommendation that, in order to ensure the equitable examination of complaints, insurers should have a documented internal process for timely complaints management and dispute resolution to attempt to resolve issues before they escalate.

As part of this process, insurers should communicate to consumers how the existing complaints process works, including how to initiate a complaint (contact details) and what options are available, such as internal and external Ombudservices, where a dispute remains unresolved. Such information should be publicly available on an insurer's website.

The CCIR supports the industry's proposal to develop an industry best practice for conducting internal reviews.

By documenting and being transparent about claims management and complaint management processes, which the CCIR acknowledges some in the industry already do, insurers will help further ensure that consumer complaints and disputes are dealt with in a consistent and fair manner, which is in direct support of the standards found under ICP 19. Together, this will help strengthen public trust and consumer confidence in the insurance sector.

⁶ ICP 19 (19.10 - *the supervisor requires that insurers and intermediaries have policies and processes in place to handle complaints in a timely and fair manner*).

2.6. EDUCATION

As outlined in this Position Paper, there is a strong need for appropriate disclosure for THI products. However, the Working Group believes that there is also an important need for a better understanding amongst consumers of the THI market in general as well as the nature of THI products themselves.

The Working Group remains concerned that the industry is still putting the onus solely on the consumer to be able to better understand THI products. The industry must themselves look to help better educate consumers on THI, such as through the use of plain language, better underwriting practices and by making insurance products less complex for the consumer.

The CCIR supports the initiatives industry is undertaking to better educate consumers but see this as only a part of the area where improvement can be undertaken. In the submissions received, industry did not discuss the necessity for insurers to ensure adequate training of sellers.

The CCIR remains concerned that some in the industry are not developing training programs for the broad needs of many of its sellers and are focusing on a substantive and voluntary program that may not be appropriate for all sellers. Plain language remains key to better consumer understanding.

The CCIR also believes (*see the discussion 2.2.2 – Distribution Channels*) that insurers are responsible to ensure that any seller, exempt or licensed, has adequate knowledge about the product to explain key terms, conditions, exclusions and coverage options, or otherwise provide reliable information to the consumer on the product or know when and where to direct the consumer for that advice.

Recommendations

Insurers are expected to ensure that any seller, exempt or licensed, has adequate knowledge about the product to be able to:

- Explain key terms, the nature of the guarantee, options, conditions, and exclusions of the product; and
- Provide reliable information/advice on the product or know when and where to direct the consumer for information/advice.

In order to enhance consumers' awareness and understanding of THI products, the CCIR recommends that industry look to educating consumers on the following key areas:

- There are different coverage options available, possibly not all suitable;
- There are many exceptions and limitations that can apply and they can vary from one product or even from one plan to another;
- What are pre-existing medical conditions, their role and their potential impacts,
- The importance of the application process and the consequences of inaccurate information, good faith or not;

- The need to declare any change in their health conditions they may experience between the moment they filed their application and their departure; and
- That coverage under group plans may have limitations that need to be understood.

2.7. DATA COLLECTION

From its 2015 survey, the Working Group observed that some insurers did not collect or monitor data that would help provide more insights into how their products affect consumers, as part of their overall oversight and control regimes for THI products.

The Issues Paper asked:

- What key indicators could be standardized and implemented to ensure proper monitoring of insurers' THI activities?

Overall, stakeholder responses to the Issues Paper indicated agreement that the monitoring of key metrics and indicators would be of value to insurers in their efforts to improve their processes, in particular around complaints and customer service.

The Working Group believes that the industry understands the need to improve their collection of appropriate data for the purpose of enhancing oversight and controls. The Working Group also recognizes that industry will want some feedback from regulators to ensure that the data they collect is aligned with regulatory expectations.

The CCIR acknowledges that the industry has proposed a number of initiatives that have not yet been started or are still in the early development stages and that it will take some time to implement and take effect in the THI marketplace. While the initiatives all have promise, it is not yet clear how effective these initiatives will be when implemented.

Recommendation

As the success of the CCIR's recommendations can only be evaluated following their implementation, the CCIR will monitor their adoption by the industry, as well as the implementation of the industry's proposals. CCIR also believes that in developing and implementing its proposals, industry should consider how it will measure the effectiveness of the proposals in achieving their desired outcomes. CCIR intends to continue to work with industry to identify key metrics that should be collected by industry, so both regulators and insurers can proactively monitor THI.

3. CONCLUSION

While Canada has a strong and competitive travel health insurance marketplace, there are opportunities for improvement to be made, especially in the fair treatment of consumers. As such, CCIR members continue to view travel insurance as a key issue to address.

In its Issues Paper the Working Group outlined some key issues, which clearly affect the fair treatment of customers as defined by current international standards. It remains essential for the THI industry to adapt its practices to better reflect the concerns voiced by CCIR members in terms of market conduct and the adherence of current practices to international standards.

4. NEXT STEPS

The CCIR will continue to monitor the work undertaken by the industry to address the issues identified. The CCIR also expects that insurers will begin to put in place data collection methods to measure and evaluate the success of the initiatives undertaken. The questions put forth in the CCIR's 2015 Travel Health Insurance Survey outline the areas regulators expect insurers to be able to track information against.



NEWS RELEASE

For Immediate Release
May 31, 2017

Canadian Council of Insurance Regulators

Canada's insurance regulators unveil travel insurance reforms

TORONTO – Today the Canadian Council of Insurance Regulators (CCIR) is releasing its Travel Health Insurance Products Position Paper detailing its final recommendations to the issues it identified in travel health insurance. The recommendations are expected to enhance consumer protection and confidence in travel health insurance.

“We have heard the concerns of the public and insurance brokerage community and with this clear, nationally agreed way forward, we are reinforcing the pre-eminent goal of consumer confidence in their insurance protection when they travel,” said CCIR chair Patrick Déry. “It is our belief that these measures will go a long way towards meeting consumer expectations wherever Canadians live in the country.”

While the CCIR believes Canada has a strong and competitive travel health insurance marketplace, it also believes there are opportunities for improvements to be made. The final recommendations outlined in the Position Paper include:

- Development of common standardized definitions and terminology
- Improvements to the application, screening and claims process
- Simplifying and improving disclosure documents
- Ensuring adequate controls and oversight mechanisms are in place throughout the product lifecycle
- Improved training and information for sales forces

The CCIR is encouraged by the industry's commitment to improve the consumer experience and will continue efforts to monitor the implementation of the recommendations to ensure they are adopted in a timely manner. CCIR members remain determined to see that the changes make a difference for all Canadians.

You can see the full document here: <http://www.ccir-ccrra.org/en/>

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The CCIR includes representatives from every province and territory in Canada, and the consultation and implementation include the Canadian Insurance Services Regulatory Organizations (CISRO). Both the CCIR and CISRO recognize the insurance industry's commitment to improving consumer confidence in the product.

About the CCIR:

The Canadian Council of Insurance Regulators is a national association of insurance regulators that traces its roots back to 1914. The mandate of the CCIR is to support an efficient and effective insurance regulatory system in Canada to serve the public interest.

About CISRO:

The Canadian Insurance Services Regulatory Organizations is a national association of insurance intermediary (agents, brokers, adjusters) regulating authorities. Its objectives include creating a common voice to deal with issues that may be of interest to other financial services regulators, consumers and intermediaries.

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Regulatory Update – CAFII Executive Operations Committee, June 15, 2017

Prepared By Brendan Wycks, CAFII Co-Executive Director

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Federal/National

Canadian Insurance Services Regulatory Organizations (CISRO)

Insurance Advisors And MGAs Likely To Face Stricter Supervision

Insurance advisors and managing general agencies (MGAs) are likely to face stricter rules and closer supervision as insurance regulators across Canada zero in on distribution, according to representatives from the Insurance Council of BC, the AMF in Quebec, and the Insurance Councils of Saskatchewan who spoke at the Canadian Association of Independent Life Brokerage Agencies (CAILBA) conference on June 7/17.

In particular, supervision of intermediaries is a key priority, and changes may be necessary to improve oversight in this area, said the representatives from those three provinces during a panel discussion. (In a meeting with CAFII representatives on June 2/17 in Saskatoon, Ron Fullan, Chair of CISRO, also shared this same priority as a key outcome of CISRO's June 1-2/17 meeting there.)

The Insurance Council of British Columbia, for example, is considering changes to the supervisory model for newly licensed insurance advisors, said Rob Tanaka, the Council's director of policy and investigations. In that province, advisors who have held a licence for less than two years must be supervised by another individual at their firm.

"The idea behind that was mentorship," Tanaka said. "We wanted to bring new people in, have someone oversee them, help direct them with their education, review applications." However, the BC Council has found that some new advisors are not being effectively supervised and, in many cases, the supervisors are overseeing dozens, or even hundreds, of advisors at once.

MGAs and insurance carriers have an important role to play in screening insurance advisors and monitoring their activity, and it's critical that they fulfill that responsibility effectively, Tanaka added.

The BC Council is also considering changes to the continuing education (CE) requirements for new life insurance advisors, Tanaka said. Rather than allowing newly licensed advisors to choose their own courses to meet their CE requirements, he said the regulator is considering mandating more specific training for those advisors.

"For new entrants into our industry who complete the LLQP, they're brand new; we don't know that that's the appropriate model, to let those individuals determine what education they can take," Tanaka said. "We may contemplate in B.C. prescribing what that education looks like in the first three to five years, perhaps, for a new agent."

In addition, Tanaka said the BC Council is considering new restrictions around the use of the financial planner and advisor titles.

"You have life insurance agents who are holding themselves out as financial advisors or financial planners, when they don't have the credentials to do that," Tanaka said, noting that the regulator may soon update its guidance around the use of those titles.

Oversight of insurance intermediaries is also a key, ongoing priority in Quebec, said Louise Gauthier, senior director, distribution policies and compensation at the AMF. The Quebec regulator plans to begin gathering extensive information about the insurance distribution industry from firms and is developing a compliance guide for intermediaries.

The AMF is also considering outlining more specific regulatory responsibilities with respect to distribution, she said. "We may want to develop policy proposals to clarify roles, powers and responsibilities in the distribution chain, and our expectations with regard to each player, from the advisor to his firm, the MGA, and the carrier," Gauthier said.

Meanwhile, the Insurance Councils of Saskatchewan (ICS) is in the process of implementing a new set of regulations, which includes a requirement for MGAs to hold a new type of licence. Under the current rules across the country, MGAs are licensed as insurance agents. But the new licensing category in Saskatchewan will help to clarify the responsibilities of MGAs, said Ron Fullan, executive director of ICS.

"Anyone from the insurer down to the first level that touches the consumer is subject to oversight. So, as one of the players between the insurer and the consumer, clearly MGAs would fall into that category," Fullan said.

"Rather than license MGAs as agents ... it seemed prudent to our policy-makers to create a licence for MGAs and then create requirements based on what MGAs do."

Canadian Council of Insurance Regulators (CCIR)

CCIR Releases Travel Health Insurance Products Position Paper

On May 31/17, CCIR released its Travel Health Insurance Products Position Paper, along with a related Media Release. The Position Paper sets out the Council's final recommendations with respect to the reforms it expects the industry to make to the travel health insurance market to achieve the goal of enhancing consumer protection and increasing confidence in travel health insurance products.

"While the CCIR believes Canada has a strong and competitive travel health insurance marketplace, it also believes there are opportunities for improvements to be made," the CCIR Media Release stated.

The Position Paper recommends

- the development of common standardized definitions and terminology;
- improvements to the application, screening and claims process;
- simplifying and improving disclosure documents;
- ensuring adequate controls and oversight mechanisms are in place throughout the product lifecycle; and
- improved training and information for sales forces.

"We have heard the concerns of the public and the insurance brokerage community and with this clear, nationally agreed way forward, we are reinforcing the pre-eminent goal of consumer confidence in their insurance protection when they travel," said CCIR chair Patrick Déry. "It is our belief that these measures will go a long way towards meeting consumer expectations wherever Canadians live in the country."

CCIR says it will monitor the industry's implementation of the recommendations to ensure they are adopted in a timely manner. "CCIR members remain determined to see that the changes make a difference for all Canadians."

CCIR Warns Non-Compliant Insurers That It Can Take Action On Annual Statement

On May 26/17, CCIR released a media statement indicating that while it is pleased with the overall rate of insurer compliance with its new Annual Statement on Market Conduct obligation, it is also warning non-compliant insurers that it can take action against them.

The new Annual Statement instrument provides Canada's insurance regulators with information on insurer operations and conduct; information "that can be used to identify not only trends, but also potential risks to consumers," CCIR indicated in its media statement. The provincial and territorial insurance regulators worked together through the CCIR to develop the Annual Statement as a common information return for Canadian insurers. This harmonized approach will allow regulators to receive consistent information and means that insurers operating in more than one province or territory file only one return, instead of responding to similar information requests from multiple regulators.

The deadline for insurers across Canada to file their first Annual Statement was May 1/17 and 90% of all insurers required to file had completed the Annual Statement on time. By the end of that week, the rate was up to 94%. "If necessary, regulatory action can be taken against any non-compliant insurer," stressed the CCIR.

"Overall, the industry has responded positively to the new information return and collaborative approach CCIR members have adopted for information gathering," CCIR Chair Patrick Déry said. "The information we are collecting will help Canada's insurance regulators to be more proactive," he added. "We will be in a better position to see and respond to potential risks and concerns before consumers are impacted."

CCIR members have entered into service agreements with the AMF to collect and manage the data on their behalf.

Canadian Life and Health Insurance Association (CLHIA)

CLHIA Annual Report Clarifies Timelines For Advancing Travel Insurance Reforms

In its recently published 2016-17 Annual Report, the CLHIA notes that it has been leading work, on behalf of the industry, to promote the implementation of recommendations made by CCIR's Travel Insurance Working Group (TIWG); and in that regard, the CLHIA travel insurance committee's work plan, which was shared with the CCIR, remains on track.

The analytical portion of the project is scheduled for completion by October 2017 and implementation is to follow on a staggered basis, the CLHIA Annual Report advises.

CLHIA Calls On FSCO To Develop Insurance Licensing And Oversight Regime

In its submission on FSCO's draft 2017 Statement of Priorities, CLHIA urges the regulator to establish a licensing and oversight regime for insurance distribution firms to facilitate proper oversight of insurance advisors, among other initiatives intended to contribute to the fair treatment of consumers.

CLHIA asserts that there's room for improvement in the regulatory framework; and that changes are needed in distribution to better serve the needs of clients and help insurers meet their compliance obligations.

"We believe that a regulatory licensing and oversight regime is required to establish distribution firms ([managing general agencies], national accounts, captive sales forces) as distinct, licensable entities with certain oversight responsibilities in order to provide consolidated oversight of agents," CLHIA says in its submission, urging FSCO to take a leadership role on that initiative.

CLHIA also supports a requirement for insurance advisors to conduct a needs analysis prior to recommending a product and to provide a letter after the sale explaining why the recommended product is suitable for the client.

Currently, Quebec is the only province in which advisors are required to conduct a needs analysis — and at this time, none of the provincial regulators require advisors to provide a "reason-why" letter. CLHIA recently updated its industry guidelines to include a recommendation that advisors provide this type of "reason-why" letter to clients as part of their regular sales practices.

With respect to FSCO's goal of enabling innovation, CLHIA lauds the regulator for acknowledging the importance of financial technology (fintech).

"We believe FSCO's risk-based approach to regulation combined with its commitment to stakeholder engagement will set the ground work for an effective approach to enabling innovation in Ontario's financial services sector while finding the appropriate balance for consumer protection," CLHIA's submission says.

Travel Health Insurance Association (THIA)

THIA Launches Travel Insurance Bill Of Rights and Responsibilities

On June 12/17, Canada's Travel Health Insurance Association (THIA) launched its Travel Insurance Bill of Rights and Responsibilities (BofRs), after endorsement by the Association's membership.

The news release announcing the BofRs indicates that travel health insurance was designed to give all travellers peace of mind and protect against unexpected medical expenses, noting that 95 per cent of submitted travel health insurance claims are paid in Canada, according to a KPMG survey of Canadian providers commissioned by THIA.

"Our goal is to see every claim paid. The industry came together and designed the Bill of Rights and Responsibilities to deliver a clear statement as to what the public can expect from their travel health policies," said Will McAleer, THIA's President. "Everyone deserves a carefree vacation and the new Travellers' Bill of Rights and Responsibilities will help provide Canadians with peace of mind when they take off, be it for business or pleasure."

The release notes that unexpected medical treatment outside of Canada can be expensive. The world's most expensive health care system is in the United States, which is also the most common travel destination for Canadians. A significant medical emergency in the US could cost \$10,000 a day or more depending on the nature of the emergency.

The Travel Insurance BofRs builds upon the following key elements of travel health insurance:

- Understand your travel insurance policy – Insurance providers have staff available to answer any questions related to policies
- Know your health and consult a health care provider if you have any questions
- Know your trip - How long will you be gone? Are you a snowbird? Will you be travelling many times during the year?

Under THIA's Travel Insurance BofRs, travellers have the right to:

- A no obligation purchase: Travel insurance providers will allow a minimum 10-day free review of the policy.
- To Be Informed: You will receive your policy documentation and confirmation of coverage outlining the policy terms and conditions whether purchased in person, over the phone or online.
- To Request Clarification: You may ask questions about the travel insurance you have purchased.
- To Review & Modify Medical Screening: You will receive a copy of the answers you provided on the medical questionnaire prior to the start of your policy.

- To Receive Worldwide Assistance & Toll-free Support: You will have 24/7 access to the help you need when you need it from your travel insurance provider.
- To Fair & Prompt Claims Handling: You will have a timely and transparent communication process.
- To Escalate & Appeal: You may challenge decisions and request additional reviews with new information.
- To Confidentiality: Your personal information will be protected in all dealings with your travel insurance provider.
- To Know Your Insurer: Your policy will clearly identify the underwriter of your travel insurance and the process to file and resolve complaints.
- To Your Preferred Language: You may transact and correspond about all components of your travel insurance in English or French.

Travellers are responsible for the following:

- To Provide Accurate Information: The travel insurance application needs to be completed accurately.
- To Understand Your Policy: Take the time to read and understand your policy.
- To Travel With Proof of Insurance: Have your policy number and emergency assistance contact information easily accessible.
- To Notify Your Travel Insurance Provider: Provide prompt and timely communication when a claim situation arises and provide all requested documentation related to your claim including all relevant receipts.

Saskatchewan

Canadian Taxpayers Federation Takes Stand Against PST On Insurance Premiums

In a compellingly argued Op-Ed piece published in the Saskatoon Star-Phoenix and Regina Leader-Post on June 6/17, Todd MacKay, Prairie Director for the Canadian Taxpayers' Federation, strongly criticizes Premier Brad Wall's government for its decision to broaden the province's PST base to include insurance premiums. The opinion piece, titled "A tax on responsibility is an irresponsible tax", is reproduced in its entirety as **Appendix A** to this Regulatory Update.

Advocis Takes Stand Against PST On Insurance Premiums

The Saskatchewan government's pending sales tax on insurance premiums could jeopardize the ability of some individuals to afford life insurance, said Greg Pollock, president of Advocis, at the Canadian Association of Independent Life Brokerage Agencies (CALBA) conference on June 8/17.

"This caught us a bit by surprise," said Pollock during an interview with Investment Executive. "It's the only province that has introduced sales tax on individual insurance products." Advocis has been lobbying against Saskatchewan's broadening of its PST base to include insurance premiums. Pollock noted that life insurance is a vehicle that some clients use to invest their savings.

"A lot of life insurance products are alternative forms of savings, and the government typically doesn't tax savings products," Pollock said. "We've asked [the government] to look at this again and examine this again and perhaps look at some alternatives with us."

In response to the industry's lobby efforts, the Saskatchewan government delayed the implementation of the new policy by one month (from July 1 to August. 1/17.) The government also changed the application of the PST to new insurance contracts only rather than applying it retroactively, as the budget stated initially.

IFBC Takes Stand Against PST On Insurance Premiums

The Independent Financial Brokers of Canada (IFBC) has asked its members in Saskatchewan to participate in a grassroots lobbying effort against that province's imposition of 6% PST on insurance premiums.

IFBC asserts that especially concerning is the fact that the PST will be a new tax on individual life, health and disability insurance premiums; and it's important that the government understands the potentially negative side effects that this tax could have on the ability of individuals and families to responsibly plan for their financial well-being.

In addition to submitting an IFBC letter of protest to Finance Minister Kevin Doherty, IFBC has provided its Saskatchewan members with a template for a letter (**Appendix B**) to send to their MLAs; and has encouraged all of its members to sign an online petition on Change.org started by Wieggers Financial and Benefits, a Saskatoon-based financial planning and group benefits consulting firm. The petition is called *Stop the Tax on Insurance Premiums Before it Starts*.

Canadian Snowbird Association Takes Stand Against PST On Travel Insurance Premiums

The Canadian Snowbird Association (CSA) has expressed its opposition to the Saskatchewan government's plan to tax travel medical insurance premiums.

"This change will make Saskatchewan the only jurisdiction in Canada which collects retail sales tax on travel medical insurance premiums and will increase the cost of travel insurance for Saskatchewan residents," said Karen Huestis, President of CSA.

"The CSA is firmly opposed to the planned application of PST to travel medical insurance premiums in the province. We urge the Saskatchewan government to keep travel medical insurance premiums tax exempt, as they are in every other province and territory in the country."

The CSA says travel medical insurance is necessary for those traveling outside the country since the provincial government only reimburses \$100 per day for emergency healthcare received abroad. In addition, the CSA says this tax will push Saskatchewan travellers to purchase their travel medical insurance out of province.

Ontario

FSCO Reports Decrease In Insurance Advisors' Compliance Rates

Many life insurance advisors in Ontario are not complying with certain regulatory requirements and best practices, says FSCO based on recent examinations it has conducted.

Izabel Scovino, FSCO's director, market regulation branch, presented some key results from the regulator's insurance agent compliance examinations conducted in 2015-16 and 2016-17 at the Independent Financial Brokers of Canada (IFBC)'s Spring Summit in Toronto on May 12/17.

FSCO conducted approximately 200 examinations in each of those years, Scovino said, checking for compliance with its regulatory requirements as well as industry best practices. The results show a decline in advisors' level of compliance in many areas over the two-year period. "There's been a decrease in the compliance rate, not an increase, which we had hoped for," Scovino said. "There are areas, for sure, where there is some work that is required."

The decrease is partly a result of changes to methodology of the examinations, Scovino acknowledged. Specifically, in 2016-17, FSCO focused its examinations on insurance agents with a high or medium risk of non-compliance, such as those who had been the subject of complaints, or who had been disciplined by another regulator. "We changed our risk selection, so that what we were doing was targeting the higher-risk agents," Scovino said.

One area with a notable decline in compliance was continuing education (CE). Only 85% of agents examined in 2016-17 had completed their CE requirements, down from 95% the previous year.

Also dropping considerably was compliance with the requirement for agents to disclose to their clients in writing the names of providers of financial products or services that the individual represents. The proportion of agents who met that requirement fell to 72% in 2016-17 from 94% the previous year.

The proportion of agents with active errors and omissions (E&O) insurance also declined slightly year-over-year, to 97% from 98%.

The percentage of advisors adhering to certain industry best practices also declined during this two-year period. For example, the percentage of agents who had kept records of their client discussions dropped to 71% in 2016-17 from 81% the previous year, and those who documented their recommendations to clients plummeted to 71% from 89%.

Over the same period, the proportion of agents who had documented a needs analysis fell slightly, to 69% from 71%, while the percentage of those who kept records of policy illustrations also slipped slightly, to 85% from 86%.

Based on the 200 examinations conducted in 2016-17, FSCO made 61 recommendations for further regulatory reviews or enforcement action.

In the year ahead, fair treatment of the consumer will be one of the main areas of focus for FSCO, Scovino said. For insurance agents, that means the regulator will be looking closely at product suitability and disclosure.

Quebec

Finance Minister Says Omnibus Bill Will Now Be Tabled In Early September

On June 15/17, Audrey Cloutier, press secretary to Quebec Finance Minister Carlos Leitão, informed The Insurance & Investment Journal that the province's long-awaited Omnibus Bill on financial sector modernization would not be tabled on June 16/17 June as planned, but rather in the early days of September 2017.

To explain the further delay in the Bill's release, Cloutier recalled the scope of the issues to be addressed:

"It is imperative to ensure that the regulation of the financial sector is adapted to the new realities," she said.

"The proper functioning of the financial sector is based on modern corporate laws and on public confidence, hence the need to properly oversee it. The government now intends to undertake a comprehensive legislative reform. The purpose of each Act to be addressed is to promote the public interest. This interest is best served by legislation that allows consumers to take advantage of the opportunities offered by new technologies and business models in a regulatory framework that adequately protects them under the supervision of efficient and effective regulators," Cloutier added.

Ms. Cloutier added that the reform and modernization will be carried out in a single Bill, "which will help preserve the coherence of the regulatory framework."

She declined to clarify whether the tabling of the Omnibus Bill would be followed by a public consultation or hearings before a parliamentary committee.

Earlier, in a Quebec National Assembly Committee on Public Finance debate on May 2/17, an Opposition MNA asked Finance Minister Carlos Leitão if the government intends to hold consultations related to the long-awaited Omnibus Bill aimed at modernizing the province's financial services sector, once the Bill is tabled?

Minister Leitão replied "there has already been a great deal of consultation and we received many submissions. The positions of various industry bodies are well-known. We'll see. The industry has been amply consulted. There won't be any big surprises in this Bill."

Quebec MGA Leader Blasts Finance Minister And FIs Over Chambre/AMF Merger

A Quebec MGA leader has accused Quebec Finance Minister Carlos Leitão of succumbing to pressure from the AMF and major financial institutions by orchestrating the disappearance of Quebec's self-regulatory organization for financial advisors – the Chambre de la sécurité financière.

In an open letter published in French on the Journal de l'assurance's website in early June, Guy Duhaime, the CEO and founder of MGA Multi Courtage, doesn't pull any punches. He writes that the Finance Minister is being dictated to by the AMF, Desjardins Group, and the major banks. He cites Leitão's past as a "banker" as the reason he lends them "an attentive ear".

He also criticizes the AMF for being malleable to the lobbying efforts of the large FIs. These institutions, according to Duhaime, wish to see the Chambre disappear. Not only would this enable them to save money, it would also get rid of provincial regulatory obstacles and allow them to conduct their pan-Canadian business more smoothly.

Duhaime expresses outrage that the whole thing is being done "behind the backs" of advisors. "Without warning, during a public finance committee in early May 2017, the Minister announced that he would be eliminating our professional body, even before the proposed bill was tabled..." wrote Duhaime.

"Why the rush? To facilitate the sale of insurance by internet, or without an advisor? To look good for the International Monetary Fund's next visit? To counter arguments from Federal Finance Minister Bill Morneau regarding the proposed national securities regulator? Are we just the victims of a federal-provincial dispute?" Duhaime asks.

In his letter, Duhaime delivers a plea that he does not want to see the financial advisor profession transformed into that of clerk-sellers, relieved of all independence. The elimination of the Chambre would have this impact, he contends, and would take the role of advisors back 30 years.

"We also realize that the AMF quite often questions our role as independent advisers," Duhaime adds. "We are always portrayed as having 'conflicts of interest'. I want my status as a professional...to stop being questioned by the AMF and other Canadian jurisdictions."

New AMF Strategic Plan Includes Focus On Insurance Sales Compensation

The AMF recently published a new 2017-2020 Strategic Plan on its website that includes a focus on insurance sales compensation. The AMF plans to consult with the industry about compensation-related conflicts of interest.

International

United Kingdom

Financial Conduct Authority Issues Update On Regulatory Sandbox

The UK Financial Conduct Authority (FCA)'s regulatory sandbox continues to grow in popularity, the regulator announced on June 15/17.

The FCA reported that it had received 77 applications for the second phase of its regulatory sandbox from financial technology firms (fintechs), and that 31 of those applications had been accepted for market testing. In the first phase, it received 69 applications and 18 firms had testing plans approved in October 2016.

In the second phase, 24 firms are ready to begin testing shortly, the FCA said. The tests will cover a range of ideas including payment services utilizing distributed ledger technology (DLT) and artificial intelligence (AI) software that aims to better determine client preferences before financial advice is provided.

"The sandbox continues to grow in popularity and it is particularly encouraging that both the number of firms applying and accepted for testing has increased in cohort two. That means more innovative firms, trialling more innovative propositions to bring to the market. This is an important part of the FCA's commitment to promoting innovation and competition in the markets we regulate," said Christopher Woolard, the FCA's executive director of strategy and competition.

The FCA also reported that the first wave of tests within the sandbox had been completed, and that firms are preparing final reports, which will be reviewed before those firms transition out of the sandbox. "The majority of tests have developed as planned towards meeting their objectives and the FCA currently expects most firms to take forward their propositions to market," the regulator said.

The regulator is now accepting applications from firms to be part of the third phase of its sandbox.

Research, Thought Leadership, and Innovation

Life Insurance Industry Needs New Talent: LIMRA Conference Speakers

The life insurance industry needs to focus on talent management as it deals with an aging advisor force and a critical need for new skill sets, according to industry executives who spoke at the LIMRA and LOMA Canada Annual Conference on May 18/17.

Evolving technology and changing customer expectations are putting heavy pressure on the industry to innovate, which is driving the need for new types of talent, the speakers said.

"We clearly are seeing an evolution," said Todd Silverhart, corporate vice president and director of insurance research at LIMRA. Specifically, he said, customers are increasingly demanding an experience that incorporates modern technology and convenience with superior service.

In addition, insurers are realizing the importance of collecting and analyzing data in order to better understand — and serve — their customers. However, many companies are struggling to determine how to manage the data they have and how to use them to their advantage, said Richard Boire, senior vice president, Boire Filler Division at Environics Analytics.

"They're saying, 'We have all this data, but what do we do with it?'," Boire said. As a result, demand for data scientists among insurance companies is set to surge in the years ahead.

Demand is also growing for younger workers, and especially younger advisors, said Rino D'Onofrio, president and CEO of Mississauga-based RBC Life Insurance Company and senior vice president of Canadian insurance business with Royal Bank of Canada. He pointed to data showing that the average advisor in Canada is 62, which is also the average age at which Canadians retire.

The industry faces challenges attracting new talent. D'Onofrio pointed to LIMRA research showing that nine out of 10 millennials said no when asked whether they were interested in a career in insurance.

"They want to work for organizations that are investing in forward technology, and changing the world. Making a real difference in the world," D'Onofrio said. "When I hear that, it gives me pause ... because that's actually what we do." Thus, the insurance industry needs to work at improving its reputation and communicating the positive impact that insurance has on individuals and their families, he noted.

BMO Partners With Ryerson University's DMZ For Fintech Program

BMO and the DMZ at Ryerson University announced a partnership on May 26/17 that will see the launch of a "DMZ-BMO Fintech Accelerator" program, which aims to stimulate innovation and growth for financial services technology.

"Innovation and continuously evolving with our customers' needs is a constant driver for all that we do at BMO, which is why this expanded partnership with the DMZ is a natural fit," said Andrew Irvine, head, Canadian Business Banking & BMO Partners, BMO Bank of Montreal.

"The talented entrepreneurs that we get the chance to work with through this program have so much to offer to our industry. We look forward to collaborating with them and helping to provide opportunities that will enhance the Canadian fintech landscape and ultimately provide a better customer experience."

The program, taking place at the DMZ, will involve a four-month incubation period for the top six selected entrepreneurs, mentorship from BMO leaders, and a culminating event where each finalist will pitch their technology to a panel of BMO and industry-expert judges for a chance to execute a pilot with the bank and additional cash prizes.

"Partnerships in fintech are a key element to building innovations that offer opportunities to benefit Canadian consumers and businesses alike," said Abdullah Snobar, executive director of the DMZ at Ryerson University.

Robo-Advisor Begins Selling Life Insurance

Oakville, Ontario-based robo-advisor Invisor Financial Inc. announced in early May that it is expanding its online financial services offerings to include life insurance, which can be purchased using an entirely digital process.

Invisor's insurance division, Invisor Insurance Services Inc., has partnered with Toronto-based Teachers Life Insurance Society (Fraternal) to introduce the new digital insurance platform.

Individuals can use the platform to buy term life insurance policies up to \$500,000, with terms ranging from 10 years to 40 years.

The purchase process can be completed entirely online, including a needs analysis to help clients determine the level of coverage they need and an underwriting questionnaire. Depending on the outcome of the questionnaire, clients can be approved instantly and invited to pay online. As soon as a payment is made, policy documents are sent via email, and the coverage takes effect immediately.

Op-Ed: It's wrong to impose the PST on insurance premiums***Todd MacKay, Prairie Director for Canadian Taxpayers Federation, Saskatoon Star-Phoenix 06.06.2017*****A tax on responsibility is an irresponsible tax.**

Premier Brad Wall is planning to impose the PST on insurance premiums. That will punish Saskatchewan families and businesses for taking responsibility to prepare for tough times. The premier has always said he'll acknowledge mistakes and reverse them. This is a huge mistake.

Saskatchewan families should do some quick mental math and add up their insurance bills, because they're going up by hundreds of dollars.

PST charges on insurance will hit families differently, but let's ballpark some numbers. A family might pay \$97 a month to insure a used Dodge Caravan and another \$81 a month to insure an older Honda Civic. Life insurance for both parents could be \$78 a month. Insurance for the house might be another \$147 a month. It adds up to \$4,836 a year.

Adding the PST to that bill will cost that family \$290 every year.

For Saskatchewan businesses, it's worse. Saskatchewan entrepreneurs need to call their bookkeepers about their current insurance costs because they're going up by thousands of dollars. For those insuring lots of vehicles, requiring bonding insurance or providing health benefits to numerous employees, the PST will cost tens or even hundreds of thousands of dollars.

Consider farmers. Tally up crop insurance, building insurance, vehicle insurance and livestock coverage and a farmer's insurance bill can easily hit \$100,000 a year. Many farmers pay much more. The PST will add thousands or tens of thousands to farm insurance bills.

In fact, Saskatchewan farmers paid more than \$91 million in Saskatchewan Municipal Hail Insurance premiums last year. Imposing the PST on insurance premiums will spike the cost of that hail insurance by nearly \$5.5 million per year.

Even organized labour will recognize it will be harder to negotiate for health benefits because premium costs are inflated by the PST.

Here's the dirty secret about this issue: the Saskatchewan government already collects \$150 million in hidden taxes on insurance premiums. The province has long charged a special one per cent tax on fire and auto insurance. It's a three per cent tax on life, sickness, accident and hail insurance. The tax goes up to four per cent on all other insurance.

Premier Wall is imposing the PST on top of those hidden taxes. That means the province is forcing Saskatchewanians to pay a sales tax on a hidden premium tax. That indefensible tax on a tax will cost taxpayers about \$9 million every year.

If the Saskatchewan government is already collecting \$150 million through hidden insurance premium taxes, it's a good bet the PST on insurance will cost taxpayers between \$200 million and \$300 million. Putting the PST on insurance premiums is a huge government cash grab.

This policy is even at odds with the government's goals.

“This budget represents a fundamental shift in our tax system toward consumption, but away from income and productivity,” said Finance Minister Kevin Dougherty in his budget speech.

There’s a case for taxing consumption rather than income, but insurance is not consumption. Insurance is a form of saving. Premiums are savings we use when a home is destroyed by fire or a crop is devastated by drought. It’s hard to imagine a government policy that’s served by discouraging saving.

And while hitting insurance premiums with the PST will cost everyone, it’s profoundly unfair to some. This will place a disproportionate burden on entrepreneurs who need insurance to manage the many risks they take when they start businesses and create jobs. It will disproportionately burden farmers who need insurance to manage all of the risks that come with a livelihood that depends on the weather.

It’s irresponsible for Premier Wall to impose a tax on people who are taking responsibility for protecting their homes, businesses, farms and families. Imposing the PST on insurance premiums is a mistake. Premier Wall must take responsibility for this mistake and reverse it.

Appendix B

IFBC Template For Saskatchewan Member Lobbying Letter To MLAs:

Dear [insert the name of your MLA here],

The Budget proposal to increase the Provincial Sales Tax (PST) on insurance premiums, and broaden the base of insurance products subjected to the PST, is of concern to me as a life insurance agent. I see first-hand the value that life and health insurance has for Saskatchewan families.

I worry that aspects of this proposal pose serious economic risks, specifically the application of the PST to individual life, disability and health insurance premiums. Many Canadians deal with two critical challenges: rising health care costs outside of the coverage offered by provincial health care plans, and saving for retirement.

Both these issues point to a need for prudent financial planning, and I am very proud of the part I play in this for my clients and their families. As an independent advisor, I have a unique perspective into the lives of my clients. I know that many households find that their budgets are already stretched thin, and I worry that increasing the cost of life, health, and disability insurance may cause consumers to forgo this important protection and risk the long-term well-being of themselves and their families.

I am also concerned about the retroactive nature of this tax to policies purchased and in payment before July 1. My duty as a life insurance agent is to put my clients into products that are suitable to their needs; a PST increase of 6% may make a previously affordable premium unaffordable. And, if policies become unaffordable to clients when the cost increases, the client may choose to cancel or lapse them, thereby forfeiting the premiums already paid. Worse still, individuals who choose to economize by cancelling their life, health, and disability insurance could find that they are no longer insurable when they seek replacement coverage in the future.

As my MLA, I ask that you give due consideration to my comments. This tax will have negative, and unintended, consequences on many individuals and families in Saskatchewan. The government should reconsider it.

*Thank you,
[Insert your name here]*



CAFII: PAST, PRESENT AND FUTURE

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

ABOUT CAFII: Who We Are

- Non-profit industry Association dedicated to development of an open and flexible insurance marketplace.
- Established in 1997 to create a voice for financial institutions involved in selling insurance through a variety of distribution channels.

ABOUT CAFII: Who We Are

- Members provide insurance through client contact centres, agents and brokers, travel agents, direct mail, branches of FIs, and digital channels.
- Members offer travel, life, health, property and casualty, and creditor's group insurance across Canada. Creditor's group insurance and travel insurance are product lines of primary focus for CAFII as members' common ground.

ABOUT CAFII: Who We Are

- Full members are insurance arms of Canada's major FIs – BMO Insurance; CIBC Insurance; Desjardins Financial Security; National Bank Insurance; 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.
- CAFII believes consumers are best served when they have meaningful choice in the purchase of insurance products and services.

ABOUT CAFII: Brief History

- Represents companies at intersection of bank/credit union and insurance industries.
- Celebrating 20th Anniversary this year.
- 20 years ago, financial institutions in insurance didn't have a voice for their unique concerns in marketplace. A group of concerned leaders from Canada's banks with insurance operations created CAFII to focus on bank-insurance issues.

ABOUT CAFII: Brief History

- Two decades on, CAFII has made significant inroads into changing and advancing the way insurance is made available to Canadians. Members use technology and electronic communications to make insurance simple, readily accessible, and affordable for consumers.
- In relatively short history, CAFII has steered our industry segment through new insurance legislation in almost every province and two federal Bank Act reviews.

ABOUT CAFII: Brief History

- Federally, we've adapted to implementation of privacy legislation, new telemarketing rules, and establishment of national do-not-call list; and, more recently, anti-spam legislation.
- CAFII has been involved in development and refinement of Codes of Conduct with Canadian Life and Health Insurance Association, Canadian Bankers Association, and Joint Forum of Financial Market Regulators.

ABOUT CAFII: Brief History

- CAFII had input into proposed Ontario Securities Commission and Financial Services Commission of Ontario merger which did not happen; regulatory combination in Quebec - the AMF- which did go through; and, most recently, review of the mandates of FSCO, Deposit Insurance Corporation of Ontario, and FST which has given rise to creation, currently in-development, of new, integrated financial services regulator to be called Financial Services Regulatory Authority of Ontario.

ABOUT CAFII: Future Outlook

- CAFII believes future of life and health insurance industry will be marked by continued innovation and increase in consumer demand for electronic commerce and other alternate forms of distribution. Consumers continue to demand greater access to sales through digital channels which will play an increasingly important role in meeting needs of Canadians.



ABOUT CAFII: Future Outlook

- Millennials' high expectations for technology-based services, convenience, transparency, speed, regular engagement, and a personalized experience that reflects their needs are defining how products and services are delivered. Their preferences and expectations are a particular challenge and opportunity for the insurance industry.



ABOUT CAFII: Fair Treatment of Consumers

- CAFII shares regulators' objective of ensuring consumers are well-protected while they also have ability to purchase products through their channel of choice. In insurance industry context, it's important to note that part of overall objective of FTC is to ensure insurers can provide support and meet consumers' expectations throughout user experience.

Future Outlook: Regulations That Embrace Electronic Commerce

- CAFII believes regulatory structures should foster a harmonized, flexible, and open marketplace where consumers are able to choose how and where to purchase coverage. Regulation should embrace role of all insurance channels in meeting insurance needs of consumers. In that connection, it's important that regulatory frameworks help to foster and support ongoing growth and development of technology-enabled, alternate distribution channels.

CAFII Strategic Focus

- CAFII's predominant strategic focus and priority is relationship-building and communications with insurance regulators and policy-makers.



ABOUT CAFII: Our Strategic Focus

- CAFII has been an active and effective participant in representing its members' interests in scores of insurance policy and regulatory consultations over the past 20 years.



Directory of CAFII Submissions To l’Autorité des marchés financiers (AMF); Ministère des Finances du Québec; Financial Services Commission of Ontario (FSCO); Ontario Ministry of Finance; and Canadian Council of Insurance Regulators (CCIR), May 2012 to May 2017 (24 submissions in five years)

Date	Regulator/Policy-Maker Audience	Subject/Focus of Submission
May 18, 2012	CCIR	Pre-Consultation Submission on Electronic Commerce in Insurance Products
May 24, 2012	AMF	AMF Consultation Paper on Internet Insurance Offerings in Québec
May 30, 2012	FSCO	Draft 2012 FSCO Statement of Priorities
June 29, 2012	CCIR	CCIR Position Paper: The Managing General Agencies (MGAs) Distribution Channel in the Life Insurance Industry
May 31, 2013	FSCO	Draft 2013 FSCO Statement of Priorities
July 26, 2013	CCIR	CCIR Position Paper: Electronic Commerce in Insurance Products
September 30, 2013	FSCO	Modernizing Disciplinary Hearings for Insurance Agents and Adjusters in Ontario: A Proposal for Consultation
February 21, 2014	CCIR	Input For CCIR Strategic Plan, 2014-2017
April 9, 2014	FSCO	Summary of CAFII Feedback on Interim Report from Life Insurance Product Suitability Review
May 30, 2014	FSCO	Draft 2014 FSCO Statement of Priorities
September 30, 2014	AMF	Consultation on Distribution Guide Template
May 19, 2015	Ontario Ministry of Finance, Insurance Policy Branch	Consultation on Parts V and VII, Ontario Insurance Act Consultation
June 5, 2015	Ontario Ministry of Finance, Financial Institutions Policy Branch	Consultation Paper of Expert Panel Charged With Reviewing Future Mandates of FSCO, Financial Services Tribunal (FST), and Deposit Insurance Corporation of Ontario (DICO)
June 5, 2015	FSCO	Draft 2015 FSCO Statement of Priorities
September 30, 2015	Ministère des Finances du Québec	Rapport sur l’application de la Loi sur la distribution de produits et services financiers / Report on the Application of the Act respecting the distribution of financial products and services (in French and English)
October 22, 2015	Ontario Ministry of Finance, Financial Institutions Policy Branch	CAFII Follow-up Letter To Expert Panel On FSCO/DICO/FST Reviews Informal liaison dialogue, as part of CAFII stakeholder meeting with CCIR Travel Insurance Working Group (TIWG), between CAFII representatives and AMF staff executive Louise Gauthier, Senior Director, Distribution and Self-Regulatory Organizations.
December 4, 2015	CCIR	CCIR Annual Statement on Market Conduct, Draft 1
December 11, 2015	Ontario Ministry of Finance, Financial Institutions Policy Branch	Preliminary Position Paper of Expert Panel Charged With Reviewing Future Mandates of FSCO, Financial Services Tribunal (FST), and Deposit Insurance Corporation of Ontario (DICO)
May 31, 2016	FSCO	Draft 2016 FSCO Statement of Priorities

CAFII's Value-Added Industry Research

- CAFII adds value to consultative relationships and ongoing dialogue with regulators and policy-makers through research, i.e. commissioning and sharing results of independent, third party research on important insurance-related topics. In many cases, we have repeated research on a periodic basis so that it has become an even more valuable “tracking study.”

Examples of Recent CAFII Research, Working Group Output, and Strategic Initiatives

- Towers Watson independent actuarial study
- Working group output: Two-part response to concerns raised in media and by CCIR re travel health insurance
- Current Initiative: Website modernization
- Current Initiative: Strategic Plan development

1. Towers Watson Independent Actuarial Study

Project Purpose

- Provide independent, data-based evidence that creditor insurance products, processes and distribution channels are serving Canadian borrowers well
- Update the previous version of the study and expand it from life and disability insurance to include critical illness insurance

1. Towers Watson Independent Actuarial Study

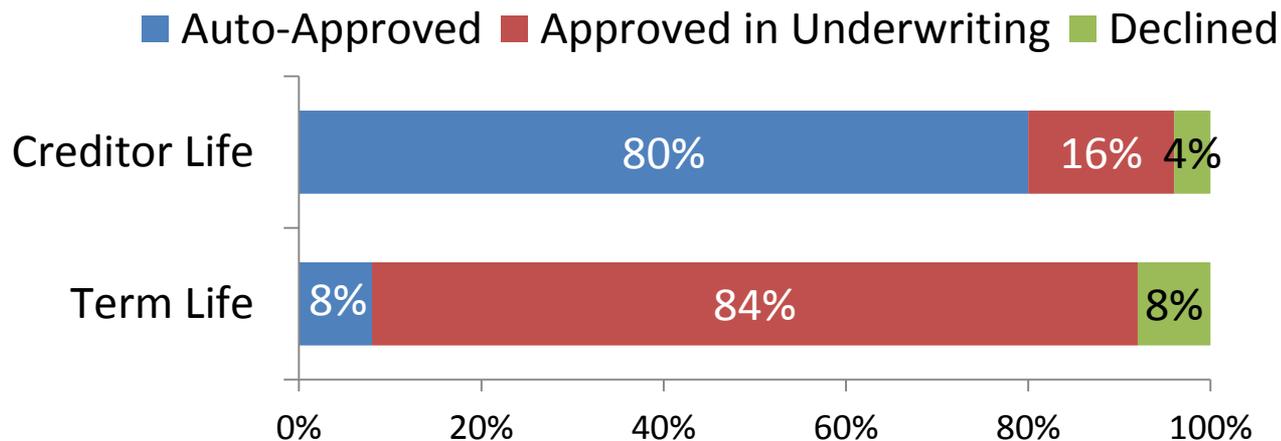
Methodology

- Survey seven CAFII members about creditor insurance on mortgages: Bank of Montreal, CIBC, Desjardins Financial Security, National Bank, RBC, Scotiabank and TD Bank
- Survey individual life insurers
- Compare creditor's group insurance with individual insurance across the following dimensions:
 - Application approval rates
 - Claims approval rates
 - Pricing, affordability
 - Other key variables, e.g. access to coverage, societal benefits

Creditor's Group Insurance provides convenience and ease of access for Canadian households

A recent Towers Watson independent actuarial industry study¹ showed that applications for creditor's group insurance on mortgages are likely to be auto-approved and don't have to go through the more complex and time-consuming underwriting process:

Industry Application Approval Rates for Mortgage Life and Term Life Insurance

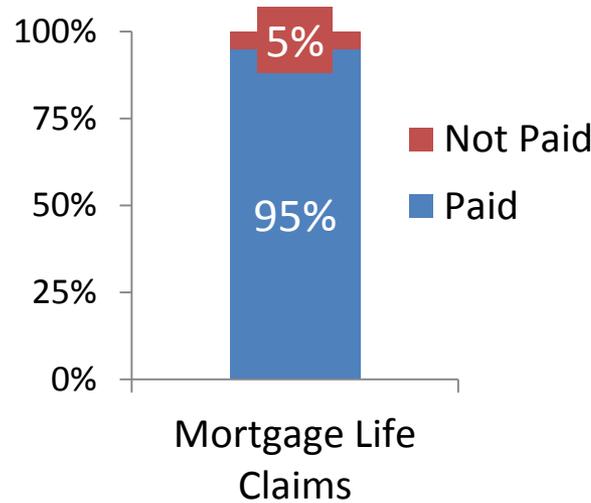


¹Source: Towers Watson September 2015 Report: Comparison of the Customer Value Proposition of Creditor's Group Insurance on Mortgages with Individual Insurance (using 2013 data)

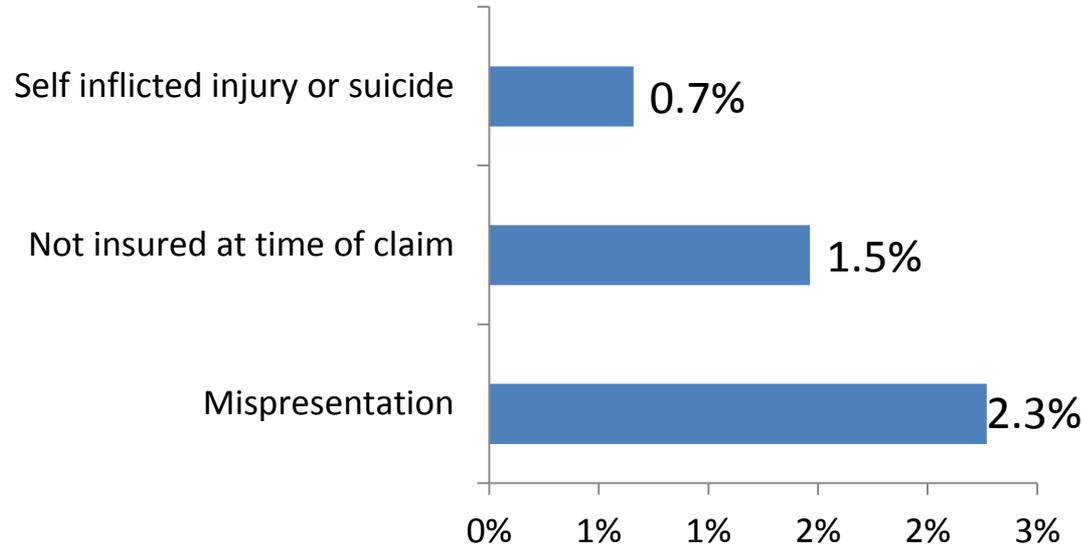
Nearly all Creditor's Group Insurance claims are paid as submitted

The Towers Watson study also found that a high rate (95%) of creditor's group mortgage life insurance claims are paid and that no claims were denied due to pre-existing conditions

Industry Mortgage Life Insurance Claims



Industry Incidence of Claims Reasons Why Not Paid



2. Current Initiative: Two-Part Response To Concerns Raised in Media And By CCIR Re Travel Health Insurance

- CAFII commissioned independent quantitative consumer research by Pollara Strategic Insights
- CAFII's Travel Medical Experts Working Group undertook a three-part policy wording initiative

CAFII-Pollara Travel Medical Insurance Consumer Research¹

In response to concerns raised in the media about travel medical insurance, CCIR asked the industry to review the issue. As part of that review, CAFII commissioned Pollara Strategic Insights to conduct consumer research to quantitatively assess the following:

- The general public's perceptions of the travel medical insurance sector and the level of consumer confidence in travel medical insurance
- Experiences and satisfaction levels with the travel medical insurance purchase process among recent buyers (past 12 months)
- Experiences and satisfaction levels with the travel medical insurance claims submission process and outcomes among recent claimants (past 12 months)

¹Source: CAFII-Pollara Travel Medical Insurance Study – September 2015

Highlights from recent travel medical insurance consumer research¹:

- Canadians have confidence in the travel medical insurance industry
 - 80% are confident they would receive the needed assistance...
 - Rising to 90% for buyers and 93% for claimants
- Satisfaction levels are virtually identical by channel – phone, online & mobile, in-person
- Satisfaction with the purchase experience is very high - 94%
- Overall satisfaction with the claims experience, from initial contact to final outcome is also high - 92%
- Most importantly, **99% of processed claims were paid**: 75% fully, 24% partially (1% denied)

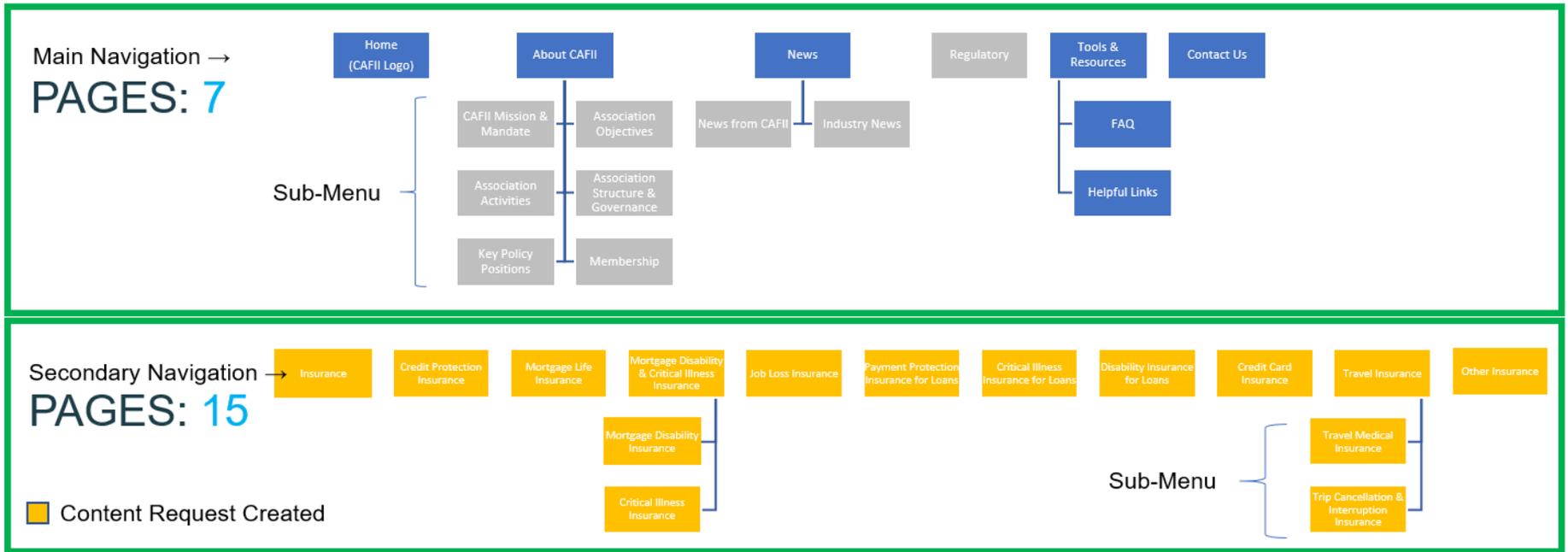
¹Source: CAFII-Pollara Travel Medical Insurance Study – September 2015 .

2. Current Initiative: CAFII Travel Medical Experts Working Group Three-Part Policy Wording Initiative

- Led by CAFII EOC Member Sue Manson from CIBC Insurance, this subcommittee of travel health insurance experts from several CAFII members has produced
 - Proposed Language for Limitations and Exclusions;
 - Proposed Language for Defined Terms; and
 - Proposed Policy Layout,and handed off polished recommendations documents to CLHIA Travel Insurance Committee for inclusion in pan-industry reforms.

3. Current Initiative: CAFII Website Modernization

Build a revamped website that is consumer/media-focused, easy to navigate, and visually pleasing



4. Current Initiative: CAFII Strategic Plan Development

- Who Are We?
- Where Are We?
- Where Do We Want to Go?
- How Do We Get There?

Q & A / Dialogue With CISRO Members

- Conversation Starter: CAFII makes an open offer and stands ready to collaborate with CISRO on harmonization initiatives and other issues of multi-jurisdictional interest

Conclusion

Thank you for this presentation, dialogue,
and relationship-building opportunity

CAFII Regulator and Policy-Maker Visit Plan 2017-18

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status June 14/17
British Columbia				
Insurance Council of BC: Gerry Matier, Executive Director	- 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	-liaison meeting on October 17/17 in Vancouver as part of CAFII tour of BC and Alberta regulators and policy-makers.	-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)	-Dec. 12/16 CAFII Stakeholder Dialogue with CCIR in Toronto -Nov 10/15 in Vancouver re CGI Information Bulletin	-liaison meeting on October 17/17 in Vancouver as part of CAFII tour of BC and Alberta regulators and policy-makers.	-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)	-Pending
Doug McLean, Deputy Superintendent of Insurance	-No contact/meeting for at least past five years	-See F. Chong above	-See F. Chong above	-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	-See F. Chong above	-See F. Chong above	-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	-See F. Chong above	-See F. Chong above	-See F. Chong above

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status June 14/17
Harry James, Senior Regulatory Advisor (Chair of CCIR's Travel Insurance Working Group)	-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	-See F. Chong above	-See F. Chong above. Although H. James is supposed to have handed the CGI Information Bulletin file to L. Dimma and C. Carter, he did most of talking in April 14/16 teleconference; so CAFII will continue to include Harry in discussions on "effecting" issue.	-Pending
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	-See F. Chong above.	-See F. Chong above	-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	-See F. Chong above.	-See F. Chong above	-see F. Chong above
Ministry of Finance: Michael de Jong, Minister of Finance	-Nov. 21/14: G. Grant represented CAFII at FIA Review roundtable discussion hosted by Minister	-None at this time	TBD until CAFII has a "direct ask" at Ministerial level	
Elizabeth Cole, Executive Director, Strategic Projects & Policy (head of 10-Year Review of FIA)	-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	-liaison meeting on October 17/17 in Vancouver as part of CAFII tour of BC and Alberta regulators and policy-makers.	-Policy Paper emerging from 10-Year Review of Financial Institutions Act, making proposals for change.	-Pending
	-November 10/15 in Vancouver along with Dan Ashton; and separate meeting along with Brian Dillon and Kari Toovey			

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status June 14/17
Brian Dillon, Director, Financial Institutions		-See E. Cole above		-Pending (see E. Cole above)
Kari Toovey, Senior Policy Advisor		-See E. Cole above		-Pending (see E. Cole above)
Alberta				
Alberta Insurance Council: Joanne Abram, CEO;	<ul style="list-style-type: none"> -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 	-liaison meeting on October 18/17 in Edmonton as part of CAFII tour of BC and Alberta regulators and policy-makers	<ul style="list-style-type: none"> -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 June 14/17
Anthonet Maramieri, COO	<ul style="list-style-type: none"> -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 	-See J. Abram above	-See J. Abram above	-Pending (see J. Abram above)
Warren Martinson, Legal Counsel	<ul style="list-style-type: none"> -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 Ctte.) 	-See J. Abram above	-See J. Abram above	-Pending (see J. Abram above)

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status June 14/17
Treasury Board and Ministry of Finance: Nilam Jetha, Superintendent of Insurance (made permanent at beginning of 2017, following one year interim period)	No contact – appointed Jan 11/16 (congratulatory letter sent Feb. 1/16)	-get acquainted/liaison meeting on October 18/17 in Edmonton as part of CAFII tour of BC and Alberta regulators and policy-makers	- Update on Superintendent’s priorities -Communicate CAFII issues; build and strengthen relationship	-Pending
David Sorensen, Deputy Superintendent of Insurance	No face-to-face contact to date - <i>appointed Sep 15/14</i>	-See N. Jetha above	See N. Jetha above	-Pending
Laurie Balfour, Director, Financial Compliance, Insurance Regulation and Market Conduct Branch (Chair of CCIR Insurance Core Principles Implementation Ctte)	-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”	-See N. Jetha above	-See N. Jetha above	-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	
Saskatchewan				
Insurance Councils of Saskatchewan: Ron Fullan, Executive Director, (CISRO Chair)	-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	-summer 2017 three-way brainstorming, consensus-building, and planning meeting -- involving ICS, CAFII, and CLHIA -- re “Representation for RIA Licence Holders in Saskatchewan” as per CAFII discussion with R. Fullan and A. Stadnek on June 2/17	-timing of renewed focus on establishing 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

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status June 14/17
April Stadnek, Director of Licensing	<p>-June 2/17 liaison meeting in Saskatoon</p> <ul style="list-style-type: none"> -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
<p>Financial Consumer Affairs Authority (FCAA):</p> <p>Roger Sobotkiewicz, former Director of FCAA Legal Branch, became Interim Chairperson and Superintendent of Insurance, effective Feb. 1/15</p>	-June 1/17 get acquainted and liaison meeting in Regina	-See J. Seibel below	<ul style="list-style-type: none"> -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	<ul style="list-style-type: none"> -see J. Seibel below; and -see R. Sobotkiewicz above 	-Pending (see J. Seibel below)

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status June 14/17
Janette Seibel, Lawyer, became lead on Bill 177 and Regulations file effective June 1/15	<p>-June 1/17 get acquainted and liaison meeting in Regina</p> <p>-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</p> <p>-February 17/17 call to B. Wycks advising that “in force” date for new Insurance Act and Regulations had been deferred to Spring 2018</p> <p>-Jan 2017 email exchange with B. Wycks re timing of “in force” date for new Saskatchewan Insurance Act and related Regulations</p> <p>-Nov and Dec. 2016 email exchanges with B. Wycks re Insurance Regulations Consultation and TPAs sub-consultation.</p>	<p>-teleconference meeting in Q3 2017, if necessary, following release of final Regulations, Insurance Act, and timeline for their coming into force.</p>	<p>-timing of “in force” date for new Saskatchewan Insurance Act and related Regulations</p> <p>-CAFII’s response submissions on FCAA’s Insurance Regulations Consultation document (submitted Dec. 2/16) and TPAs sub-consultation (submitted Dec. 9/16)</p> <p>-Sask’s imposition of PST on all insurance premiums</p>	-Pending
<p><u>Ministry of Finance</u></p> <p>Kevin Doherty, Minister of Finance</p>	<p>-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</p>	<p>-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</p>	<p>-further introduce CAFII and build relationship</p> <p>-Sask’s imposition of PST on all insurance premiums</p>	-Pending

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status June 14/17
Manitoba				
Ministry of Finance: Ken Lofgren, Acting Superintendent of Insurance Scott Moore, Deputy Superintendent of Insurance	-Appointed Spring 2015; no previous CAFII contact -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	-See S. Moore below -late June or early July 2017 liaison meeting in Winnipeg, on same day as (perhaps in combination with) meeting with Insurance Council of Manitoba (see B. Palace Churchill below)	-See S. Moore below -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	-Pending -Pending
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	

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status June 14/17
<p>Barbara Palace Churchill, Executive Director, Insurance Council of Manitoba (appointed late November 2016)</p> <p>Erin Pearson, former Executive Director, Insurance Council of Manitoba (retired at end of 2016)</p>	<p>-June 2/17 CAFII presentation to CISRO in Saskatoon</p> <p>-May 4/17 short get acquainted/liaison meeting in London, Ontario</p> <p>-Sept. 23/16 email exchange with B. Wycks re amendments to Regulation 389/87 which ICM's ISI Committee recommended to Government re incorporating other organizations and other types of insurance into prescribed regulatory framework for RIA licence regime</p> <p>-Sept. 30/14: dinner in Fredericton, NB re: ISI implementation</p>	<p>-late June or early July 2017 liaison meeting at ICM office in Winnipeg, including an educational presentation for ICM staff on CGI and other CAFII member products and practices (as suggested/ requested by B. Palace Churchill)</p> <p>-</p>	<p>-Introduce CAFII and build/maintain relationship</p> <p>-Representation for Restricted Licence Holders on Life Insurance Council</p> <p>-Insurance Council's "ISI items for further review and development"</p> <p>-communicate CAFII issues</p>	-Pending
Ontario				
<p>FSCO:</p> <p>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.</p>	<p>-May 3/17: informal chat with K. Martin during CLHIA Conference</p> <p>-Dec. 12/16 CAFII Stakeholder Dialogue with CCIR in Toronto -</p> <p>January 28/15 stakeholder meeting with CCIR</p>	-None at this time	<p>(i)Build/maintain relationship</p> <p>(ii) Ontario government review of FSCO's mandate</p> <p>(iii) next steps in Life Insurance Product Suitability Review</p> <p>(iv)CCIR review of travel health insurance</p> <p>(v)Update on Superintendent's priorities</p> <p>(vi)communicate CAFII issues</p>	

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status June 14/17
Anatol Monid, Executive Director, Licensing and Market Conduct Division	<p>-June 2/17: questions raised by A. Monid, on the phone, at end of CAFII presentation to CISRO in Saskatoon</p> <ul style="list-style-type: none"> -May 3/17: informal chat with K. Martin during CLHIA Conference -CAFII 20th 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	<ul style="list-style-type: none"> -next steps in Life Insurance Product Suitability Review -other FSCO initiatives re life insurance agent and/or insurer compliance 	
Izabel Scovino, appointed Director, Market Conduct Regulation Branch in Nov/14	<ul style="list-style-type: none"> -Oct. 8/15 at CLHIA CCOS Fall Seminar (B. Wycks) -Nov 21/14 at FSCO Life & Health Insurance Symposium 	-None at this time	-see A. Monid above	

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status June 14/17
Heather Driver Director, Licensing Branch Licensing and Market Conduct Division (assumed position in Jan 2016, following retirement of Shonna Neil)	-June 2/17 CAFII presentation to CISRO in Saskatoon -May 30/17 initial meeting of FSCO Life Insurance Industry Working Group (LII Working Group), of which H. Driver is Chair - 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)	-further meetings of LII Working Group on September 12/17 and November 21/17	-see A. Monid above	-Confirmed
Richard Tillman, Senior Manager, Insurance and Deposit Institutions Policy	-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 - -	

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status June 14/17
<p>Ministry of Finance</p> <p>-Sandy Roberts, Director, FSRA Implementation Secretariat (appointed Nov 2016)</p> <p>-Stuart Wilkinson, Senior Manager, FSRA Implementation Secretariat (transferred from previous MOF role in Nov 2016)</p> <p>-David McLean, Policy Advisor</p>	<p>-congratulatory letter on appointment sent; no in-person contact to date.</p> <p>-CAFII 20th Anniversary Reception: April 5/17 (regular attendee at CAFII Receptions)</p> <p>-June 7/16 and April 12/16 informal conversations with B. Wycks at CAFII Receptions</p> <p>-July 30/15 life & health insurance sector roundtable</p> <p>-May 21/15 informal meeting: insurance sector round table</p>	<p>-June 29/17 CAFII stakeholder meeting with FSRA Implementation Secretariat.</p>	<p>-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</p> <p>-FSRA's regulation of life and health insurance sector.</p>	<p>-Confirmed</p>
Quebec				
<p>AMF: Louis Morisset, CEO;</p>	<p>-AMF 2016 Rendez-Vous on November 14/16 in Montreal</p> <p>-Oct. 4/16 in Montreal: CAFII liaison lunch and Industry Issues Dialogue with AMF</p> <p>-Apr 8/14: CAFII liaison lunch and Industry Issues Dialogue with AMF in Montreal</p>	<p>-CAFII liaison lunch and Industry Issues Dialogue with AMF on Oct. 3/17</p> <p>-AMF 2017 Rendez-Vous event in November 2017</p>	<p>-(i)draft omnibus Bill to modernize Quebec's financial services sector, including Distribution Act (expected release by Ministry of Finance in Q4 2016)</p> <p>-(ii)AMF final paper on electronic commerce in insurance, setting out Orientations/expectations</p> <p>-(iii)Distribution Guide template and implementation timelines</p> <p>-(iv)Update on AMF priorities</p> <p>-(v)Communicate CAFII issues</p> <p>-(vi)Maintain and strengthen relationship</p>	<p>-Pending: invitation letter sent</p> <p>-Pending</p>

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status June 14/17
Maryse Pineault, Senior Director, Distribution Framework	- 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	-See L. Morisset above	-See L. Morisset and L. Gauthier above	-Pending
Ministry of Finance Carlos Leitao, Minister Richard Boivin, Assistant Deputy Minister, Financial Institution Policy and Corporate Law Guillaume Caudron, Chief of Staff Yann Nachabé, Policy Advisor	 -Feb. 25/16 phone call between B. Wycks and Yann Nachabé, Policy Advisor, Ministry of Finance, resulting from CAFII request for April 2016 in-person follow-up meeting with Richard Boivin and Guillaume Caudron	 -in-person or teleconference meeting with Ministry officials coincident with consultation period on Omnibus Bill expected in Q3 or Q4 2017, if necessary	 -Omnibus Bill expected to modernize financial sector, incl. the Distribution Act (Minister Leitao in response to question at legislative committee meeting on April 28/16) -Ministry's direction on online distribution of insurance without involvement of an advisor -CAFII submission in response to Report on the Application of the Act respecting the distribution of	 -Pending release of Omnibus Bill -Request politely withdrawn, based on reassuring information from Y. Nachabé
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 September or November 2017 (dependent on conflict avoidance with CCIR and CISRO Fall meetings)	-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

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status June 14/17
David Weir, Deputy Superintendent of Insurance	<p>-June 2/17 CAFII presentation to CISRO in Saskatoon</p> <ul style="list-style-type: none"> -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 	-See A. Mazerolle above	<ul style="list-style-type: none"> -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	<ul style="list-style-type: none"> - 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 June 14/17
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 September or November 2017 (dependent on conflict avoidance with CCIR and CISRO Fall meetings)	-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	-See W. Ngu above	-See W. Ngu above	-Pending

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status June 14/17
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 September or November 2017 (dependent on conflict avoidance with CCIR and CISRO Fall meetings)	-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
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 September or November 2017 (dependent on conflict avoidance with CCIR and CISRO Fall meetings) -see J. O'Neill above	-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 June 14/17
FEDERAL/NATIONAL				
CCIR: Martin Boyle, Policy Manager	<ul style="list-style-type: none"> -informal chats during May 3-5 CLHIA Conference -liaison lunch on April 24/17 -CAFII 20th Anniversary event: April 5/17 -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) -Dec. 12/16 CAFII Stakeholder Dialogue with CCIR in Toronto -November 29/16 CAFII Holiday Season Reception -October 24/16 CAFII liaison lunch with CCIR Policy Managers -August 10/16 CAFII stakeholder meeting re CCIR travel health insurance Issues Paper -May 19/16 CCIR ICPiC teleconference/webinar meeting with CAFII members (L. Balfour and M. Boyle) -May 4/16 lunch meeting in Halifax (with C. Rogers and S. Jacobs) 	-liaison lunch on June 23/17, following CCIR Summer Teleconference on June 22/17	<ul style="list-style-type: none"> -Annual Statement on Market Conduct (Martin) -Framework for Cooperative Market Conduct Supervision (Martin) -attendance of CCIR members at CAFII 20th Anniversary celebration in 2017 -Possible CCIR speakers/panelists at CAFII events -Update on CCIR 2014-17 Strategic Plan and related priorities -Communicate CAFII issues; and maintain and strengthen relationship -possible CAFII webinar(s) for CCIR audience -updates on Annual Statement on Market Conduct 	-Confirmed
Sean Jacobs, Policy Manager	-See M. Boyle above	-liaison lunch on June 23/17, following CCIR Summer Teleconference on June 22/17	<ul style="list-style-type: none"> -CCIR TIWG's Position Paper (expected May 2017) -CCIR review of travel health insurance -See M. Boyle above 	-Pending

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status June 14/17
<p>Patrick Déry, Chair (Superintendent, Solvency, AMF)</p> <p>Harry James, Chair, CCIR Travel Insurance Working Group (TIWG)</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>-October 6/15: CAFII liaison lunch and industry issues dialogue with AMF</p> <p>-April 29/15 meeting in Quebec City, along with CCIR Vice-Chair Carolyn Rogers</p> <p>-May 10/17 teleconference with S. Jacobs and CAFII reps re CCIR TIWG Communications Plan for release of Travel Health Insurance Products Issues Paper</p> <p>-May 3/17: informal chat with K. Martin during CLHIA Conference</p> <p>-H. James chaired Feb. 22/17 CAFII stakeholder meeting with CCIR TIWG</p> <p>-February 22/17 CAFII stakeholder meeting with CCIR Travel Insurance Working Group</p> <p>-August 10/16 CAFII stakeholder meeting re CCIR travel health insurance Issues Paper</p>	<p>-If necessary, Q2 or Q3 2017 meeting with P. Déry, as Chair of CCIR, following release of Travel Health Insurance Products Position Paper</p> <p>-If necessary, Q2 or Q3 2017 meeting with Harry and TIWG members following release of Travel Health Insurance Products Position Paper</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 (expected May 2017) and CAFII response to same</p>	<p>-Pending</p> <p>-Pending</p>

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status June 14/17
	<ul style="list-style-type: none"> -March 16/16 CAFII/CLHIA joint meeting with CCIR Travel Insurance Working Group -March 24/15 meeting with CAFII EOC re travel health insurance review initiative 			
Laurie Balfour, Chair, CCIR Insurance Core Principles Implementation Committee (ICPiC)	<ul style="list-style-type: none"> -CAFII 20th Anniversary event: April 5/17 -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) -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) -May 19/16 CCIR ICPiC webinar presentation for CAFII members (L. Balfour and M. Boyle) 	-liaison meeting on October 18/17 in Edmonton as part of CAFII tour of BC and Alberta regulators and policy-makers	<ul style="list-style-type: none"> -Harmonized Annual Statement on Market Conduct -Framework for Co-operative Market Conduct Supervision in Canada -ICPiC work on IAIS' Insurance Core Principles 	-Pending

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status June 14/17
CISRO: Ron Fullan, Chair (SK); G. Matier (BC); J. Abram (AB), W. Martinson (AB); D. Weir (NB)	-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	-None at this time	-national, online licensing system for insurance and related harmonization issues -possible CISRO Strategic Plan and opportunity for stakeholders to provide input	
Financial Consumer Agency of Canada (FCAC): 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)	-None at this time -None at this time -None at this time	-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		

Agenda Item 5(c)(iv)
June 20, 2017 EOC Meeting

Proposed CAFII 2017 BC and Alberta Regulators and Policy-Makers Visits Tour

- Monday, October 16/17: fly from Toronto to Vancouver
- 1. Tuesday, October 17/17, morning: Liaison meeting with Insurance Council of BC (both Council members and staff), Vancouver (Tentative).
- 2. Tuesday, October 17/17, early afternoon: Liaison meeting with Elizabeth Cole, Brian Dillon, and Kari Toovey, BC Ministry of Finance, Re 10-Year Review of Financial Institutions Act, Vancouver (same office as FICOM) (Tentative).
- 3. Tuesday, October 17/17, late afternoon: Liaison meeting with Chris Carter, Frank Chong, and Harry James, BC FICOM, re CAFII-related regulatory issues, Vancouver (same office as Ministry of Finance) (Tentative).
- Tuesday evening, October 17/17: fly from Vancouver to Edmonton.
- 4. Wednesday, October 18/17, morning Liaison meeting with Nilam Jetha, Superintendent of Insurance; David Sorensen, Deputy Superintendent of Insurance; and Laurie Balfour, Director, Financial Compliance, Insurance Regulation and Market Conduct Branch, Alberta Treasury Board and Ministry of Finance, at their Edmonton office. (Tentative).
- 5. Wednesday, October 18/17, afternoon: Liaison meeting with Joanne Abram, CEO, and Alberta Insurance Council staff at AIC's Edmonton head office. (Tentative)
- Wednesday late afternoon/evening, October 18/17: fly from Edmonton back to Toronto.