

CAFII Executive Operations Committee Meeting Agenda

Date: Tuesday, June 22, 2021
Chair: R. Dobbins
Location: [Virtual MSTEams Meeting](#)

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

1. Welcome, Call to Order, and Priority Matters p.m.	2:00	Presenter	Action	Page #	Document
a. Call to Order		R. Dobbins		3	
b. Welcome to New EOC Members		R. Dobbins		4	
c. Appointment of New Networking & Events Committee Chair		R. Dobbins	Update/ Approval	5	

2. Consent Items p.m.	2:05	Presenter	Action	Page #	Document
a. Consultations/Submissions Timetable				7	✓
b. Regulatory Update					✓
c. Regulator and Policy-Maker Visit Plan				8	✓
d. Summary of Board and EOC Action Items				10	✓
e. Board-Approved Schedule Of CAFII 2021 Meetings And Events				11	✓

3. Financial Management Matters p.m.	2:06	Presenter	Action	Page #	Document
a. CAFII Financial Statements as at May 31/21		T. Pergola	Update	13	✓
b. Forecast For CAFII 2021 Fiscal Year as at May 31/21		T. Pergola	Update	17	✓

4. Committee Updates p.m.	2:12	Presenter	Action	Page #	Document
a. Research & Education		A. Stuska			
i. Public Release Of Results From CAFII Research Project On Insurance Consumers' Digitization Preferences: June 15/21 Webinar Presentation to Insurance Regulators and Policy-Makers; Public Release Of Results On CAFII Website; and Media Release		A. Stuska/K. Martin	Update	20	✓ (2)
b. Media Advocacy		A. Mukherjee	Update		
i. Development of Two CAFII New Motion Graphics Website Videos on (i) Results of Research Project On Insurance Consumers' Digitization Preferences; and (ii) Job Loss CPI		K. Martin	Update	39	✓ (2)
c. Market Conduct & Licensing		B. Kuiper	Update		
i. CISRO Consultation On "Principles of Conduct For Intermediaries"		B. Kuiper/B. Wycks	Update	44	✓ (2)
d. Travel Insurance Experts		K. Umutohiwase	Update	49	
e. Networking & Events		C. Manno/B. Wycks	Update		
i. Ways To Promote Greater CAFII Member Representative Attendance At CAFII Webinars		R. Dobbins	Discussion	50	
ii. Topics and Presenters/Panelists for Fall 2021 CAFII Webinars		C. Manno/K. Martin	Discussion	51	✓

5. Recent and Upcoming Strategic and Regulatory Initiatives	2:42 p.m.	Presenter	Action	Page #	Document
a. Norton Rose's Development of Legal Arguments/Opinion to Oppose AMF's Interpretation on RADM's Applicability to Credit Card-Embedded Insurance Benefits and Resulting Regulatory Expectations		K. Martin	Update	52	✓
b. CAFII Submission Of June 7/21 Extension Request Letter To AMF Re September 17/21 Deadline For Affected Insurers To Submit Product Summaries and An Action Plan, Arising From AMF Position That RADM Fully Applies to Credit Card-Embedded Insurance Benefits		K. Martin	Update	58	✓ (2)

c.	CAFII Outreach Request To CBA That It Engage In AMF Credit Card-Embedded Insurance Benefits Issue, Given Implications For Core Credit Card Offerings in Quebec	K. Martin/B. Wycks	Update	65	✓
d.	CAFII Working Group on Industry Alignment Around Compliance with AMF's Expectations Re RADM's Applicability to Credit Card-Embedded Insurance Benefits	S. Kirby/K. Kasperski/K. Martin	Update/ Discussion	68	✓
e.	CAFII Working Group on Industry Alignment Re Interpretation of FCAC's Appropriateness Guideline's Application to Authorized Insurance Products/CPI; and Potential Approaches to Compliance	M. Boyle/K. Martin	Update	92	✓
f.	CAFII Data Improvements Working Group With RSM Canada Around Quarterly CPI Benchmarking Study: Progress Report	K. Martin	Update	98	
g.	Launch Of Saskatchewan Restricted Insurance Agent Advisory Committee	B. Wycks	Update	99	✓
h.	Proposal From CAFII Director Z. Fuerstenberg That CAFII Investigate Development and Launch of an Education/Master Class/Certification Program For Member Company Employees On "CPI Legislative and Regulatory Principles and Environment": Next Steps	K. Martin/B. Wycks	Update	111	
i.	Insights Gained From CAFII/CLHIA/THIA Weekly Calls Re Impact Of COVID-19 On Travel Insurance Industry	B. Wycks/K. Martin	Update	112	

6.	Governance Matters	3:12 p.m.	Presenter	Action	Page #	Document
a.	Outcomes Highlights of CAFII 2021 Annual Meeting of Members and First Meeting of 2021-22 Board of Directors on June 8/21		B. Wycks	Update	113	
b.	Application Review and Admission of Norton Rose Fulbright (NRFC) As A New CAFII Associate		B. Wycks	Approval	115	✓
c.	Plans For Next CAFII Regularly Scheduled Board Meeting On October 5/21		B. Wycks	Update	117	
d.	Need To "Switch" Hosting Responsibility For December 7/21 CAFII Board Meeting and Possible Immediately Ensuing, In-Person Holiday Season Reception		B. Wycks	Update	118	
e.	Draft Minutes of May 25/21 EOC Meeting		B. Wycks	Approval	119	✓
f.	Draft Minutes of June 8/21 Board Meeting		B. Wycks	Endorsement	125	✓

7.	Read Only Items		Presenter	Action	Page #	Document
a.	New CAFII Associates Secured In 2021				134	✓
b.	CAFII Negotiation of Association Management Services Contract Renewal With Managing Matters		K. Martin		136	Briefing Document Only
c.	CAFII's Third Insights/Idees Website Blog Post				137	✓

8.	Other Business	3:20 p.m.	Presenter	Action	Page #	Document

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

10.	Tracking Issues		Presenter	Action	Page #	Document
a.	Upcoming AMF Consultations on Updated Sound Commercial Practices Guideline and Draft Regulation Respecting Complaint Processing					
b.	BC Ministry of Finance Drafting of Regulations To Implement Financial Institutions Amendment Act, 2019					
c.	FCAC: Phase 2 of Domestic Bank Retail Sales Practices Review					

Next Special Purpose Board Meeting (Focused on Presentation and Discussion of Legal Arguments Developed by Norton Rose):

Tentatively Targeted For Late June 2021, 1.5 Hours Virtual MSTEams Meeting

Next Regularly Scheduled Board Meeting: Tuesday, October 5/21, 12:30 to 4:00 p.m. (Including "Industry Issues Dialogue" With AMF Staff Executives), Virtual MSTEams Meeting

Next EOC Meeting: Tuesday, July 20/21, 2:00 to 3:30 p.m., Virtual MSTEams Meeting

Briefing Note

CAFII EOC Meeting 22 June, 2021—Agenda Item 1(a)
Call to Order

Purpose of this Agenda Item

Start of meeting.

Background Information

Recommendation / Direction Sought -- *Update*

Update only.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting 22 June, 2021—Agenda Item 1(b) Welcome to New EOC Members

Purpose of this Agenda Item

To welcome three new EOC members from CAFII Initiation Member Canadian Tire Bank (CTB).

Background Information

For the 8 June, 2021 Board meeting, the CAFII Membership Applicant Review Committee provided the Board with a report in which it recommended that the Board accept the application from Canadian Tire Bank to join CAFII as an Initiation Member. The Board accepted that recommendation.

Adam Vespi was also appointed as the first CAFII Board member from Canadian Tire Bank.

Thereafter, CTB notified CAFII of its nominees to be appointed to the Association's Executive Operations Committee:

*Farhad Eslah
Manager, Insurance*

*Corrine Gagne
Senior Associate Business Manager, Insurance*

*Jonine McGregor
AVP Legal Counsel*

Recommendation / Direction Sought -- Update

Update only.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting 22 June, 2021—Agenda Item 1(c) Appointment of New Networking & Events Committee Chair

Purpose of this Agenda Item – Update/Approval

To appoint EOC member Carmelina Manno, Manulife, as Chair of the Networking & Events Committee.

Background Information

CAFII recently engaged in an outreach to EOC members to create a succession pipeline of Committee Chairs and Vice-Chairs. This initiative was very successful and has resulted in several new leadership appointments.

Immediately following a series of such appointments which were made at the 25 May, 2021 EOC meeting, EOC member Carmelina Manno, National Director, Partnerships and Business Development, at Manulife notified the Association's Co-Executive Directors that if the EOC so desired, she would be willing to serve as Vice-Chair or Co-Chair of the Networking & Events Committee.

When Ms. Manno was informed that Scott Kirby, TD Insurance, who had been serving as Chair of the Networking & Events Committee, wished to step down from that role (as he had just been appointed Vice-Chair of the Media Advocacy Committee), she agreed to be nominated for appointment as Chair of the Networking & Events Committee.

Recommendation / Direction Sought -- Update / Approval

Approval of recommended appointment.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting 22 June, 2021—Agenda Item 2 (a-e) Consent Items

Purpose of this Agenda Item

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

Background Information

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

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

Recommendation / Direction Sought – Information Only

No action required.

Attachments Included with this Agenda Item

Five (5) attachments.

CAFII Consultations/Submissions Timetable 2021-22

Regulatory Issue	Deliverable	Deadline	Accountable
BC Ministry of Finance 10-Year Review of FIA (Initial Public Consultation Paper released June 2, 2015)	<ul style="list-style-type: none"> Revised Financial Institutions Act (FIA) tabled in the legislature <i>CAFII Follow-up Meeting (Virtual) with Ministry officials Re CPI Sales Practices and Related Fair Treatment of Consumers Considerations</i> CAFII submissions on draft Regulations in support of Revised FIA 	<ul style="list-style-type: none"> October 21/19 <u>Q3 or Q4 2021</u> Q3 through Q4 2021 	<ul style="list-style-type: none"> Mkt Conduct & Licensing Committee; Co-EDs to monitor
AMF Consultation On Strategic Priority Objective 2.3: Burden Reduction	<ul style="list-style-type: none"> AMF sends letter to Keith Martin, inviting CAFII to respond to its consultation on Strategic Priority Objective 2.3: Burden Reduction CAFII submission on AMF Strategic Priority Objective 2.3: Burden Reduction 	<ul style="list-style-type: none"> June 18/21 October 18/21 	<ul style="list-style-type: none">
AMF Sound Commercial Practices Guideline Update	<ul style="list-style-type: none"> AMF releases consultation document for 60 day period CAFII submission on updated Sound Commercial Practices Guideline 	<ul style="list-style-type: none"> <u>Q3 2021 (expected)</u> Q3 or Q4 2021 	<ul style="list-style-type: none"> Mkt Conduct & Licensing Cttee; Co-EDs to monitor
Quebec Bill 141 and Related Regulations (including Regulation Respecting Alternative Distribution Methods, RADM)	<ul style="list-style-type: none"> CAFII sends AMF “creative solutions” submission on degree to which industry can meet AMF’s requirements on RADM’s applicability to credit card-embedded insurance AMF responds to CAFII’s “creative solutions” submission CAFII implements 3 Board directives in response to AMF’s March 30/21 response AMF launches consultation of Draft Regulation Respecting Complaint Processing CAFII submission on Draft Regulation Respecting Complaint Processing 	<ul style="list-style-type: none"> July 7/20 March 30/21 Q2 2021 <u>Q3 or Q4 2021 (expected)</u> Q3 or Q4 2021 	<ul style="list-style-type: none"> Mkt Conduct & Licensing Committee; Co-EDs to monitor
CCIR/CISRO Guidance: Conduct of Insurance Business and Fair Treatment of Customers	<ul style="list-style-type: none"> CAFII sends letter to CCIR/CISRO FTC Working Group asking it to obtain information on incentives and compensation models used by member distributors directly and privately, to avoid Competition Act violations <i>CCIR/CISRO FTC Working Group accepts proposal in CAFII’s July 2/20 letter</i> 	<ul style="list-style-type: none"> July 2/20 August 31/20 	<ul style="list-style-type: none"> Mkt Conduct & Licensing Cttee; Co-EDs to monitor
CISRO “Principles Of Conduct For Intermediaries”	<ul style="list-style-type: none"> <i>CISRO releases draft “Principles of Conduct For Intermediaries” for public consultation</i> CAFII makes submission on CISRO’s draft “Principles of Conduct For Intermediaries” 	<ul style="list-style-type: none"> May 25/21 July 9/21 	<ul style="list-style-type: none"> Mkt Conduct & Licensing Cttee; Co-EDs to monitor
FCNB Insurance Act Rewrite and Introduction of RIA Regime	<ul style="list-style-type: none"> FCNB launches industry consultation on RIA licensing regime model CAFII submission on FCNB’s RIA Regime licensing regime model <i>FCNB launches informal stakeholder consultation on applicability of A&S insurance provisions of various provincial Insurance Acts to New Brunswick</i> <i>CAFII responds to FCNB consultation on A&S Insurance Act provisions</i> CAFII/CLHIA send joint response to FCNB’s further Insurance Act Rewrite questions (received November 6/20) FCNB announces tabling of <i>An Act to Amend The Insurance Act</i> in NB legislature; and that implementation Rule will follow in late 2021 (with 60 day public consultation) CAFII responds to David Weir follow-up questions re legislative constraints which prevent bank branch employees from being individually licensed to sell travel insurance 	<ul style="list-style-type: none"> November 29, 2019 January 31, 2020 July 2020 October 22/20 December 22/20 March 17/21 May 19/21 	<ul style="list-style-type: none"> Mkt Conduct & Licensing Cttee; Co-EDs to monitor
Financial Services Regulatory Authority of Ontario (FSRA) Regulatory Consultations	<ul style="list-style-type: none"> FSRA launches consultation on FY 2021-22 Statement of Priorities and Budget CAFII responds to FSRA consultation on FY 2021-22 Proposed Statement of Priorities and Budget CAFII speaks to its submission on FSRA’s FY 2021-22 Statement of Priorities and Budget at Stakeholder Advisory Committee meeting with FSRA Board CAFII responds to FSRA consultation on Unfair and Deceptive Practices (UDAP) Rule CAFII meets with FSRA and CLHIA virtually re follow-up questions arising from UDAP Rule submissions CAFII responds to two follow-up UDAP Rule-related questions posed by FSRA 	<ul style="list-style-type: none"> October 7, 2020 November 3, 2020 November 25/20 March 18/21 March 24/21 May 4/21 	<ul style="list-style-type: none"> Mkt Conduct & Licensing Cttee; Co-EDs to monitor

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

Agenda Item 2(c)
June 22/21 EOC Meeting

CAFII Insurance Regulator and Policy-Maker Meetings/Interactions

From May 22/21 To June 18/21

<u>Date</u>	<u>Event/Occasion</u>	<u>Who</u>
June 1, 2021	Private Zoom meeting with Ron Fullan, Executive Director, Insurance Councils of Saskatchewan (ICS)	Brendan Wycks met briefly with Ron Fullan, at Mr. Fullan's request, and provided sounding board feedback around possibility of holding the first/launch meeting, or a subsequent early meeting, of the Saskatchewan Restricted Insurance Agent Advisory Committee as an in-person meeting.
June 1, 2021	BCFSA-requested stakeholder meeting with CAFII	Keith Martin and Brendan Wycks met with Frank Chong and Peta Wales, BCFSA. In arranging this meeting, Mr. Chong advised that "in the coming days, BCFSA plans to issue a Regulatory Roadmap outlining its regulatory priorities for the next three fiscal years. I would welcome an opportunity to meet with you to discuss the items in the Roadmap and how they may impact your members. This would also be a good opportunity for me to introduce Peta Wales, our Vice President, Sector Liaison, who is leading work on BCFSA's stakeholder engagement strategy. We intend to update the roadmap on a regular basis and would welcome your input as we move forward."
June 3, 2021	Very successful CAFII Fireside Chat Webinar on "RIA Regimes In Canada: A Look Back And The Way Forward"	-Keith Martin, CAFII webinar moderator, dialoguing with the following panelists: -Joanne Abram, CEO, Alberta Insurance Council; -April Stadnek, Director of Compliance & Enforcement, Insurance Councils of Saskatchewan; and

		-Barbara Palace Churchill, Executive Director, Insurance Council of Manitoba as panelists in this webinar. In addition, more than 20 insurance regulators and policy-makers from across Canada attended this webinar as members of the audience.
June 7, 2021	CAFII deadline extension request letter to AMF re requested deliverables related to RADM's applicability to credit card-embedded insurance benefits	Keith Martin sends CAFII deadline extension request letter – addressed to Mario Beaudoin and c.c.'d to the following: Eric Jacob, Superintendent, Client Services and Distribution Oversight; Patrick Déry, Superintendent, Solvency; Antoine Bédard, Senior Director, Client Services and Distribution Oversight; and Louise Gauthier, Senior Director, Distribution Policies – seeking a deadline extension from September 17/21 to December 17/21 for affected insurers to deliver specified documents to the AMF as evidence that they are in compliance with the AMF's expectations related to the RADM's applicability to credit card-embedded insurance benefits
June 9, 2021	Very successful CAFII Fireside Chat Webinar on "The Future of Travel and Travel Insurance As The World Emerges From the COVID-19 Pandemic".	More than 20 insurance regulators and policy-makers from across Canada attended this webinar as members of the audience.
June 15, 2021	Very successful CAFII Fireside Chat Webinar – Keith Martin dialoguing with Lesli Martin, Vice-President, Pollara Strategic Insights – on <i>Results of 2021 CAFII-Commissioned Research on Credit Protection Insurance Consumers' Digitization Preferences</i>	More than 12 insurance regulators and policy-makers from across Canada attended this webinar as members of the audience.

Summary of CAFII Board and EOC Action Items					
	Source	Action Item	Responsible	Deadline	Status June 22, 2021
		Association Strategy and Governance			
1	EOC and Board: October 2019	Launch CAFII EOC Working Group to Explore a New Lower Dues Category of CAFII Membership, via a first meeting and a draft Terms of Reference for this Working Group.	B. Wycks/K. Martin	31-Dec-21	In progress/ See #2
2	BOD: June 9, 2020	Revisit the launch of the CAFII Working Group On A Proposed Lower Dues Category Of CAFII Membership once the economic environment stabilizes, via a first meeting and a draft Terms of Reference for this Working Group.	K. Martin	31-Dec-21	In progress
3	EOC May 29, 2018	Develop a summary job description for the CAFII EOC Chair role and circulate it to EOC Members.	B. Wycks/K. Martin	31-Dec-21	In progress
4	EOC February 27, 2018	Document in writing the process for reviewing, approving, and admitting applicants for CAFII Members and Associate status	B. Wycks	31-Dec-21	In progress
5	EOC March 30, 2021	Share outcomes of new Committee Vice-Chair Initiative with the EOC	B. Wycks/K. Martin	27-Apr-21	Completed
6	BOD June 8, 2021	Negotiate terms for a three-year contract renewal with Managing Matters, to present to the Board at the October 2021 Board meeting.	K. Martin/B. Wycks	28-Sep-21	In Progress
		Regulatory Initiatives			
8	EOC March 30, 2021	Organize a virtual meeting for CAFII with David Weir, FCNB around the in-development Rule and its provisions addressing the creation of a Restricted Insurance Agent licensing regime in New Brunswick	B. Wycks	15-Mar-21	In Progress
9	EOC April 27, 2021	Submit a letter to AMF requesting an extension of the 17 September, 2021 deadline for providing Product Summaries evidence and Action Plans to the AMF;	K. Martin, B. Wycks	30-May-21	Completed
10	BOD June 8, 2021	Develop a short summary of the pros, cons, and costs of different options related to a CAFII education program, for presentation to the Board at the October 5, 2021 Board meeting	B. Wycks/K. Martin	28-Sep-21	In Progress
11	BOD June 8, 2021	Organize a 90 minute Special Purpose Board Meeting at which Norton Rose will present its findings from its AMF RADM legal analysis in relation to credit card-embedded insurance coverages	B. Wycks/K. Martin	30-Jun-21	In Progress
12	BOD June 8, 2021	Develop with Market Conduct Committee the CAFII submission to CISRO on its consultation on "Principles of Conduct For Intermediaries"	B. Wycks/K. Martin	9-Jul-21	In Progress
13	EOC May 25, 2021	Share the draft deadline extension request letter to the AMF with the Board for approval; and then send the final approved letter to the AMF	B. Wycks/K. Martin	May/Early June 2021	Completed
		Research and Education; and Media Communications			
14	EOC March 30, 2021	Present report to EOC and Board on outcomes of the efforts of the Working Group on Data Improvements to the Quarterly CPI Benchmarking Study	K. Martin	Q3/Q4 2021	In Progress
15	EOC May 25, 2021	Obtain Board approval for the Action Plan for the public release of the CAFII research results.	B. Wycks/K. Martin	7-Jun-21	Completed
16	EOC May 25, 2021	Develop with Operatic Agency a new motion graphic website video on the Pollara consumers' digitization preferences	B. Wycks/K. Martin	Summer 2021	In progress
17	EOC March 30, 2021	Present report to EOC and Board on outcomes of the efforts of the Working Group on Data Improvements to the Quarterly CPI Benchmarking Study	K. Martin	Q3/Q4 2021	In Progress

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

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

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

Board Meetings:

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

2021 Annual Members Luncheon:

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

2020 Board meetings Hosted by:

None, due to COVID-19 pandemic situation

2019 Board meetings Hosted by:

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

2018 Board Meetings Hosted by:

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

2017 Board Meetings Hosted by:

TD Insurance; CAFI; Desjardins; CIBC Insurance

2016 Board Meetings Hosted by:

CUMIS Group; Assurant Solutions; RBC Insurance; BMO Insurance

2015 Board Meetings Hosted by:

CIBC Insurance; ScotiaLife Financial; Desjardins; Canadian Premier

Recent Years' Annual Members' Luncheons**2020 Annual Members Luncheon Webinar**

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

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

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

Venue: Virtual-Only Webinar

2019 Annual Members Luncheon

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

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

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

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

2018 Annual Members Luncheon

Topic: "Leading For Success in A Volatile World"

Speaker: Richard Nesbitt, CEO, the Global Risk Institute

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

2017 Annual Members Luncheon

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

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

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

2016 Annual Members Luncheon

Topic: Innovation in Insurance: Opportunities in a Changing Market

Speaker: Alison Salka, Ph.D, Senior Vice President and Director Research, LIMRA

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

Briefing Note

CAFII EOC Meeting 22 June, 2021—Agenda Item 3(a)

Financial Management Matters--CAFII Financial Statements as at May 31/21

Purpose of this Agenda Item – Update

To update the EOC on the Association's financial position as at 31 May, 2021.

Background Information

Treasurer Tony Pergola will provide an update based on CAFII's Financial Statements as at 31 May, 2021.

Recommendation / Direction Sought – Update

This is an update only.

Attachments Included with this Agenda Item

1 attachment.

CAFII

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Toronto, ON M5A 3S5

Statement of Operations As at May 31st 2021

	Current Month	Budget May-21	Variance to Monthly Budget	Current YTD	Budget '21 YTD	Variance Budget to YTD	Budget 2021
Revenue							
Membership Dues	78,138	\$76,540	\$1,599	\$390,697	\$382,698	\$7,999	\$918,475
Interest Revenue	20	\$25	(\$5)	98	\$125	(\$27)	\$300
TOTAL REVENUE	78,158	\$76,565	\$1,594	\$390,794	\$382,823	\$7,971	\$918,775
Expenses							
Management Fees	41,180	\$40,648	(\$532)	207,840	\$203,242	(\$4,598)	\$487,780
CAFII Legal Fees/Corporate Governan	-	\$4,167	\$4,167	-	\$20,833	\$20,833	\$50,000
Audit Fees	1,187	\$1,395	\$209	4,919	\$6,976	\$2,058	\$16,743
Insurance	449	\$504	\$55	2,244	\$2,521	\$277	\$6,050
Website Ongoing Maintenance	792	\$596	(\$195)	2,910	\$2,982	\$72	\$7,156
Telephone/Fax/Internet	717	\$477	(\$239)	3,432	\$2,387	(\$1,045)	\$5,730
Postage/Courier	-	\$13	\$13	-	\$63	\$63	\$150
Office Expenses	279	\$417	\$138	992	\$2,083	\$1,091	\$5,000
Bank Charges	25	\$39	\$14	282	\$196	(\$86)	\$470
Miscellaneous Expenses	-	\$42	\$42	-	\$208	\$208	\$500
Depreciation Computer/Office Equipm	95	\$95	\$0	473	\$473	\$0	\$1,136
Provincial Regulatory Visits	-	\$0	\$0	-	\$0	\$0	\$0
Research/Studies	-	\$0	\$0	13,646	\$15,000	\$1,355	\$60,000
Website SEO and Enhancements	4,250	\$3,496	(\$754)	18,827	\$17,479	(\$1,348)	\$41,950
Regulatory Model(s)	-	\$0	\$0	-	\$0	\$0	\$0
Federal Financial Reform	-	\$0	\$0	-	\$0	\$0	\$0
CAFII Benchmarking Study/RSM Canada	-	\$0	\$0	16,950	\$16,950	\$0	\$67,800
FCAC Presentation	-	\$0	\$0	-	\$0	\$0	\$0
Media Outreach	298	\$500	\$202	877	\$2,500	\$1,623	\$6,000
Media Consultant Retainer	2,260	\$2,260	\$0	11,300	\$11,300	\$0	\$27,120
Marketing Collateral	341	\$417	\$76	461	\$2,083	\$1,623	\$5,000
Contingency Fund	1,417	\$0	(\$1,417)	1,417	\$0	(\$1,417)	\$50,000
CAFII Reception Events	-	\$0	\$0	-	\$0	\$0	\$0
TOTAL EXPENSE	53,289	55,065	1,777	286,569	307,277	20,708	838,585
NET INCOME	24,869	21,499	3,370	104,226	75,546	28,680	80,190

Explanatory Notes:

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

CAFI
411 Richmond Street E, Suite 200
Toronto, ON M5A 3S5
Balance Sheet
As at May 31st 2021

	CAFII Operations			CCBPI Project			Combined		
ASSETS	31-May 2021	30-Apr 2021	31-Dec 2020	31-May 2021	30-Apr 2021	31-Dec 2020	31-May 2021	30-Apr 2021	31-Dec 2020
Current Assets									
Bank Balance	\$469,079	\$533,962	\$308,624	\$0	\$0	\$0	\$469,079	\$533,962	\$308,624
Savings Account	\$102,376	\$102,356	\$102,278	\$12,151	\$12,151	\$12,151	\$114,527	\$114,507	\$114,429
Accounts Receivable	\$0	\$4,800	\$0	\$0	\$0	\$0	\$0	\$4,800	\$0
Prepaid Expenses	\$25,383	\$25,116	\$14,037	\$0	\$0	\$0	\$25,383	\$25,116	\$14,037
Computer/Office Equipment	\$8,014	\$8,014	\$8,014	\$0	\$0	\$0	\$8,014	\$8,014	\$8,014
Accumulated Depreciation -Comp/Equip	(\$7,351)	(\$7,256)	(\$6,878)	\$0	\$0	\$0	(\$7,351)	(\$7,256)	(\$6,878)
Total Current Assets	\$597,501	\$666,991	\$426,075	\$12,151	\$12,151	\$12,151	\$609,652	\$679,142	\$438,226
TOTAL ASSETS	\$597,501	\$666,991	\$426,075	\$12,151	\$12,151	\$12,151	\$609,652	\$679,142	\$438,226
LIABILITIES									
Current Liabilities									
Accrued Liabilities	\$5,933	\$4,746	\$32,852	\$0	\$0	\$0	\$5,933	\$4,746	\$32,852
Credit Card	\$945	\$1,781	\$352	\$0	\$0	\$0	\$945	\$1,781	\$352
Account Payable	\$2,795	\$19,367	\$9,012	\$0	\$0	\$0	\$2,795	\$19,367	\$9,012
Deferred Revenue	\$99,743	\$177,881	\$0	\$12,151	\$12,151	\$12,151	\$111,895	\$190,032	\$12,151
Total Current liabilities	\$109,416	\$203,776	\$42,216	\$12,151	\$12,151	\$12,151	\$121,567	\$215,927	\$54,367
TOTAL LIABILITIES	\$109,416	\$203,776	\$42,216	\$12,151	\$12,151	\$12,151	\$121,567	\$215,927	\$54,367
UNRESTRICTED NET ASSETS									
Unrestricted Net Assets, beginning of year	\$383,859	\$383,859	\$230,223	\$0	\$0	\$0	\$383,859	\$383,859	\$230,223
Excess of revenue over expenses	\$104,226	\$79,356	\$153,636	\$0	\$0	\$0	\$104,226	\$79,356	\$153,636
Total Unrestricted Net Assets	\$488,085	\$463,215	\$383,859	\$0	\$0	\$0	\$488,085	\$463,215	\$383,859
Total Unrestricted Net Assets	\$488,085	\$463,215	\$383,859	\$0	\$0	\$0	\$488,085	\$463,215	\$383,859
TOTAL LIABILITIES AND UNRESTRICTED NET ASSETS	\$597,501	\$666,991	\$426,075	\$12,151	\$12,151	\$12,151	\$609,652	\$679,142	\$438,226
Financial Reserves Targets as per 2019 Budget:									
Minimum 3 months (25%) of Annual Operating Expenses=									\$ 209,646
Maximum 6 months (50%) of Annual Operating Expenses=									\$ 419,293
Current Level of Financial Reserves (total unrestricted net assets):									\$488,085
Current Level of Financials Reserve (%) :									58%

C A F I I

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

Membership Fees

		<u>Feb-21</u>		<u>Jul-21</u>	
		<u>To be billed</u>	<u>Received</u>	<u>To be billed</u>	<u>Received</u>
BMO Bank of Montreal	2021 Upper Tier Member	\$ 38,555	18-Mar-21	\$ 38,555	
CIBC Insurance	2021 Upper Tier Member	\$ 38,555	24-Feb-21	\$ 38,555	
RBC Insurance	2021 Upper Tier Member	\$ 38,555	2-Mar-21	\$ 38,555	
ScotiaLife Financial	2021 Upper Tier Member	\$ 38,555	18-Feb-21	\$ 38,555	
TD Insurance	2021 Upper Tier Member	\$ 38,555	12-Feb-21	\$ 38,555	
Desjardins Financial Security Life Assurance Company	2021 Upper Tier Member	\$ 38,555	29-Mar-21	\$ 38,555	
National Bank Life Insurance Company	2021 Upper Tier Member	\$ 38,555	12-Feb-21	\$ 38,555	
Manulife Financial	2021 Upper Tier Member	\$ 38,555	3-Mar-21	\$ 38,555	
The Canada Life Assurance Company	2021 Upper Tier Member	\$ 38,555	24-Feb-21	\$ 38,555	
Assurant Solutions	2021 Lower Tier Member	\$ 19,277	3-Mar-21	\$ 19,277	
Canadian Premier Life Insurance Company	2021 Lower Tier Member	\$ 19,277	25-Feb-21	\$ 19,277	
Cumis Group Ltd/Co-operators Life Insurance Co.	2021 Lower Tier Member	\$ 19,277	26-Feb-21	\$ 19,277	
Valeyo	2021 Lower Tier Member	\$ 19,277	16-Apr-21	\$ 19,277	
Sun Life Financial	2020 Initiation Members (Upper Tier)	\$ 23,133	12-Mar-21	\$ 23,133	
Canadian Tire Bank	2021 Initiation Members (Lower Tier)	\$ -	N/A	\$ 13,494	CTB is joining C
RSM Canada	Associate	\$ 4,800	29-Mar-21		
Willis Towers Watson	Associate	\$ 4,800	25-Feb-21		
KPMG MSLP	Associate	\$ 4,800	25-Feb-21		
Optima Communications	Associate	\$ 4,800	10-Mar-21		
RGA Life Reinsurance Company of Canada	Associate	\$ 4,800	24-Feb-21		
Torys LLP	Associate	\$ 4,800	11-Feb-21		
Dog and Pony Studios	Associate	\$ 4,800	11-Feb-21		
Stikeman Elliott LLP	Associate	\$ 4,800	29-Mar-21		
RSA	Associate	\$ 4,800	12-May-21		
Feb Invoices		\$490,437		\$460,732	
July Invoices		\$460,732			
Total Membership Fees		\$951,169			
Total amount to realocate monthly Jan-Sept		\$79,264			
Total amount to realocate monthly Oct-Dec		\$79,264			

Briefing Note

CAFII EOC Meeting 22 June, 2021—Agenda Item 3(b)

Financial Management Matters—Forecast For CAFII 2021 Fiscal Year as at May 31/21

Purpose of this Agenda Item – Update

To update the EOC on the financial forecast for the Association for fiscal year 2021, as at May 31/21.

Background Information

Treasurer Tony Pergola will provide an update on the CAFII 2021 fiscal year forecast.

Recommendation / Direction Sought – Update

This is an update only.

Attachments Included with this Agenda Item

1 attachment.

2021 CAFII Budget

	2018 Actuals	2019 Actuals	2020 Actuals	CAFII 2021 Operating Budget	2021 YTD May 2021	2021 Forecast	Comment/Rationale
Revenue							
Membership Dues	\$695,545	\$734,664	\$884,721	\$918,475	\$390,697	\$951,169	See breakdown in Member Dues Revenue Tab (includes one new Member at Lower Tier Dues as CPL and Valeyo intend to become two separate CAFII Members)
Annual Members' Luncheon "Additional Seats" Revenue	\$0	\$195	\$0	\$0	\$0	\$0	
Interest	\$0	\$982	\$399	\$300	\$98	\$234.50	Interest from the Savings Account
TOTAL REVENUE	\$ 695,545	\$ 735,841	\$ 885,120	\$ 918,775	\$ 390,794	\$ 951,403	
EXPENSE							
Management Fees	\$460,299	\$465,134	\$476,844	\$487,780	\$207,840	\$487,780	Includes MM Fees (2.0% contractual increase) and two Co-Eds (2.5% increase each)
Legal and consulting costs associated with regulatory submissions and initiatives	\$563	\$0	\$28,975	\$50,000	\$0	\$50,000	For streamlining/simplicity, this line now includes expenses previously captured under Regulatory Model(s) (Row 39), where \$15,000 was budgeted in 2020. 2021 Budget amounts are based on 2020 actuals (recognizing that while in 2020, zero expenses will be incurred under Regulatory Models, that is largely due to the COVID-19 pandemic) and the expectation that CAFII will likely need to tackle heightened regulatory communications/submissions and advocacy/relationship-building work in 2021 as regulators clear their abeyance "backlog" caused by COVID-19.
Audit Fees	\$14,432	\$14,799	\$16,743	\$16,743	\$4,919	\$14,238	Same as 2020 Bill received from KPMG
Insurance	\$5,258	\$5,338	\$5,385	\$6,050	\$2,244	\$5,878	Increase by 10% over 2020 Budget, as per advice from insurance broker Marsh, as a buffer for 2021 renewal in June 2021
Website Ongoing Maintenance	\$6,461	\$10,022	\$5,765	\$7,156	\$2,910	\$7,156	Includes CG Technology (\$233 per month (3% increase)), Constant Contact (\$62.83 per month (3% increase)), Soda PDF Premium (\$56.47), Zoom (\$237.60 per month), Survey Monkey (\$307.36), Virtual Platform (\$500)
Telephone/Fax/Internet	\$5,939	\$6,494	\$5,808	\$5,730	\$3,432	\$5,730	Includes Office Line (\$56.50 per month), Conference Line (\$47.46 per month) & Co-Eds phone and internet lines
Postage/Courier	\$458	\$159	\$53	\$150	\$0	\$150	Monthly Cheque Run and Ad Hoc Mailing
Office Expenses	\$2,423	\$2,025	\$2,158	\$5,000	\$992	\$5,000	Increased from 2020 Budget to cover possible replacement computer hardware and peripherals expenses in 2021 for the Co-Executive Directors
Bank Charges	\$23	\$112	\$236	\$470	\$282	\$647	Annual Credit Card Fee (\$190) plus a possible new digital/electronic Accounts Payable process in 2021 (\$280.00)
Depreciation Computer/Office Equipment	\$1,136	\$1,136	\$1,136	\$1,136	\$473	\$1,136	Same as 2020 Forecast
Miscellaneous Expense	\$0	\$0	\$0	\$500	\$0	\$500	Same as 2020 Forecast
Board/EOC/AGM							
Annual Members Luncheon	\$10,503	\$12,052	\$0	\$0	\$0	\$0	Not budgeted for in Recommended Option. However, expenses for possible occurrence in 2021 provided for in Contingency line item below
Board Hosting (External)	\$19,515	\$14,001	\$0	\$0	\$0	\$0	Not budgeted for in Recommended Option. However, expenses for possible occurrence in 2021 provided for in Contingency Expense line item at bottom.
Board/EOC Meeting Expenses	\$20,715	\$35,419	\$4,676	\$0	\$0	\$0	Not budgeted for in Recommended Option. However, expenses for possible occurrence in 2021 provided for in Contingency Expense line item at bottom.
Industry Events	\$1,270	\$0	\$0	\$0	\$0	\$0	Not budgeted for in Recommended Option. However, expenses for possible occurrence in 2021 provided for in Contingency Expense line item at bottom.
EOC Annual Appreciation Dinner	\$763	\$2,193	\$4,244	\$0	\$0	\$0	Not budgeted for in Recommended Option. However, expenses for possible occurrence in 2021 provided for in Contingency Expense line item at bottom.
Speaker fees & travel	\$191	\$1,189	\$0	\$0	\$0	\$0	Not budgeted for in Recommended Option. However, expenses for possible occurrence in 2021 provided for in Contingency Expense line item at bottom.
Gifts	\$0	\$200	\$0	\$0	\$0	\$0	Same as 2020 Budget
Networking Events	\$0	\$0	\$0	\$0	\$0	\$0	Not budgeted for in Recommended Option. However, expenses for possible occurrence in 2021 provided for in Contingency Expense line item at bottom.
CAFII Reception Events	\$0	\$0	\$0	\$0	\$0	\$0	Not budgeted for in Recommended Option. However, expenses for possible occurrence in 2021 provided for in Contingency Expense line item at bottom.
CAFII 25th Anniversary Celebration	\$0	\$0	\$0	\$0	\$0	\$0	This line item is a placeholder. But this expense will actually occur in 2022, CAFII's "silver anniversary" year
Total Board/EOC/AGM	\$52,957	\$65,053	\$8,920	\$0	\$0	\$0	
Provincial Regulatory Visits and Relationship-Building	\$11,230	\$16,833	\$983	\$0	\$0	\$0	Not budgeted for in Recommended Option. However, expenses for possible occurrence in 2021 provided for in Contingency Expense line item at bottom.
Federal Regulatory Visits and Relationship-Building	\$0	\$442	\$540	\$0	\$0	\$0	Not budgeted for in Recommended Option. However, expenses for possible occurrence in 2021 provided for in Contingency Expense line item at bottom.
Research/Studies	\$77,345	\$5,368	\$28,646	\$60,000	\$13,646	\$60,000	Same as 2020 Budget
Website SEO and Enhancements	\$21,702	\$40,914	\$31,144	\$41,950	\$18,827	\$41,950	Same as 2020 Budget
Regulatory Model(s)	\$6,490	\$7,555	\$0	\$0	\$0	\$0	Combined with Legal Fees; and this line item will be removed/dispensed with, beginning with the 2021 CAFII budget
CAFII Benchmarking Study/RSM Canada	\$0	\$0	\$68,365	\$67,800	\$16,950	\$67,800	Continuation of CAFII CPI Benchmarking Study with RSM Canada, estimated at \$60K plus HST.
FCAC Presentation	\$0	\$0	\$20,905	\$0	\$0	\$0	
Media Outreach	\$6,883	\$5,683	\$350	\$6,000	\$877	\$6,000	Expenses related to CAFII Media Releases including Wire Service charges (new split into separate Media Outreach and Media Consultant Retainer (David Moorcroft's S2C retainer) expenses)
Media Consultant Retainer	\$31,639	\$27,120	\$27,685	\$27,120	\$11,300	\$27,120	Monthly retainer fees for David Moorcroft, S2C (new split into separate Media Outreach and Media Consultant Retainer (David Moorcroft's S2C retainer) expenses)
Marketing Collateral	\$557	\$1,629	\$845	\$5,000	\$461	\$5,000	Same as 2020 Budget
Tactical Communications Strategy	\$0	\$0	\$0	\$0	\$0	\$0	This line item is being removed/dispensed with, beginning with the 2021 CAFII budget
Contingency For Possible Resumption Of In-Person Meetings/Events, Etc. in 2021	\$0	\$0	\$0	\$50,000	\$1,417	\$50,000	Includes Annual Members' Luncheon (\$12,000); Board Hosting External (\$7,500); Board/EOC Meeting Expenses (\$13,500); Industry Events (\$1,000); EOC Annual Appreciation Dinner (\$3,000); Provincial Regulatory Visits and Relationship-Building (\$9,000); Federal Regulatory Visits and Relationship-Building (\$4,000)
TOTAL EXPENSE	\$ 705,793	\$ 675,816	\$ 731,485	\$ 838,585	\$ 286,569	\$ 836,085	
Excess of Revenue over Expenses	(\$10,248)	\$60,025	\$153,636	\$80,190	\$104,226	\$115,319	
Unrestricted Net Assets (beginning of year)	\$180,447	\$170,198	\$230,223	\$383,859	\$383,859	\$383,859	
Unrestricted Net Assets (end of year)	\$170,198	\$230,223	\$383,859	\$464,049	\$488,085	\$499,177	

Explanatory Notes:

(1) Assumes Two Co-Executive Directors, one @ 5 days per week; one @ 4.5 days per week; plus Managing Matters Admin support

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

(3) \$45,000 Legal Expense for Marc Dequette/Norton Rose Fulbright to complete legal opinion re: AMF Spousal Coverage Issue. Alternative for paying for legal opinion is to use the remaining funds from the CCPBI Special Project Fund

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

2021 Forecast
\$209,021
\$418,042
\$499,177
60%

2019 Operational Budget - Member Dues Breakdown

2018 Member Dues Breakdown

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

2019 (Base) Member Dues Breakdown

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

2019 Operational Budget - Member Dues Breakdown - Revised

2019 Member Dues Breakdown

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

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

2020 Member Dues Breakdown

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

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

2020 Member Dues Breakdown

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

2020 Upper Tier Member

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

2020 Lower Tier Member

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

2020 Initiation Members (Upper Tier)

Sun Life Financial

2020 Associate

RSM Canada
Willis Towers Watson

KPMG MSLP
Optima Communications
RGA Life Reinsurance Company of Canada
Torys LLP

*TBC

*TBC

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

Did not renew in 2020

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

2021 Operational Budget - Member Dues Breakdown - No Dues Increase

2021 Member Dues Breakdown

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

2021 Upper Tier Member

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

2021 Lower Tier Member

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

2021 Initiation Members (Upper Tier)

Sun Life Financial

2 Year

2021 Associate

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

2021 Forecast

2021 Member Dues Breakdown

Upper Tier Member	77,110	9	693,989.10
Lower Tier Member	38,555	4	154,219.80
Initiation Members (Upper Tier)	46,266	1	46,265.94
Initiation Members (Lower Tier)	13,494	1	13,494.00
Associate	4,800	9	43,200.00
			951,168.84

2021 Upper Tier Member

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

2021 Lower Tier Member

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

2021 Initiation Members (Upper Tier)

Sun Life Financial

2 Year

2021 Associate

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

Initiation Members (Lower Tier)

Canadian Tire Bank

CTB is joining CAFII in early June,
we will prorate CTB's 2021
Initiation Member Dues to 7/12 of
the full year amount

Briefing Note

CAFII EOC Meeting 22 June, 2021—Agenda Item 4(a)(i)

Public Release of Results From CAFII Research Project On Insurance CPI Consumers' Digitization Preferences: June 15/21 Webinar Presentation to Insurance Regulators and Policy-Makers; Public Release of Results On CAFII Website; and Media Release.

Purpose of this Agenda Item – Update

This is an update on the steps CAFII has taken to publicly release the results of its research project with Pollara on the digitization preferences of CPI consumers.

Background Information

The CAFII Board has, through a formally approved Written Resolution, unanimously approved CAFII's public release of the research results from the Association's recent project with Pollara Strategic Insights on the digitization preferences of CPI consumers.

The steps taken are:

- A 15 June, 2021 webinar presentation to regulators and policy-makers of the results, before any public release, as a courtesy to regulators and policy-makers;
- Soon after, publication on the CAFII website of the public-facing presentation summarizing the research results; posting of a recording of the CAFII 15 June, 2021 webinar with regulators and policy-makers on the CAFII website; and a press release outline the major findings of the research.

Recommendation / Direction Sought – Update

This is an update only.

Attachments Included with this Agenda Item

2 attachments.



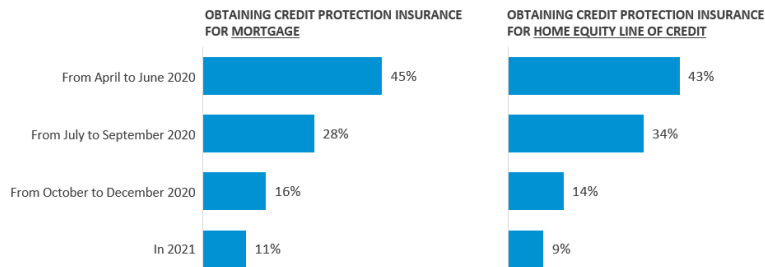
How Has The COVID-19 Pandemic Impacted Canadian Consumers' Channel Preferences For Conducting Financial And Insurance Transactions?: Research Report



May 2021

Methodology

- Survey conducted nationally between **March 3rd to March 10th**, using an online methodology.
- Stratified sample among **1,002 Canadians aged 18 and over, who fit into the following categories :**
 - Who have obtained Credit Protection Insurance for their mortgage or Home Equity Line of Credit since April 2020 n=197



- Who are likely to obtain a mortgage or Home Equity Line of Credit in the next two years and will likely obtain CPI n=805
- **Reliability:** Online samples cannot officially be assigned a margin of error. As a guideline, a probability sample of N=1003 carries a margin of error of $\pm 3.1\%$, N = 197 carries a margin of error of $\pm 7.0\%$, and N = 805 carries a margin of error of $\pm 3.5\%$, 19 times out of 20.
- **Reporting Conventions:**
 - For Home Equity Line of Credit, the acronym HELOC has been used.
 - For Credit Protection Insurance, the acronym CPI has been used.

Key Findings – Financial Transactions: Past, Present and Future

COVID-19 is changing the way Canadians conduct their banking. While some have continued to go to the branch for transactions such as arranging loans and obtaining insurance, most feel more comfortable and are more likely to use virtual methods. Once the pandemic is over, consumers report that they will continue to depend on financial representatives to assist with CPI arrangements, but it is almost an even split between those who will get this assistance in person or virtually.

- Before the outbreak of COVID-19, Canadians were most likely to conduct bank transactions such as arranging for loans or buying insurance primarily in-person, at a branch. However, most consumers agree that COVID has changed the way they will conduct financial transactions, now and in the future. They feel more comfortable in using virtual methods such as talking to representatives on the phone, through virtual meetings, communicating through email or using web-based methods and to a lesser degree mobile apps for actions for buying insurance or making claims. Many appreciate the convenience of conducting these transactions online and have up-graded their home technology to allow them to do this.
- Consumers expect a lot from their financial institutions to help them with virtual transactions, including easy to understand information, security when it comes to their personal information and the ability to connect with a person (preferably the same one throughout the whole process) if they have questions.
- Once COVID is over, many consumers will move back to conducting these types of bank transactions in general, and obtaining CPI specifically, in person at a branch. These consumers prefer to deal with these matters in person and like to talk to people face-to-face. However, some will continue to conduct these transactions virtually, even after the danger of COVID has passed. In fact, while most will continue to need assistance when it comes to researching and obtaining CPI, it is almost evenly split between those who will get this assistance in person, and those who will use a virtual method.

Key Findings – Obtaining CPI During Pandemic

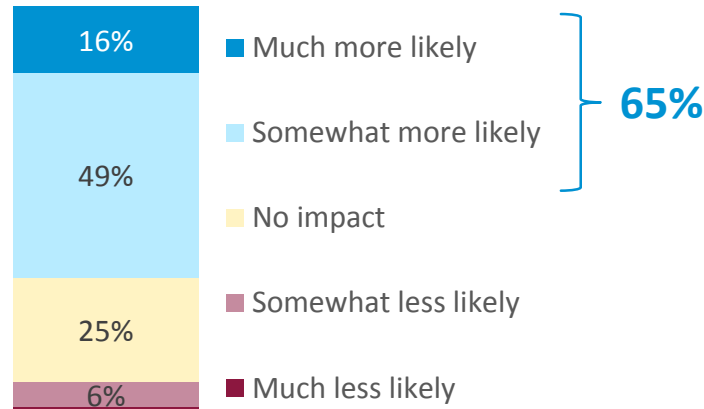
COVID-19 has encouraged Canadians to obtain insurance, and those obtaining CPI are more likely to include Disability, Critical Illness and Job Loss in their coverage, than they were in 2018. While some who obtained this coverage during the pandemic continue to depend on face-to-face meetings for at least part of the CPI process, the likelihood of using a virtual method has increased significantly. Additionally, knowledge about the coverage and satisfaction with purchase experience has also increased.

- The COVID-19 pandemic has increased the likelihood of consumers obtaining insurance in general, and credit protection insurance specifically. While Life coverage remains the most frequently obtained, incidence of obtaining Disability, Critical Illness and Job Loss coverage has increased since 2018.
- Many of those who obtained CPI during the pandemic are likely to say they met with a representative in-person, at some point to discuss the options or sign the paperwork. However, while some conducted the whole process in-person, they are more likely to have conducted the research and completed the process virtually. This compares to the 2018 findings, when seven-in-ten CPI purchasers completed the process in person.
- Despite the change in method of communication, consumers purchasing CPI are even more satisfied this year than they were in 2018. They say most factors of the insurance were discussed at the same frequency, with the expectation of the review period, which more representatives had discussed this year than in 2018. There is strong confidence in knowledge of the benefits of the coverage types, which has increased significantly since 2018.

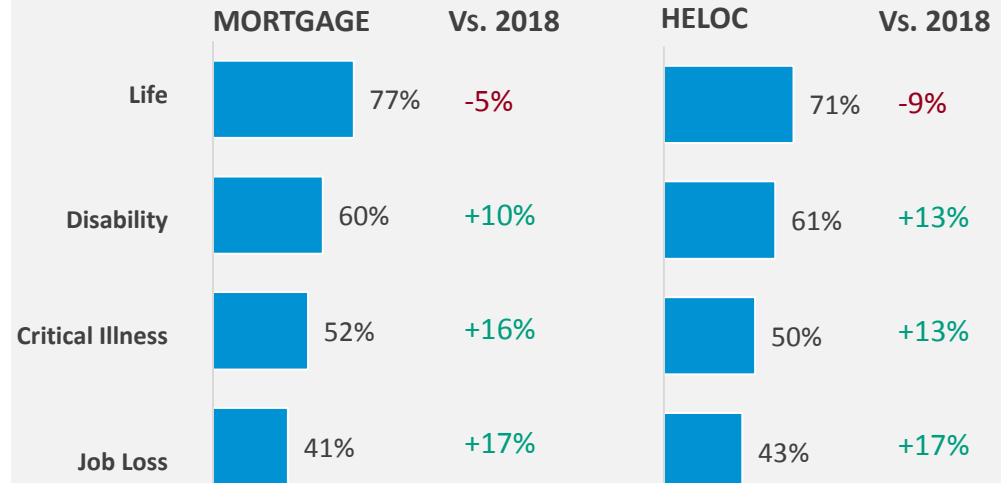
The pandemic has increased consumer interest in obtaining credit protection insurance (CPI)

- This increased interest is reflected in higher incidences of Job loss, critical illness and disability insurance obtained during the pandemic vs. 2018

COVID IMPACT ON OBTAINING INSURANCE FOR MORTGAGE OR LINE OF CREDIT



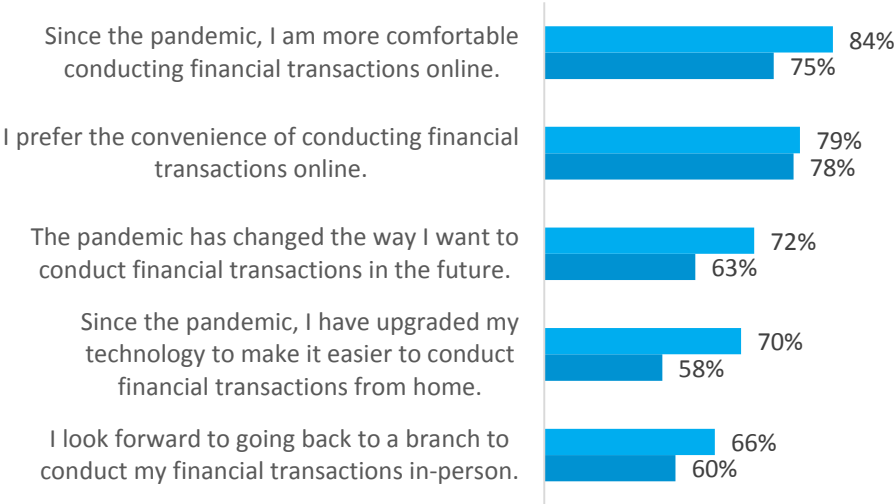
CREDIT PROTECTION COVERAGE OBTAINED DURING THE PANDEMIC



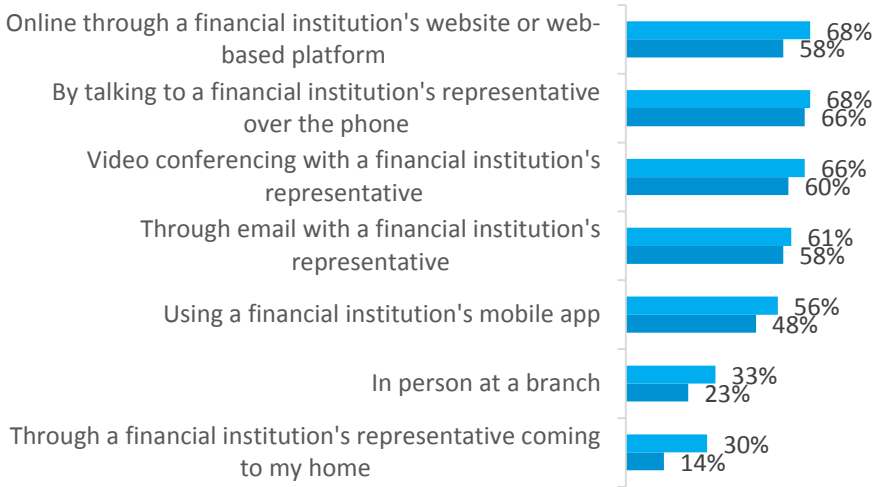
The pandemic has also resulted in consumers becoming much more comfortable banking online

- Most also indicate the pandemic has changed the way they want to bank in the future; however, consumers are also looking forward to going back into the branch

AGREEMENT WITH STATEMENT (% STRONGLY / SOMEWHAT AGREE)



LIKELIHOOD OF CONSIDERING PROCESSES DUE TO COVID (% MUCH / SOMEWHAT MORE LIKELY)



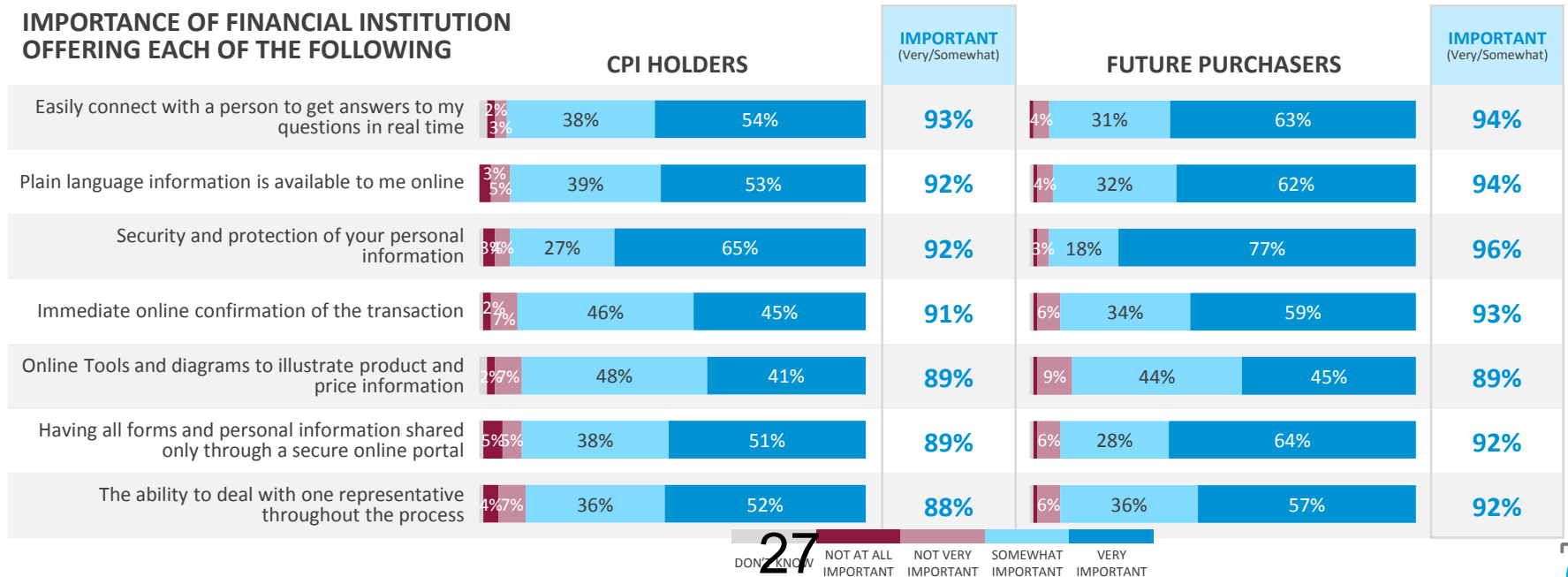
■ CPI Holders ■ Future Purchasers

Q. To what extent do you agree or disagree with the following statements?
Q. Since the Covid-19 pandemic in Canada, would you say that you are more or less likely to conduct financial transactions such as arranging for loans or buying insurance in each of the following ways?
Base: Credit protection insurance holders (N=197) / Base: Future Purchasers (N=805)



Consumers are expecting their financial institutions to take the necessary steps to help facilitate virtual banking

- Protection of information is most important with more than nine-in-ten thinking it is important overall and two-thirds of CPI holders and three-quarters of future holders finding this very important

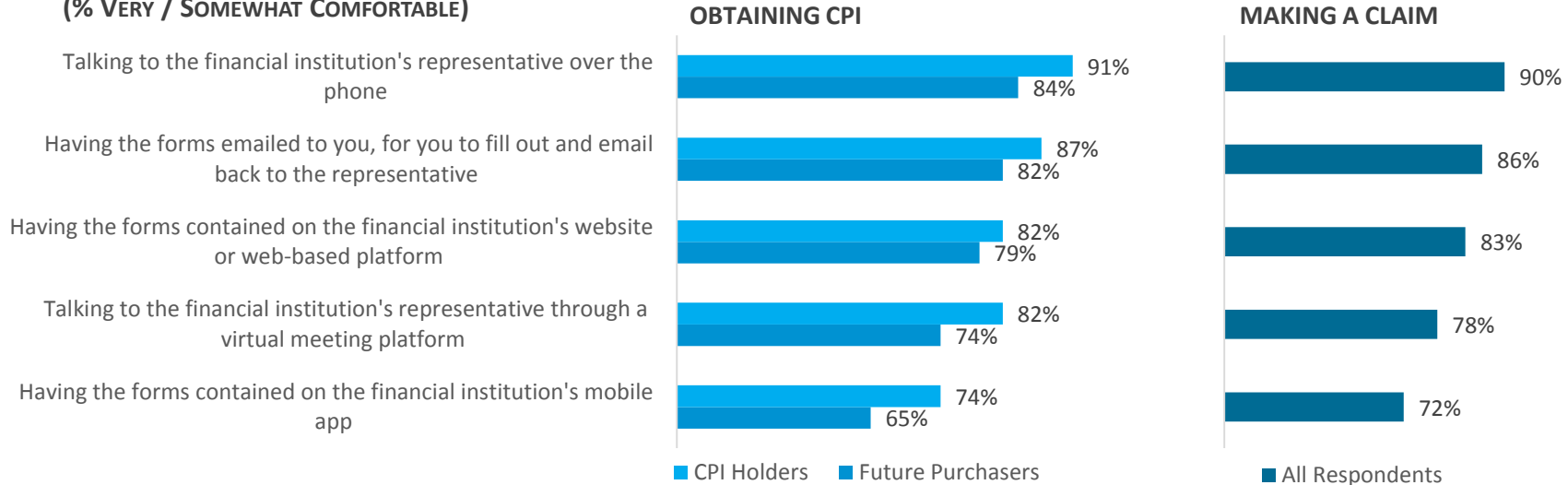


Q. How important is it to you that a financial institution offers each of the following when conducting transactions online? Base: Credit protection insurance holders (N=197) / Base: Future Purchasers (N=805)

Consumer comfort with virtual banking extends specifically to obtaining CPI and making CPI claims

- Talking to a representative on the phone has the highest comfort rating, with email and virtual meeting platforms following closely behind
- When it comes to financial institutions websites or apps, customers are more comfortable with websites than mobile apps

COMFORT WITH VIRTUAL PROCESSES (% VERY / SOMEWHAT COMFORTABLE)



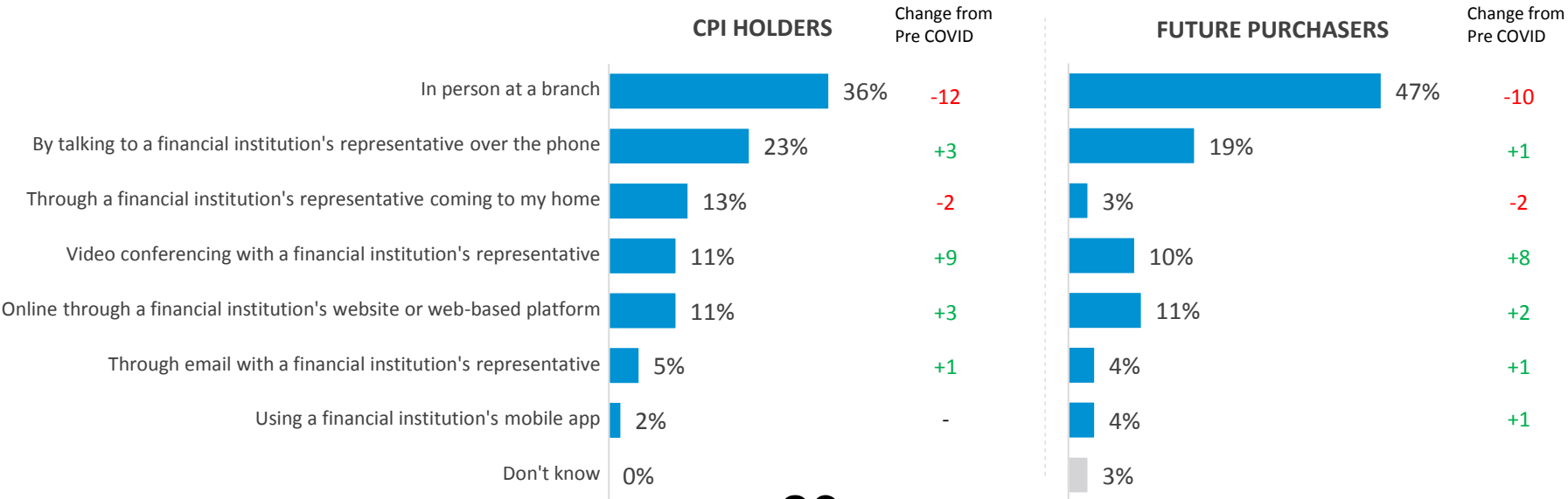
28

Q. Please indicate how comfortable you are with each of these methods for obtaining Credit Protection Insurance? Base: Credit protection insurance holders (N=197) / Base: Future Purchasers (N=805)
Q. If you needed to make a claim on your credit protection insurance in the future, how comfortable would you feel with the process of making this claim in each of the following manners? Base: Total (N=1,002)

Despite the increased comfort with virtual banking, most consumers anticipate they will go back to pre-Covid patterns of arranging for loans and buying insurance

- When asked how they would like to conduct transactions like arranging for loans or buying insurance after the pandemic, the greatest number say they will go back to in branch banking. However, this has declined by more than 10% compared to what these people were doing before the pandemic
- The process that has gained the most in popularity is video conferencing with one-in-ten saying this would be their preference

METHOD OF FINANCIAL TRANSACTIONS AFTER COVID



29

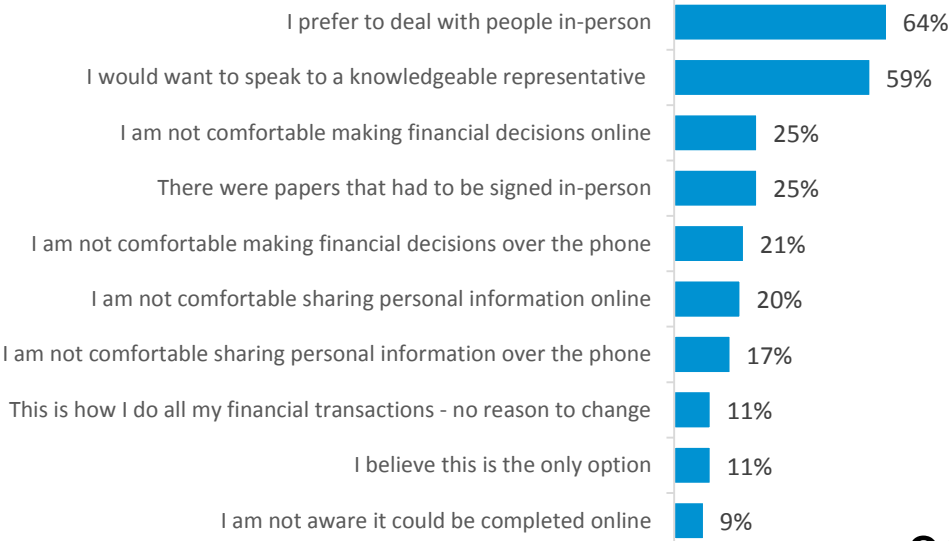
Q. Once the Covid-19 pandemic in Canada is over, how do you think you will want to conduct financial transactions such as arranging for loans or buying insurance? Base: CPI Holders (N=197) B3. Once the Covid-19 pandemic in Canada is over, how do you think you will want to conduct financial transactions such as arranging for loans or buying insurance, such as credit protection insurance? Base: Future Purchasers (N=805)

The importance of face-to-face, human interaction can not be underestimated once the pandemic is over

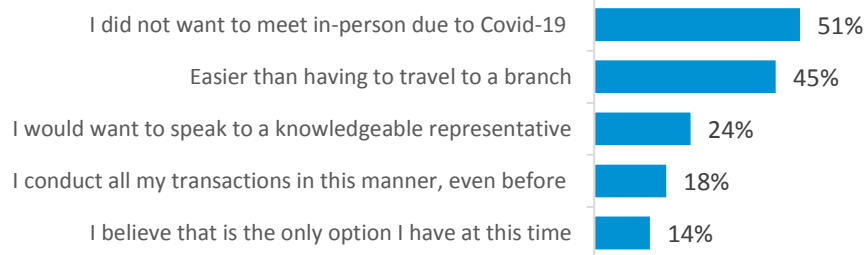
- Almost two-thirds of those who want to conduct financial transactions such as arranging for loans or buying CPI with an in-person meeting simply say this is the way they like to deal with people. While this is particularly true among those 55 and older (73%), the majority of all age groups feel the same
- Aside from concerns related to the pandemic, convenience is the main reason for preferring virtual methods

REASONS FOR CHANNEL PREFERENCE

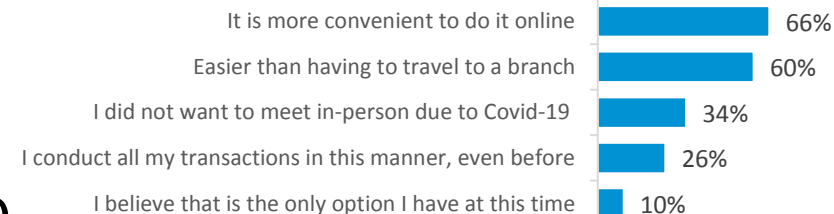
IN-PERSON MEETING



PHONE, VIDEO OR EMAIL



WEB-BASED OR MOBILE APP



30

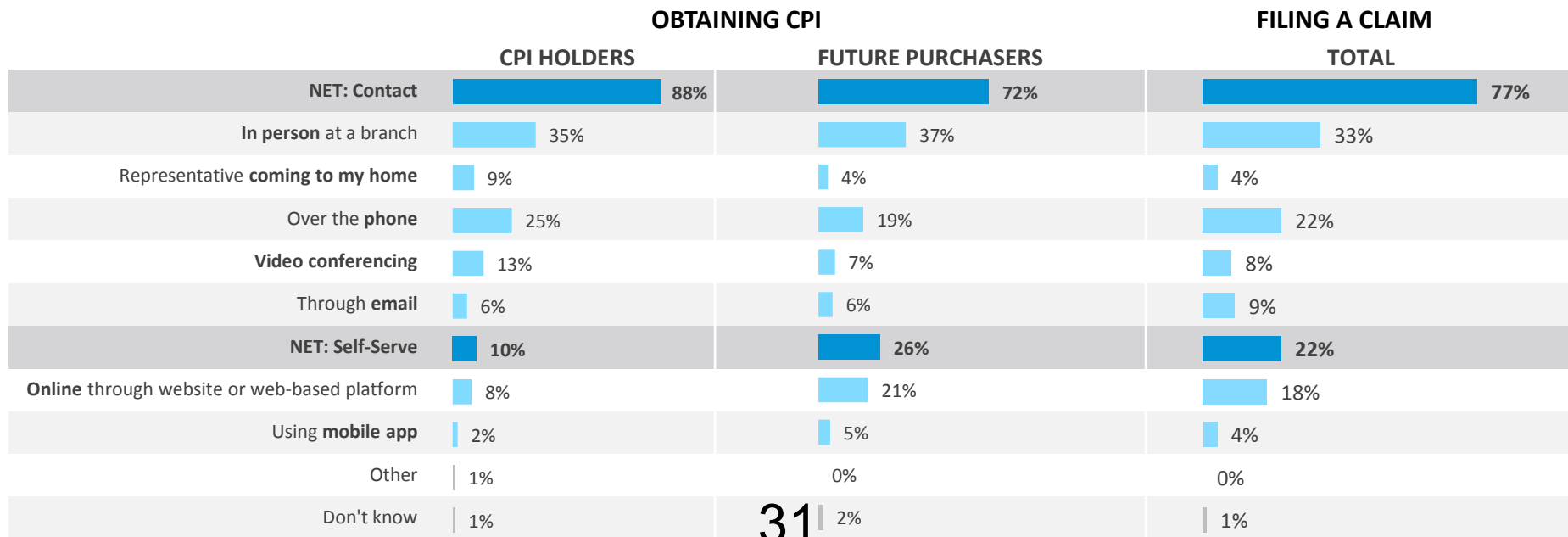
Q. Why would you want to conduct financial transactions such as arranging for loans or buying credit protection insurance with?

Base: In-person at branch or home (N=401) Base: Over the phone, video conference or through email (N=263) / Base: Using financial institutions website or mobile app (N=118)

While customers will want assistance, it does not have to be in person

- After COVID, the majority of consumers will expect to need assistance both in obtaining CPI and submitting a claim. However, there is mixed reaction as to whether this will be in-person or virtual contact.
- Close to two-fifths will want in-person assistance when it comes to obtaining CPI (44% holders, 41% future purchasers) and submitting a claim (37%), a similar proportion would want to have this assistance virtually (44% holders obtaining, 32% future obtainers, 39% when submitting a claim).

PREFERRED METHOD OF

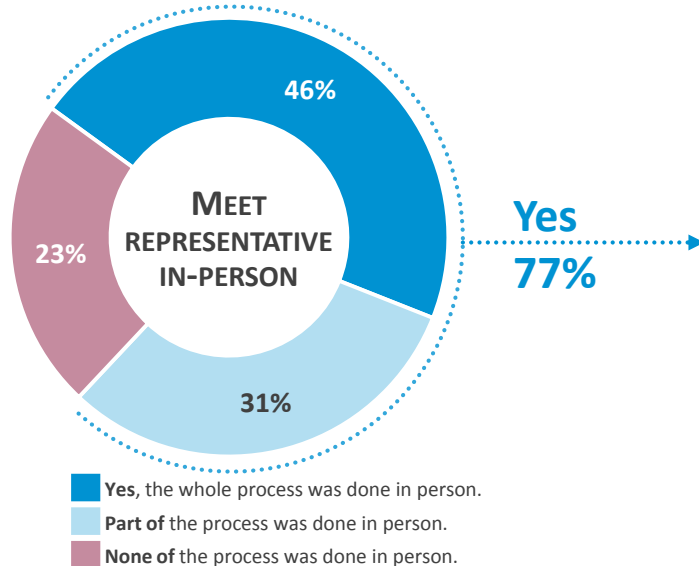


Once the Covid-19 pandemic in Canada is over, how would you like to complete each step of the process of obtaining credit protection insurance? Base: Credit protection insurance holders (N=197)
 Base: Future Purchasers (N=805) Once the Covid-19 pandemic in Canada is over, how would you prefer to submit a claim on your credit protection insurance? Base: Total (N=1,002)

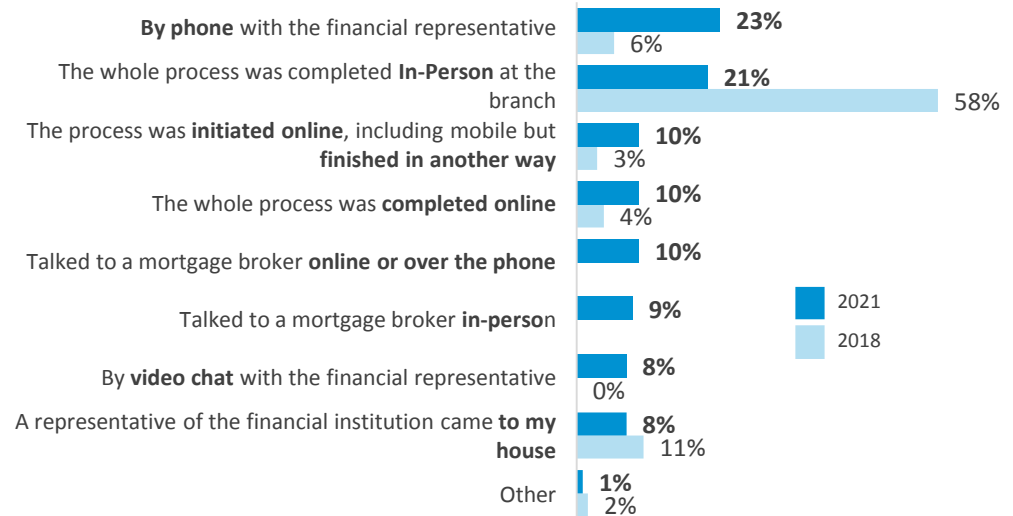
During COVID-19 the process of obtaining CPI was split between in-person and virtual methods for most

- However, most customers did in fact meet with a representative in-person at some point during the process

PROCESS OF OBTAINING CPI



METHOD USED TO OBTAIN CPI DURING PANDEMIC

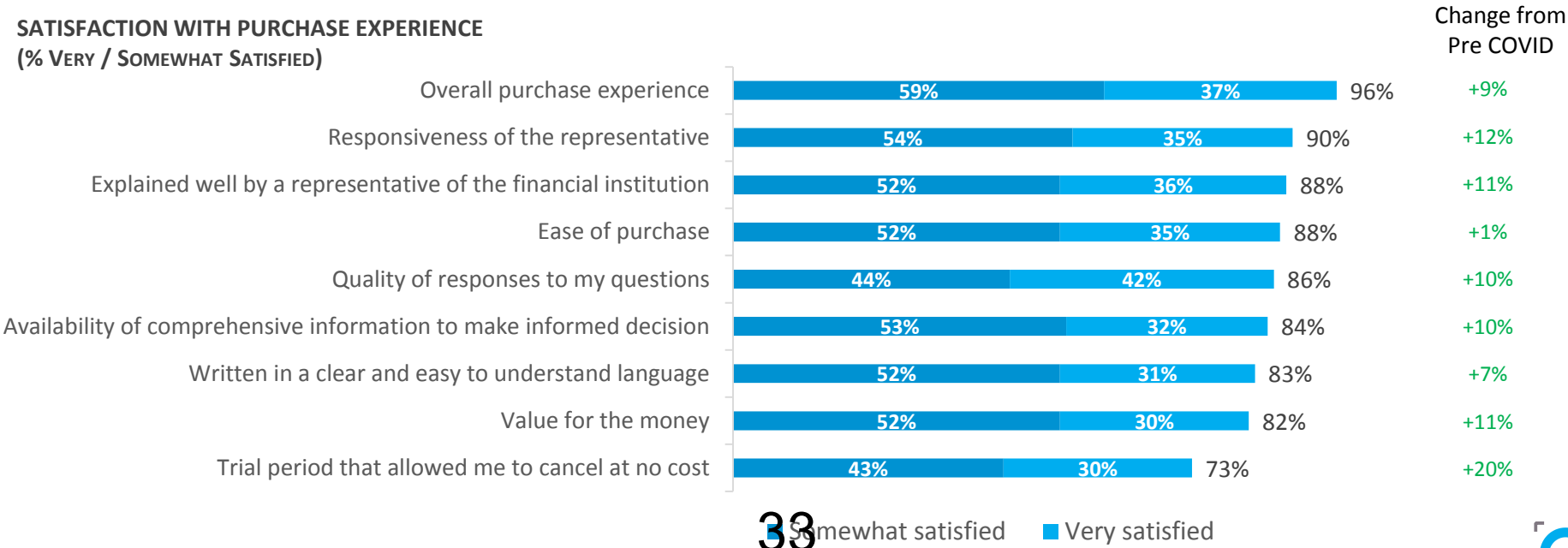


Q. At any point in the process of obtaining Credit Protect Insurance for your [mortgage/home equity line of credit], did you meet with a representative of the bank, financial institution or mortgage brokerage in-person? | **A14.** Why did you choose to conduct all or part of the process in person? Base: Credit Protection Insurance Holders (N=197)

Q. The following questions are regarding your experience obtaining your Credit Protection Insurance for your [mortgage/home equity line of credit]. How did you complete the process of obtaining your Credit Protection Insurance? Base: Credit Protection Insurance Holders (N=197)

Satisfaction with CPI purchase experience during COVID-19 is high and has increased vs. 2018

- Satisfaction with specific aspects of the purchase experience are also very high (with more than four-fifths expressing satisfaction with most) and has increased by about 10% since 2018. Generally, customers feel their representatives are more responsive, and give more detailed yet clear and easy to understand information.



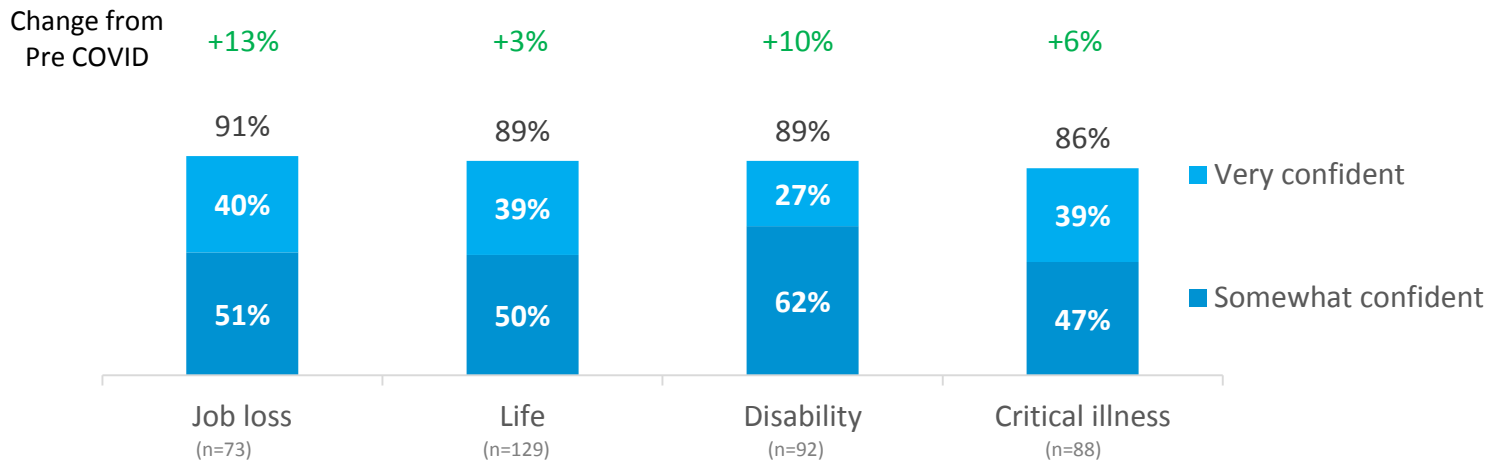
Q. Overall, how would you rate your level of satisfaction with the purchase experience, when you purchased your Credit Protection Insurance for your [mortgage/home equity line of credit]?

Q. More specifically, how satisfied were you with the following elements of the purchase process? Base: Credit Protection Insurance Holders (N=197)

Confidence in knowledge of benefits is also high and improved vs. 2018 for those obtaining CPI during the pandemic

- Confidence in this knowledge has increased across all insurance types compared to 2018 findings. The greatest increase was seen in that of job loss insurance, with 91% being confident now, compared to 78% having that same level of confidence in 2018. Confidence in disability insurance has also increased by 10%, while confidence in critical illness benefits is up by 6% and life insurance benefits is up by 3%.

CONFIDENCE IN KNOWLEDGE OF BENEFITS (% VERY / SOMEWHAT CONFIDENT)



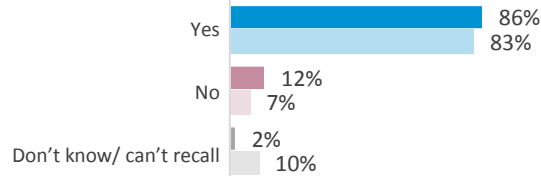
The changing methods of obtaining CPI had a minimal impact on the topics covered by representatives during the process

- In total, 79% of those obtaining a mortgage/HELOC talked to a representative about CPI – up slightly from 75% in 2018. Of the four-fifths who talked to a financial representative about CPI, the vast majority were told about the coverage options, the premiums, the advantages of the insurance and that it is optional.

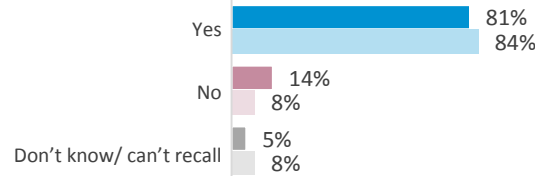
79% Talked To Representative

2018 75% TALKED TO REPRESENTATIVE

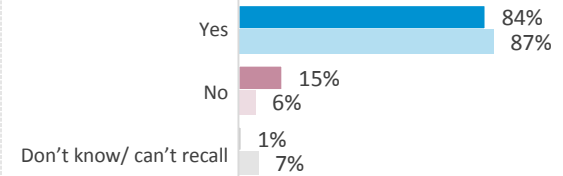
Coverage options that were available to me



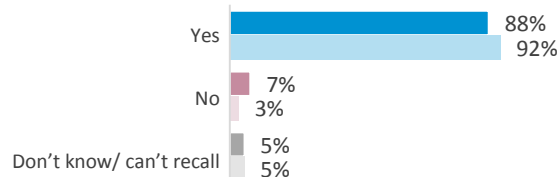
Premiums/costs of coverage options available



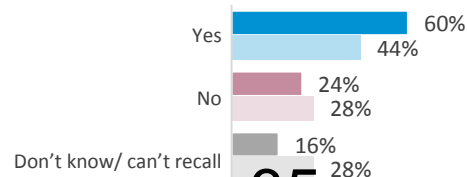
Advantages of having the insurance



CPI as way to protect me and/or my family



Told about free look or review period that was available



Q. Did a representative of your financial institution talk to you about each of the following features of Credit Protection Insurance?
Base: Talked To Representative In A6 or A7 (N=158)

35

2021
2018

**PANDEMIC HAS CHANGED THE WAY CANADIANS CONDUCT FINANCIAL
TRANSACTIONS, AND FOR SOME THE CHANGE WILL BE PERMANENT**
*But while the move to virtual sales and service channels has accelerated, most
consumers still want human interaction for certain transactions*

TORONTO, June 17, 2021 – The vast majority of Canadian consumers with Credit Protection Insurance (CPI) who participated in a recent survey say their experience during COVID-19 has made them more comfortable conducting financial transactions online (84%), many say it has changed the way they want to conduct these transactions in future (72%), and a significant number say they have upgraded their technology to make it easier to conduct financial transactions from home (70%).

Before the pandemic, Canadians were most likely to conduct financial transactions such as arranging for loans or buying insurance in person at a branch, with 48% of people surveyed with Credit Protection Insurance (CPI) saying that's where they did these transactions. Once the pandemic is over, only 36% of respondents say they will return to a branch for these types of transactions -- a 12-point decline over 2018 -- and a sign that the trend towards virtual sales and service channels in financial services continues to build momentum with Canadians.

Consumers still put a high value on branches, with 66% of respondents saying they are looking forward to going back to theirs at some point in the future. Canadians also want the opportunity to deal with financial representatives, with 88% of respondents saying they would prefer this method especially for arranging loans and insurance. However, in addition to visiting a branch, nearly half of respondents (47%) say they would prefer another channel to speak with a representative such as over the phone (23%), have a person come to their home (13%), or speak with someone by video conferencing (11%).

The same sentiment applies to making an insurance claim, with 77% of respondents saying they would prefer to submit a claim on their CPI with the assistance of a representative, compared to 22% who would choose self-service as their preferred option. However, of those 77% who prefer human contact to make a claim, only 33% say they prefer it to be at a branch as opposed to other channels such as phone, home visit, video conferencing or email.

Those are the key findings of a new [Pollara Strategic Insights survey](#) that asked Canadians who had purchased CPI on their mortgage and/or Home Equity Line of Credit (HELOC) since the pandemic started or planned to do so within the next two years, about their experiences and future financial transaction preferences. CPI is used to pay off or pay down a mortgage or HELOC, or to make debt payments in the event of covered occurrences such as death, disability, critical illness, or job loss. The survey is the latest in a series commissioned by the Canadian Association of Financial Institutions in Insurance (CAFII) over the past 6 years that are designed to help its members remain up-to-date on the expectations, priorities and satisfaction levels of customers, and to identify areas for improvement.

According to this year's research, respondents also say it is important for financial institutions to make consumers comfortable with online transactions by providing certain features and benefits. Those include: make it easy for customers to connect with a person to get answers to their questions in real time (93%); ensure plain language information is available online (92%); ensure security and protection of personal information (92%); provide immediate online confirmation of the transaction (91%); provide online tools and diagrams to illustrate product and price information (89%); have all personal information shared only through a secure online portal (89%); and provide customers the ability to deal with one representative throughout the process (88%).

The survey also shows that COVID-19 has raised the prominence of insurance as an option for Canadians, with 65% of respondents saying they are more likely to obtain CPI for a mortgage or HELOC than before the pandemic. With respect to the various types of CPI coverage they chose, life is the most popular type of insurance for mortgages and HELOCs with 77% of respondents saying they had purchased it during the pandemic for a mortgage and 71% for a HELOC, down slightly from 2018. However, the percentage of consumers covered for disability, critical illness and job loss were all up versus 2018, with two-fifths obtaining the latter this year, an increase of 17% since 2018.

In terms of their purchase experience with CPI, 96% of respondents say they were somewhat/very satisfied, a nine-point increase over 2018 when the question was last asked in a Pollara survey. Similarly, respondents report an increased level of confidence in and knowledge of the CPI coverage they purchased.

"While the pandemic has and will continue to change the way that people conduct financial transactions in Canada, we are pleased to see consumers are adapting well to their new reality, and that our industry's customer satisfaction levels have been up to the challenge," said Keith Martin, Co-Executive Director of the Canadian Association of Financial Institutions in Insurance (CAFII). "We also appreciate the value that Canadians place on the availability of in-person service, and their confidence in the people working in financial services who provide it."

These are the key results from a national online survey of 1,002 adult Canadians with who had obtained CPI on a mortgage and/or HELOC since April of 2020, and those who said they were likely to obtain a mortgage or HELOC within the next two years and will likely obtain CPI coverage. The survey was conducted from March 3 to March 10, 2021.

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

About Pollara Strategic Insights: Founded in 1980, [Pollara Strategic Insights](#) is one of

Canada's premier full-service research firms – a collaborative team of senior research veterans who are passionate about conducting research through hands-on creativity and customized solutions. Taking full advantage of their comprehensive toolbox of industry-leading quantitative and qualitative methodologies and analytical techniques, Pollara provides research-based strategic advice to a wide array of clients across all sectors on a local, national, and global scale.

- 30 –

Media contact for CAFII:

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Tel: 416-727-1858

Briefing Note

CAFII EOC Meeting 22 June, 2021—Agenda Item 4(b)

Committee Updates—Media Advocacy: Development of Two CAFII New Motion Graphics Website Videos on (i) Results of Research Project On Insurance Consumers' Digitization Preferences; and (ii) Job Loss CPI

Purpose of this Agenda Item – Update

At the 8 June, 2021 CAFII Board meeting, the Board approved the Association's moving forward with motion graphics website videos on the recently released Pollara digitization research project, as well as a formerly deferred video on job loss CPI.

Background Information

CAFII produces educational videos as part of its strategy to develop content on its consumer-facing website. These two videos will be produced to highlight a research project undertaken by CAFII (on the digitization preferences of CPI consumers), and to outline a product offered by CAFII members (job loss CPI).

Recommendation / Direction Sought – Update

This is an update only.


Attachments Included with this Agenda Item

2 attachments.

WEBSITE VIDEO – Pollara Research study on *COVID-19 impact* “Pandemic changing the way Canadians conduct financial and insurance transactions”

Draft 3 – June 15, 2021

Audio	Story Board Description	Time	Comment
The COVID-19 pandemic has changed the way many Canadians prefer to handle their financial and insurance transactions.		7 sec	
According to a survey of Canadians with Credit Protection Insurance, or CPI, more than 8 in 10 say the pandemic has made them more comfortable conducting financial and insurance transactions online. And 72% say it has changed the way they want to conduct those transactions in future.	<p>Show Pollara logo and words that say:</p> <p>Pollara Strategic Insights survey, March, 2021</p> <p>Show stats mentioned</p>	18 sec	
However, the study also shows that consumers put a high value on personal contact. Almost two-thirds of Canadians with CPI are looking forward to returning to their bank or credit union branch at some point. And 88% say in-branch is how they want to obtain insurance coverage.		17 sec	
Furthermore, 77% of Canadians say they would prefer to submit an insurance claim with the assistance of a branch representative.		8 sec	
The pandemic has also increased consumer interest in obtaining CPI, with almost 7 in 10 Canadians saying they are more likely to obtain it now for a mortgage or Home Equity Line of Credit than before the pandemic.		13 sec	
In terms of customer experience during the pandemic, a full 96% of people who purchased CPI say they are somewhat or very satisfied with the process, a 9 percentage		14 sec	

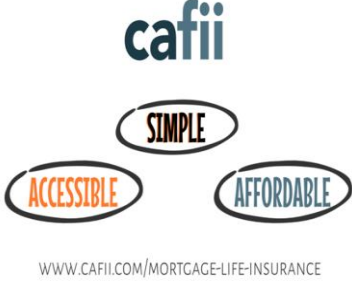
points increase over a similar survey conducted in 2018.			
The Pollara survey was commissioned by CAFII to help its members better understand the expectations, preferences, and satisfaction levels of insurance consumers.	Spell out Canadian Association of Financial Institutions in Insurance in the image Insert wording that says: See the full survey results at https://www.cafii.com/research/	9 sec	
CAFII: Making insurance simple, accessible and affordable	 <p>www.cafii.com</p>	6 sec	
Total:		1 min, 32 seconds	

CAFII WEBSITE VIDEO – JOB LOSS INSURANCE

“What is job loss credit protection insurance?”

Final Draft, June 9, 2021

Audio	Story Board Description	Time	
Like many families, Dave and Susan have debt obligations and a number of payments to make each month. These include a mortgage, a car loan, a home equity line of credit, and a credit card.	Put family names on storyboard graphic: <i>Dave, Susan and a child named Todd</i>	13 sec	
As the main income earner, Dave is worried that should he lose his job, he and his family won't be able to make their monthly debt payments. So he asks his financial institution about Job Loss Credit Protection Insurance.		12 sec	
Dave discovers that this type of insurance is included with balance protection coverage, which he can purchase for his credit card. He also learns that some banks and credit unions also offer job loss protection as an “add on” to life insurance on mortgages and some types of personal loans.		18 sec	
Job loss insurance can help people such as Dave make certain debt payments for a period of time should he involuntarily lose his employment.		9 sec	
Dave's financial institution offers job loss insurance on some credit products. So he buys balance protection coverage on his credit card, and adds job loss coverage to his life insurance on his mortgage.		12 sec	
This means that should Dave involuntarily lose his employment, his job loss insurance will cover some or all of the monthly payments on his insured debt. These payments will continue for a specific period of time, or until Dave returns to work – whichever comes first.		18 sec	
Knowing they have Job Loss credit protection insurance in place gives Dave and Susan peace of mind. And they are not alone.		8 sec	
According to research, COVID-19 has		19	

raised the profile of insurance as an important option for consumers. This includes Job Loss Insurance, with 40% of survey respondents saying they had purchased it during the pandemic, an increase of 17% over 2018.			
CAFII: Making insurance simple, accessible and affordable		5 sec	
Total:		1 min, 54 sec*	

* Last version was 1 min, 31 seconds

Briefing Note

CAFII EOC Meeting 22 June, 2021—Agenda Item 4(c)

Committee Updates—Market Conduct & Licensing: CISRO Consultation On “Principles of Conduct For Intermediaries.”

Purpose of this Agenda Item – Update

An update on a formal regulatory consultation to which CAFII will make a submission.

Background Information

On 25 May, 2021 CISRO released a consultation paper on “Principles of Conduct For Intermediaries.” CAFII will work with the Market Conduct & Licensing Committee to make a submission in response to this consultation by its stipulated 9 July, 2021 deadline.

Recommendation / Direction Sought – Update

This is an update only.

Attachments Included with this Agenda Item

2 attachments.



NEWS RELEASE

CISRO seeking input on the Principles of Conduct for Intermediaries

May 25, 2021

The Canadian Insurance Services Regulatory Organizations (CISRO) is developing Principles of Conduct for Intermediaries (Principles) to help ensure the fair treatment of customers in the life & health and property & casualty insurance sectors.

The Principles reflect minimum regulatory conduct standards that are common across Canada regarding the fair treatment of customers, while recognizing that each jurisdiction has its own regulatory approach for the conduct of business. Intermediaries should conduct their business, following the relevant Principles that apply, while ensuring compliance with all applicable laws, regulations, rules or regulatory codes within their respective jurisdiction. Any stricter or more specific requirements, rules or standards of conduct take priority over the Principles.

The Principles are intended to complement and supplement the Canadian Council of Insurance Regulators (CCIR) / CISRO Fair Treatment of Customers (FTC) Guidance and are a resource for consumers to better understand the conduct they should expect from intermediaries.

CISRO members are seeking input on the proposed Principles and encourage all interested parties to review and provide feedback on them. The Principles are available on CISRO's website at www.cisro-ocra.com. CISRO hopes to receive comments from a wide array of stakeholders including the insurance industry and consumer advocates. Respondents should submit comments to cisro-ocra@fsrao.ca by **July 9, 2021**.

About the CISRO:

The Canadian Insurance Services Regulatory Organizations is a forum of Canadian regulatory authorities who are dedicated to consistent qualifications and conduct of business standards for insurance intermediaries. CISRO members collaborate on initiatives that support a consistent approach to consumer protection through the regulation of insurance intermediaries.



Canadian Insurance Services Regulatory Organizations (CISRO)

Principles of Conduct for Intermediaries

Preamble

The CISRO Principles of Conduct for Intermediaries (the Principles) reflect common regulatory standards for insurance intermediaries in Canada. The Principles outline professional behaviour and conduct expectations for the fair treatment of Customers.

Intermediaries should conduct their business following the Principles that are relevant to them, while ensuring compliance with all applicable laws, regulations, rules or regulatory codes within their respective jurisdiction. Any stricter or more specific requirements, rules or standards of conduct take priority over the Principles.

The Principles are intended to supplement, complement and build upon the intermediary elements in *the Guidance on Conduct of Insurance Business and Fair Treatment of Customers* (FTC), issued by CISRO and the Canadian Council of Insurance Regulators (CCIR). The Principles also align with Insurance Core Principles (ICP) of the International Association of Insurance Supervisors' (IAIS).¹

The Principles reinforce the fair treatment of Customers as a core component of the intermediary business culture. This includes conducting business in an honest and transparent manner. Expectations for the conduct of insurance business may differ depending on the nature of the relationship to the Customer (whether it is direct or indirect), the type of insurance provided and the distribution method. Intermediaries with oversight responsibilities must ensure that their employees and representatives meet high standards of ethics and integrity.²

Definition of Intermediary: Intermediary is given broad meaning, and will differ based on the applicable definitions within different jurisdictions across Canada. It encompasses adjusters, individual agents, brokers and representatives as well as business entities that distribute insurance products and services, including managing general agencies and third party administrators. It also applies to all distribution methods, including the internet.³

Definition of Customer: Customer refers to policyholder (which itself, as the case may be, includes a certificate holder) or prospective policyholder with whom an insurer or intermediary interacts, and includes, where relevant, other beneficiaries and claimants with a legitimate interest in the policy.

¹ International Association of Insurance Supervisors. Insurance Core Principles, ICP 18 and ICP 19, updated November 2019. <https://www.iaisweb.org/page/supervisory-material/icp-on-line-tool>

² The Insurer is responsible for fair treatment of Customers throughout the life-cycle of the insurance product, as it is the Insurer that is the ultimate risk carrier. The Insurer's ultimate responsibility does not absolve Intermediaries of their own responsibilities for which they are accountable.

³ This definition aligns with the CCIR/CISRO FTC guidance. These Principles apply to all Intermediaries that are authorized to do business within any jurisdiction, whether licensed, registered or exempted from licensing or registration.

The Principles outline professional behaviour and conduct expectations for the fair treatment of Customers:



1. Compliance / Outcomes: Intermediaries must comply with all applicable laws, regulations, rules and regulatory codes to which they are subject.



2. Customers' Interests: Intermediaries must place Customers' interests ahead of their own. This includes when an intermediary is developing, marketing, distributing and servicing products.



3. Conflicts of Interest: Intermediaries must identify, disclose and manage any actual or potential conflict of interest that is associated with a transaction or recommendation. They must avoid entering into or pursuing agreements for which conflict(s) of interests cannot be managed, or if it interferes with the fair treatment of Customers.



4. Advice: If providing advice to or for a Customer, intermediaries must seek complete information from the Customer in order to understand and identify their unique needs. Intermediaries must provide objective, accurate and thorough advice that enables Customers to make an informed decision. Advice must be suitable for the needs of the Customer based on the Customer's disclosed circumstances.



5. Disclosure: Intermediaries must provide Customers with objective, complete, relevant, and accurate information and explanations so that they can make informed decisions. Intermediaries must:

- Properly disclose relevant information to all necessary parties; including the insurer; and
- Disclose information and explanations in a manner that is clear and understandable for Customers, regardless of the distribution model or medium used.



6. Product and Service Promotion: Intermediaries must ensure that products and services are promoted in a clear and fair manner. Regardless of the distribution model or medium used, Intermediaries must ensure that promotions are not misleading, and are easily understandable. Product promotions must disclose all necessary and appropriate information.



7. Claims, Complaints Handling, and Dispute Resolution: Intermediaries must handle or assist in the handling of claims, complaints, and disputes in a timely and fair manner.



8. Protection of Personal and Confidential Information: Intermediaries must take necessary and appropriate measures to protect personal and confidential information. They must:

- Only collect information that is necessary and appropriate for the fulfillment of the service or product provided;
- Use and disclose the information only for purposes and for the duration for which the Customer has given consent; and
- Comply with all applicable privacy legislation to appropriately manage the information.



9. Competence: Intermediaries must maintain an appropriate level of professional knowledge to ensure the fair treatment of Customers. Continuing education requirements must be fulfilled and duties must match training/education. Intermediaries must not misrepresent their level of competence or conduct business beyond their level of professional knowledge and experience.



10. Oversight: Intermediaries with contractual or regulatory oversight obligations are also responsible for the conduct of any employee or third party involved in the distribution or servicing of an insurance product. Intermediaries have tools at their disposal such as policies and procedures, training and control mechanisms to ensure the fair treatment of Customers is achieved in relation to their oversight obligations.

Briefing Note

CAFII EOC Meeting 22 June, 2021—Agenda Item 4(d)

Committee Updates—Travel Insurance Experts Working Group: Update

Purpose of this Agenda Item – Update

Update only.

Background Information

To update the EOC on the latest developments in travel insurance, which the Travel Insurance Experts Working Group is monitoring and/or engaged in.

Recommendation / Direction Sought – Update

This is an update only.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting 22 June, 2021—Agenda Item 4(e)(i)

Committee Updates—Networking & Events: Ways To Promote Greater CAFII Member Representative Attendance At CAFII Webinars

Purpose of this Agenda Item – Discussion

Discussion item.

Background Information

CAFII has held several webinars over the past month, with strong positive feedback. These are an opportunity to showcase CAFII with the membership and attract interest among our member organizations.

Recommendation / Direction Sought – Discussion

This is a discussion item to identify ways to generate a higher level of CAFII member representative attendance at CAFII webinars.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

**CAFII EOC Meeting 22 June, 2021—Agenda Item 4(e)(ii)
Committee Updates—Networking & Events: Proposed Topics and Presenters/Panelists For Fall 2021
CAFII Webinars**

Purpose of this Agenda Item – Discussion

Discussion item.

Background Information

CAFII plans to continue to hold webinars in the Fall of 2021, and is seeking feedback input on a proposed list of topics and presenters/panelists, along with further ideas/input.

Recommendation / Direction Sought – Discussion

This is a discussion item seeking feedback and further input.

Attachments Included with this Agenda Item

1 attachment.

Briefing Note

CAFII EOC Meeting 22 June, 2021—Agenda Item 5(a)

Recent and Upcoming Strategic and Regulatory Initiatives— Norton Rose’s Development of Legal Arguments/Opinion To Oppose AMFs Interpretation on RADM’s Applicability to Credit Card-Embedded Insurance Benefits and Resulting Regulatory Expectations

Purpose of this Agenda Item – *Update*

This is an update only.

Background Information

At a Special Purpose Board Meeting on 19 May, 2021, the CAFII Board approved the Association’s engagement of Norton Rose Fulbright to produce a legal analysis of CAFII’s legal options in relation to the AMF’s determination that the Regulation respecting Alternative Distribution Methods (RADM) applies fully to credit card-embedded insurance benefits.

The Board did not pre-determine by this decision that it would necessarily legally challenge the AMF based on the legal analysis produced by Norton Rose, but there was support for learning what the options are and then further discussing this matter. Of particular interest was the earlier indication from Norton Rose that the AMF does indeed have the regulatory authority to amend the RADM and, as a result, how it applies to credit card-embedded insurance benefits; and that legislative change was not required to make such a change.

Norton Rose has indicated that this investigation will cost \$50,000 to \$60,000 and will take five to six weeks to complete. CAFII will be organizing a Special Purpose Board meeting in late June or early July, at which Norton Rose will present its findings to the Board.

Recommendation / Direction Sought – *Update*

This is an update only.

Attachments Included with this Agenda Item

1 attachment.

Agenda Item 5(a)
June 8/21 Board Meeting

Norton Rose's Development of Legal Arguments/Opinion to Oppose AMF's Interpretation on RADM's
Applicability to Credit Card-Embedded Insurance Benefits and Resulting Regulatory Expectations

Dupoy, Dominic <dominic.dupoy@nortonrosefulbright.com>; Brendan Wycks
<brendan.wycks@cafii.com>; Lyn Wallington <lyn@managingmatters.com>; Meighan Pears
<info@cafii.com>

Subject: RE: Follow up from CAFII

Hi Marc

I think our Board members would be disappointed if they had to wait a full month after your issue your opinion to have the opportunity to discuss your findings.

If you can get the opinion finished by the start of the week of June 28, can I propose a 90 minute session with our Board on Tuesday, June 29 or Wednesday, June 30? I think that would be a better timing for our Board.

Thanks

--Keith

Keith Martin

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

From: Duquette, Marc <marc.duquette@nortonrosefulbright.com>

Sent: June 16, 2021 12:20 PM

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

Cc: Dupoy, Dominic <dominic.dupoy@nortonrosefulbright.com>; Brendan Wycks
<brendan.wycks@cafii.com>; Lyn Wallington <lyn@managingmatters.com>; Meighan Pears
<info@cafii.com>

Subject: RE: Follow up from CAFII

Hi Keith

We are on course to provide you with a draft of our opinion before the end of the month, during the week of June 28.

I will be away from July 3 through July 25 but Dominic and I are available for calls with your group any time during the week of July 26 or the following week.

Let me know what works from your perspective.

Best regards,

Marc

Marc Duquette

Associé principal
Senior Partner

Norton Rose Fulbright Canada S.E.N.C.R.L., s.r.l. / LLP
1, Place Ville Marie, Bureau 2500, Montréal, QC, H3B 1R1, Canada

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

Envoyé : 16 juin 2021 10:54

À : Duquette, Marc <marc.duquette@nortonrosefulbright.com>

Cc : Dupoy, Dominic <dominic.dupoy@nortonrosefulbright.com>; Poisson, Pier-Olivier <pier-olivier.poisson@nortonrosefulbright.com>; Brendan Wycks <brendan.wycks@cafii.com>; Lyn Wallington <lyn@managingmatters.com>; Meighan Pears <info@cafii.com>

Objet : RE: Follow up from CAFII

Hi Marc,

I am just following up on my note below.

--Keith

Keith Martin

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

From: Keith Martin

Sent: June 10, 2021 4:52 PM

To: 'Duquette, Marc' <marc.duquette@nortonrosefulbright.com>

Cc: Dupoy, Dominic <dominic.dupoy@nortonrosefulbright.com>; Poisson, Pier-Olivier <pier-olivier.poisson@nortonrosefulbright.com>; Brendan Wycks <brendan.wycks@cafii.com>; Lyn Wallington <lyn@managingmatters.com>; Meighan Pears <info@cafii.com>

Subject: RE: Follow up from CAFII

Bonjour Marc,

I trust you are well and enjoying I hope the warmer weather.

Regarding your legal work for CAFII, which we are looking at a late June/early July timeframe for completion of, as discussed we will be asking you and your Associates to present your findings in a virtual (Teams) meeting.

I prefer for you to take the time you need to complete your task, so this email is not meant to push on delivery, but rather to prepare for that virtual meeting. Our members' schedules tend to fill up quickly, so I would prefer to try and book a 90 minute meeting as soon as possible into their calendars. (We may not need the full 90 minutes, but I know that our members will be very interested in the NRF opinion and we want to put aside the time for a proper discussion.)

So, can I request of you that you provide Brendan and me with some date/time slots for 90 minutes in the time period where you think that you will be ready to present? Then, we will book a Teams meeting into people's calendars.

Thanks very much,

--Keith

Keith Martin

Co-Executive Director / Co-Directeur général

Canadian Association of Financial Institutions in Insurance

L'association canadienne des institutions financières en assurance

From: Duquette, Marc <marc.duquette@nortonrosefulbright.com>

Sent: May 21, 2021 12:20 PM

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

Cc: Dupoy, Dominic <dominic.dupoy@nortonrosefulbright.com>; Poisson, Pier-Olivier <pier-olivier.poisson@nortonrosefulbright.com>; Brendan Wycks <brendan.wycks@cafii.com>

Subject: RE: Follow up from CAFII

Dear Keith

Thank you for your letter below and for confirming our mandate.

I spoke with my colleagues and we wish to confirm that we will deliver the opinion within a four to five week timeframe.

We have also noted the clarifications and instructions below and will adjust our deliverables accordingly.

As we progress forward, we may be in touch for further clarifications.

Have a great long weekend and enjoy Victoria Day.

Best regards,

Marc

Marc Duquette

Associé principal

Senior Partner

Norton Rose Fulbright Canada S.E.N.C.R.L., s.r.l. / LLP

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

Envoyé : 20 mai 2021 15:51

À : Duquette, Marc <marc.duquette@nortonrosefulbright.com>

Cc : Dupoy, Dominic <dominic.dupoy@nortonrosefulbright.com>; Poisson, Pier-Olivier <pier-olivier.poisson@nortonrosefulbright.com>; Brendan Wycks <brendan.wycks@cafii.com>

Objet : RE: Follow up from CAFII

Hello Marc,

CAFII held a Special Purpose Board meeting yesterday; and the Board voted unanimously to proceed with your proposal of April 26, 2021.

Your proposal indicated that you will require four to five weeks to prepare and deliver the proposed legal opinion, so we ask that you confirm now that you can deliver the opinion to us in roughly that timeframe.

One item in the proposal that we are requesting greater clarity around is your inclusion of “reviewing the preceding regulatory regime,” at several places in the proposal.

Perhaps we have not understood your rationale for looking heavily at previous circumstances, but Brendan and I are not convinced that doing so would be a prudent use of your time and CAFII’s financial resources in this engagement – because our view is that it is solely the current AMF regulatory regime that is relevant to the issue at hand; and looking in detail at the predecessor regulatory regime would imply that the AMF does not have the right to change the regulatory regime as it sees fit, which we don’t believe is an argument that CAFII and the industry can legitimately make.

Our members had a particular interest in the concept that the AMF is fully permitted and able, whenever it wishes to do so, to amend Regulations within its purview – as distinct from legislation, which the RADM is not -- and so it is misleading for the AMF to argue that legislative changes are needed to modify how credit card-embedded insurance benefits are dealt with by the RADM.

Also, the CAFII Board would like Norton Rose to produce a CAFII-focused legal opinion in the form of a “continuum of legal arguments-based AMF challenge options” — for example, a “light push-back” approach, a “mid-range challenge approach,” and a “heavy/aggressive legal challenge” approach.

It is also critical to emphasize that the Board at this time is not actually fully persuaded that it can or should challenge the AMF legally, but it is interested in understanding the arguments which your legal opinion will contain and the options available to CAFII and its members. Part of the interest in this legal opinion is to provide CAFII and its members with the option of sharing the findings with the AMF, even if we do not formally challenge the AMF, in the interest of letting them know that we have legal options available to us and will consider that approach if the AMF continues to impose such onerous regulatory expectations on industry.

For your information, at this time CAFII will also be asking the AMF for a three-month extension of its stated 17 September, 2021 deadline for affected insurer compliance to 17 December, 2021; and we are not going to reference in our deadline extension request letter any legal research or challenge efforts being made in tandem by our Association. That letter will focus entirely and solely on the reasons for which we feel we need an extension.

In that connection, we also have underway a CAFII Working Group on how to comply with the AMF's expectations. That Working Group is meeting weekly, and several members have said it is their intention to comply as best they can.

So the Norton Rose legal opinion which our Board is prepared to invest in, while important, may or may not lead to any action on our Association's part. The opinion is viewed as quite valuable, but it will not negate our continuing our work on how affected members can comply with the expectations set out by the AMF.

Please do not hesitate to reach out to Brendan and me for any clarifications, and we both very much look forward to collaborating with you and your esteemed colleagues on this important initiative.

Warm personal regards,

--Keith

Keith Martin

Co-Executive Director / Co-Directeur général

Canadian Association of Financial Institutions in Insurance

Briefing Note

CAFII EOC Meeting 22 June, 2021—Agenda Item 5(b)

Recent and Upcoming Strategic and Regulatory Initiatives—CAFII Submission Of June 7/21 Extension Request Letter to AMF Re September 17/21 Deadline For Affected Insurers To Submit Product Summaries and An Action Plan, Arising From AMF Position That RADM Fully Applies to Credit Card-Embedded Insurance Benefits

Purpose of this Agenda Item – *Update*

Update only.

Background Information

CAFII received a response letter from the AMF dated 30 March, 2021 which requires affected insurers which underwrite credit card-embedded insurance benefits to file certain documents with the AMF -- to demonstrate their compliance with the AMF's views on the RADM's applicability to credit card-embedded insurance benefits -- by 17 September, 2021. Several CAFII members have indicated that this is insufficient time to meet these expectations; and, as such, CAFII has written to the AMF with a request to provide a three-month extension to 17 December, 2021.

Recommendation / Direction Sought – *Update*

This is an update only.

Attachments Included with this Agenda Item

2 attachments.

7 June, 2021

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

Mr. Eric Jacob, Superintendent, Client Services and Distribution Oversight
Mr. Patrick Déry, Superintendent, Solvency
Mr. Antoine Bédard, Senior Director, Client Services and Distribution
Ms. Louise Gauthier, Senior Director, Distribution Policies

Dear Mr. Beaudoin:

Re: Deadline Extension Request for insurers' disclosure of each product embedded in credit cards; posting of product summaries on websites; and providing the AMF with an action plan regarding compliance with RADM's applicability to credit card-embedded insurance benefits

We are writing in follow-up to your March 30, 2021 letter which requires that CAFII member insurers who underwrite credit card embedded insurance benefits complete the following by September 17, 2021:

- "Disclose each product embedded in the credit cards under the DWR regime" (one file per product);
- "Make each product summary and a specimen of the policy or the insurance certificate accessible on their own website"; and
- "Provide the AMF with an action plan to implement the delivery of the summary by their distributors to the clients, to train their distributors and to implement the necessary adjustments to their process to comply with Quebec laws and regulations."

Our member insurers and their credit card issuer partners have indicated that they will be challenged to meet the stipulated September 17, 2021 deadline in a thorough and complete manner that is satisfactory to the AMF.

Our Association has therefore resolved to make this request, on behalf of all CAFII members, to the AMF: a deadline extension of three months to **Friday, December 17, 2021**.

Our members have indicated that having an additional three months will be critically important to their ability to meet the AMF's above-noted expectations, in the best interests of customers.

To share supporting operational context, the primary reason for this deadline extension request is the volume-based fact that each CAFII member insurer has a portfolio of many different credit cards and each card typically has several different embedded insurance benefits.

In addition,

- the creation of product summaries that will comply with the *Regulation respecting Alternative Distribution Methods* (RADM) for the many different embedded insurance benefits, which are sometimes underwritten by multiple insurance companies, is a complex undertaking. It will require substantive, collaborative, iterative, and time-consuming effort. Insurers have stringent internal approval protocols in place to ensure adherence with appropriate change management guidelines, including legal, compliance, branding, and technology risk assessments. Product summary documentation will need to be carefully reviewed to ensure that the information is provided in clear and comprehensible language for credit card applicants. In addition, communication and training will need to occur with relevant staff, to support the new consumer disclosure information posted on insurers' websites; and
- regarding the AMF's expectation around the submission of action plans, insurers are working concurrently on them and the same resources (due to subject matter expertise) will be tasked with delivering them, which further adds to the project complexity and internal resourcing constraints. Preparing the action plans will require insurers to conduct an in-depth impact-analysis on the change to both their own processes and their card issuer partner's operations. Maintaining a seamless customer experience is an important overarching/guiding principle for insurers and a key consideration in their impact analysis and action planning.

We would like to assure you that CAFII member insurers and their distributor partners continue to work diligently on this file. We thank you, in advance, for your consideration of this deadline extension request, made on behalf of all CAFII members. Should you require additional information or clarification related to this request or wish to arrange a meeting with CAFII representatives for that purpose, please contact Keith Martin, Co-Executive Director, at keith.martin@cafii.com or 647-460-7725.

We look forward to receiving your response at your earliest convenience.

Sincerely,



Rob Dobbins
Board Secretary and Chair, Executive Operations Committee

About CAFII

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

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

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

CAFII's members include the insurance arms of Canada's major financial institutions – BMO Insurance; CIBC Insurance; Desjardins Insurance; National Bank Insurance; RBC Insurance; ScotiaLife Financial; and TD Insurance – along with major industry players Assurant; Canada Life Assurance; Canadian Premier Life Insurance Company; CUMIS Services Incorporated; Manulife (The Manufacturers Life Insurance Company); Sun Life; and Valeyo.

Le 7 juin 2021

Monsieur Mario Beaudoin
Autorité des marchés financiers
Place de la Cité, tour Cominar
2640, boulevard Laurier, bureau 400
Québec (Québec) G1V 5C1

Objet : Demande de prolongation du délai pour la divulgation par les assureurs de chaque produit intégré dans les cartes de crédit; la publication de sommaires de produits sur les sites Web; et fournir à l'AMF un plan d'action concernant la conformité avec l'applicabilité du Règlement sur les modes alternatifs de distribution aux prestations d'assurance intégrées à la carte de crédit.

Monsieur,

La présente fait suite à votre lettre du 30 mars 2021 qui exige que les assureurs membres de l'ACIFA qui souscrivent des prestations d'assurance intégrées aux cartes de crédit remplissent les conditions suivantes d'ici le 17 septembre 2021 :

- Divulguer chaque produit intégré dans les cartes de crédit lorsqu'offerts sans l'entremise d'une personne physique (un fichier par produit);
- Rendre accessible dans leurs sites Web une description de chaque produit et un spécimen de la police pour chaque produit offert et tout avenant disponible, le cas échéant; et
- Fournir à l'AMF un plan d'action pour mettre en œuvre la livraison du sommaire par leurs distributeurs aux clients, pour former les distributeurs, et pour mettre en place les ajustements nécessaires à leur processus pour se conformer aux lois et règlements du Québec.

Nos assureurs membres et leurs partenaires émetteurs de cartes de crédit ont indiqué que ce sera un défi pour eux de respecter l'échéance stipulée du 17 septembre 2021 d'une manière approfondie et complète qui soit satisfaisante pour l'AMF.

Notre association a donc décidé, au nom de tous les membres de l'ACIFA, de faire la demande suivante à l'AMF: une prolongation du délai de trois mois jusqu'au **vendredi 17 décembre 2021**.

Nos membres ont indiqué que le fait de disposer de trois mois supplémentaires sera d'une importance capitale pour leur capacité à répondre aux attentes susmentionnées de l'AMF, dans le meilleur intérêt des clients.

Pour expliquer le contexte opérationnel, la principale raison de cette demande de prolongation de délai est le fait que chaque assureur membre de l'ACIFA a un portefeuille de nombreuses cartes de crédit différentes et que chaque carte a généralement plusieurs prestations d'assurance intégrées.

En outre,

- La préparation de sommaires de produits conformes au Règlement sur les modes alternatifs de distribution pour les nombreuses prestations d'assurance intégrées, qui sont parfois souscrites par plusieurs compagnies d'assurance, est une entreprise complexe. Cela nécessitera des efforts substantiels, collaboratifs, itératifs et chronophages. Les assureurs ont mis en place des protocoles d'approbation internes stricts pour garantir le respect des directives appropriées en matière de gestion du changement, y compris les évaluations des risques juridiques, de conformité, de marque et de technologie. La documentation relative au sommaire du produit devra être soigneusement examinée afin d'assurer que les informations sont fournies dans un langage clair et compréhensible pour les demandeurs de cartes de crédit. En outre, il faudra communiquer et former le personnel concerné afin de soutenir la nouvelle information à l'intention des consommateurs affichée sur les sites Web des assureurs.
- En ce qui concerne les attentes de l'AMF en matière de soumission de plans d'action, les assureurs travaillent simultanément sur ces plans et les mêmes ressources (en raison de leur expertise en la matière) seront chargées de les mettre en œuvre, ce qui ajoute encore à la complexité du projet et aux contraintes de ressources internes. La préparation des plans d'action exigera des assureurs une analyse approfondie de l'impact du changement sur leurs propres processus et sur les opérations de leur partenaire émetteur de cartes. Le maintien d'une expérience client sans faille est un principe directeur important pour les assureurs et un élément clé de leur analyse d'impact et de leur plan d'action.

Nous tenons à vous assurer que les assureurs membres de l'ACIFA et leurs partenaires distributeurs continuent à travailler avec diligence sur ce dossier. Nous vous remercions, par avance, de l'attention que vous porterez à cette demande de prolongation de délai, faite au nom de tous les membres de l'ACIFA. Si vous avez besoin d'informations supplémentaires ou d'éclaircissements concernant cette demande ou si vous souhaitez organiser une réunion avec les représentants de l'ACIFA à cette fin, veuillez contacter Keith Martin, co-directeur exécutif, à l'adresse keith.martin@cafii.com ou au 647-460-7725.

Nous espérons recevoir votre réponse dans les meilleurs délais.

Veuillez agréer, Monsieur, l'expression de mes sentiments les meilleurs.



Rob Dobbins

Secrétaire du conseil d'administration et président du comité exécutif des opérations

CC : M. Eric Jacob, surintendant de l'assistance aux clientèles et de l'encadrement de la distribution
M. Patrick Déry, surintendant de l'encadrement de la solvabilité
M. Antoine Bédard, directeur principal de l'assistance aux clientèles et de l'encadrement de la distribution
M^{me} Louise Gauthier, directrice principale des politiques de l'encadrement de la distribution

A propos de l'ACIFA

l'ACIFA est une association sectorielle à but non lucratif qui se consacre au développement d'un marché de l'assurance ouvert et flexible. Notre association a été créée en 1997 pour donner une voix aux institutions financières qui vendent des assurances par l'entremise de divers canaux de distribution. Nos membres proposent des assurances par le biais de centres d'appels, d'agents et de courtiers, d'agences de voyage, de publipostage, de succursales d'institutions financières et d'Internet.

l'ACIFA croit que les consommateurs sont mieux servis lorsqu'ils ont un choix significatif dans l'achat de produits et services d'assurance. Nos membres offrent l'assurance voyage, l'assurance vie, l'assurance maladie, l'assurance dommages et l'assurance-crédit collective dans tout le Canada. En particulier, l'assurance-crédit collective et l'assurance voyage sont les lignes de produits sur lesquelles se concentre l'ACIFA, car nos membres ont un point commun.

La diversité des membres de l'ACIFA permet à notre association d'avoir une vue d'ensemble du régime réglementaire qui régit le marché de l'assurance. Nous travaillons avec les gouvernements et les organismes de réglementation (principalement provinciaux et territoriaux) afin d'élaborer un cadre législatif et réglementaire pour le secteur de l'assurance qui contribue à garantir que les consommateurs canadiens obtiennent les produits d'assurance qui répondent à leurs besoins. Notre objectif est d'assurer la mise en place de normes appropriées pour la distribution et la commercialisation de tous les produits et services d'assurance.

Les membres de l'ACIFA comprennent les branches d'assurance des principales institutions financières du Canada - BMO Assurance, Assurance CIBC, Desjardins Assurances, Banque Nationale Assurances, RBC Assurances, La Financière ScotiaVie et TD Assurance - ainsi que les principaux acteurs de l'industrie : Assurant, Assurance-vie Canada, Compagnie d'assurance-vie Première du Canada, CUMIS Services Incorporated, Manuvie (La Compagnie d'Assurance-Vie Manufacturers), Sun Life et Valeyo.

Briefing Note

CAFII EOC Meeting 22 June, 2021—Agenda Item 5(c)

Recent and Upcoming Strategic and Regulatory Initiatives—CAFII Outreach Request To CBA That It Engage in AMF Credit Card-Embedded Insurance Benefits Issue, Given Implications For Core Credit Card Offerings in Quebec

Purpose of this Agenda Item – *Update*

This is an update only.

Background Information

CAFII has reached out to the Canadian Bankers Association (CBA) requesting that it engage in the AMF credit card-embedded insurance benefits issue. While to date, CAFII has not received anything more than a CBA acknowledgement of the mid-April request, at the recent 19 May, 2021 CAFII Special Purpose Board Meeting, Board members did indicate that the CBA was internally reviewing and considering this request. At the 8 June, 2021 CAFII Board meeting, this issue was also raised and several Board members reiterated that they had heard that the CBA was exploring this issue internally and with its credit card committee.

Recommendation / Direction Sought – *Update*

This is an update only.

Attachments Included with this Agenda Item

1 attachment.

Agenda Item 5(c)
June 22/21 EOC Meeting

CAFII Outreach To Canadian Bankers Association To Encourage It To Engage In AMF Credit Card-Embedded Insurance Benefits Issue, Given Implications For Core Credit Card Offerings In Quebec

From: Docherty, Charles <CDocherty@cba.ca>
Sent: April-21-21 11:43 AM
To: Keith Martin <Keith.Martin@cafii.com>; Ciappara, Alex <ACiappara@cba.ca>
Cc: Brendan Wycks <brendan.wycks@cafii.com>
Subject: RE: Follow-up from CAFII on AMF's Position on RADM's Applicability to Credit Card-Embedded Insurance Benefits: Potential Impact for Banks' Core Credit Card Offerings in Quebec

Thanks Keith we are reviewing internally and will get back to you.

Charles



Charles Docherty | Assistant General Counsel | Avocat en chef adjoint

t: 416.362.6093 x 227

e: cdocherty@cba.ca

w: www.cba.ca

From: Keith Martin <Keith.Martin@cafii.com>
Sent: April 14, 2021 12:50 PM
To: Docherty, Charles <CDocherty@cba.ca>; Ciappara, Alex <ACiappara@cba.ca>
Cc: Brendan Wycks <brendan.wycks@cafii.com>
Subject: Follow-up from CAFII on AMF's Position on RADM's Applicability to Credit Card-Embedded Insurance Benefits: Potential Impact for Banks' Core Credit Card Offerings in Quebec

Hi, Charles and Alex.

At a CAFII Board of Directors meeting held yesterday, the Board directed Brendan and me, as CAFII management, to reach out to you – our key contacts at the CBA around market conduct, legal, and regulatory compliance issues for banks – to bring you up-to-date on recent developments on a critically important issue we are dealing with vis a vis the AMF in Quebec and credit card-embedded insurance benefits.

Our Board's view is that the AMF's now confirmed and finalized stance on the applicability of Quebec's Regulation respecting Alternative Distribution Methods (RADM) to credit card-embedded insurance benefits and its related consumer disclosures and regulatory compliance expectations as the province's financial services and insurance regulator will have disruptive and bottom-line implications not just for credit card-embedded insurance benefits – which CAFII Member bank distributors of credit protection insurance and travel insurance deal with – but for core credit card offerings in Quebec as well, which are the responsibility of CAFII members' corporate parent banks.

The key background documents which underlie this issue – including the AMF's March 30/21 response letter to CAFII's July 7/20 "Creative Solutions submission" on how the industry could meet the AMF half-way on its expectations arising from its position that the RADM does indeed apply to credit card-embedded insurance benefits (even though there is no "offer of insurance" with such embedded benefits) – are attached here for your review. On page 15 of the Quebec RADM you will find an example of a factsheet to be given to consumers for every imbedded insurance product, even though the factsheet contains information that is simply inaccurate for these products.

Our Board of Directors authorized us in yesterday's meeting to pursue a number of key next steps on this issue -- given the response set out in the AMF's March 30/21 letter – and we would like to arrange a virtual meeting opportunity to share with you what those next steps are.

One of those key next step directives is to engage with you at the CBA, and to outline our Board's view that given the current status of this issue – and the damage that the AMF's position will potentially cause to a core bank product – it is important that the CBA become engaged on this issue and bring its regulatory relations, communications, and advocacy experience and resources to bear, working in alignment with CAFII, with a view to getting the AMF to change its position on this matter.

To that end, we ask that you get back to us and propose three or four date/time options within the next week when you have 45 minutes to an hour available for a Zoom or MSTeams meeting with Brendan and me on this matter. We will send out a Meeting Invitation once we've settled on the date/time.

Thanks and best regards,

Keith Martin

Co-Executive Director / Co-Directeur général

Canadian Association of Financial Institutions in Insurance

L'association canadienne des institutions financières en assurance

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Briefing Note

CAFII EOC Meeting 22 June, 2021—Agenda Item 5(d)

Recent and Upcoming Strategic and Regulatory Initiatives—CAFII Working Group on Industry Alignment Around Compliance With AMF's Expectations Re RADM's Applicability to Credit Card-Embedded Insurance Benefits

Purpose of this Agenda Item – *Update/Discussion*

This is an update with an opportunity for discussion.

Background Information

CAFII has struck a new Working Group that will try to find industry alignment around compliance with the AMF's expectations regarding the RADM's applicability to credit card-embedded insurance benefits. The Mandate of the Working Group has been developed, and weekly meetings have been held starting on 13 May, 2021. The group is attempting first to identify how to respond to the AMF's expectations around Product Summaries, and then CAFII management will produce a template of such a Product Summary which members can utilize as they see fit. There has been excellent collaboration with members who have been in touch with the AMF around its expectations sharing what they have learned. The Working Group is Chaired by EOC members Karyn Kasperski, RBC Insurance, and Scott Kirby, TD Insurance. The full membership of the group is below.

CAFII Working Group on AMF RADM and Credit Card-Embedded Coverages

Karyn Kasperski	RBC Insurance <i>Co-Chair</i>
Scott Kirby	TDI <i>Co-Chair</i>
Silvana Capobianco	BMO Insurance
Greg Caers	BMO Insurance
Mandy Rutten	CIBC Insurance
Anu Bains	CIBC Insurance
Benita Chan	RBC
Yael Lipman	RBC
Susan Johnston	RBC
Penny Cordogiannis	RBC Insurance
Trish Facciolo	RBC
Marie Nadeau	National Bank Insurance
Michelle Butler	Scotiabank
Pete Thorn	TDI
Tracey Torkopoulos	Assurant
Jennifer Russell	Assurant
Nadine Roy	Assurant
Isabelle Choquette	Desjardins
Monika Spudas	Manulife
Kuzio, Sherri	Scotiabank

Recommendation / Direction Sought – *Update/Discussion*

This is an update with an opportunity for discussion.

Attachments Included with this Agenda Item

1 attachment.

Working Group on AMF Embedded Credit Card Insurance Coverages—Options around Applying the RADM

<http://legisquebec.gouv.qc.ca/en/ShowDoc/cr/D-9.2,%20r.%2016.1>

[March 6 2020 Notes in Red](#)



[March 13 2020 Notes in Blue](#)

[May 20 2021 Notes in Orange](#)


[May 27 2021 Notes in Green](#)

[June 3 2021 Notes Red-Purple GO TO THE BOTTOM OF THIS DOCUMENT](#)

[June 10 2021 Notes Green GO TO THE BOTTOM OF THIS DOCUMENT](#)

<u>RADM #</u>	<u>Wording</u>	<u>Option “Creative Solutions”</u>	<u>Option “Compliance”</u>
19	<p>CHAPTER III OFFER OF INSURANCE PRODUCTS THROUGH A DISTRIBUTOR M.O. 2019-05, c. III.</p> <p>DIVISION I GENERAL PROVISIONS M.O. 2019-05, Div. I.</p> <p> 19. This chapter applies to an insurer that offers insurance products through a distributor in accordance with Title VIII of the Act respecting the distribution of financial products and services (<u>chapter D-9.2</u>). M.O. 2019-05, s. 19.</p> <p>DIVISION II INFORMATION TO BE PROVIDED TO THE AUTHORITY M.O. 2019-05, Div. II.</p>	N/A	N/A
20	<p> 20. Before offering an insurance product through a distributor, the insurer must, in addition to the information required under section</p>	<p>Straightforward</p> <p>Insurers can change periodically</p>	Straightforward—not an issue

	<p>66 of the Insurers Act (chapter A-32.1), disclose the following information to the Authority:</p> <p>(1) the name and contact information of the third party to which the insurer has entrusted the performance of the obligations of an insurer with respect to the distribution of a product through a distributor, if applicable;</p> <p>(2) the hyperlink or any other means to access the distributor's offer through the Internet, if applicable;</p> <p>(3) the contact information of the insurer's assistance service referred to in section 27.</p> <p>The insurer must notify the Authority of any change to the above information within 30 days of such change.</p> <p>An insurer that removes a distributor from its list of distributors must indicate to the Authority the reasons for such removal.</p> <p>M.O. 2019-05, s. 20.</p>	Would not be hard to do	
21	<p>21. The insurer must disclose annually to the Authority the following information for each product offered through a distributor:</p> <p>(1) the number of insurance policies and certificates issued and the amount of premiums written;</p> <p>(2) the number of claims and the amount of indemnities paid;</p> <p>(3) the number of rescissions and cancellations;</p> <p>(4) the remuneration paid to all distributors and third parties referred to in subparagraph 1 of the first paragraph of section 20.</p> <p>M.O. 2019-05, s. 21.</p>	<p>Some of this information is not relevant</p> <p>Distributor pays insurer so does not make sense to report on item 4</p> <p>Explanation that there would have to be distinctions due to different nature of business</p> <p>Certificates are in bulk</p> <p>How is cancellation defined? Is it cancellation of credit card?</p> <p>No remuneration paid to distributors</p> <p>Reporting on cancellation is not useful insurance information to the AMF</p> <p>How deal with a card that has never been used?</p>	<p>Question: what happens if an individual credit card has multiple insurers for different imbedded products?</p> <p>Could try to focus on certificates and not the card itself, which is the product.</p> <p>Cancellations can be recorded as cancelled credit cards with the note that it may not be due to the embedded insurance</p> <p>Remuneration can be identified as none if remuneration is not paid.</p>

		<p>Align Annual Statement on Market Conduct with this reporting; much of this is in the Annual Report</p> <p>Support for this approach</p> <p>Should NOT report on premiums because it is not end customer premium it is distributor to insurer—need to see if it is covered in Annual Statement</p> <p>Loss ratio is not sensible measure when premium is not paid by customer</p>	
22	<p>DIVISION III</p> <p>DOCUMENTS AND INFORMATION TO BE PROVIDED TO THE CLIENT</p> <p>M.O. 2019-05, Div. III.</p> <p> 22. Before offering a product through a distributor, the insurer prepares the product summary in accordance with sections 28 and 29. The insurer mandates the distributor to deliver the summary to the client at the time it offers the product to him, together with a fact sheet in the form set out in Schedule 2.</p> <p>M.O. 2019-05, s. 22.</p>	<p><u>PLAN A</u></p> <p>Could ask the AMF is could just post it on the website and tell the customers they can go look for it there</p> <p>There is a disclosure box where the link to the website could be seen – need to show APR and core fees</p> <p>PUT ON WEBSITE—DIRECT CARD APPLICANTS TO SITE</p> <p>ALTERNATIVELY:</p> <p><u>PLAN B</u></p> <p>When is the right time and what is the right method to offer it to the client?</p> <p>Can get consent to send it afterwards?</p> <p>(BPI – currently TD asks for consent to share it with the fulfillment package currently)</p> <p>ADD LINK TO DISCLOSURE</p> <p>ALTERNATIVELY:</p> <p><u>PLAN C</u></p>	<p>Need to confirm that this can be done by website except for contact centre interactions where the customer needs to be directed to the website URL of the insurer</p>

		<p>Will provide documentation in mail after enrollment the Product Summary and Fact Sheet</p> <p>Not offered at time of sale</p> <p>But this would increase the size of the package</p> <p>MAIL OUT IN FULFULMMMENT PIECE</p>	
23	<p>23. Where the means of communication used to offer the product does not enable the distributor to deliver the summary and the fact sheet at the time the product is offered, the insurer must include in the mandate it entrusts to the distributor the obligation to inform the client of such inability. The insurer must also ensure that the distributor is required to obtain at that time the client's consent to receive those documents no later than when the policy or insurance certificate is delivered and to mention the information contained in those documents to the client.</p> <p>M.O. 2019-05, s. 23.</p>	Dealt with already	See above
24	<p>24. The insurer must be able to provide, at the client's or the Authority's request, all information and documents presented to the client at the time the insurance product was offered to him, particularly the summary and the fact sheet.</p> <p>M.O. 2019-05, s. 24.</p>	<p>Can not do this easily</p> <p>Can offer to send the product summary and fact sheet if the customer asks for it</p> <p>Could if customer asks for this information then a link can be provided to customer where they can find it</p>	If company's have an archival history with version control this can be managed
25	<p>25. Where personal information of a medical or lifestyle-related nature is collected from the client, the notice of specific consent provided for in section 93 of the Act respecting the distribution of financial products and services (chapter D-9.2), applicable under section 437 of that Act, must be delivered to the client if the distributor wishes to allow its clerks to use the information it holds</p>	<p>None of the information collected from a customer has any bearing on their insurance benefits in embedded credit card insurance</p> <p>"No personal information is collected for the insurance benefits"—N/A</p> <p>ALTERNATIVELY:</p>	No such information is collected by distributors and is only used by insurers at time of claim

	<p>on the client for purposes other than those for which it was collected and be in the form set out in Schedule 3. M.O. 2019-05, s. 25.</p>	<p>Insurance company does not see anything about customer until a claim -- explain this to AMF</p> <p>Any information collected must be compliant with PIPEDA</p>	
26	<p>26. Where the distributor offers the client financing that requires him to subscribe for insurance to secure the repayment of the financing, the notice of free choice provided for in section 443 of the Act respecting the distribution of financial products and services (chapter D-9.2) must be delivered to the client and be in the form set out in Schedule 4. M.O. 2019-05, s. 26.</p>	N/A	N/A
27	<p>27. The insurer must have an assistance service to answer questions from the distributor regarding each product offered. M.O. 2019-05, s. 27.</p> <p>DIVISION IV SUMMARY M.O. 2019-05, Div. IV.</p>	Not a problem to comply	<p>Not a problem to comply.</p> <p>Distributor needs to have a contact person, perhaps an insurer, who could answer questions.</p>
28	<p>28. The summary may pertain only to the product and must satisfy all the following conditions: (1) it must be concise; (2) it must explain the product; (3) it must be written in language that is clear, readable, specific and not misleading so as to highlight the essential elements for informed decision-making and not cause confusion or misunderstanding; (4) it must present accurate information; (5) it must not contain any advertising or promotional offer; (6) it must not be the insurance policy or certificate. Where necessary, the insurer may refer the client to the relevant sections of the insurance policy to obtain additional information not found in the summary. M.O. 2019-05, s. 28.</p> <hr/>	<p>Provision is probably fine</p> <p>It is what is in the summary that is the concern</p>	<p>NBI attempted to refer to certificate and got pushback from the AMF who wanted references in the summary itself.</p> <p>Exclusions—NBI just wanted to include the main exclusions and referred to the certificate for additional exclusions; AMF said that all the exclusions needed to be in the Summary itself.</p> <p>Desjardins—18 causes of cancellation that would lead to a claim payout—listed 5 of them and referred to the certificate for the remainder</p> <p>As a result NBI's Summary is 15 pages.</p>

			<p>Pre-existing conditions is a difficult exclusion to explain. Try to use clear language that is simpler than the certificate.</p> <p>Draft Summary review—see page 12.</p>
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29	<p>29. The summary must present the following information:</p> <ol style="list-style-type: none"> (1) the insurer's name and contact information; (2) the client number of the insurer registered in the Authority's register of insurers and the Authority's website address; (3) the name and type of product offered; (4) the eligibility criteria; (5) the name and contact information of the distributor that offers the product; (6) the product coverage, exclusions and limitations; (7) any other specific clauses that may affect the insurance coverage; (8) warnings about the consequences of misrepresentations and concealment; (9) the client's right of cancellation, its duration and the procedures for exercising it; (10) the rules applicable to the temporary insurance, if applicable; (11) the information that the client must be made aware of in accordance with section 434 of the Act respecting the distribution of financial products and services (chapter D-9.2); (12) the premiums and other fees and expenses, including the applicable taxes, or, if an exact amount cannot be indicated, the criteria used to determine it; (13) an indication that the premium is fixed or likely to vary over time; (14) the insurer's website address providing access to the information on where the client can file a complaint with the insurer and a summary of the complaint processing policy provided for in the second paragraph of section 52 of the Insurers Act (chapter A-32.1); (15) the manner in which the specimen of the policy or the insurance certificate can be accessed on the insurer's website. <p>Where the policy provides for a formula to calculate the portion of the refundable premium in the event of cancellation, the insurer must indicate as such in the summary and include an example of its application.</p> <p>M.O. 2019-05, s. 29.</p>	<p>General thoughts on product summary: credit cards have different amounts of insurance coverage.</p> <p>One summary for each insurance product? Some in industry would prefer not to have a summary for each coverage.</p> <p>Some card issuers have certificates that are combined, some have them separate.</p> <p>Operationally, could have different sections in summary. Better perhaps to combine the information. AMF wants the Summary to be concise.</p> <p>AMF has indicated that one Summary for multiple coverages is acceptable.</p> <p>But could be difficult where different insurers for different components</p>	<ol style="list-style-type: none"> 1) Insurer's name and contact information—may have multiple insurers—so need each of them to be listed – should be straightforward 2) Straight forward 3) Straight forward 4) Don't need to be eligible to enroll, you are automatically enrolled. NBI said that the principal cardholder was eligible. Concierge service should not need to be included—only insurance needs to be included. 5) Straight forward (bank typically) 6) Exclusions and limitations—with multiple benefits – could be a lot of pages and effort. How best to deal with this? Summary should not be a word for word replica of the certificate. Desire is to be high level and reference the certificate. 7) Wrapped this around claim. 8) Tied to 7. A bit broader. 9) Client's right of cancellation is for credit card not embedded insurance. If enroll in this card you get these coverages; otherwise you can cancel the card. 10) Not applicable to any embedded insurance. 11) This is about claims and how to present it, what to do if the claim is refused. Must do more than just refer to certificates. AMF wants more detail than that. So added all the
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		<p>of the credit card insurance benefits.</p> <p>Very difficult to operationalize the sharing of summaries.</p> <p>NEED to avoid providing this Summary at time of offer in branch. Provision #22 looks at that. Can be part of the package sent to customers.</p> <p>#1 OK #2 OK #3 PRODUCT NOT OFFERED #4 OK</p> <p>Scott Kirby feels problem elements are: #8,9,10 #8 has to not be at time of enrollment but is at time of claim #9 need to tell customer they can cancel by cancelling the card This is the recommended approach which had support from the group.</p>	<p>provisions that are in the certificate with respect to claims.</p> <p>12) Can just say there is no premium for the client.</p> <p>13) Premium is fixed at zero. Did not disclose card fees.</p> <p>14) Straight forward.</p> <p>15) A bit of a challenge. There is no refund calculation to show. "If the card is cancelled there is no refundable premium for the insurance coverages." Or...just be silent. Say nothing. "Where the policy provides for" gives a way out.</p> <p>FACTSHEET—at NBI for all summaries there is an introductory statement where the coverages are listed, premium is listed as zero etc. Notice of resolution (ck) at end. Notice of rescission—say that the first contract remains in force, notice of rescission is incorrect.</p>
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
		<p>Alternatively, could try to ask for it to not be included at all.</p> <p>Perhaps provide an example—for example, you cannot cancel an element of a group policy and then pay less for the benefits. Same concept with credit cards.</p> <p>PLAN A: try to explain why customers cannot opt out, so this does not apply—confusing, not relevant</p> <p>PLAN B: say can cancel credit card if you don't want coverage</p> <p>Direct it back to Bank policies</p> <p>#10 N/A but don't need to worry about it</p> <p>#12 How solution this?</p> <p>There is no premium paid by the customer; it is paid by the bank. However, could use high-level phrasing to educate customer "How much am I paying for the insurance coverage" "This insurance coverage is an additional coverage at no additional price to you. Bank X pays</p>	
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		<p>the premium to provide coverage for all customers with the card.” Definitely do not want to get into the numbers. ALTERNATIVELY could simply say there are not fees for you the consumer.”</p> <p>PLAN A: “coverage is provided under benefits and no premium is charged to the card-holder”</p> <p>#13—can tie this into the same point “premium are not charged to card-holder”</p> <p>#12 and #13 can be addressed together</p> <p>#14 are there any concerns about providing the insurer’s website?</p> <p>Should replicate the approach we take with other products</p> <p>#15 Response: “Not applicable”</p> <p>There is no premium so not capability for a refund</p> <p>#9 is also applicable to #15</p>	
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30	<p>30. The insurer must, as soon as the client has subscribed for or enrolled in the insurance contract, provide the client with the following documents:</p> <p>(1) a summary of the information collected from the client;</p> <p>(2) the policy, the insurance certificate or the temporary insurance.</p> <p>M.O. 2019-05, s. 30.</p>	<p>#1 Similar to provisions discussed earlier</p> <p>Information collected from client is not collected in relation to insurance it is in relation to the credit card application</p> <p>The information is relevant when the card is issued in relation to the insurance</p> <p>But would not know who is insured until there is a claim</p> <p>We can achieve this outcome without “conforming to regulation”</p> <p>“No information collected about client so not relevant”</p> <p>#2 providing certificate is not a problem (part of credit card package); temporary insurance is not applicable</p>	<p>This is related to insurance only. The only information collected is related to the card, so 30 (1) is N/A.</p>
31	<p>31. The notice of rescission provided for in section 440 of the Act respecting the distribution of financial products and services (chapter D-9.2), which must be delivered to the client by the distributor, must be in the form set out in Schedule 5.</p> <p>M.O. 2019-05, s. 31.</p>	<p>This is a challenge</p> <p>There are no cancellation rights</p> <p>Embedded in credit card</p>	<p>There are no cancellation rights.</p> <p>AMF wants this put into the Summary. It is at the very end.</p>
32	<p>32. The insurer must make the product summary and a specimen of the policy or the insurance certificate accessible on its website for</p>	<p>Probably most customers would look at distributors’ websites</p>	<p>Straight forward.</p>

	<p>each product offered by a distributor, as well as any available endorsement, if applicable. M.O. 2019-05, s. 32.</p> <p>NOTE This section will come into force on 13 June 2020 excluding the been in force since 13 June 2019.</p>	<p>But probably already doing this so is fine</p>	<p>Will this be posted for everyone or just for Quebec residents?</p> <p>Do not say it is for Quebec only for embedded products.</p> <p>NBI has not included the Fact Sheet and the AMF has not said anything.</p>
33	<p>In force: 2020-06-13</p> <p>DIVISION V</p> <p>SUPERVISION OF DISTRIBUTORS</p> <p>M.O. 2019-05, Div. V.</p> <p>In force: 2020-06-13</p> <p>🕒</p> <p>33. The insurer must monitor and supervise the offering of insurance products by its distributors. To that end, it must adopt and implement procedures that enable the supervision and training of its distributors and the natural persons to whom they entrust the task of dealing with clients in order to ensure compliance with the requirements under the Act respecting the distribution of financial products and services (chapter D-9.2) and this Regulation. M.O. 2019-05, s. 33.</p>	<p>#33 and #34 go together Cannot supervise because there is no offering; can do training on what is included in benefit Supervision of offering does not apply</p> <p>Distribution of credit card—can indicate what is the coverage, and that is the extent of it; if there are questions about exclusions, how it works, provide them with number of provider and they can speak to them</p> <p>Risk inviting conversations that cannot be held with non-licensed individuals Training could be coverages and details can be sent to provider (insurer)</p>	

		<p>#34 I) is asking for quite specific details “This is not possible for embedded coverages, training is just to indicate the coverages” Training needs to be less prescriptive than in regs Training for embedded coverages would be different PROVIDING INFORMATION TO THE DISTRIBUTION CHANNEL ABOUT THE PRODUCT— not classrooms etc. “What is training?” perhaps need to show samples</p>	
34	<p><i>n force: 2020-06-13</i></p> <p> 34. The training provided by the insurer must cover the following: (1) the insurance product, particularly the coverage offered, the eligibility criteria and the applicable exclusions and limitations; (2) the distributor’s legal obligations; (3) the insurer’s complaint processing policy; (4) the practices promoting the fair treatment of clients; (5) the filing of a claim. M.O. 2019-05, s. 34.</p>	See #33	
35	<p>DIVISION VI PROHIBITIONS M.O. 2019-05, Div. VI.</p> <p></p>	<p>#1) Distributor is not being compensated so this is entirely not applicable</p>	

	<p>35. For insurance products referred to in paragraph 5 of section 424 and paragraph 1 of section 426 of the Act respecting the distribution of financial products and services (chapter D-9.2), no insurer may:</p> <p>(1) enable the distributor to keep its remuneration within a time period not commensurate with the term of the product, which time period may not, however, be less than 180 days;</p> <p>(2) pay to the distributor a bonus or a share in the profits based on contract experience;</p> <p>(3) set different commission rates applicable to a distributor for products with similar insurance coverage.</p> <p>M.O. 2019-05, s. 35.</p>	<p>Works the opposite way</p> <p>#2)</p> <p>Not applicable</p> <p>Not really about profits</p> <p>#3)</p> <p>Not applicable</p>	
36	<p>CHAPTER IV</p> <p>TRANSITIONAL AND FINAL PROVISIONS</p> <p>M.O. 2019-05, c. IV.</p> <p></p> <p>36. This Regulation replaces the Regulation respecting distribution without a representative (chapter D-9.2, r. 8).</p> <p>M.O. 2019-05, s. 36.</p>	<p>Transitional</p>	
37	<p>37. For the period from 13 June 2019 to 12 June 2020, any delivery to the client of a distribution guide forwarded to the Authority before 13 June 2019 in accordance with section 414 of the Act respecting the distribution of financial products and services (chapter D-9.2), including, if applicable, delivery to the client of the fact sheet in accordance with the Notice regarding the offering of insurance products by automobile and recreational and leisure vehicle dealers, is equivalent to the delivery of a summary and a fact sheet in accordance with section 22 of this Regulation.</p> <p>Similarly, access to such a distribution guide on the insurer's website during that period is equivalent to access to the summary in accordance with section 32 of this Regulation.</p> <p>M.O. 2019-05, s. 37.</p>	<p>Transitional</p>	

[FACT SHEET](#)

Just address the problems with the Fact Sheet
Do not provide solutions
Can forward any issues to the AMF
Address however all the problems with the Fact Sheet

“It’s your choice” wrong
Etc.
First section is misleading
Remuneration – just wrong
Wrong information

Right to Cancel – just not correct
Does not apply
Perhaps have our own version of a Fact Sheet that is more accurate?

Approach to the AMF

Written submission?
Themes of issues

Product Summary and Fact Sheet / Disclosures
Training

Trying to explain what we addressed and why we addressed items in a specific way

Better informing customers is critical
Here is how we would distribute these documents

Have our plan B and C

“These pieces are not relevant”

Annual Statement on Market Conduct

Written submission

Try to address their concerns in a way that is much better

FACT SHEET

The purpose of this fact sheet is to inform you of your rights. It does not relieve the insurer or the distributor of their obligations to you.

LET'S TALK INSURANCE!

Name of distributor: _____

Name of insurer: _____

Name of insurance product: _____



IT'S YOUR CHOICE

You are never required to purchase insurance:

- that is offered by your distributor;
- from a person who is assigned to you; or
- to obtain a better interest rate or any other benefit.

Even if you are required to be insured, **you do not have to** purchase the insurance that is being offered. **You can choose** your insurance product and your insurer.



HOW TO CHOOSE

To choose the insurance product that's right for you, we recommend that you read the summary that describes the insurance product and that must be provided to you.



DISTRIBUTOR REMUNERATION

A portion of the amount you pay for the insurance will be paid to the distributor as remuneration.

The distributor **must** tell you when the remuneration exceeds 30% of that amount.



RIGHT TO CANCEL

The Act allows you to rescind an insurance contract, **at no cost**, within 10 days after the purchase of your insurance. However, the insurer may grant you a longer period of time. After that time, fees may apply if you cancel the insurance. **Ask** your distributor about the period of time granted to cancel it **at no cost**.

If the cost of the insurance is added to the financing amount and you cancel the insurance, your monthly financing payments might not change. Instead, the refund could be used **to shorten the financing period**. **Ask your distributor for details**.

*The **Autorité des marchés financiers** can provide you with unbiased, objective information.*

Visit www.lautorite.qc.ca or call the AMF at 1-877-525-0337.

Reserved for use by the insurer

This fact sheet cannot be modified

Participants, 6 March 2020 Meeting

Scott Kirby, Chair

Keith Martin

Karyn Kasperski, RBC Insurance

Isabelle Choquette, Desjardins

Charles Andre Roy, Desjardins

Brendan Wycks, CAFII

Michelle Butler, Scotiabank

Peter Thorn TD

Greg Shirley Manulife

Monika Spudas Manulife

Participants, 13 march 2020 Meeting

Isabelle Choquette, Desjardins

Scott Kirby, TD Insurance

Peter Thorn, TD Insurance

Martin Boyle, BMO

Monika Spudas, Manulife

Greg Shirley, Manulife

Tracey Torkopolous, Assurant

Michelle Butler, Scotiabank

Keith Martin, CAFII

General Comment—trying to meet the outcomes expected from AMF, but not trying to comment
If comply, implies that regulation applies and is an offer

Working Group Members Embedded Credit Card Coverages

Scott Kirby, Chair

Martin Boyle, BMO Insurance

Isabelle Choquette, Desjardins (to be assisted by two people)

Mandy Rutten, CIBC

Michelle Butler, Scotiabank

Karyn Kasperski, RBC Insurance

Pete Thorn, TD Insurance

Monika Spudas, Manulife

Greg Shirley, Manulife

Tracey Torkopoulos, Assurant

Brendan Wycks, CAFII

Keith Martin, CAFII

Summary Notes of the 3 June 2021 Working Group Meeting

These notes are not captured in a column in the RADM document because this meeting mostly concentrated on reviewing some documents related to the Product Summary. There is a template of the Product Summary produced by CAFII that was reviewed, but most of the discussion was around the response that National Bank Insurance had received from the AMF to their proposed revised Product Summary. The AMF said that if there were more than one type of insurance then a separate Product Summary was required. By way of example, travel insurance (health/medical, baggage, trip interruption, trip cancellation) could be covered in one Product Summary, but a different product like purchase insurance required a separate Product Summary. There was much discussion about how to fulfil on multiple Product Summaries, as it was difficult to provide multiple documents to consumers. There was a consensus that the booklets that are sent to consumers when they take out a credit card could be combined into one.

In Attendance:

Karyn Kasperski	RBC Insurance <i>Co-Chair</i>
Scott Kirby	TDI <i>Co-Chair</i>
Silvana Capobianco	BMO Insurance
Greg Caers	BMO Insurance
Mandy Rutten	CIBC Insurance
Anu Bains	CIBC Insurance
Penny Cordogiannis	RBC Insurance
Trish Facciolo	RBC

Marie Nadeau	National Bank Insurance
Michelle Butler	Scotiabank
Tracey Torkopoulos	Assurant
Jennifer Russell	Assurant
Nadine Roy	Assurant
Isabelle Choquette	Desjardins
Monika Spudas	Manulife
Kuzio, Sherri	Scotiabank

Staff: Brendan Wycks, Keith Martin

Summary Notes of the 10 June 2021 Working Group Meeting

These notes are not captured in a column in the RADM document because this meeting mostly concentrated on reviewing translated documents relating to the AMF’s response to National Bank Insurance’s (NBI) revised Product Template. The 12-page Product Summary and the AMF’s response were shared with Working Group members, and were the focus on discussion. Marie Nadeau of NBI summarized the AMF’s responses, which included that not all exclusions needed to be laid out—it was better to “bucket” them. The AMF also felt that there needed to be a separate Product Summary for each product category—so in NBI’s case, a product summary for purchase insurance, and a separate one for travel insurance (travel medical, baggage, trip cancellation, trip interruption etc.). There was much discussion among Working Group members about how to operationalize some of these expectations, noting that travel insurance could include life and health insurance as well as P&C insurance (e.g. car rental insurance). Nearly all members said that different product summaries would need to be added together in the fulfilment package (“booklets”) provided to consumers. There was concern that if the AMF did not “sign off” on the approach members took, this could lead to expensive and time-consuming processes being put in place and then potentially being told by the AMF that the approach taken did not meet its expectations.

In Attendance:

Karyn Kasperski	RBC Insurance <i>Co-Chair</i>
Scott Kirby	TDI <i>Co-Chair</i>
Silvana Capobianco	BMO Insurance
Greg Caers	BMO Insurance
Mandy Rutten	CIBC Insurance
Anu Bains	CIBC Insurance
Penny Cordogiannis	RBC Insurance
Trish Facciolo	RBC
Marie Nadeau	National Bank Insurance
Michelle Butler	Scotiabank

Tracey Torkopoulos	Assurant
Jennifer Russell	Assurant
Nadine Roy	Assurant
Isabelle Choquette	Desjardins
Monika Spudas	Manulife
Kuzio, Sherri	Scotiabank
Susan Johnston	RBC Insurance
Pete Thorn	TDI

Briefing Note

CAFII EOC Meeting 22 June, 2021—Agenda Item 5(e)

Recent and Upcoming Strategic and Regulatory Initiatives—CAFII Working Group On Industry Interpretation of FCAC's Appropriateness Guideline's Application to Authorized Insurance Products/CPI; and Potential Approaches to Compliance

Purpose of this Agenda Item – *Update*

Update only.

Background Information

CAFII has struck a new Working Group that will try to find industry alignment around how to best respond to the FCAC's Appropriateness Guideline, especially with respect to provisions that may apply to credit protection insurance. The group is meeting every second week and is chaired by Martin Boyle, BMO Insurance. Its members are set out below.

CAFII Working Group On FCAC Appropriateness Guideline's Provisions Related To Authorized Insurance Products/Credit Protection Insurance

Martin Boyle	BMO Insurance and Chair
Karam Al Saeygh	BMO Insurance
David D'Amico	BMO Insurance
Fernando Heleno	RBC Insurance
Penny Cordogiannis	RBC Insurance
Brad Kuiper	ScotiaLife Financial
Anu Bains	CIBC Insurance
Marie Nadeau	National Bank Insurance
Pete Thorn	TD Insurance
Aleks Omaljev	TD Insurance (legal)
Derek Andrews	Scotiabank
Ivana Veljovic	Assurant
Emily Brown	Sun Life

Recommendation / Direction Sought – *Update*

This is an update only.

Attachments Included with this Agenda Item

1 attachment.

Contents

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CAFII Working Group On FCAC Appropriateness Guideline’s Provisions Related To Authorized Insurance Products/Credit Protection Insurance—Members	2
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CAFII Working Group On FCAC Appropriateness Guideline’s Provisions Related To Authorized Insurance Products/Credit Protection Insurance—Summary Notes 2 June, 2021 Meeting	3
Attendees at the 2 June, 2021 Working Group Meeting	4
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CAFII Working Group On FCAC Appropriateness Guideline’s Provisions Related To Authorized Insurance Products/Credit Protection Insurance-- Terms of Reference

Mandate

This Working Group will seek to develop a shared understanding of the application of the FCAC Appropriate Standard to Authorized Insurance Products/Credit Protection Insurance as well as an industry level position on what would be an acceptable and implementable approach to compliance with the FCAC Appropriateness Guideline for Authorized Insurance Products/Credit Protection Insurance, from the perspective of the federal Financial Consumer Protection Framework (FCPF) and the provincial insurance regulatory framework, including Fair Treatment of Consumers principles.

Process

Based on the federal Financial Consumer Protection Framework (FCPF), the provincial insurance regulatory framework, including Fair Treatment of Consumers principles, and emerging regulatory developments the Working Group will look to:

Explore what would constitute an “appropriate” or “inappropriate” enrolment

Consider the information that would be required to determine whether an enrolment was appropriate
Consider the changes required to current enrolment processes to account for product appropriateness
Consider whether other processes (i.e., outside of the enrolment) that could be impacted by an appropriateness standard

As the Working Group will launch at a time when the FCAC Appropriateness Guideline is not available to CAFII, the work outlined above is expected to be completed without reference to it. When copy of the FCAC’s Appropriateness Guideline is available, the Working Group can then cross-reference its work against that document.

Participants

Martin Boyle (BMO Insurance) will serve as the Chair of the Working Group.

CAFII EOC and Board members will be invited to nominate up to two representatives per Member company to serve on the Working Group.

Meetings

Initially the Working Group will meet every second Wednesday from 2:30 to 3:30 p.m. via MS Teams.

CAFII Working Group On FCAC Appropriateness Guideline’s Provisions Related To Authorized Insurance Products/Credit Protection Insurance—Members

Martin Boyle	BMO Insurance and Chair
Karam Al Saeygh	BMO Insurance
David D’Amico	BMO Insurance
Fernando Heleno	RBC Insurance
Penny Cordogiannis	RBC Insurance
Brad Kuiper	ScotiaLife Financial

Anu Bains	CIBC Insurance
Marie Nadeau	National Bank Insurance
Pete Thorn	TD Insurance
Aleks Omaljev	TD Insurance (legal)
Derek Andrews	Scotiabank
Ivana Veljovic	Assurant
Emily Brown	Sun Life

Staff:

Keith Martin, CAFII

Brendan Wycks, CAFII

Lyn Wallington, CAFII

Approach of the Working Group

Working Group Chair Martin Boyle has recommended that the Working Group should structure its discussions around what a regulator might expect to see in an Appropriateness Guideline:

KYC (securities, insurance)

KYP (securities, insurance)

Needs-based sales (insurance)

Documentation related to dealings with clients (insurance)

Remuneration/incentives/conflicts of interest (insurance)

CAFII Working Group On FCAC Appropriateness Guideline's Provisions Related To Authorized Insurance Products/Credit Protection Insurance— Summary Notes 2 June, 2021 Meeting

The CAFII Working Group On FCAC Appropriateness Guideline's Provisions Related To Authorized Insurance Products/Credit Protection Insurance had a wide-ranging discussion at its 2 June, 2021 meeting. Working Group Chair Martin Boyle shared that a revised draft of the FCAC Appropriateness Guideline was expected to be tabled with the Canadian Bankers Association (CBA) in June, 2021. There would be a reduction of principles from 7 to 5, but it was not clear if two principles would be dropped, or if some principles would be combined.

There was more discussion on what appropriateness really meant. Was it just an eligibility requirement? There was a consensus that signing up a client for a product that they could not make a claim on was not appropriate. However, it can also be difficult to verify pre-existing conditions at the time of enrollment. It was emphasized that in the credit protection insurance space there is no ability to do a needs assessment or to offer advice.

Many members of the Working Group noted that it was important for the FCAC to understand that CAFII members had to adhere and abide by provincial licensing restrictions. But it would be possible to ask some questions of customers, to “get a picture” of the customer. Perhaps the approach to take is to focus on the sales process, which seems to be what the FCAC is most interested in—things like disclosure, consent. If there is an age limitation for BPI, then that must always be a trigger for the

offering institution (do not offer a product someone is not eligible for). Free look period should be changed to “review period” and it might be part of an appropriateness expectation.

Financial goals, risk appetite are examples of the sort of information members should not be collecting. There is an interesting issue around affordability tests that was raised, where a member indicated that upon mortgage renewal there might be a requirement to determine if the customer can afford the insurance—although it was raised that if they can afford the loan instrument, how could they not afford the insurance? There might be a financial literacy test applied to customers—if they do not understand the product, should it be offered to them?

Members noted that there could be an emphasis on some of the sales approaches taken, including compliance, audits, controls, scripts etc. to ensure that sales are appropriate. Members could emphasize that they never practice tied selling, and always make it clear that the insurance is optional. There is no post claims underwriting and that should also be emphasized.

Attendees at the 2 June, 2021 Working Group Meeting

Martin Boyle	BMO Insurance and Chair
David D’Amico	BMO Insurance
Brad Kuiper	ScotiaLife Financial
Marie Nadeau	National Bank Insurance
Pete Thorn	TD Insurance
Derek Andrews	Scotiabank
Ivana Veljovic	Assurant
Emily Brown	Sun Life
Anu Bains	CIBC Insurance

Staff

Keith Martin, CAFII

Brendan Wycks, CAFII

CAFII Working Group On FCAC Appropriateness Guideline’s Provisions Related To Authorized Insurance Products/Credit Protection Insurance— Summary Notes 19 May 2021 Meeting

The CAFII Working Group On FCAC Appropriateness Guideline’s Provisions Related To Authorized Insurance Products/Credit Protection Insurance held its first meeting on 19 May, 2021. The 30-minute meeting was mostly intended to be organizational, with the objectives and approach of the group being the key objective of this first meeting.

Working Group Chair Martin Boyle noted that it was recognized that not all participants would not all initially be on the same page in their work on or approach to the best response to the FCAC’s Appropriateness Guideline, and that the intention was not to attempt to move everyone to the same position. However, there are common themes that the members may be able to agree upon. With an April 2022 implementation date for the FCAC’s Appropriateness Guideline, it is advisable to try to get as

much industry alignment as possible, and to agree on common views, such as the perspective that a needs analysis is not possible for credit protection insurance.

The FCAC has already indicated that it is working on a second preliminary draft of its Appropriateness Guideline, and the “word on the street” is that in it, the FCAC will scale back its original Seven (7) Appropriateness Principles to Five (5) Appropriateness Principles, although it is not clear whether that will mean that two principles will be cut entirely, or rather merged into other principles.

Working Group members noted the considerable ambiguity around the FCAC’s approach, and the balance that needs to be struck between the FCAC’s approach and provincial regulatory expectations and constraints which prohibit the offering advice in an unlicensed environment. The development of some common principles would be helpful, for example around industry’s understanding of appropriateness, and around the constraints in credit protection insurance related to the Know Your Client and Know Your Product expectations which apply readily to other financial and insurance products. Incentives, remuneration, and other important issues could also be the subject of discussion. Topics could also include the principle of insurability/eligibility (the need to be able to claim on a product you are offered).

The Working Group also felt that approaches to compliance would be a useful subject of discussion. The issue of what the industry can do, and what the industry cannot do, could also be fruitful. Different members may have different risk appetites, but it would be good to get, at minimum, an industry baseline.

[Attendees at the 19 May, 2021 Working Group Meeting](#)

Martin Boyle	BMO Insurance and Chair
Karam Al Saeygh	BMO Insurance
David D’Amico	BMO Insurance
Fernando Heleno	RBC Insurance
Penny Cordogiannis	RBC Insurance
Brad Kuiper	ScotiaLife Financial
Marie Nadeau	National Bank Insurance
Pete Thorn	TD Insurance
Aleks Omaljev	TD Insurance (legal counsel)
Derek Andrews	Scotiabank
Ivana Veljovic	Assurant
Emily Brown	Sun Life

Staff

Keith Martin, CAFII

Brendan Wycks, CAFII

Briefing Note

CAFII EOC Meeting 22 June, 2021—Agenda Item 5(f) Recent and Upcoming Strategic and Regulatory Initiatives—CAFII Data Improvements Working Group With RSM Canada Around Quarterly CPI Benchmarking Study: Progress Report

Purpose of this Agenda Item

This is an update only.

Background Information

CAFII continues to work with RSM Canada to improve the data quality of the Quarterly CPI Benchmarking Study. A survey has been sent to study participants which will allow RSM Canada to understand some of the data quality issues better. In a recent meeting with new RSM Canada consulting lead Fabricio Naranjo and benchmarking study project lead Matt Haymes, CAFII's Co-Executive Directors reiterated the importance of this project and requested a critical path of key milestones, which RSM Canada committed to producing in the near future.

Recommendation / Direction Sought

Update only.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting 22 June, 2021—Agenda Item 5(g)

Recent and Upcoming Strategic and Regulatory Initiatives—Launch of Saskatchewan Restricted Insurance Agent Advisory Committee

Purpose of this Agenda Item – Update

This is an update on the just-occurred launch of the Saskatchewan Restricted Insurance Agent Advisory Committee, a landmark event as this is the first such “voice” for RIA licensees in Canada.

Background Information

The Insurance Councils of Saskatchewan (ICS) has launched a new Restricted Insurance Agent Advisory Committee, with industry appointee representatives from CAFII and CLHIA. This will be an update on this new initiative, the inaugural meeting of which was held virtually on 17 June, 2021.

Recommendation / Direction Sought – Update

This is an update only.

Attachments Included with this Agenda Item

1 attachment.



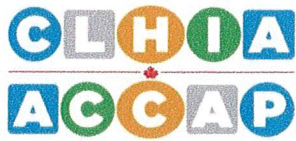
Insurance Council of Saskatchewan Restricted Insurance Agent Advisory Committee

Kick-off Meeting – June 17, 2021 – via Microsoft Teams

Agenda

- 1) Call to Order – 1:00 p.m. SK time (3:00 p.m. EST)**
- 2) Opening Remarks – Executive Director, ICS**
- 3) Introduction of Committee Members & Observers**
- 4) Approve Agenda**
- 5) Review of Mandate/Terms of Reference**
 - a. August 3, 2018 Joint CLHIA/CAFII Submission**
 - b. December 10, 2020 Joint CLHIA/CAFII Submission**
- 6) Confirmation of Chair/Vice-Chair (optional)**
- 7) Committee Logistics**
 - a. Frequency of Meetings**
 - b. Frequency of In-person Meetings (no earlier than 2022)**
- 8) Identification/Prioritization/Timing of Initial Topic List**

Members to present possible topics and speak to level of importance
- 9) Next Meeting – To be determined**
- 10) Adjournment**



August 3, 2018

Mr. Ron Fullan
Executive Director
Insurance Council of Saskatchewan
Suite 310
2631 – 28th Avenue
Regina, Saskatchewan S4S 6X3

Dear Mr. Fullan,

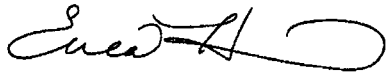
On behalf of the Canadian Life and Health Insurance Association (CLHIA) and the Canadian Association of Financial Institutions in Insurance (CAFII), we are pleased to provide our joint proposal for a Restricted Insurance Agent Advisory Committee (RIA Advisory Committee) of the Saskatchewan Insurance Councils.

As you will recall at our meeting on October 27, 2017, we expressed our support for an RIA Advisory Committee that would ensure the Councils have the benefit of expert information and advice when dealing with issues involving restricted insurance agents. At the time, you had requested that the CLHIA and CAFII develop a joint proposal for consideration.

We have since met with members of CLHIA and CAFII to develop a proposal that sets out the principles upon which we recommend establishing an RIA Advisory Committee. We believe that the RIA Advisory Committee itself may be in the best position to determine how the committee will be managed, but offer some details for consideration in the attached suggested Terms of Reference.

The CLHIA and CAFII appreciate the opportunity to provide this joint proposal for your consideration. We would be pleased to discuss our proposal in more detail at your convenience.


Sincerely,

A handwritten signature in black ink, appearing to read "Euan H." with a stylized flourish at the end.

Assistant Vice President, Distribution
Canadian Life and Health Insurance Association

A handwritten signature in black ink, reading "Brendan Wycks" in a cursive style.

Brendan Wycks
Co-Executive Director
Canadian Association of Financial Institutions in Insurance

A handwritten signature in black ink, reading "Keith Martin" with a large circular flourish around the name.

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

CLHIA and CAFII's Joint Proposal for a Restricted Insurance Agent Advisory Committee of the Saskatchewan Insurance Councils

Mandate

The RIA Advisory Committee will provide subject matter expertise to the Saskatchewan Life Council and General Council regarding Restricted Insurance Agents (RIAs). The Advisory Committee may also provide advice regarding the operational efficiency and effectiveness of regulations related to RIAs.

The RIA Advisory Committee will not advocate on behalf of the industry.

Scope

The RIA Advisory Committee will provide the Councils and/or Executive Director with advice and information on RIA-relevant issues, including:

- Information on relevant products and distribution channels;
- The consumer needs for which RIA-distributed products are designed;
- Impact of Council decisions on RIAs;
- The operational efficiency and effectiveness of the Saskatchewan RIA regulatory regime; and
- Any other issues brought forward by the Life and General Councils.

Terms of Reference

Within the first year of its existence, the RIA Advisory Committee will develop its own Terms of Reference for approval by the Life and General Councils. The Terms of Reference would determine how the RIA Advisory Committee will function, including quorum at meetings, agenda development, and minutes, among other things. A suggested Terms of Reference is attached as a "thought-starter" for the RIA Advisory Committee.

Membership

Given the broad interests already represented on the Life and General Councils, we believe the membership of the RIA Advisory Committee should be limited to experts in the products and distribution channels utilized under restricted licenses.

The RIA Advisory Committee members will include:

- at least two (2) restricted insurance agent representatives with distribution expertise in RIA products;
- at least two (2) insurer representatives with expertise in relevant products, distribution channels and practices; and
- the Executive Director of the Insurance Councils or designated staff.

A wide range of products are distributed under restricted insurance agent licenses through a variety of channels. In order to balance the need for relevant subject matter expertise with the need for continuity on the RIA Advisory Committee, the Committee may be augmented by additional subject matter experts, as needed and on an ad hoc basis.

For Committee members and ad hoc subject matter experts, CAFII and CLHIA shall be called upon to propose a list of representative candidates that could be appointed at the pleasure of the Councils. It should be noted, however, that CLHIA and CAFII can only propose representatives from the life and health insurance industry; and there may be a need, at some point, to include representatives from the property and casualty insurance industry. It is recommended that associations representing the P&C industry (e.g., IBC, CADRI) could be called upon to propose those representatives.

We believe the interests of consumers are well-represented through the Life and General Councils, and the Advisory Committee will always have access to the consumer representative expertise on the Councils.

RIA Advisory Committee members shall not be required to be residents of Saskatchewan.

Chair

In keeping with the Saskatchewan Life and General Councils' by-laws, the Chair of the RIA Advisory Committee will be appointed by the Life and General Councils.

Membership Rotation

Consistent with the Saskatchewan Life and General Councils model, RIA Advisory Committee members shall serve a three-year renewable term. This will ensure continuity of expertise while also providing the ability to bring in new members.

In appointing the first committee members, the Councils should consider allowing the initial appointments to fall outside of the rotation rule in order to ensure a staggered membership rotation going forward in support of continuity of expertise.

Frequency of Meetings

The RIA Advisory Committee will meet as necessary, at the request of the Chair. However, the RIA Advisory Committee shall meet no less than twice per year.

Where a Committee member feels that a meeting should be held to deal with an issue(s), they may request -- in writing to the Chair -- that a meeting of the Advisory Committee be held.

Duration of Committee

The duration of the RIA Advisory Committee's mandate is indefinite.

Review of Committee

Consistent with the Life and General Councils by-laws, the Life and General Councils, in conjunction with the Executive Director, shall review the Advisory Committee's role and effectiveness on an on-going basis. There may be some benefit in aligning this review process with the Advisory Committee's membership rotation schedule.

Transition Items Identified for the RIA Advisory Committee in its Inaugural Year

The following items have been identified for the RIA Advisory Committee to discuss during its first few meetings:

- Development of a Terms of Reference;
- Development of an appropriate disciplinary process for RIA-specific issues, including a protocol for RIA representation in disciplinary matters;
- Development of a process to address RIA-specific complaints and issues coming forward; and
- Identifying any other items to be managed by the Committee.

Suggested Terms of Reference for the Restricted Insurance Agent Advisory Committee of the Saskatchewan Insurance Councils

Below we have provided a suggested Terms of Reference for the RIA Advisory Committee's consideration.

Conduct of the RIA Advisory Committee's meetings and related procedures shall be as consistent as possible with those followed by the Life and General Councils.

Quorum

Quorum for meetings will be attendance by a simple majority of RIA Advisory Committee members. The Executive Director or a designated staff member shall always be in attendance, but shall not count as quorum.

Distance Support

The RIA Advisory Committee may meet in-person or by teleconference or other electronic means.

Agenda

The Chair of the RIA Advisory Committee shall prepare a meeting agenda. The Chair may request agenda items from members or the Councils.

Committee Records

The Executive Director or a designated staff member shall maintain minutes of the RIA Advisory Committee's meetings.

Conflicts of Interest

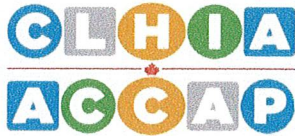
Members of the RIA Advisory Committee must be committed to the public interest regarding the insurance industry. If the RIA Advisory Committee is dealing with an issue where a member has a real or perceived conflict, that member shall remove him/herself from deliberations on the issue. The RIA Advisory Committee may wish to supplement its membership with another representative from the roster of *ad hoc* experts, if needed.

Remuneration

Remuneration of RIA Advisory Committee members' committee-related expenses, including travel expenses if any, shall be in accordance with the expense reimbursement policy of the Insurance Councils of Saskatchewan.

Amending the Terms of Reference

The RIA Advisory Committee's members, Executive Director or designated staff member may make recommendations to amend the terms of reference. Amendments will be approved by the Life and General Councils.



December 10, 2020

Mr. Ron Fullan
Executive Director
Insurance Councils of
Saskatchewan
Ron.Fullan@skcouncil.sk.ca

Ms. April Stadnek
Director Compliance & Enforcement
Insurance Councils of
Saskatchewan
April.Stadnek@skcouncil.sk.ca

Dear Mr. Fullan & Ms. Stadnek,

On behalf of the Canadian Life and Health Insurance Association (CLHIA) and the Canadian Association of Financial Institutions in Insurance (CAFII), we commend you on establishing a Restricted Insurance Agent (RIA) Advisory Committee in your recently adopted Insurance Councils of Saskatchewan (ICS) – Life Insurance Council Bylaws, January 1, 2020 (Bylaws).

We believe the ICS RIA Advisory Committee is a good example of mutually beneficial collaboration involving CLHIA members, CAFII members, and the ICS, and we are enthused to be participating in this inaugural Advisory Committee. In time, other jurisdictions may look to Saskatchewan as an example of an advisory committee model they too can adopt.

We would also like to thank Ms. Stadnek for meeting with the CLHIA on March 3, 2020 and Mr. Fullan for meeting with CAFII by telephone on November 9, 2020 to discuss the next steps to establish the RIA Advisory Committee. We noted the following take-aways during our respective meetings. We would appreciate it if you could confirm that we have captured the complete list of relevant considerations, as set out below.

- The suggested Terms of Reference document attached to the CLHIA and CAFII's Joint Proposal Letter of August 3, 2018 has been approved by the ICS and is the 'Terms of Reference' referred to in the Bylaws. The document is a 'living document' and could serve as a "thought-starter" for the RIA Advisory Committee.
- Ron Fullan, Executive Director ICS is the administrator referred to in the Bylaws. The administrator or a designated staff member shall maintain minutes and records of the RIA Advisory Committee's meetings.
- The Chair of the RIA Advisory Committee shall be appointed from the industry.
- Committee members shall be appointed at the decision of the ICS. RIA Advisory Committee members shall serve a three-year term, which shall be renewable.

- Year 1 (2021) of the RIA Advisory Committee's operations/activity will be treated as a "learning curve and evaluation year".
- Quarterly meetings might be useful for the first year of the RIA Advisory Committee while the Committee gets set up and establishes its mandate and objectives.
- The transition items identified for the RIA Advisory Committee in its inaugural year will include the following:
 - Development of an appropriate disciplinary process for RIA-specific issues, including a protocol for RIA representation in disciplinary matters;
 - Development of a process to address RIA-specific complaints and issues coming forward; and
 - Identifying any other items to be managed by the Committee.
- The CLHIA and CAFII will have "observer status" at meetings of the RIA Advisory Committee.

In accordance with our discussions and the Bylaws, we have since met with members of CLHIA and CAFII to develop the appended joint list of industry representative nominees for appointment to the RIA Advisory Committee, for your consideration. **Appendix A** is a list of our nominees. **Appendix B** provides capsule biographies for each of our nominees, for background in your appointment deliberations. You will see from the capsule biographies that we have given consideration to the different distribution channels and products offered under an RIA licence in our development of the nominees list, to ensure broad coverage of interests.

The CLHIA and CAFII appreciate the opportunity to provide our list of nominees for your consideration. We would be pleased to discuss any of our nominees in more detail at your convenience.

Sincerely,

Original signed by

Brent Mizzen
Assistant Vice President, Market Conduct Policy and Regulation
Canadian Life and Health Insurance Association

Original signed by

Brendan Wycks
Co-Executive Director
Canadian Association of Financial Institutions in Insurance

Original signed by

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

Fullan, Ron (ICS)

From: Gill, Moira <moira.gill@td.com>
Sent: May 21, 2021 2:37 PM
To: Fullan, Ron (ICS)
Cc: Stadnek, April (ICS)
Subject: RE: Saskatchewan Insurance Council - Restricted Insurance Agent Advisory Committee

Ron, I'm very happy to see this coming to fruition!

I'm available any time June 17 or 18, June 21 before 3pm Toronto time and June 24th from noon Toronto time on.

I have had a list of topics ready since our first discussions, including how this group can provide expertise in any restricted agent complaints which come before the council, examining any RIA complaint data to identify and provide context for any areas of concern, and discussing new and proposed RAI regimes in other provinces where they may be efficiency improvements or opportunities to encourage harmonization.

But I also have a bigger topic which I think is important.

We have seen so much accelerated change in how consumers interact with financial services and companies adapting to meet that demand well ahead of business plans. In addition through the environment and ESG work that is an increasing part of my mandate, I've watched how the pandemic has exposed social and racial inequalities, including financial literacy and access to financial products and services. Canadians who are most vulnerable are underinsured and the pandemic has exposed the vulnerabilities in their finances. Insurance products which fit a specific and immediate need (debt, for instance) with low face amounts exactly tailored to that need and national distribution systems which coordinate with the transaction which creates the insurance need at the types of initiatives under review in emerging economies and are also relevant in Canada. Is there anything in the RIA model which thwarts this innovation to meet customer needs and the access to these products by the underserved market? Is there anything in the model that promotes these social movements – we should celebrate what is good just as much as examining what could be improved!

Best wishes for a wonderful weekend,
Moira

Internal

From: Fullan, Ron (ICS) <Ron.Fullan@skcouncil.sk.ca>
Sent: Friday, May 21, 2021 3:58 PM
To: bpeter@firstcanadian.ca; charles.maclean@rbc.com; emily.brown@sunlife.com; greg_shirley@manulife.ca; Gill, Moira <moira.gill@td.com>; Sharon.Apt@canadalife.com; shawna_sykes@cooperators.ca
Cc: Brent Mizzen <bmizzen@clhia.ca>; Brendan Wycks <brendan.wycks@cafii.com>; Keith Martin <Keith.Martin@cafii.com>; Stadnek, April (ICS) <April.Stadnek@skcouncil.sk.ca>
Subject: Saskatchewan Insurance Council - Restricted Insurance Agent Advisory Committee

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N : COURRIEL EXTERNE. NE CLIQUEZ PAS SUR DES LIENS ET N'OUVREZ PAS DE PIÈCES JOINTES AUXQUELS VOUS NE FAITES PAS C

TO: All Nominated Members of the Saskatchewan Insurance Council Restricted Insurance Agent Advisory Committee

Briefing Note

**CAFII EOC Meeting 22 June, 2021—Agenda Item 5(h)
Recent and Upcoming Strategic and Regulatory Matters—Proposal From CAFII Director Z.
Fuerstenberg That CAFII Investigate Development and Launch of an Education/Master
Class/Certification Program For Member Company Employees On “CPI Legislative and Regulatory
Principles and Environment”: Next Steps**

Purpose of this Agenda Item – Update

Update only.

Background Information

CAFII Board Member Zack Fuerstenberg, ScotiaLife Financial, presented some ideas around educational programs that CAFII could offer to Member representatives and perhaps non-Member representatives as well, at the Board meeting on 8 June, 2021. He has also shared these ideas with CAFII’s Co-Executive Directors, which are focused around the development of educational courses/modules that CAFII could provide, including around best-in-class practices for employees who interact with consumers around optional credit protection insurance. The Board’s direction was for CAFII to develop a short summary of the pros, cons, and costs of various options, and table this for discussion at the 5 October, 2021 Board meeting.

Recommendation / Direction Sought – Update

This is an update only.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting 22 June, 2021—Agenda Item 5(i)

**Recent and Upcoming Strategic and Regulatory Matters—Insights Gained From CAFII/CLHIA/THIA
Weekly Calls Re Impact of COVID-19 On Travel Insurance Industry**

Purpose of this Agenda Item – Update

Update only.

Background Information

CAFII meets weekly with CLHIA and THIA to discuss issues related to the impact of the COVID-19 pandemic upon the travel insurance industry.

Recommendation / Direction Sought – Update

This is an update only.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting 22 June, 2021—Agenda Item 6(a)

Governance Matters—Outcomes Highlights of CAFII Annual Meeting of Members and First Meeting of 2021-22 Board of Directors on June 8/21

Purpose of this Agenda Item – Update

Update only.

Background Information

CAFII held its Annual Meeting of Members, and its first meeting of the 2021-22 Board of Directors, on June 8, 2021.

At the Annual Meeting of Members, the following nominees were elected as the Association's Directors for 2021-22:

- *Paul Cosgrove, Assurant Canada;*
- *Peter McCarthy, Bank of Montreal, BMO Insurance;*
- *Rob Robinson, Canadian Premier Life Insurance Company;*
- *Mica Sweet, CIBC Life Insurance Company Limited;*
- *Kelly Tryon, CUMIS Services Incorporated;*
- *Chantal Gagne, Desjardins Insurance;*
- *Wally Thompson, Manulife;*
- *Peter Thompson, National Bank Insurance;*
- *Chris Lobbezoo, RBC Insurance Holdings Inc.;*
- *Zack Fuerstenberg, ScotiaLife Financial;*
- *Sophie Ouellet, Sun Life;*
- *Janice Farrell Jones, TD Life Insurance Company;*
- *Louie Georgakis, The Canada Life Assurance Company; and*
- *Nicole Benson, Valeyo.*

At the Annual Meeting of Members, the Association's 2020 audited financial statements were approved and KPMG was re-appointed as CAFII's auditor for the ensuing year.

At the immediately ensuing first meeting of the 2021-22 CAFII Board of Directors, the following were appointed as the volunteer Officers of the Association for a one-year term:

- *Board Chair: Chris Lobbezoo, RBC Insurance Holdings Inc.;*
- *Board Vice-Chair: Peter Thompson, National Bank Insurance;*
- *Board Secretary & EOC Chair: Rob Dobbins, Assurant Canada;*
- *Vice-Board Secretary & EOC Chair: Karyn Kasperski, RBC Insurance Holdings Inc.; and*
- *Treasurer: Tony Pergola, ScotiaLife Financial.*

Recommendation / Direction Sought – *Update*

This is an update only.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting 22 June, 2021—Agenda Item 6(b)

Governance Matters—Application Review and Admission of Norton Rose Fulbright (NRFC) As a New CAFII Associate

Purpose of this Agenda Item

Approval.

Background Information

The EOC is being asked to approve Norton Rose Fulbright as a new CAFII Associate.

Recommendation / Direction Sought – *Approval*

Approval.

Attachments Included with this Agenda Item

1 attachment.

CAFII ASSOCIATE STATUS APPLICATION FORM: 2021

Organization Name: Norton Rose Fulbright Canada LLP
Representative's Name and Title: Marc Duquette, Senior Partner
Address: 1 Place Ville Marie, Suite 2500
City: Montreal Province: Quebec Postal Code: H3B 1R1
Phone - Main: 514-847-4747 Direct: 514-847-4508
Fax: 514-286-5474 Email: marc.duquette@nortonrosefulbright.com
Website: nortonrosefulbright.com
Parent Company (if applicable):

Description and Dues Amount:

I. Associates ☒ \$4,800

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

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



Signature of Applicant:

June 8, 2021

Date:

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

Briefing Note

CAFII EOC Meeting 22 June, 2021—Agenda Item 6(c)

Governance Matters—Plans For Next CAFII Regularly Scheduled Board Meeting On October 5/21

Purpose of this Agenda Item

This is an update only.

Background Information

CAFII has in the past held its October Board meeting in Quebec City or Montreal so as to create an opportunity to meet in-person with AMF staff executives for a liaison lunch and Industry Issues Dialogue session. This year, we are likely to again hold this meeting virtually, as we did in 2020.

Recommendation / Direction Sought – *Approval*

Update.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting 22 June, 2021—Agenda Item 6(d)

Governance Matters—Need to “Switch” Hosting Responsibility For December 7/21 CAFII Board Meeting and Possible Immediately Ensuing, In-Person Holiday Season Reception

Purpose of this Agenda Item – *Update*

This is an update only.

Background Information

Due to ongoing construction of a new corporate headquarters, CIBC Insurance will have difficulty hosting the December 7/21 CAFII Board meeting in-person; and, as such, CAFII will look to find a new host for the December 7/21 CAFII Board Meeting and possible immediately ensuing, in-person Holiday Season Reception by engineering a “switch” in rotational hosting responsibilities.

Recommendation / Direction Sought – *Update*

Update only.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting 22 June, 2021—Agenda Item 6(e)

Governance Matters: Draft Minutes of May 25/21 EOC Meeting

Purpose of this Agenda Item

Approval.

Background Information

The EOC is being asked to approve the minutes of the May 25/21 EOC meeting.

Recommendation / Direction Sought – *Approval*

Approval.

Attachments Included with this Agenda Item

1 attachment.

CAFII Executive Operations Committee Virtual Meeting

Tuesday, May 25, 2021

Minutes

EOC Present:

Rob Dobbins, Assurant Canada (Chair)
Tony Pergola, ScotiaLife Financial (Treasurer)
Charles Blaquiere, Valeyo
Dana Easthope, Canadian Premier Life
Carmelina Manno, ManuLife
Sharon Apt, Canada Life
Dallas Ewen, Canada Life
Katia Umutoniwase, Manulife
Charles MacLean, RBC Insurance
Marie Nadeau, National Bank Insurance
Scott Kirby, TD Insurance
Anaar Jessa, Sun Life
Anu Bains, CIBC Insurance
Ben Gray, CIBC Insurance
Martin Boyle, BMO Insurance
Monika Spudas, Manulife
Kamana Tripathi, TD Insurance
Michelle Costello, CUMIS Services Inc.
Emily Brown, Sun Life
Isabelle Choquette, Desjardins Insurance
Karyn Kasperski, RBC Insurance
Anita Mukherjee, RBC Insurance
Penny Cordogiannis, RBC Insurance
Casandra Litniansky, CUMIS Services Inc.

Also Present:

Brendan Wycks, *Co-Executive Director*
Keith Martin, *Co-Executive Director*

1. Welcome, Call to Order, and Priority Matters

1.a. Call to Order

EOC Chair and Board Secretary Rob Dobbins called the meeting to order at 2.02pm.

1.b. CAFII Outreach to EOC Members Re Creating Better Engagement and Succession Pipeline of CAFII Committee Chairs and Other Volunteer Leadership Roles; and Need to Secure Near-Term Successor Chairs for Two CAFII Committees: Resulting New Committee Chair and Vice-Chair Appointments (EOC Approvals Required); and New Committee Member Appointments

Rob Dobbins and Brendan Wycks updated the EOC on the successful effort to produce a succession pipeline of CAFII Committee Chairs and other volunteer roles. Nearly all Committees now had a Chair and a Vice-Chair, and the list of new volunteer leaders was read out to EOC members.

The EOC made the following Committee Chair and Vice-Chair appointments:

- Chair of Media Advocacy Committee: Anita Mukherjee, RBC Insurance;
- Chair of Travel Insurance Experts Working Group: Katia Umutoniwase, Manulife;
- Vice-Chair of Media Advocacy Committee: Scott Kirby, TD Insurance;
- Vice-Chair of Market Conduct & Licensing Committee: Fay Coleman, TD Insurance; and
- Vice-Chair of Research & Education Committee: Michelle Costello, CUMIS Services Inc.

2. Consent Items

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

- a. Consultations/Submissions Timetable
- b. Regulatory Update
- c. Regulator and Policy-Maker Visit Plan
- d. Summary of Board and EOC Action Items
- e. Board-Approved Schedule Of CAFII 2021 Meetings And Events

2. Financial Management Matters

3. a. CAFII Financial Statements as at April 30/21

CAFII Treasurer Tony Pergola provided an update on the Association's financial position as at 30 April, 2021. He noted that year-to-date revenues were \$313K, and expenses were \$233K, resulting in a surplus of \$79K. Part of the favourable variance was due to timing around expenses, along with the Association having successfully attracted four new Associates.

3.b. Forecast For CAFII 2021 Fiscal Year as at April 30/21

CAFII Treasurer Tony Pergola noted that CAFII's total revenue for the 2021 fiscal year was expected to be \$938K versus a budgeted \$919K. Forecasted expenses were \$836K, leading to a projected surplus of \$101K versus a budgeted surplus of \$78K. The forecasted level of financial reserves at December 31, 2021 was 55% of annual operating expenses.

4. Committee Updates

4.a. Research & Education

4.a.i. Next Steps Arising From Results Report From CAFII Research Project On Insurance Consumers' Digitization Preferences: Webinar Presentation to Insurance Regulators and Policy-Makers; Public Release; and Media Release

Andrea Stuska, Chair of the Research & Education Committee, updated the EOC on next steps on the CAFII-commissioned Pollara research study on CPI consumers' digitization preferences, noting that the Board would be asked to formally approve public release of the study. When that approval was obtained, the first step would be to organize a webinar with regulators and policy-makers to present the findings to them ahead of any public release. Soon after, the research results would be posted on the CAFII website, and a press release on the major findings of the study would be shared with media.

[Action Item: Obtain Board approval for the Action Plan for the public release of the CAFII research results; B. Wycks, K. Martin, June 7, 2021.]

4.b. Media Advocacy

4.b.i. New Motion Graphics Website Video on Results of Research Project On Insurance Consumers' Digitization Preferences

Keith Martin updated the EOC on the intention to create a new motion graphic website video on the major results of the recent CAFII research on CPI consumers' digitization preferences.

[Action Item: Develop with Operatic Agency a new motion graphic website video on the Pollara consumers' digitization preferences; B. Wycks, K. Martin, Summer, 2021.]

4.c. Market Conduct & Licensing

Brad Kuiper, Chair of the Market Conduct & Licensing Committee, reported that there were many active consultation and regulatory files on the go, including the response to the AMF on the application of the RADM to credit card-embedded insurance benefits; the response to FSRA on its questions about the Unfair or Deceptive Acts or Practices (UDAP) Rule; the questions asked of CAFII by David Weir, FCNB related to that province's Insurance Act rewrite and intention to launch an Restricted Insurance Agent licensing regime in New Brunswick; the monitoring and response drafting work related to the FCAC's Appropriateness Guideline; a just-launched consultation by CISRO on Principles of Conduct for Intermediaries; and the Insurance Councils of Saskatchewan's intention to launch imminently its Restricted Insurance Agents Advisory Committee.

4.d. Travel Insurance Experts

It was noted that Katia Umutoniwase of Manulife had just been appointed as Chair of this Committee, and she would therefore become an *ex officio* member of the EOC and would be reporting on her committee's activities at future EOC meetings.

4.e. Networking & Events

Scott Kirby, Chair of the Networking & Events Committee, reported that three interesting CAFII webinars were in the works for early June, taking place on June 3/21, June 9/21, and June 15/21 respectively.

4.e.i. June 3/21 CAFII Webinar On RIA Licensing Regimes in Canada

Keith Martin reported that CAFII had scheduled a webinar for 3 June, 2021 on RIA licensing regimes in Canada, with panelists Joanne Abram, CEO, Alberta Insurance Council (AIC); April Stadnek, Director of Compliance & Enforcement, Insurance Councils of Saskatchewan (ICS); and Barbara Palace Churchill, Executive Director, Insurance Council of Manitoba.

4.e.ii. June 9/21 CAFII Webinar On The Future Of Travel and Travel Insurance As The World Emerges From The Global Pandemic

Keith Martin updated the EOC on the upcoming CAFII webinar on the future of travel and travel insurance post-COVID, with panelists Will McAleer, Executive Director of the Travel Health Insurance Association of Canada and President of World Travel Protection; Joan Weir, Director of Health & Disability Policy at CLHIA (Canadian Life & Health Insurance Association); Katia Umutoniwase, Director of Operations & Portfolio Optimization at Manulife, and Chair of CAFII's Travel Insurance Experts Working Group; and David Moorcroft, Founder of Strategy2Communications(S2C), Host of "The Business of Blockchain" Podcast," and CAFII's media consultant.

4.e.iii. June 15/21 CAFII Webinar On Results of CAFII Research Project On Insurance Consumers' Digitization Preferences

Keith Martin updated the EOC on CAFII's intention to hold a 15 June, 2021 webinar – primarily for an insurance regulators and policy-makers audience -- on the major findings of the CAFII research project on CPI consumers' digitization preferences.

5. Recent and Upcoming Strategic and Regulatory Initiatives

5.a. CAFII Board Decision On Legal Arguments/Opinion To Oppose AMF's Interpretation on RADM's Applicability to Credit Card-Embedded Insurance Benefits and Resulting Regulatory Expectations

Keith Martin updated the EOC on the CAFII Board's decision at its May 19/21 Special Purpose Board Meeting to proceed with retaining Norton Rose Fulbright to deliver a legal opinion on CAFII's legal options around the AMF's position that the RADM applies to credit card-embedded insurance benefits.

The Board did not indicate that it would necessarily use the legal opinion in any way, but felt it would be worthwhile to hear what its legal options are. The Board is aware of the CAFII Working Group on Industry Alignment Around Compliance with AMF's Expectations Re RADM's Applicability to Credit Card-Embedded Insurance Benefits, and supports the continuation and progress of that initiative, Mr. Martin advised.

5.b. CAFII Extension Request Letter To AMF Re September 17/21 Deadline For Affected Insurers To Submit Product Summaries and An Action Plan, Arising From AMF Position That RADM Fully Applies to Credit Card-Embedded Insurance Benefits

Keith Martin updated the EOC on CAFII's intention to send a letter to the AMF requesting an extension to the stipulated September 17/21 deadline for affected insurers to submit product summaries and an action plan. The letter will be factual and focused only on the extension request, and will ask for a three-month extension from 17 September 2021 to 17 December 2021.

[Action Item: Share the draft deadline extension request letter to the AMF with the Board for approval; and then send the final approved letter to the AMF; B. Wycks, K. Martin, May-early June, 2021.]

5.c. CAFII Outreach Request To CBA That It Engage In AMF Credit Card-Embedded Insurance Benefits Issue, Given Implications For Core Credit Card Offerings in Quebec

Keith Martin updated the EOC on CAFII's request to the CBA that it engage in the credit card-embedded insurance benefits issue. CAFII wrote the CBA an email on 14 April, 2021, and received an acknowledgement of the request on 21 April, 2021, but has not heard further from the CBA since then. However, at the 19 May, 2021 Special Purpose CAFII Board Meeting, several Board members said that they were aware that the CBA was investigating getting engaged on this issue and that this was being actively reviewed by the CBA.

5.d. CAFII Working Group on Industry Alignment Around Compliance with AMF's Expectations Re RADM's Applicability to Credit Card-Embedded Insurance Benefits

Keith Martin provided an update on the new CAFII Working Group that will seek industry alignment around compliance with the AMF's expectations arising from its view that the RADM applies to credit card-embedded insurance benefits.

The Working Group has developed its mandate, its membership is complete, and it has met twice. The Working Group will be co-chaired by Karyn Kasperski of RBC Insurance and Scott Kirby of TD Insurance.

5.e. CAFII Working Group on Industry Alignment Re Interpretation of FCAC's Appropriateness Guideline's Application to Authorized Insurance Products/CPI; and Potential Approaches to Compliance

Keith Martin provided an update on the new Working Group that had been created on the FCAC's Appropriateness Guideline, with its objective being to develop potential approaches to compliance for credit protection insurance products. The Working Group's mandate has been developed, its membership is complete, and the first meeting of the group has been held. The Working Group will be chaired by former EOC Chair Martin Boyle of BMO Insurance.

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

Brendan Wycks provided an update on recent learnings from the weekly calls on travel insurance involving CAFII, CLHIA, and THIA. He noted that the Canada-US border's re-opening was an item being carefully reviewed, but Global Affairs Canada had not provided updates on this or any other matters of late.

6. Governance Matters

6.a. CAFII 2021 Annual Meeting of Members on June 8, 2021

Brendan Wycks provided an overview of the upcoming 8 June, 2021 Annual Meeting of Members.

6.b. CAFII Negotiation of Association Management Services Contract Renewal With Managing Matters

Keith Martin reported that CAFII's contract with Association Management Company Managing Matters expires on 31 December, 2021. CAFII management is very satisfied with Managing Matters and proposes that the EOC recommend to the Board that CAFII renew its contract for a further three years. The EOC was supportive of that proposed direction; and recommended that CAFII management make a proposal to that effect to the CAFII Board at its next meeting.

6.c. Application Review and Admission of Norton Rose Fulbright (NRFC) As A New CAFII Associate

As Norton Rose Fulbright had not yet submitted its completed CAFII Associate Status Application Form at the time of this meeting, this item was deferred to the 22 June, 2021 EOC meeting.

6.d. New CAFII Initiation Member: Canadian Tire Bank (CTB)

Brendan Wycks reported that Canadian Tire Bank (CTB) had recently made an application to be a new CAFII Initiation Member. Subsequently, CAFII's Membership Applicant Review Committee held a productive dialogue meeting with two CTB staff executives on their company's application, and a recommendation will be made shortly to the Board that CTB be admitted as a new CAFII Initiation Member.

6.e. Draft Minutes of April 27/21 EOC Meeting

The EOC approved the draft minutes of the 27 April, 2021 EOC meeting.

6.f. Draft Minutes of May 19/21 Special Purpose Board Meeting

The EOC endorsed the draft minutes of the 19 May, 2021 Special Purpose Board Meeting, for presentation to the Board for approval at its next meeting.

Briefing Note

CAFII EOC Meeting 22 June, 2021—Agenda Item 6(f)

Governance Matters: Draft Minutes of June 8/21 Board Meeting

Purpose of this Agenda Item

Endorsement.

Background Information -- *Endorsement*

The EOC is being asked to endorse the draft minutes of the June 8/21 Board meeting, for presentation to the Board for approval at its next regularly scheduled meeting.

Recommendation / Direction Sought – *Endorsement*

Endorsement.

Attachments Included with this Agenda Item

1 attachment.

**BOARD VIRTUAL MEETING VIA MS TEAMS
CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE**

Tuesday, June 8, 2021, 2:20-4:30pm

MINUTES

Board Present:	Chris Lobbezoo	RBC Insurance (Chair)
	Peter Thompson	National Bank Insurance (Vice-Chair)
	Nicole Benson	Valeyo
	Paul Cosgrove	Assurant Canada
	Janice Farrell-Jones	TD Insurance
	Zack Fuerstenberg	ScotiaLife Financial
	Louie Georgakis	The Canada Life Assurance Company
	Peter McCarthy	BMO Insurance
	Sophie Ouellet	Sun Life
	Mica Sweet	CIBC Insurance
	Wally Thompson	Manulife
	Kelly Tryon	CUMIS/The Co-operators
	Rob Robinson	Canadian Premier Life Insurance Company
	Chantal Gagné	Desjardins Insurance
	Adam Vespi	Canadian Tire Financial Services (<i>for part</i>)

Also Present: Brendan Wycks, *Co-Executive Director*
Keith Martin, *Co-Executive Director*
Lyn Wallington, *Managing Matters* (Recording Secretary)

1. Welcome, Call to Order, and Priority Matters

C. Lobbezoo welcomed all to this meeting of the CAFII Board of Directors, which was held virtually on the Microsoft Teams platform, and called the meeting to order at 2:20 p.m. Lyn Wallington acted as Recording Secretary.

Rob Dobbins, Board Secretary, confirmed that notice of the meeting had been sent to all Directors in accordance with the Association's By-Law; and that a quorum of Directors was present.

C. Lobbezoo 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.a. Welcome to New CAFII Member; and to Two New CAFII Directors

C. Lobbezoo thanked André Langlois, en absentia, for his service to CAFII as a Director from Desjardins. Mr. Langlois is stepping down as the Director from Desjardins, and Mr. Lobbezoo welcomed his successor Chantal Gagné, Senior Vice-President, Individual Insurance Division, Desjardins Financial Security. Ms. Gagné then briefly introduced herself to the other members of the Board.

1.b. Approval of Agenda

C. Lobbezoo noted that the agenda for this meeting included a “Read Only” section which members were expected to review but which would not require discussion in the meeting. Combined with the “Consent Items” section, these sections allow the meeting itself to focus on items that require Board discussion and/or decision-making.

Mr. Lobbezoo noted that two inter-related items would be added as agenda items 1(c) and 1(d). He indicated that those two items could be titled 1(c) *“Recommendation on Canadian Tire Bank’s Application for CAFII Initiation Membership”*; and then, assuming Board approval of that item, 1(d) would be *“Appointment of Canadian Tire Bank’s First Director on the CAFII Board.”*

If the Board agreed to add those two items, the items that were 1(c) and 1(d) as displayed on the originally circulated agenda would become items 1(e) and 1(f), Mr. Lobbezoo advised.

Mr. Lobbezoo also noted that it had been decided to defer one further agenda item which could have been added to today’s agenda – on a Bylaw Amendment to permit “Voting By Electronic Means, Outside of a Board Meeting” – to a Special Purpose Board Meeting that would likely occur in late June, around the legal arguments being developed for CAFII by Norton Rose.

On a motion duly made, seconded and unanimously carried **IT WAS RESOLVED** that the meeting Agenda be and is approved as amended.

1.c. Recommendation on Canadian Tire Bank’s Application for CAFII Initiation Membership

On a motion duly made, seconded and unanimously carried **IT WAS RESOLVED** to approve the recommendation from the CAFII Membership Applicant Review Committee that Canadian Tire Bank be admitted to CAFII Initiation Membership.

1.d. Appointment of Canadian Tire Bank’s First Director On The CAFII Board

On a motion duly made, seconded and unanimously carried **IT WAS RESOLVED** that Adam Vespi, Associate Vice-President, Insurance & Services, at Canadian Tire Bank, be appointed as Canadian Tire Bank’s first Director on the CAFII Board.

Following passage of the motion, Mr. Vespi joined the meeting and Mr. Lobbezoo welcomed him to the CAFII Board. Mr. Vespi then briefly introduced himself to the other members of the Board.

1.e. Review and Acceptance of CAFII Competition Law Policy

C. Lobbezoo noted that the CAFII Competition Law Policy provided in today’s Board meeting package was adopted by the Association’s then-Board of Directors on April 3, 2008. The Association’s practice has been to highlight the key principles set out in the Competition Law Policy annually, at this first Board meeting in a new CAFII governance year.

Mr. Lobbezoo noted that the CAFII Competition Law Policy commits the Association’s Directors and other Member representatives who participate in the Association’s affairs to avoidance of the following:

- Making or discussing any agreement on prices, premiums, fees, or products;
- Exchanging cost information (with intent to fix prices or reduce competition);

- Restricting independent dealing with industry suppliers; and
- Precluding, arbitrarily, participation in CAFII in a manner that may limit competition.

1.f. Appointment of 2021-2022 CAFII Volunteer Officers

Mr. Lobbezoo noted that as this was the first Board meeting following the election of the Association's Directors for 2021-22, the Board must now appoint the volunteer Officers of the Association for 2021-22, with those volunteer Officer positions being Board Chair; Board Vice-Chair; Board Secretary & Executive Operations Committee Chair; Vice-Board Secretary & Executive Operations Committee Chair; and Treasurer.

Mr. Lobbezoo noted that the position of Vice-Board Secretary & Executive Operations Committee Chair was a new Officer role which the EOC had recommended the Board create; and the EOC was also recommending a candidate as the first appointee into that position.

Mr. Lobbezoo advised that Article 7.1 of the CAFII Bylaw specifies that "the Directors shall select annually Officers of the Corporation. Except for the Executive Director, Officers shall hold their position for a period of one year."

Therefore, the following slate of volunteer Officers was nominated for appointment by the Board:

Board Chair: Chris Lobbezoo, RBC Insurance Holdings Inc.
Board Vice-Chair: Peter Thompson, National Bank Insurance
Board Secretary & EOC Chair: Rob Dobbins, Assurant Canada
Vice-Board Secretary & EOC Chair: Karyn Kasperski, RBC Insurance Holdings Inc.
Treasurer: Tony Pergola, ScotiaLife Financial

On a motion duly made, seconded and unanimously carried **IT WAS RESOLVED** that the nominated slate of CAFII volunteer Officers for 2021-22 be appointed by the Board.

2. Consent Items

Mr. Lobbezoo advised that the following Consent Items would not require any discussion during the meeting:

- a. Draft Board Meeting Minutes, April 13, 2021;
- b. Draft Board Meeting Minutes, May 19, 2021;
- c. Summary of Board and EOC Action Items;
- d. Regulatory Update;
- e. Consultations/Submissions Timetable;
- f. Regulator and Policy-Maker Visit Plan;
- g. Committee Reports Addressing CAFII Priorities;
- h. Board-Approved CAFII 2021 Schedule of Meetings and Events.

On a motion duly made, seconded and unanimously carried **IT WAS RESOLVED** that the Consent Agenda items be and are approved or received for the record, as indicated in the Action column in the Consent section of the agenda.

And further, **IT WAS RESOLVED** that the minutes of the meeting of the Board of Directors held April 13, 2021 and the minutes of the meeting of the Board of Directors held May 19, 2021 be and are adopted in the form presented, and that copies of those minutes be signed and placed in the minute book of the Corporation.

3. Governance Matters

3.a. Results of Recent Outreach To EOC Members To Create Succession Pipeline Of Committee Chairs and Vice-Chairs

CAFII EOC Chair and Board Secretary R. Dobbins noted that CAFII had engaged in an effort to attract new members to the various CAFII Committees, including identifying a Vice-Chair for each committee, such that the Vice-Chairs would be in line to succeed the Chair when that person stepped down. This effort had been very successful and had resulted in most Committees now having a Vice-Chair, along with a significant addition of new Committee and Working Group members.

3.b. Plans For Negotiating A Renewal of CAFII's Association Management Services Contract With Managing Matters

K. Martin noted that CAFII, as a small Association, relied on an Association Management Company (AMC) support to meet most of its support services needs, such as administrative support, accounting services, and event management. Four years ago, CAFII chose Managing Matters in an RFP process. One year thereafter, CAFII was sufficiently pleased with the service levels provided by Managing Matters that the Association negotiated a three-year extension, with cost concessions offered to CAFII in exchange for the longer-term contract.

CAFII management feels that Managing Matters is continuing to provide exemplary service and is well-aligned with CAFII's priorities and values. It has recommended to the EOC that a recommendation should be made to the Board that it give CAFII management the authority to negotiate the terms of a three-year extension to the contract, which expires 31 December, 2021, which would then be presented to the Board for approval, and the EOC supported that recommendation.

On a motion duly made, seconded and unanimously carried **IT WAS RESOLVED** to empower Keith Martin and Brendan Wycks, the CAFII management team, to proceed with negotiating proposed terms for renewal and extension of CAFII's Association management services contract with Managing Matters, which would then be brought back to the Board for approval at the 5 October, 2021 Board meeting.

[Action Item: Negotiate terms for a three-year contract renewal with Managing Matters, to present to the Board at the October 2021 Board meeting; K. Martin, B. Wycks, Summer 2021.]

4. Financial Management Matters

4.a. CAFII Financial Statements as at April 30/21

CAFII Treasurer Tony Pergola noted that CAFII's financial situation is very healthy. In April 2021, revenues were \$78K, expenses were \$65K, and there was a monthly surplus of \$14K. Year-to-date, CAFII's revenues were \$313K, expenses were \$233K, and the surplus was \$79K, which is a positive variance from the budget of \$25K. That was partly caused by higher revenues due to securing four new Associates being onboarded, as well as timing around expenses. The level of financial reserves as at May 31/21 was 55% of annual operating expenses, which was slightly above the 25 to 50% range which the Association targets.

4.b. Forecast for CAFII 2021 Fiscal Year as at April 30/21

CAFII Treasurer Tony Pergola reported that the current forecast through to the end of CAFII's 2021 fiscal year was positive, with projected revenue of \$939K, expenses of \$836K, and a surplus of \$102K. The projected level of financial reserves as at December 31/21 was 58% of annual operating expenses.

5. Strategic and Regulatory Matters

5.a. Proposal That CAFII Investigate Development and Launch of an Education/Master Class/Certification Program For Member Company Employees On "CPI Legislative and Regulatory Principles and Environment"

Zack Fuerstenberg, Board member for ScotiaLife Financial, presented some ideas he had on how to build on the many educational materials that CAFII offers. He felt that it might be beneficial for CAFII to develop standards around the staff training that CAFII members offer their credit protection insurance (CPI) employees, which would ensure an industry minimum standard and also be a positive message to share with regulators. He also felt that a curated set of educational modules on various strategic and regulatory matters could be developed and offered to head office staff of CAFII members.

In discussing this proposal, many Board members felt that there could be value to such an initiative, but that it could be a very large undertaking and could distract CAFII from some of its other strategic priorities. It was also felt that there was a significant pipeline of regulatory and strategic initiatives already being undertaken by CAFII and its members at this time; and that, as such, it could be difficult to find the resources for moving forward on such an initiative.

The Board felt that it would be worthwhile for CAFII management to develop a high-level summary of the options available around this proposal, including the pros, the cons, the costs, and the resource implications, and to present this to the Board at its next meeting on October 5, 2021.

[Action Item: Develop a summary of the pros, cons, and costs of different options related to the CAFII education program, for presentation to the Board at the October, 2021 Board meeting; K. Martin, B. Wycks, September 28, 2021.]

5.b. Norton Rose's Development of Legal Arguments That Could Be Used To Counter AMF's Position On RADM's Applicability To Credit Card-Embedded Insurance Benefits

Keith Martin updated the Board on the status of CAFII's engagement of law firm Norton Rose to develop legal arguments that could be used to counter the AMF's position on the applicability of Quebec's *Regulation respecting Alternative Distribution Methods (RADM)* to credit card-embedded insurance benefits, an engagement decision which the Board had taken recently at a Special Purpose Board Meeting on May 19/21.

K. Martin noted that the Board had not indicated that it would necessarily use any legal opinion to challenge the AMF, but rather wanted to know its legal standing and options. Norton Rose was currently developing the legal arguments and it was expected to be ready in late June or early July 2021. A Special Purpose Board Meeting will be called for Norton Rose to present its findings to the Board and to answer any questions.

[Action Item: Organize a 90 minute Special Purpose Board Meeting at which Norton Rose will present the legal arguments from its AMF RADM legal analysis in relation to credit card-embedded insurance benefits; K. Martin, B. Wycks, June 30, 2021.]

5.c. CAFII Submission Of Deadline Extension Request Letter To AMF Re September 17/21 Deadline For Affected Insurers To Submit Product Summaries and An Action Plan

Keith Martin updated the Board on CAFII's recent submission of a deadline extension request letter to the AMF with respect to its stipulated September 17, 2021 deadline for affected insurers to submit, to it, Product Summaries and an Action Plan with respect to the RADM's applicability to credit card-embedded insurance benefits.

K. Martin noted that the letter had been sent on June 7/21 and CAFII was now awaiting an answer. If the AMF did not answer within the next few weeks, Mr. Martin planned to call Mario Beaudoin at the AMF and inquire about when an answer might be forthcoming.

5.d. CAFII Outreach To CBA That It Engage In AMF Credit Card-Embedded Insurance Benefits Issue, Given Implications For Core Credit Card Offerings In Quebec

K. Martin updated the Board on the status of CAFII's outreach to the Canadian Bankers Association to request that it engage in the AMF credit card-embedded insurance benefits issue, given the implications of the AMF's position for core credit card offerings in Quebec.

Mr. Martin noted that although the CBA had not updated CAFII on its view of the request, several CAFII Board members had previously indicated that the CBA was exploring the request.

In Board discussion of this matter, several Board members indicated that they were aware that the CBA was in discussions internally on this matter.

5.e. CAFII Working Group On Industry Alignment Around Compliance With AMF's Expectations Re RADM's Applicability to Credit Card-Embedded Insurance Benefits

K. Martin updated the Board on the work and progress to date of the recently formed *CAFII Working Group on Industry Alignment Around Compliance With AMF's Expectations Re RADM's Applicability to Credit Card-Embedded Insurance Benefits*.

Mr. Martin noted that the Working Group was co-chaired by Karyn Kasperski of RBC Insurance and Scott Kirby of TD Insurance, and had a strong membership including many representatives from members' credit card operations. The Working Group was focusing on how to develop the required Product Summaries, and the meetings to date had been extremely productive, with much important information being shared and discussed about the expectations of the AMF and how to best respond to them.

5.f. CAFII Working Group On Industry Alignment Re Interpretation of FCAC's Appropriateness Guideline's Application to Authorized Insurance Products/CPI; and Potential Approaches to Compliance

K. Martin updated the Board on the work and progress to date of the recently formed *CAFII Working Group on Industry Alignment Re Interpretation of the FCAC's Appropriateness Guideline's Application to Credit Protection Insurance Products; and Potential Approaches to Compliance*.

K. Martin noted that the Working Group, which meets every second week and is chaired by Martin Boyle of BMO Insurance, was challenged in that it was attempting to respond to a document that was not publicly available at this time. But the Working Group was still making progress by looking at what could be appropriate, and what might not be appropriate, in the credit protection insurance space, so that when the FCAC Appropriateness Guideline is made public, CAFII and its members will be readily able to offer a detailed feedback response on an advanced draft of the document.

5.g. CISRO Consultation On "Principles of Conduct For Intermediaries"

B. Wycks updated the Board on a new consultation which the Canadian Insurance Services Regulatory Organisations (CISRO) had recently launched, on May 25, on "Principles of Conduct for Intermediaries." Mr. Wycks noted that the consultation was relevant to CAFII and that the Association's Market Conduct & Licensing Committee would be working on a submission.

[Action Item: Develop with Market Conduct Committee the CAFII submission to CISRO on its consultation on "Principles of Conduct For Intermediaries"; B. Wycks, K. Martin, July 9, 2021.]

5.h. Launch Of Saskatchewan Restricted Insurance Agent Advisory Committee

B. Wycks updated the Board on the Insurance Councils of Saskatchewan's plans for the launch of a Saskatchewan Restricted Insurance Agent Advisory Committee, which will be the first of its kind in Canada, with seven (7) industry representatives who have been nominated by CAFII and CLHIA working in collaboration.

5.i. Insights Gained From June 3/21 CAFII Webinar On "RIA Regimes In Canada"

K. Martin noted that the 3 June, 2021 CAFII webinar on "RIA Regimes in Canada" had been highly successful, with over 100 registrants including over a dozen regulators and policy-makers. The panelists were very engaged and much positive feedback on the webinar had been received.

B. Wycks noted that Joanne Abram, CEO of the Alberta Insurance Council, specifically said in her comments that she felt that credit protection insurance products were positive for consumers by offering a simple, affordable insurance option for those taking out a loan instrument, and that the other two panelists (April Stadnek, Director of Compliance & Enforcement, Insurance Councils of Saskatchewan, and Barbara Palace Churchill, Executive Director, Insurance Council of Manitoba) echoed that sentiment. Mr. Wycks noted that such a positive statement from regulators would have been very unlikely five years ago, demonstrating that CAFII's communication strategy is working.

5.j. Next Steps Arising From Results Report From CAFII Research Project On Insurance CPI Consumers' Digitization Preferences: Webinar For Regulators and Policy-Makers; Public Release; and Media Release

K. Martin noted that with the Board having recently approved, via a Written Resolution, the public release of the results of CAFII's recent research on digitization, the Association was now preparing the next steps. A webinar with regulators and policy-makers will be held on 15 June, 2021 to present to them the key findings of the study, with Lesli Martin, Vice-President at Pollara making the presentation. A day or so later, there will be a press release issued on the study, and the high-level results will be posted in English and French on the Association's website.

5.k. New Motion Graphics Website Video On Consumers' CPI Digitization Preferences

K. Martin noted that CAFII was preparing a video on the recent CAFII research on CPI consumers' digitization preferences, for posting on the CAFII website.

Mr. Martin added that about a year ago, CAFII had developed a script for a video on job loss CPI, but some Board members felt, at the time, that with the claims experience of consumers with job loss insurance in the context of the pandemic not being clear, the timing for releasing such a video might be premature. With the passage of a year, and given that job loss CPI had not been subject to criticism in that time period, Mr. Martin asked if the Board would be comfortable with releasing that video now. The Board expressed strong support for so doing.

5.l. Insights Gained From CAFII/CLHIA/THIA Weekly Calls Re Impact of COVID-19 on Travel Insurance Industry

Mr. Wycks noted that CLHIA and THIA meetings with Global Affairs Canada had recently been cancelled. He also noted that the key COVID-19 issue currently being discussed by this group is when the Canada-US border will re-open.

6. Meeting Termination

B. Wycks updated the Board on plans for the next regularly scheduled CAFII Board meeting, on October 5, 2021.

Then, on a motion duly made, seconded and unanimously carried, **IT WAS RESOLVED** to terminate the meeting.

Briefing Note

CAFII EOC Meeting 22 June, 2021—Agenda Item 7(a)

Read Only Items—New CAFII Associates Secured In 2021

Purpose of this Agenda Item

Read only item.

Background Information -- *Endorsement*

This is an update on new Associates brought into the Association in 2021. CAFII has retained all 2020 Associates and brought in four (4) new Associates. CAFII introduced new value-add benefits to being an Associate in 2020, including access to the monthly Regulatory Update and the CAFII Alerts Weekly Digest.

Recommendation / Direction Sought

Read only item.

Attachments Included with this Agenda Item

1 attachment.

Agenda Item 7(a)
June 22/21 EOC Meeting

New CAFII Associates Secured and Admitted Or Pending In 2021*

2020 CAFII Associates

KPMG MSLP
Optima Communications
RGA Life Reinsurance Company of Canada
RSM Canada
Torys LLP

2021 CAFII Associates

KPMG MSLP
Optima Communications
RGA Life Reinsurance Company of Canada
RSM Canada
Torys LLP
*Dog and Pony Studios**
*Norton Rose Fulbright Corporation (pending)**
*RSA Canada**
*Stikeman Elliott LLP**

Briefing Note

CAFII EOC Meeting 22 June, 2021—Agenda Item 7(b)

Read Only Item — CAFII Negotiation of Association Management Services Contract Renewal with Managing Matters

Purpose of this Agenda Item – *Read only item.*

Read only item.

Background Information

CAFII is a small Association, with only two staff members (Brendan Wycks and Keith Martin, CAFII's Co-Executive Directors). Such a small Association typically does not hire full-time staff to fulfil its various support requirements. Fortunately, there is a service available in the Association space called an Association Management Company (AMC). These companies provide staff on a needs-basis to fill service roles such as administrative support, accounting and financial controls, IT support, and event management. CAFII has for the past three and a half years relied on the services of a leading, Toronto-based AMC, Managing Matters (MM).

At the 25 May, 2021 EOC meeting, CAFII management expressed strong satisfaction with the performance of Managing Matters, and recommended the EOC's support for negotiating a three-year renewal with MM on terms similar to the previous three-year extension, under which MM offered price concessions in exchange for a longer-term contract. The current contract with Managing Matters is set to expire on 31 December, 2021. The EOC provided support for the recommendation. CAFII management therefore proposed to the Board at its 8 June, 2021 meeting that it approve a recommendation to move forward with negotiating the terms of a three-year extension to the Association's contract with MM, and the Board passed a motion approving that recommendation. CAFII management will present the outcome of its contract renewal negotiations with MM to the Board at its 5 October, 2021 meeting, for review and approval.

Recommendation / Direction Sought – *Read only item.*

Read only item.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting 22 June, 2021—Agenda Item 7(c)

Read Only Items—CAFII's Third Insights/Idées Website Blog Post

Purpose of this Agenda Item

Read only item.

Background Information -- *Endorsement*

This is the third blog posting by CAFII on its new website blog section called "Insights/Idées."

Recommendation / Direction Sought

Read only item.

Attachments Included with this Agenda Item

1 attachment.

Agenda Item 7(c)
June 22/21 EOC Meeting

CAFII Blog post # 3 (680 words)

Canadians embrace fintech & insurance during pandemic

By Keith Martin, Co-Executive Director, CAFII.

According to a new CAFII-commissioned survey by Pollara Strategic Insights, the COVID-19 pandemic has changed the way many Canadians deal with their financial institutions. And it has also increased their interest in insurance.

The survey shows that COVID-19 has raised the prominence of insurance as an option for Canadians, with 65% of respondents saying they are more likely to obtain Credit Protection Insurance (CPI) for a mortgage or Home Equity Line of Credit (HELOC) than before the pandemic. That level of interest in insurance should not be surprising given the serious health impacts and high mortality rates that COVID-19 has caused.

With respect to the various types of CPI coverage purchased during the pandemic, 77% selected life insurance for a mortgage, and 71% for a HELOC. In addition, the percentage of consumers covered for disability, critical illness and job loss was up by 17% over 2018, when the question was last posed to consumers in a similar Pollara survey.

The pandemic has also helped more Canadians embrace financial technology and move beyond in-person transactions in their financial institution's branch. For example, 84% of consumers who participated in the survey say their experience during COVID-19 has made them more comfortable conducting financial transactions online, 72% say it has changed the way they want to conduct these transactions in future, and 70% say they have upgraded their technology to make it easier to conduct these types of transactions from home.

As Canadians went through long periods of stay-at-home orders, and many financial institutions restricted access to their branches, this trend towards conducting more financial and insurance transactions virtually during the pandemic was a natural outcome. However, while Canadians may have fallen in 'like' with digital finance, they still 'love' dealing with real people for more complex financial transactions.

For example, 66% of survey respondents say they are looking forward to going back to their financial institution branch at some point in the future. Canadians also want the opportunity to deal with financial representatives, with 88% saying they would prefer this method, especially for arranging loans and insurance. That doesn't have to take place in a branch, however, as 47% of respondents say they would prefer to speak with a representative over a phone.

The same sentiment applies to making an insurance claim, with 77% of respondents saying they would prefer to submit a CPI claim with the assistance of a representative, compared to 22% who would choose self-service.

In terms of their purchase experience with CPI, 96% of survey respondents say they were somewhat/very satisfied, a nine-point increase over the last time the question was asked in 2018. Similarly, consumers report an increased level of confidence in, and knowledge of, the CPI coverage they purchased.

These are some of the key findings of the Pollara Strategic Insights survey conducted in March 2021 which asked Canadians who had purchased CPI on their mortgage and/or HELOC -- since the pandemic started or planned to do so within the next two years -- about their experiences and future financial transaction preferences. The survey is the latest in a series commissioned by CAFII over the past six years which is designed to help the Association's members remain up-to-date on the expectations, priorities, and satisfaction levels of customers, and to identify areas for improvement. This is part of CAFII's commitment to understanding CPI consumers' preferences and to fostering the fair treatment of customers.

While the pandemic has, and will continue to change the way that Canadians conduct their financial transactions, it's good to see that consumers are adapting well to the new reality, and that our industry's customer satisfaction levels have been up to the challenge. It's also satisfying to see the value that Canadians place on the availability of in-person service, and their confidence in the people who provide it.

The Pollara Strategic Insights study about the impact of COVID-19 on Canadians' preferences for conducting their financial transactions can be found on this website under the [research icon](#).

Les Canadiens adoptent la technologie financière et l'assurance pendant la pandémie

Keith Martin, codirecteur exécutif, ACIFA

Selon un nouveau sondage commandé par l'ACIFA et réalisé par Pollara Strategic Insights, la pandémie COVID-19 a changé la façon dont de nombreux Canadiens traitent avec leurs institutions financières, en plus d'accroître leur intérêt pour les assurances.

Le sondage montre que la COVID-19 a mis en évidence l'importance de l'assurance en tant qu'option pour les Canadiens, 65 % des répondants affirmant qu'ils sont plus enclins à souscrire une assurance protection de crédit (APC) pour un prêt hypothécaire ou une ligne de crédit hypothécaire qu'avant la pandémie. Ce niveau d'intérêt pour l'assurance ne devrait pas être surprenant compte tenu des graves répercussions sur la santé et des taux de mortalité élevés causés par la COVID-19.

En ce qui concerne les différents types de garanties d'assurance protection de crédit souscrites pendant la pandémie, 77 % ont choisi l'assurance-vie pour un prêt hypothécaire, et 71 % pour une ligne de crédit hypothécaire. En outre, le pourcentage de consommateurs couverts en cas d'invalidité, de maladie grave et de perte d'emploi a augmenté de 17 % par rapport à 2018, date à laquelle la question a été posée pour la dernière fois aux consommateurs dans le cadre d'un sondage similaire réalisé par Pollara.

La pandémie a également permis à un plus grand nombre de Canadiens d'adopter la technologie financière et de ne plus se limiter aux opérations en personne dans l'agence de leur institution financière. Par exemple, 84 % des consommateurs qui ont participé au sondage affirment que leur expérience pendant la COVID-19 les a rendus plus à l'aise pour effectuer des opérations financières en ligne, 72 % disent que cela a changé la façon dont ils veulent effectuer ces opérations à l'avenir, et 70 % disent qu'ils ont mis à niveau leur technologie pour faciliter l'exécution de ce type d'opération depuis leur domicile.

Comme les Canadiens ont reçu pendant de longues périodes la directive de rester à la maison et que de nombreuses institutions financières ont restreint l'accès à leurs agences, cette tendance à effectuer davantage les opérations financières et d'assurance de façon virtuelle pendant la pandémie était un résultat naturel. Cependant, même si les Canadiens sont devenus des adeptes de la finance numérique, ils aiment traiter avec des représentants pour les opérations financières plus complexes.

Par exemple, 66 % des personnes interrogées disent qu'elles ont hâte de retourner dans l'agence de leur institution financière à un moment donné dans le futur. Les Canadiens souhaitent également avoir la possibilité de traiter avec des représentants financiers; 88 % d'entre eux déclarant qu'ils choisiraient cette méthode, notamment pour l'obtention de prêts et d'assurances. Il n'est toutefois pas nécessaire que cela se passe dans une agence, puisque 47 % des personnes interrogées disent qu'elles préféreraient parler à un représentant par téléphone.

Le même sentiment s'applique à la présentation d'une réclamation en matière d'assurance, 77 % des personnes interrogées déclarant qu'elles préféreraient déposer une réclamation avec l'aide d'un représentant, contre 22 % qui privilégient le libre-service.

En ce qui est de leur expérience d'achat d'une APC, 96 % des répondants au sondage se disent plutôt satisfaits ou très satisfaits, soit une augmentation de neuf points par rapport à la dernière fois que la question a été posée en 2018. De même, les consommateurs font état d'un niveau accru de confiance et de connaissance dans la couverture de l'APC qu'ils ont souscrite.

Ce sont là quelques-unes des principales conclusions du sondage Pollara Strategic Insights réalisé en mars 2021, dans le cadre duquel on a demandé aux Canadiens qui ont souscrit une APC sur un prêt hypothécaire ou sur une ligne de crédit hypothécaire depuis le début de la pandémie, ou qui prévoient le faire au cours des deux prochaines années, quelles étaient leurs expériences et leurs préférences en matière d'opérations financières futures. Ce sondage est le dernier d'une série commandée par l'ACIFA au cours des six dernières années. Elle a été conçue pour aider les membres de l'Association à rester au courant des attentes, des priorités et des niveaux de satisfaction des clients, et pour identifier les points à améliorer. Cela fait partie de l'engagement de l'ACIFA de mieux comprendre les préférences des consommateurs d'APC et de favoriser le traitement équitable des clients.

Même si la pandémie a changé et continuera de changer la façon dont les Canadiens effectuent leurs opérations financières, il est bon de constater que les consommateurs s'adaptent bien à la nouvelle réalité et que les niveaux de satisfaction de la clientèle de notre industrie ont été à la hauteur du défi. Il est également satisfaisant de constater la valeur que les Canadiens accordent à la disponibilité d'un service en personne et leur confiance dans les personnes qui le fournissent.

Le sondage Pollara Strategic Insights sur l'impact de la COVID-19 sur les préférences des Canadiens en matière d'opérations financières est disponible dans ce site sous la rubrique [« recherches »](#).