

## CAFII Executive Operations Committee Meeting Agenda

**Date:** Tuesday, June 28, 2022  
**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. Call to Order, Welcome, and Priority Matters	2:00 p.m.	Presenter	Action	Document
a. Call to Order		R. Dobbins		
b. Welcome to New CAFII Treasurer: Donald Hinnecke, RBC Insurance		R. Dobbins		✓
c. Welcome to Other New EOC Member: Janet Pacini-Thibodeau, Manulife		R. Dobbins		
d. Reminder Re <i>In Camera</i> Session At Conclusion Of Each EOC Meeting		R. Dobbins		

2. Consent Items	2:06 p.m.	Presenter	Action	Document
a. Consultations/Submissions Timetable				✓
b. Regulatory Update				✓
c. Regulator and Policy-Maker Visit Plan Recap				✓
d. May 31/22 CAFII Submission to FSRA on "Guidance on Use of Retained Revenues under Regulation 'Money Retained Outside the Consolidated Revenue Fund'" Consultation				✓
e. Summary of Board and EOC Action Items				✓
f. Board-Approved Schedule of CAFII 2022 Meetings and Events				✓

3. Financial Management Matters	2:07 p.m.	Presenter	Action	Document
a. CAFII Financial Statements as at May 31/22		D. Hinnecke	Update	✓
b. Forecast For CAFII 2022 Fiscal Year as at May 31/22		D. Hinnecke	Update	✓
c. CAFII Member 2022 First Instalment Dues Payments; and CAFII Associate 2022 Dues Payments as at June 24/22		B. Wycks	Update	

4. Committee Updates	2:17 p.m.	Presenter	Action	Document
a. Market Conduct & Licensing	2:17 p.m.	B. Kuiper	Update	✓
i. Yukon Licensing and Regulatory Affairs Department Informal Consultation with CAFII Licensing Experts Focus Group To Inform Development/Launch of Its Online Licensing Portal		B. Wycks	Update	✓
ii. CISRO Consultation on Improvements to Life Insurance Replacement Declaration (LIRD) Form (Submission Deadline: July 8/22)		B. Wycks	Update	✓
iii. OSFI Consultation On Updated Guideline B-10: Third Party Risk Management (Submission Deadline: July 27/22)		B. Wycks	Update	✓ (3)
b. Media Advocacy	2:28 p.m.	J. Marcus		
i. Proposed Guideline on Members' Utilization of CAFII Videos On Their Own Corporate Websites		J. Marcus/K. Martin	Update/ Approval	✓
ii. Recently Completed and Imminent Operatic Agency Deliverables		K. Martin	Update	
c. Research & Education	2:36 p.m.	A. Stuska		
i. Implementation of Board-Approved Next Steps Re Public Release of Results of Deloitte Canada Thought Leadership Paper on Digitization of CPI: (a) Webinars for Insurance Regulators and Policy-Makers; and Allied Industry Association and CAFII Associate Representatives; (b) Posting of Executive Summary of Research Results on CAFII Website; and (c) Media Release Based on Executive Summary of Research Results		K. Martin	Update	✓ (2)
ii. Recommended CAFII 2022 Research Project		A. Stuska/K. Martin	Discussion/ Approval	
d. Networking & Events	2:45 p.m.	C. Manno	Update	
i. Plans for September 13/22 In-Person CAFII Annual Members and Associates Luncheon with Mark White, CEO, FSRA, as Guest Speaker		B. Wycks/K. Martin	Update	✓
e. Travel Insurance Experts	2:53 p.m.	K. Umutoiwase	Update	
i. Insights Gained From June 15/22 In-Person THIA Annual General Meeting		B. Wycks/K. Martin	Update	

5. Recent and Upcoming Strategic and Regulatory Initiatives	2:58 p.m.	Presenter	Action	Document
a. Insights Gained from June 6/22 Virtual Meeting of FSRA's Stakeholder Advisory Committee (SAC) for the Life and Health Insurance Sector with the FSRA Board		K. Martin	Update	
b. Insights Gained from June 7/22 Get Acquainted and Dialogue Lunch with Anthony Ostler, New CEO, Canadian Bankers Association		B. Wycks/K. Martin	Update	
c. Insights Gained From June 8/22 Meeting of CAFII Working Group on Compliance With AMF's Expectations Re RADM's Applicability To Credit Card-Embedded Insurance Benefits		K. Martin	Update	
d. Insights Gained from CAFII Attendance at June 9/22 Reception In Honour Of Bryan Davies, FSRA's Founding Board Chair		B. Wycks/K. Martin	Update	

6. Governance Matters	3:13 p.m.	Presenter	Action	Document
a. Proposed Cancellation Of Tentatively Scheduled August 16/22 EOC Meeting		R. Dobbins	Discussion/ Approval	
b. Results of EOC Member Survey on Comfort With Return To In-Person/Hybrid EOC Meetings In Fall 2022		B. Wycks	Update/ Discussion	✓
c. Draft Minutes of May 17/22 EOC Meeting		B. Wycks	Approval	✓
d. Draft Minutes of June 7/22 Board Meeting		B. Wycks	Endorsement	✓
e. June 7/22 Appointment of New CAFII Board Chair; and Plans for Appointment of New CAFII Board Vice-Chair		B. Wycks	Update	
f. Proposed Date Change For November 22/22 EOC Meeting To Avoid Date Conflict With Just Confirmed 2022 AMF Rendezvous Mini-Conference		K. Martin/B. Wycks	Discussion/ Approval	✓

7. Read Only Items	3:20 p.m.	Presenter	Action	Document
a. Plans For October 5/22 CAFII Webinar with Lesli Martin, Vice-President, Pollara Strategic Insights, as Fireside Chat Discussant on "Consumer Preferences and Product Development Insights Emerging From Recent Research In Financial Services and Relevant Comparator Industries"				✓
b. CAFII June 22/22 Media Release on Appointment of Peter D. Thompson as CAFII Board Chair; and Resulting Industry Trade Press Coverage				✓ (3)

8. In Camera Session	3:20 p.m.	Presenter	Action	Document
a. CIBC Issue Re CAFII Alerts Weekly Digest		D. Self		

9. Tracking Issues		Presenter	Action	Document
a. AMF Consultation on Declaration of Operational Incidents				
b. BCFSa Consultation on "Code of Conduct For BC-Authorized Insurers" (pending proclamation into force of section 94.3 of BC Financial Institutions Act)				
c. BC Ministry of Finance Drafting of Regulations to Implement Financial Institutions Amendment Act, 2019				
d. FCAC: Phase 2 of Domestic Bank Retail Sales Practices Review				

**Next EOC Meeting:** Tuesday, July 26/22, 2:00 to 3:30 p.m. Meeting (Virtual MStTeams Meeting)

**Next Board Meeting:** Tuesday, October 11/22, 2:20 to 4:00 p.m., Hybrid Meeting (Both In-Person and Virtual via MStTeams);

Hosted by Desjardins Insurance in Levis, Quebec, Immediately Following Liaison Lunch and Industry Issues Dialogue with AMF Staff Executives from 12 Noon to 2:15 p.m.

## **Briefing Note**

**CAFII EOC Meeting 28 June, 2022—Agenda Item 1(a)**  
**Call to Order, Welcome, and Priority Matters: Call to Order**

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### **Purpose of this Agenda Item – Update**

Start of meeting.

### **Background Information**

The meeting is called to order.

### **Recommendation / Direction Sought -- Update**

Update only.

### **Attachments Included with this Agenda Item**

No attachments.

## **Briefing Note**

**CAFII EOC Meeting 28 June, 2022—Agenda Item 1(b)**

**Call to Order, Welcome, and Priority Matters: Welcome to New CAFII Treasurer: Donald Hinnecke, RBC Insurance**

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### **Purpose of this Agenda Item – Update**

Introducing new CAFII Treasurer Donald Hinnecke, RBC Insurance.

### **Background Information**

The CAFII Treasurer for the past five years, Tony Pergola, has stepped down, and on June 7/22, the CAFII Board appointed Donald Hinnecke from RBC Insurance as the Association's new Treasurer.

### **Recommendation / Direction Sought -- Update**

Update and self-introduction by Mr. Hinnecke only.

### **Attachments Included with this Agenda Item**

1 attachment.



**Agenda Item 1(b)**  
**June 28/22 EOC Meeting**

**Welcome to New CAFII Treasurer: Donald Hinnecke, RBC Insurance**



**Donald Hinnecke** | Director, Insurance Finance | RBC Insurance | T. 905-606-1914; C. 437-333-9614 |  
E: [Donald.Hinnecke@rbc.com](mailto:Donald.Hinnecke@rbc.com)  
6880 Financial Drive, Tower 1 - 4th floor, Mississauga, ON L5N 7Y5

**Donald Hinnecke, CPA, CMA**

Certified Professional Accountant with a CMA background and 25 years of experience in analyzing business intelligence and turning it into smart recommendations that help organizations with annual revenues of \$800M-\$10+B make crucial financial decisions. Spearhead streamlining of reporting and forecasting frameworks to maximize data integrity and quality of projections. Align resources, build models and put forth plans outlining optimum paths to achievement of set goals. Merited for presenting both the birds-eye view and the downstream consequences for each case. Respected team leader with global delivery expertise and in-depth understanding of multinational, multidimensional legal entities and jurisdiction.

## **Briefing Note**

**CAFII EOC Meeting 28 June, 2022—Agenda Item 1(c)**

**Call to Order, Welcome, and Priority Matters: Welcome to Other New EOC Member: Janet Pacini-Thibodeau, Manulife**

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### **Purpose of this Agenda Item – Update**

Introducing a new EOC member.

### **Background Information**

A new EOC member is joining: Janet Pacini-Thibodeau, from Manulife.

### **Recommendation / Direction Sought -- Update**

Update and self-introduction by Ms. Pacini-Thibodeau only.

### **Attachments Included with this Agenda Item**

No attachments.

## **Briefing Note**

**CAFII EOC Meeting 28 June, 2022—Agenda Item 1(d)**

**Call to Order, Welcome, and Priority Matters: Reminder Re *In Camera* Session At Conclusion Of Each EOC Meeting**

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### **Purpose of this Agenda Item – Update**

Reminder about EOC *in camera* sessions.

### **Background Information**

EOC Chair R. Dobbins will remind EOC members that at the end of the formal, minuted portion of each EOC meeting, CAFII's Co-Executive Directors as well as staff from Managing Matters depart to allow for a non-minuted, private discussion of any issues which EOC members may wish to discuss.

### **Recommendation / Direction Sought -- Update**

Update only.

### **Attachments Included with this Agenda Item**

No attachments.

## **Briefing Note**

### **CAFII EOC Meeting 28 June, 2022—Agenda Item 2(a-f) Consent Items**

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#### **Purpose of this Agenda Item –Information only**

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 Recap;
- d. May 31/22 CAFII Submission to FSRA on “Guidance on Use of Retained Revenues under Regulation ‘Money Retained Outside the Consolidated Revenue Fund’” Consultation
- e. Summary of Board and EOC Action Items;
- f. Board-Approved Schedule of CAFII 2022 Meetings and Events.

#### **Recommendation / Direction Sought – Information Only**

No action required.

#### **Attachments Included with this Agenda Item**

6 attachments.

## CAFIL Consultations/Submissions Timetable, 2022-23

Regulatory Issue	Deliverable	Deadline	Accountable
Financial Consumer Agency of Canada (FCAC)	<ul style="list-style-type: none"> <li>CAFIL submission on “Proposed Guideline on Appropriate Products and Services For Banks and Authorized Foreign Banks”</li> <li>CAFIL meets virtually with FCAC staff executives to present highlights of submission on “Proposed Guideline on Appropriate Products and Services For Banks and Authorized Foreign Banks”</li> <li>FCAC virtual meeting with K. Martin and B. Wycks to present its decisions on elements in CAFIL’s submission on “Proposed Guideline”</li> <li>FCAC releases final version of “Guideline on Appropriate Products and Services For Banks and Authorized Foreign Banks”</li> </ul>	<ul style="list-style-type: none"> <li>January 6/22</li> <li>January 15/22</li> <li>February 17/22</li> <li>February 24/22</li> </ul>	<ul style="list-style-type: none"> <li>Mkt Conduct &amp; Licensing Committee; Co-EDs to monitor</li> </ul>
BC Ministry of Finance 10-Year Review of FIA (Public Consultation Paper issued June/15)	<ul style="list-style-type: none"> <li>Revised Financial Institutions Act (FIA) tabled in the legislature</li> <li><b>CAFIL submission on draft Regulations in support of Revised FIA</b></li> </ul>	<ul style="list-style-type: none"> <li>October 21/19</li> <li><b>Q2 through Q3 2022</b></li> </ul>	<ul style="list-style-type: none"> <li>Mkt Conduct &amp; Licensing Committee; Co-EDs to monitor</li> </ul>
British Columbia Financial Services Authority (BCFSA)	<ul style="list-style-type: none"> <li>CAFIL meeting with BCFSA re “Discussion Paper: Information Security Incident Reporting”</li> <li>CAFIL written submission on BCFSA’s Information Security Incident Discussion Paper (overhauled based on insights from February 24/22 meeting)</li> </ul>	<ul style="list-style-type: none"> <li>February 24/22</li> <li>March 1/22</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>
<u>OSFI: Consultation on Updated Guideline B-10: Third-Party Risk Management</u>	<ul style="list-style-type: none"> <li><b>CAFIL submission on OSFI Consultation on Updated Guideline B-10: Third-Party Risk Management</b></li> </ul>	<ul style="list-style-type: none"> <li><b>July 27, 2022</b></li> </ul>	<ul style="list-style-type: none"> <li>Mkt Conduct &amp; Licensing Cttee; Co-EDs to monitor</li> </ul>
Quebec Bill 141 and Related Regulations (including Regulation Respecting Alternative Distribution Methods, RADM)	<ul style="list-style-type: none"> <li>CAFIL submission on Draft Regulation Respecting Complaint Processing</li> <li>CAFIL makes submission to AMF on wording modifications needed to Fact Sheet and Notice of Rescission to make them fit credit card-embedded insurance benefits</li> <li>CAFIL submission on AMF draft Incentive Management Guideline</li> </ul>	<ul style="list-style-type: none"> <li>December 8/21</li> <li>January 17/22</li> <li>February 18/22</li> </ul>	<ul style="list-style-type: none"> <li>Mkt Conduct &amp; Licensing Committee; Co-Eds to monitor</li> </ul>
CCIR/CISRO Guidance: Conduct of Insurance Business and Fair Treatment of Customers	<ul style="list-style-type: none"> <li><i>CCIR/CISRO FTC Working Group accepts proposal in CAFIL’s July 2/20 letter</i></li> <li>CAFIL submission on CCIR/CISRO Draft “Incentives Management Guidance”</li> <li>CAFIL submission on CCIR/CISRO proposed “Incentives Management Guidance”</li> </ul>	<ul style="list-style-type: none"> <li>August 31/20</li> <li>September 17/21</li> <li>April 4/22</li> </ul>	<ul style="list-style-type: none"> <li>Mkt Conduct &amp; Licensing Cttee; Co-Eds to monitor</li> </ul>
FCNB Insurance Act Rewrite and Introduction of RIA Regime	<ul style="list-style-type: none"> <li>CAFIL responds to David Weir follow-up questions re legislative constraints which prevent bank branch employees from being individually licensed to sell travel insurance</li> <li>FCNB Releases “Proposed Rule INS-001: Insurance Intermediaries Licensing and Obligations” for consultation, with February 7/22 submission deadline</li> <li>CAFIL submission on FCNB’s “Insurance Act Rewrite: Questions For Industry, Dec. ‘21”</li> <li>CAFIL submission on Proposed Rule INS-001: Insurance Intermediaries Licensing and Obligations</li> <li>CAFIL submission on Proposed Rule INS-002: Insurance Fees</li> <li>CAFIL submission on FCNB legislative change proposals re Life Insurance and Accident &amp; Sickness Insurance sections of Insurance Act (informal sounding board consultation)</li> </ul>	<ul style="list-style-type: none"> <li>May 19/21</li> <li>November 2021</li> <li>January 31/22</li> <li>February 7/22</li> <li>February 18/22</li> <li>May 20/22</li> </ul>	<ul style="list-style-type: none"> <li>Mkt Conduct &amp; Licensing Cttee; Co-Eds to monitor</li> </ul>
Financial Services Regulatory Authority of Ontario (FSRA) Regulatory Consultations	<ul style="list-style-type: none"> <li>CAFIL responds to FSRA’s further consultation with submission on Revised UDAP Rule</li> <li>Keith Martin provides qualitative interview input to Environics in response to FSRA consultation on Stakeholder Advisory Committee structure, possible renewal/revision</li> <li>CAFIL responds to FSRA consultation on “Enforcement Proceedings and Investigations”</li> <li>CAFIL responds to FSRA consultation on Proposed 2022-23 Statement of Priorities</li> <li>CAFIL responds to FSRA “Information Guidance on Complaints Resolution” consultation</li> <li>CAFIL submission on FSRA’s “Principles-Based Regulation” consultation document</li> <li>CAFIL submission on FSRA’s “Principles of Conduct for Insurance Intermediaries”</li> <li>CAFIL submission on FSRA’s “Guidance on Use of Retained Revenues”</li> </ul>	<ul style="list-style-type: none"> <li>August 11/21</li> <li>July 2021</li> <li>Sept 24/21</li> <li>October 29/21</li> <li>February 15/22</li> <li>April 29/22</li> <li>May 3/22</li> <li>May 31/22</li> </ul>	<ul style="list-style-type: none"> <li>Mkt Conduct &amp; Licensing Cttee; Co-EDs to monitor</li> </ul>

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

May 31, 2022

Mr. Mark White, CEO; and  
Financial Services Regulatory Authority of Ontario  
25 Sheppard Avenue West, Suite 100  
Toronto, Ontario  
M2N 6S6  
[mark.white@fsrao.ca](mailto:mark.white@fsrao.ca); and  
[fern.karsh@fsrao.ca](mailto:fern.karsh@fsrao.ca)

**Re: CAFII Feedback Submission on FSRA's Use of Retained Revenues under Regulation "Money Retained Outside the Consolidated Fund" Guidance**

Dear Mr. White:

The Canadian Association of Financial Institutions in Insurance (CAFII) thanks the Financial Services Regulatory Authority of Ontario (FSRA) for the opportunity to review and provide feedback on FSRA's ***Use of Retained Revenues under Regulation "Money Retained Outside the Consolidated Fund" Guidance***.

Our response submission will be brief. We largely agree with both the intent and the operational specifics set out in the Guidance. We have just two feedback comments of strategic importance to offer, along with several other operational and housekeeping feedback comments.

In CAFII's view, it is appropriate for FSRA to retain revenues from administrative monetary penalties (AMPs); and that FSRA's deployment of those retained revenues to fund research or educational initiatives which are intended to "enhance financial literacy, financial awareness, knowledge of rights and obligations or the informed decision making of consumers..." is unquestionably in the public interest and therefore entirely appropriate.

Our first feedback comment of strategic significance arises from the following pivotal observation in the Guidance: "The total amount of AMPs imposed and collected can vary dramatically year to year."

For that very reason, FSRA's planning for annual research can be adversely affected if a key source of its funding, i.e. AMPs, is highly variable and unpredictable. Given that unavoidable reality, we agree with and support the approach outlined that "As part of the planning process, the Consumer office will choose the percentage of funds retained for in-year requests. The percentage could be zero"; and we also agree with and support the flexibility-rooted provisions that

- *Per the Regulation, FSRA may choose to hold-over all or part of the funds from one fiscal year to the next; and*
- *Where the cost of a selected initiative(s) exceeds available Retained Revenues, the initiative may be supplemented with funds from other approved sources.*

Considering those background factors in totality, CAFII's recommendation to FSRA is that, in the interests of achieving funding predictability and stability for worthwhile research and educational initiatives,

- the Guidance should be amended to assign such Retained Revenues to an ongoing, rolling, multi-year pool of funds – one conceptually similar to an endowment; and
- that a portion of the rolling, multi-year pool of funds be drawn annually for research and educational initiatives, in accordance with the related evaluation and assessment criteria and governance processes itemized in the Guidance.

That approach would have the benefit of 'smoothing out' the funds available annually for research and education initiatives and, at the same time, would alleviate much of the uncertainty and 'drag' that unpredictability around funding levels can create.

Our second feedback comment of strategic significance arises from the critically important Clauses 3.5 and 3.6. CAFII strongly supports the requirement that FSRA make all reasonable efforts to use Retained Revenues in relation to the regulated sector that the money came from or proportionately across multiple regulated sectors (Clause 3.5), along with the related accountability reporting requirements (Clause 3.6).

That being the case, we recommend that FSRA amend the Guidance to include a requirement that the Authority provide an annual accountability and transparency report to the industry – broken down by sector – on its implementation of the ***Use of Retained Revenues under Regulation "Money Retained Outside the Consolidated Fund" Guidance***.

#### **Operational and Housekeeping Feedback**

- CAFII wishes to inquire as to why, if the Guidance became effective on August 3, 2021 – and it has already been a *fait accompli* for nearly a year -- a related consultation with affected industry stakeholders is only occurring in May 2022?;
- Clause 2.1: requires a comma after the word "entities" for clarity and to avoid reader confusion;
- Clause 3.6: the word "be" is missing immediately prior to the words "fulfilled/advanced";
- Clause 4.1.2: there is an unnecessary comma in front of the word "seek" which causes the reader confusion; and
- Clause 4.4.1: there is a typo in the final sentence of this clause, which can be corrected as follows: "The CEO will ~~approval~~ **approve** all project funding."

CAFII thanks FSRA again for the opportunity to provide our Association's feedback on the Authority's ***Use of Retained Revenues under Regulation "Money Retained Outside the Consolidated Fund" Guidance***. We also convey our appreciation for FSRA's continuing to "walk the talk" on its commitment to open and transparent communication and consultation. Should you require further information from CAFII or wish to meet with representatives from our Association on this or any other matter at any time, please contact Keith Martin, CAFII Co-Executive Director, at [keith.martin@cafii.com](mailto:keith.martin@cafii.com) or 647-460-7725.

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 credit protection, travel, life, health, and property and casualty insurance across Canada. In particular, credit protection 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 which helps ensure that Canadian consumers have access to insurance products that suit their needs. Our aim is to ensure that 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; Scotiabank Financial; and TD Insurance – along with major industry players Assurant; Canada Life Assurance; Canadian Premier Life Insurance Company; Canadian Tire Bank; CUMIS Services Incorporated; Manulife (The Manufacturers Life Insurance Company); Sun Life; and Valeyo.



Summary of CAFII Board and EOC Action Items					
	Source	Action Item	Responsible	Deadline	Status June 22, 2022
		<b>Association Strategy, Governance and Financial Management</b>			
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-22	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-22	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-22	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-22	In Progress
5	BOD April 12, 2022	Consult with CCIR & CISRO to find a date for holding the in-person CAFII 25th Anniversary celebration that maximizes regulators participation	B. Wycks/K. Martin	30-Apr-22	In Progress
6	BOD April 12, 2022	Implement the Board resolution around public release of selective components of the Deloitte thought leadership paper research results	K. Martin/B. Wycks	30-Jun-22	In Progress
7	BOD April 12, 2022	Work with CAFII's Treasurer and assigned Controller to wind down the Restricted Fund and transfer its residual monies into the Association's General Fund during the Association's 2022 fiscal year	B. Wycks/K. Martin	31-Dec-22	In Progress
		<b>Regulatory Initiatives</b>			
8	EOC October 26, 2021	Organize a meeting of the Market Conduct and Licensing Committee to review CCIR's 2021 document on the industry's adoption of the FTC guidance	K. Martin/B. Wycks	31-Jul-22	In Progress
		<b>Association Operations</b>			
9	EOC May 17, 2022	Regularly scan website videos to ensure that they are up-to-date and don't include broken links	K. Martin/B. Wycks	31-May-22	Ongoing

**CAFII 2022 Schedule of Meetings and Events (Approved By Board of Directors on October 5/21;  
But Subsequently Adjusted/Amended)**

**Assumes Restart of In-Person Meetings in June 2022 for Board; and September 2022 for EOC**

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

- **Tuesday, January 18, 2022** (2:00–4:00 p.m. via MS Teams)
- **Tuesday, February 15, 2022** (2:00–3:30 p.m. via MS Teams)  
*(Family Day Stat Holiday in Ontario: Monday, February 21)*
- **Tuesday, March 22, 2022** (2:00–4:00 p.m. via MS Teams)  
*(Quebec Spring Break: March 7 – March 11. Ontario March Break: March 14 – March 18. Purim: March 17 – March 18)*
- **Tuesday, April 26, 2022** (2:00–3:30 p.m. via MS Teams)  
*(Good Friday: Friday, April 15. Easter Monday: Monday, April 18)*
- **Tuesday, May 17, 2022** (2:00–4:00 p.m. via MS Teams)  
*(Victoria Day Stat Holiday: Monday, May 23)*
- **Tuesday, June 28, 2022** (2:00–3:30 p.m. via MS Teams)  
*(St. Jean Baptiste Day in Quebec: Friday, June 24. Canada Day: Friday, July 1)*
- **Tuesday, July 26, 2022**, tentative summer meeting (2:00–3:30 p.m. via MS Teams)
- **Tuesday, August 16, 2022**, tentative summer meeting (2:00–3:30 p.m. via MS Teams)  
*(Civic Stat Holiday: Monday, August 1)*
- **Tuesday, September 20, 2022** (2:00–4:00 p.m. in-person)  
*(Labour Day: Monday, September 5. Rosh Hashanah: September 26 & 27. National Day for Truth and Reconciliation: Friday, September 30)*
- **Tuesday, October 25, 2022** (2:00–3:30 p.m. via MS Teams)  
*(Yom Kippur: October 4 – October 5. Thanksgiving Stat Holiday: Monday, October 10. Diwali: Monday, October 24)*
- **Tuesday, November 22, 2022** (2:00–4:00 p.m. in-person)  
*(Remembrance Day: Friday, November 11)*
- **EOC Annual Appreciation Dinner: Proposed for Tuesday, May 17, September 20, 2022** at 5:30 p.m. at a downtown Toronto restaurant, immediately following a 3:00 to 5:00 p.m. EOC meeting, if public health restrictions allow.

**Board Meetings:**

- **Tuesday, April 12, 2022** (2:00–4:00 p.m. via MS Teams)  
*(Good Friday: Friday, April 15. Easter Monday: Monday, April 18)*
- **Tuesday, June 7, 2022** (2:20–5:00 p.m., preceded by 2022 Annual Meeting of Members; and followed by CAFII 25<sup>th</sup> Anniversary Celebration at same or nearby downtown Toronto venue). **HOST: BMO Insurance, 68<sup>th</sup> Floor Event Space, First Canadian Place, Toronto**
- **Tuesday, October 11, 2022** (2:20–4:00 p.m., immediately following liaison lunch and Industry Issues Dialogue with AMF staff executives) **HOST: Desjardins Insurance in Levis/Quebec City** (This is the day immediately following Thanksgiving Monday; however, Tuesday, October 4, 2022 is Yom Kippur)
- **Tuesday, December 6, 2022** (3:00–5:00 p.m.; followed by Holiday Season/Year-End Reception).  
**HOST: CIBC Insurance**

**2022 Annual Members and Associates Luncheon:**

- *Confirmed Date: Tuesday, September 13, 2022 from 11:45 a.m. EST to 2:15 p.m. EDT at St. James Cathedral Centre Event Venue , 65 Church St., Toronto*

**2021 Board meetings Hosted by:**

*None, due to COVID-19 pandemic situation*

**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*

**Recent Years' Annual Members and Associates Luncheons****2021 Annual Members and Associates Virtual Luncheon Webinar**

*Date: Tuesday, November 9, 2021 from 1:00 p.m. – 2:30 p.m. EDT*

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

*Panelists: Jill McCutcheon, Partner, Torys LLP; Stuart Carruthers, Partner, Stikeman Elliott LLP; Marc Duquette, Partner, Norton Rose Fulbright Corporation. Panel Moderator: Keith Martin, CAFI,*

*Venue: Virtual-Only Webinar*

**2020 Annual Members and Associates Virtual 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 (Remarks actually delivered by Teresa Frick, Director, FCAC who was subbed in for Frank Lofranco at the last minute)*

*Venue: Virtual-Only Webinar*

**2019 Annual Members and Associates 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, 8<sup>th</sup> Floor, Toronto, ON*

**2018 Annual Members and Associates 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, 8<sup>th</sup> Floor, Toronto, ON*

## **Briefing Note**

### **CAFII EOC Meeting 28 June, 2022—Agenda Item 3(a) Financial Management Matters--CAFII Financial Statements as at May 31/22**

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#### **Purpose of this Agenda Item – Update**

To update the EOC on the Association's financial statements as at 31 May, 2022.

#### **Background Information**

New CAFII Treasurer Donald Hinnecke will provide an update on CAFII's financial statements as at 31 May, 2022.

#### **Recommendation / Direction Sought – Update**

This is an update only.

#### **Attachments Included with this Agenda Item**

1 attachment.

## **Briefing Note**

### **CAFII EOC Meeting 28 June, 2022—Agenda Item 3(b)**

#### **Financial Management Matters—Forecast For CAFII 2022 Fiscal Year as at May 31/22**

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#### **Purpose of this Agenda Item – Update**

To update the EOC on the financial forecast for CAFII's 2022 fiscal year as at May 31/22.

#### **Background Information**

New CAFII Treasurer Donald Hinnecke will provide an update on the CAFII's 2022 fiscal year forecast.

#### **Recommendation / Direction Sought – Update**

This is an update only.

#### **Attachments Included with this Agenda Item**

1 attachment.

## **Briefing Note**

**CAFII EOC Meeting 28 June, 2022—Agenda Item 3(c)  
Financial Management Matters— CAFII Member 2022 First Instalment Dues Payments; and CAFII  
Associate 2022 Dues Payments as at June 24/22**

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### **Purpose of this Agenda Item – Update**

To update the EOC on the Association's receipt of 2022 First Instalment Member dues and 2022 Associate dues.

### **Background Information**

CAFII Members have been sent the first instalment invoices for 2022 dues and Associates have been sent their 2022 dues invoices, and CAFII is following up on any outstanding payments.

### **Recommendation / Direction Sought – Update**

This is an update only.

### **Attachments Included with this Agenda Item**

No attachments.

**Agenda Item 4(a)**  
**June 28/22 EOC Meeting**

**Recently Completed and Imminent/Pending CAFII Regulatory Submissions As At June 23, 2022**

<b><u>Regulatory Authority</u></b>	<b><u>Topic</u></b>	<b><u>Deadline</u></b>	<b><u>Comments</u></b>
CISRO	Survey of Industry Associations on "Understanding the Consumer Awareness Strategies Currently Undertaken By Industry"	November 30, 2021	Completed by B. Wycks on CISRO's Survey Monkey site.
AMF	Draft Regulation on Complaints Handling and Dispute Resolution in the Financial Sector	December 8, 2021	CAFII submission sent on December 8/21.
FCAC	Proposed Guideline On Complaint Handling Procedures For Banks and Authorized Foreign Banks	December 11, 2021	CAFII submission sent on December 11/21.
FCAC	Proposed Guideline on Appropriate Products and Services For Banks and Authorized Foreign Banks	January 6, 2022	CAFII submission sent on January 6/22. Follow-up virtual Stakeholder Session, requested by FCAC, took place on Friday, January 15/22.
AMF	Revised/Updated Sound Commercial Practices Guideline	January 28, 2022	CAFII submission sent on January 28/22.
FCAC	Proposed Guideline on Whistleblowing Policies and Procedures for Banks and Authorized Foreign Banks	January 29, 2022	CAFII Co-Executive Directors are of the view that this consultation is "out of scope" for our Association, and is best left for the Canadian Bankers Association (CBA) to respond to/address. This is the third in a series of consultations on guidelines that FCAC has developed to help Banks comply with their obligations in the <a href="#">Bank Act</a> and the new <a href="#">Financial Consumer Protection Framework Regulations</a> , which will come into force on June 30, 2022. A first consultation on a proposed <a href="#">Guideline on Complaints Handling Procedures</a> ended on December 11, 2021. A second consultation on a proposed <a href="#">Guideline on Appropriate Products and Services</a> is in progress until January 6, 2022.

FCNB	"Proposed Rule INS-001: Insurance Intermediaries Licensing and Obligations"	CAFII submission sent on February 7, 2022	Among various matters, outlines specifics of FCNB's plan to introduce a Restricted Insurance Agent (RIA) licensing regime in New Brunswick, which will be the first in Atlantic Canada.
OSFI	Draft Guideline B-13: Technology and Cyber Risk Management	February 9, 2022	Insights gained from a November 30/21 OSFI Information Session webinar enabled CAFII to determine that this OSFI consultation is "out of scope" for our Association, as it is exclusively prudential regulation/"going concern"-focused and not inclusive of consumer-oriented, market conduct regulatory issues.
FSRA	"Information Guidance on complaints resolution"	CAFII submission sent on February 15, 2022	Released on December 22/21 for a 55 days public consultation. CAFII has responded to FSRA consultations of this nature/type in the past.
FCNB	Proposed Rule INS-002: Insurance Fees"	CAFII submission sent on February 18, 2022	Released on December 17/21 for a 60 days public consultation. CAFII has responded to FCNB consultations of this nature/type in the past.
AMF	Incentive Management Guideline	CAFII submission sent on February 18, 2022	AMF extended deadline from the initial January 28/22, largely at CLHIA's behest.
BCFSA	"Discussion Paper: Information Security Incident Reporting"	CAFII submission sent on March 1, 2022	A delegation of approximately 15 CAFII representatives met virtually with BCFSA staff executives Saskia Tolsma, Rob O'Brien, and Steven Wright to discuss the Authority's "Discussion Paper: Information Security Incident Reporting" and CAFII's preliminary feedback on that consultation document (Rob and Steven, collectively, are responsible for drafting BCFSA's market conduct-related consultation documents). Insights gained caused CAFII to overhaul its draft written submission on the Discussion Paper – largely to be more emphatic and specific in its recommendations around national harmonization, through CCIR – and to secure a two business days deadline extension to March 1/22.
CCIR/CISRO	Proposed "Incentive Management Guidance"	April 4, 2022	CAFII submission sent on April 4/22.
FSRA	"Principles-Based Regulation" consultation document	April 29, 2022	CAFII submission sent on April 29/22.



FSRA	Proposed “Principles of Conduct for Insurance Intermediaries”	May 3, 2022	CAFII submission sent on May 3/22.
FCNB	Informal Consultation on Imminent Amendments to Life; and Accident & Sickness Insurance sections of New Brunswick Insurance Act	May 20, 2022 (Life Insurance section) and May 27, 2022 (Accident and Sickness Insurance section)	With FCNB’s agreement/permission, CAFII formed a special ad hoc Working Group comprised of one representative from 12 participating Member companies to tackle this review and feedback assignment under a Confidentiality Undertaking. CAFII submissions sent on May 20, 2022 (Life Insurance section) and May 27, 2022 (Accident and Sickness Insurance section).
FSRA	Consultation on “Guidance on Use of Retained Revenues under Regulation ‘Money Retained Outside the Consolidated Revenue Fund’	May 31, 2022	CAFII submission sent on May 31/22. Released on April 26/22 for a 35 days public consultation.
OSFI	Consultation on “Culture Risk Management”	May 31, 2022	EOC determined that this consultation is out-of-scope for CAFII.
Insurance Council of BC	Consultation on “Insurance Council Rules” (which set the licence conditions and requirements for all BC insurance licensees)	June 1, 2022	EOC determined that this consultation is out-of-scope for CAFII.
CISRO	Consultation on Improvements to Life Insurance Replacement Declaration (LIRD) Form	July 8, 2022	EOC determined that this consultation is out-of-scope for CAFII.
OSFI	Consultation on Updated Guideline B-10: Third Party Risk Management	July 27, 2022	CAFII response submission in progress through Market Conduct & Licensing Committee. Released on April 27/22 for a 90 days public consultation.

## **Briefing Note**

**CAFII EOC Meeting 28 June, 2022—Agenda Item 4(a)i**

**Committee Updates: Market Conduct & Licensing: Yukon Licensing and Regulatory Affairs Department  
Informal Consultation with CAFII Licensing Experts Focus Group To Inform Development/Launch of Its  
Online Licensing Portal**

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### **Purpose of this Agenda Item – Update**

Update on an informal focus group consultation with the Yukon Government.

### **Background Information**

The Yukon Government is looking for advice on its development of a new online licensing portal. CAFII will hold a virtual focus group with the Yukon Government on Wednesday, June 29/22 from 1:00 to 2:00 p.m. EDT, at which 6 to 7 CAFII members with subject matter expertise around licensing will provide input to the Yukon representatives.

### **Recommendation / Direction Sought – Update**

This is an update only.

### **Attachments Included with this Agenda Item**

1 attachment.

**Agenda Item 4(a)(i)**  
**June 28/22 EOC Meeting**

**From:** Brendan Wycks  
**Sent:** June-16-22 3:53 PM  
**To:** CAFII Market Conduct & Licensing Committee and EOC Members  
**Subject:** Invitation To Participate In CAFII-Sponsored Virtual Focus Group (One Hour) With Yukon Government To Provide Design Input For Online Licensing Portal For Insurance Professionals: Please Reply By 4:00 p.m. EDT On Monday, June 20/22

**CAFII Market Conduct & Licensing Committee and EOC Members:**

Please see the message from the Yukon Government below, beneath my signature block.

Spring Huston, Licensing Online Project Lead, and Bradley Rowett, Manager, Strategic Policy and Programs, with the Yukon Government's Professional Licensing and Regulatory Affairs Branch have reached out to CAFII re their project to develop the territory's first online licensing portal and move away from paper-based issuance of licences and renewals for professionals.

Licensing of insurance agents and other insurance professionals will be Phase 4 of this multi-phase Yukon project, which they are slated to launch in the Fall of 2023.

Licensing of certain other professions, such as nurses, will be the focus of the preceding Phases 1 through 3.

That said, Yukon would like to receive industry practitioner/expert input around design, functionality, and other important considerations from CAFII – as a key stakeholder industry Association -- at this point in time, as they are currently putting plans in place for Phase 4 next Fall.

Following some virtual meeting and email conversations which Spring and Brad had with Keith Martin and me, we have agreed that Yukon would be best served by having a one hour focus group discussion with CAFII Member representatives who have direct responsibility for and/or experience in the licensing of insurance agents and other insurance industry professionals.

The purpose of this email is to facilitate the arrangement of a **CAFII Member Representative Virtual Focus Group** with Spring and Brad, involving a group of between four and 10 CAFII Member representatives.

**We therefore ask that one representative from each CAFII Member company reply to the survey/canvas below by 4:00 p.m. EDT on Monday, June 20/22:**

**CAFII Member Company:**

**Responding Representative:**

☐ Yes ☐ No My Member Company would like to have a representative participate in the CAFII-arranged virtual focus group to provide input for Yukon's online licensing portal for insurance professionals.

Name of and contact information for our Company representative who will participate in the virtual focus group:

The following is our Company representative's availability for the three date/time options which Yukon has proposed for the virtual focus group:

☐ Yes ☐ No: Monday, June 27/22 from 1:00 to 2:00 p.m. EDT

☐ Yes ☐ No: Wednesday, June 29/22 from 1:00 to 2:00 p.m. EDT

☐ Yes ☐ No: Wednesday, June 22/22 from 1:00 to 2:00 p.m. EDT (least desirable option from Yukon's perspective)

Thanks very much, in advance, for your co-operation in considering and responding to this outreach request on behalf of the Yukon Government.

**Brendan Wycks, BA, MBA, CAE**

Co-Executive Director

Canadian Association of Financial Institutions in Insurance

[Brendan.wycks@cafii.com](mailto:Brendan.wycks@cafii.com)

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Alternate T: 647.361.9465

[www.cafii.com](http://www.cafii.com)

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*Rendre l'assurance simple et accessible pour les Canadiens*

**From:** [Spring.McClurg@yukon.ca](mailto:Spring.McClurg@yukon.ca) [Spring.McClurg@yukon.ca](mailto:Spring.McClurg@yukon.ca)  
**Sent:** March-31-22 2:18 PM  
**To:** Keith Martin [Keith.Martin@cafii.com](mailto:Keith.Martin@cafii.com); Brendan Wycks [brendan.wycks@cafii.com](mailto:brendan.wycks@cafii.com)  
**Cc:** [Bradley.Rowett@yukon.ca](mailto:Bradley.Rowett@yukon.ca)  
**Subject:** Yukon online licensing discussion

Hi,

My name is Spring Huston, and I am the Licensing Online Project Lead in the Professional Licensing and Regulatory Affairs branch of the Yukon Government. I am contacting you on behalf of the Superintendent of Insurance.

Our office is moving our current paper-based licensing process to an online registration format. We are reaching out to discuss this process and receive feedback on how best we can meet the needs of those who will be using this new licensing format.

Perhaps we can arrange a phone call at a time that suits you. Please let me know your availability and I will set this up.

If you have any questions in the meantime do not hesitate to reach out.

Thank you,  
Spring



**Spring Huston (she/her)**

Licensing Online Project Lead (TA)  
Community Services | Professional Licensing and Regulatory Affairs  
T 867-667-5111 | F 867-667-3609 | Yukon.ca

I am honoured to live and work within the Traditional Territories of the Kwanlin Dün First Nation and the Ta'an Kwäch'än Council.

## **Briefing Note**

**CAFII EOC Meeting 28 June, 2022—Agenda Item 4(a)ii**

**Committee Updates: Market Conduct & Licensing: CISRO Consultation on Improvements to Life Insurance Replacement Declaration (LIRD) Form (Submission Deadline: July 8/22)**

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### **Purpose of this Agenda Item – Update**

Update on a consultation with CISRO.

### **Background Information**

CISRO has reached out to CAFII on a consultation it is holding with the industry on improvements to the Life Insurance Replacement Declaration (LIRD) form. CAFII has consulted with its internal stakeholders and determined that this consultation is out of scope for the Association, based on the following analysis:

*CAFII management (Keith Martin and me) believe that the LIRD is out-of-scope for CAFII because it comes into play only for the individually underwritten forms of life and health insurance which are sold by individually licensed advisors.*

*Our view that the LIRD is not germane to credit protection insurance/creditor's group insurance, travel insurance, and alternate distribution – and is therefore out-of-scope for CAFII – **is supported by the following excerpt from Sun Life's Advisor website:***

*What is not considered a replacement?*

- *A replacement of an annuity, including an endowment contract.*
- *An amendment made to an existing contract.*
- *A replacement of group insurance, including creditor and bank mortgage insurance.*
- *A replacement of a maturing life insurance or endowment policy, or an expiring life insurance policy.*

### **Recommendation / Direction Sought – Update**

This is an update only.

### **Attachments Included with this Agenda Item**

1 attachment.

**Agenda Item 4(a)(ii)**  
**June 28/22 EOC Meeting**

**From:** Brendan Wycks <[brendan.wycks@cafii.com](mailto:brendan.wycks@cafii.com)>

**Sent:** June-14-22 4:08 PM

**To:** CAFII Market Conduct & Licensing Committee and EOC Members

**Subject:** CISRO Industry Survey on Life Insurance Replacement Declaration (LIRD): CAFII Member Company Feedback/Input Requested on "Out-of-Scope For CAFII" Recommendation By 5:00 p.m. On Wednesday, June 22/22

---

**CAFII Market Conduct & Licensing Committee and EOC Members:**

Please see below and attached.

CISRO has invited CAFII to respond to a pre-consultation survey related to modernizing/enhancing/aligning (with the 2018 CCIR/CISRO "Guidance: Conduct of Insurance Business and Fair Treatment of Customers") the current **Life Insurance Replacement Declaration (LIRD)** form.

CAFII management (Keith Martin and me) believe that the LIRD is out-of-scope for CAFII because it comes into play only for the individually underwritten forms of life and health insurance which are sold by individually licensed advisors.

Our view that the LIRD is not germane to credit protection insurance/creditor's group insurance, travel insurance, and alternate distribution – and is therefore out-of-scope for CAFII – **is supported by the following excerpt from Sun Life's Advisor website:**

**What is not considered a replacement?**

- A replacement of an annuity, including an endowment contract.
- An amendment made to an existing contract.
- A replacement of group insurance, including creditor and bank mortgage insurance.
- A replacement of a maturing life insurance or endowment policy, or an expiring life insurance policy.

In a conversation we had with EOC Chair Rob Dobbins and EOC Vice-Chair Karyn Kasperski on this matter, they supported our view that the LIRD is out-of-scope for our Association.

However, we agreed that we should send this transmittal to Market Conduct & Licensing and EOC members, with a request for feedback/input which will allow us either to confirm or alter that view/recommendation.

**We therefore request that one representative from each of the Association's 15 Member Companies reply to Keith Martin and me by 5:00 p.m. on Wednesday, June 22/22 --** to indicate whether your Member Company concurs with the view that the Life Insurance Replacement Declaration (LIRD) form is not germane to and therefore out-of-scope for CAFII; or, alternatively, has a contrary view.

If we receive consensus support that the LIRD is out-of-scope for our Association, we will

- send CISRO a polite message declining CAFII participation in the pre-consultation survey and the related full public consultation on the LIRD to follow later this year; and explaining why we have reached that determination; and
- remove this matter from the draft agenda for the June 28/22 EOC meeting, where it currently resides as a tentative item.

Thanks, in advance, for your Member Company's anticipated response to this confirmatory feedback/input request.

**Brendan Wycks, BA, MBA, CAE**

Co-Executive Director

Canadian Association of Financial Institutions in Insurance

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**From:** CISRO-OCRA <[CISRO-OCRA@fsrao.ca](mailto:CISRO-OCRA@fsrao.ca)>  
**Sent:** May-24-22 1:05 PM  
**To:** Brendan Wycks <[brendan.wycks@cafii.com](mailto:brendan.wycks@cafii.com)>  
**Cc:** CISRO-OCRA <[CISRO-OCRA@fsrao.ca](mailto:CISRO-OCRA@fsrao.ca)>; Keith Martin <[Keith.Martin@cafii.com](mailto:Keith.Martin@cafii.com)>  
**Subject:** CISRO Industry Survey on Life Insurance Replacement Declaration (LIRD)

Dear Brendan,

The Canadian Insurance Services Regulatory Organizations (CISRO) and the Canadian Council of Insurance Regulators (CCIR) developed the harmonized Life Insurance Replacement Declaration (LIRD) form in 2008. CISRO is reviewing the LIRD to determine if improvements are needed to enhance consumer protection and to meet the requirements of the CISRO/CCIR Guidance on Conduct of Insurance Business and Fair Treatment of Customers (FTC) and the CISRO Principles of Conduct for Insurance Intermediaries.

CISRO's LIRD Working Group has identified potential fields/items that could be part of a new LIRD. The working group is conducting a survey of key stakeholders to obtain feedback on the fields/items for the new form. The results of the survey will help the working group to develop a prototype of the new form, for public consultation later this year.

Please see the attached document outlining the objectives of the LIRD review. Some questions are included at the end for CAFII's feedback.

Kindly provide your written feedback **by July 8, 2022**. Please send comments to the CISRO Secretariat at [cisro-ocra@fsrao.ca](mailto:cisro-ocra@fsrao.ca).

**NOTE:** If you require a French version of the survey, please contact the Secretariat at [cisro-ocra@fsrao.ca](mailto:cisro-ocra@fsrao.ca).

Thank you for your continued collaboration and support.

Regards,

**Adrienne Warner**

Policy Manager

Canadian Insurance Services Regulatory Organizations (CISRO) Secretariat

25 Sheppard Avenue West Suite 100

Toronto ON M2N 6S6

Email: [CISRO-OCRA@fsrao.ca](mailto:CISRO-OCRA@fsrao.ca)

Website: <https://www.cisro-ocra.com>

## **Briefing Note**

**CAFII EOC Meeting 28 June, 2022—Agenda Item 4(a)iii**  
**Committee Updates: Market Conduct & Licensing: OSFI Consultation On Updated Guideline B-10:**  
**Third-Party Risk Management (Submission Deadline: July 27/22)**

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### **Purpose of this Agenda Item – Update**

Update on an OSFI consultation, to which CAFII will be making a response submission.

### **Background Information**

OSFI is consulting with industry on its updated Guideline B-10: Third-Party Risk Management (formerly referred to as a Guideline on “outsourcing”). CAFII will make a submission on this consultation.

### **Recommendation / Direction Sought – Update**

This is an update only.

### **Attachments Included with this Agenda Item**

3 attachments.

# OSFI consults on third-party risk management expectations through a revised Guideline B-10

## Accompanying documents

- [Guideline](#)
- [Notice - Information Session](#)

## Document Properties

- **Type of Publication:** Letter
- **Date:** April 27, 2022
- **To:** All Federally Regulated Financial Institutions

Today, the Office of the Superintendent of Financial Institutions (OSFI) begins consultations on revised [Draft Guideline B-10 – Third-Party Risk Management](#), which sets out enhanced third-party risk management expectations for federally regulated financial institutions (FRFIs).

The financial industry has long made use of third-party arrangements to introduce efficiency, drive innovation, manage shifting operational needs, and improve service. Increasingly, FRFIs are relying on an expanded third-party ecosystem to execute on and deliver more of their critical activities. This increases the likelihood that these arrangements could impact a FRFI's operational and financial resilience.

To address these risks, OSFI is enhancing Guideline B-10 to reflect a more comprehensive set of third-party risks within this expanded third-party ecosystem. Revised Guideline B-10 now places a greater emphasis on governance and risk management programs, and sets outcomes-focused, principles-based expectations for FRFIs on the sound management of third-party risk (see [Annex](#) for more details).

Proposed changes to Guideline B-10 are informed by findings from OSFI's 2019 [Third-Party Risk Study](#), feedback from OSFI's 2020 [Technology Risk Discussion Paper](#), and industry's response to OSFI's draft [Technology and Cyber Risk Management Guideline](#) (Guideline B-13). In response to consultation feedback, OSFI modified its approach to expectations on technology and cyber risk in third-party arrangements. Certain sections of Draft Guideline B-13 have moved to the revised Draft Guideline B-10. Changes are also influenced by observations from OSFI's ongoing supervisory and policy work.

Separately, OSFI recognizes that a federally endorsed framework will be developed to govern consumer-directed data mobility within the financial sector. This guideline is not intended to impede the establishment or operations of such a framework. Once the framework is designed, OSFI may provide relevant guidance as appropriate.

OSFI welcomes public comments on proposed changes to Guideline B-10 and is particularly interested in feedback on the clarity and granularity of detail of OSFI's risk management expectations. Please submit comments to [b10@osfi-bsif.gc.ca](mailto:b10@osfi-bsif.gc.ca) by July 27, 2022.

OSFI expects to issue the final Guideline in fall 2022, along with a non-attributed summary of comments received and OSFI's response.

OSFI will host an information session for financial institutions and other interested stakeholders on Wednesday, May 4 at 2:00 p.m. (ET) to provide an overview of Draft Guideline B-10 and an opportunity to raise questions. [CLICK HERE](#) to register for the webinar.

## Annex

Principal Changes Made to Guideline B-10		
Principle Changes	Current Guideline B-10	Revised Draft Guideline B-10
<b>Expanded Scope</b>	Applies to outsourcing arrangements	Applies to third-party arrangements
<b>Widened Risk Lens</b>	Focus on outsourcing risk	Focus on third-party risk and related risks
<b>Enhanced Risk Focus</b>	Reliance on contractual provisions to manage risk	Emphasis on governance and risk management programs
<b>Modernized Guidance</b>	Legal language, dated guidance style	Reorganised and streamlined, sets clear outcomes and principles

### Expanded Scope

Draft Guideline B-10 applies to a significantly wider variety of third-party arrangements. It proposes to govern not only risks posed by traditional outsourcing arrangements, but also risks posed by external entities that a FRFI engages with on a commercial or strategic basis, including material subcontractors.

### Widened Risk Lens

Draft Guideline B-10 includes a definition of third-party risk which extends significantly beyond the current concept of outsourcing risk. This definition aims to capture risks that could disrupt a FRFI's operations from a wider range of external risk factors.

In addition, the revised definition encompasses a series of related risks at third parties, such as technology, cyber, data security, financial, operational, business continuity management, subcontracting/supply chain risks, and concentration risks.

### Enhanced Risk Focus

Draft Guideline B-10 sets expectations for FRFIs to adopt a 'lifecycle' approach to risk management for third-party arrangements, commensurate with the level of risk of the arrangement.

Draft Guideline B-10 replaces the previous binary approach (“material” vs. “non-material” outsourcing) with a risk-based approach. It also introduces the concept “criticality” of third-party arrangements. Third parties are, therefore, expected to be managed according to individual levels of risk and criticality.

## **Modernized Guidance**

Draft Guideline B-10 has been modernized to present an outcomes-focused, principles-based approach for FRFIs to manage third-party risk. OSFI has established five high-level outcomes, 11 related principles, and a series of risk management expectations to help FRFIs achieve those outcomes.

# Office of the Superintendent of Financial Institutions

[Home](#) > [Financial Institutions](#) > [Regulation and Guidance](#) > [Guidance](#) > [Guidelines](#)

> Third-Party Risk Management Guideline

## Third-Party Risk Management Guideline

### Accompanying documents

- [Letter](#)
- [Notice - Information Session](#)

**Type of Publication:** Draft Guideline

**Category:** Sound Business Practices and Prudential Limits

**No:** B-10

**Date:** April 2022

### A. Overview

Federally regulated financial institutions (FRFIs) engage in business and strategic arrangements with external parties—entities or individuals—to perform business activities, functions, and services in support of their own operations or their business strategy.

These types of external arrangements, or third-party arrangements, can be beneficial to the FRFI by introducing efficiencies, driving innovation, managing shifting operational needs, and improving services. However, there are potential risks that can arise from third-party arrangements that can threaten the FRFI's operational and financial resilience.

The Office of the Superintendent of Financial Institutions (OSFI) expects that FRFIs practice effective risk management and retain ultimate accountability for all their business activities, functions, and services, whether they are performed in-house or through a third-party arrangement.

To that end, FRFI's are required to provide to OSFI, upon request, information related to their business and strategic arrangements with third parties, risk management, and control environments, to support supervisory monitoring and review work.<sup>1</sup> OSFI expects to be promptly notified of substantive issues affecting the soundness of the FRFI due to a third-party arrangement.

In all cases, OSFI's supervisory powers should not be constrained, irrespective of whether an activity is conducted in-house, outsourced, or otherwise obtained from a third party.

### A1. Purpose and Scope

This Guideline sets out OSFI's expectations for managing risks associated with third-party arrangements.

This Guideline applies to all FRFIs, excluding foreign bank branches and foreign insurance company branches.<sup>2</sup>

FRFIs should implement the expectations in this Guideline proportionate to their size, the nature, scope, and complexity of their operations, and their risk profile.

### A2. Definitions

A '**third-party arrangement**' is any business or strategic arrangement between the FRFI(s) and an entity(ies) or individuals, by contract or otherwise (e.g., another form of agreement or the conduct of the parties). Arrangements with FRFI customers (e.g., depositors and policyholders) are excluded from this definition.

Such arrangements include, among other things:

- outsourced activities, functions, and services;<sup>3</sup>

- use of independent professionals;
- brokers (e.g., mortgage, insurance, deposit brokers);
- utilities (e.g., power sources, telecommunications);
- financial market infrastructures<sup>4</sup> (e.g., payments systems, clearing and settlement systems, other FRFIs in cases where the FRFI does not have direct access to financial market infrastructures);
- services provided by parent holding companies, affiliates, and subsidiaries, or through joint ventures and partnerships; and
- other relationships involving the provision of services or the storage, use or exchange of data (such as cloud service providers, managed service providers, technology companies that deliver financial services).<sup>5</sup>

**'Third-party risk'** is the risk to the FRFI's operational and financial resilience or reputation due to a third party failing to provide goods and services, protect data or systems, or otherwise carry out activities in accordance with the arrangement. Third-party risk scenarios could include, but would not be limited to:

- insolvency of the third party;
- operational disruption at the third party due to people, inadequate or failed processes and systems, or from external events (e.g., cyber incidents);
- insolvency of or operational disruption at a material subcontractor<sup>6</sup>;
- political, geographic, legal, environmental, or other risks impeding the third party or its material subcontractors from providing services according to its arrangement with the FRFI;
- risks arising from interconnections between multiple third parties and multiple FRFIs;
- corruption of FRFI data or FRFI data breaches;<sup>7</sup> and
- loss of data by the third party.

**'Concentration risk'** is the risk of loss or harm to the FRFI or to the broader financial system arising from reliance on a small number of and/or geographically concentrated third-party providers or subcontractors. Third-party provider, subcontractor and geographic concentration have the potential to increase overall risk to FRFIs and the financial services industry by:

- making substitutability of the third party more difficult;
- increasing the likelihood that the insolvency of or an operational disruption at a third party or its subcontractor has ramifications on the FRFI or throughout the financial services industry;
- exposing the FRFI or the financial services industry to increased impact of natural disasters or other external events; and
- reducing the market power of FRFIs vis-à-vis the third party to negotiate favorable arrangements.

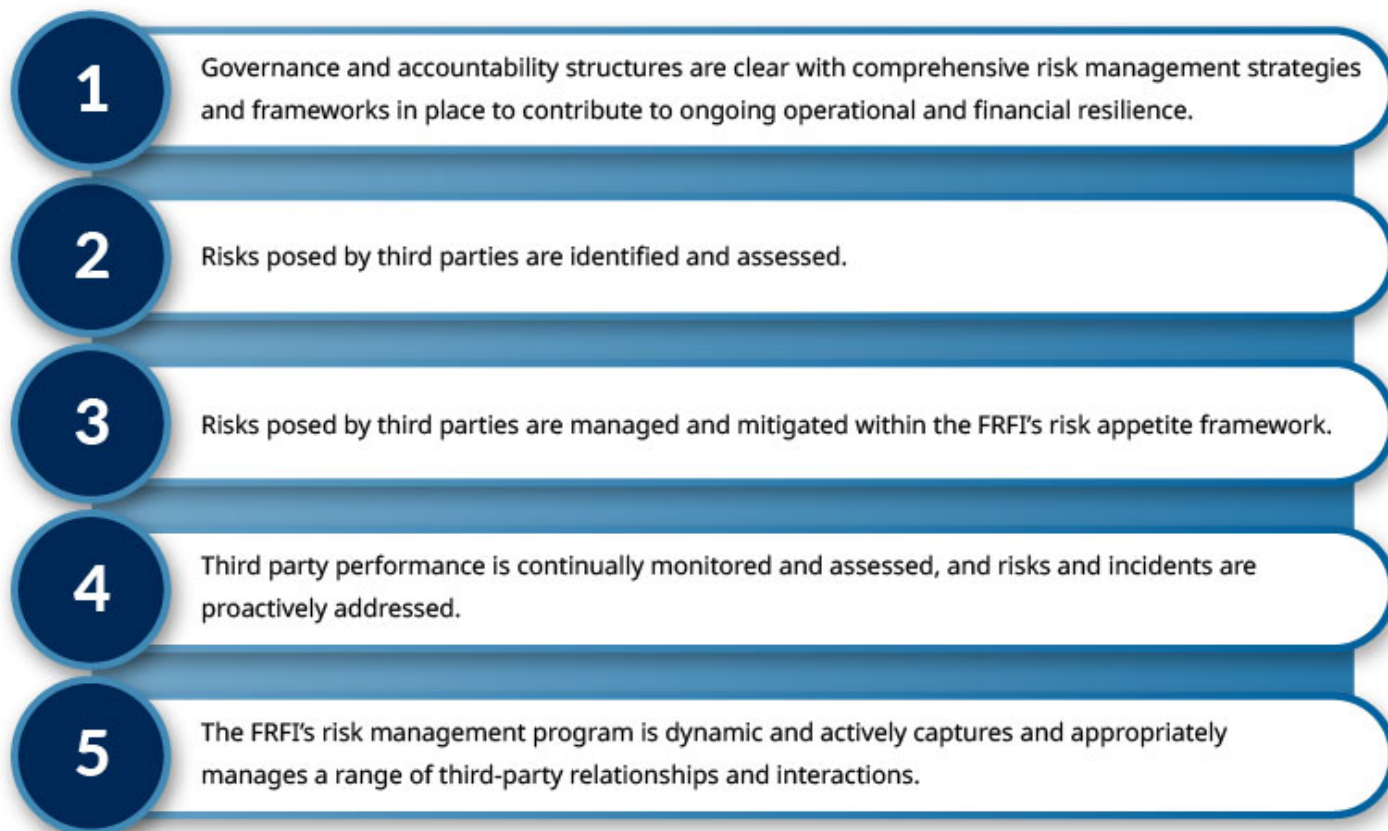
**'Criticality'** is the degree of impact of the third-party arrangement on the FRFI's risk profile, operations, strategy and/or financial condition. A critical third-party arrangement is one where the third party performs a function or service that is integral to the FRFI's provision of a significant operation, function, or service. That is, a failure in performance of the third party could cause significant harm to the FRFI's operations and/or reputation.

The criticality of the third-party arrangement is an important input into the assessment of both:

- the third-party arrangement's level of risk; and
- the FRFI's overall operational and financial resilience.

### A3. Outcomes

This Guideline presents five expected outcomes for FRFIs to achieve through managing third-party risk. These outcomes contribute to the FRFI's operational and financial resilience and help safeguard its reputation.



Graphic Description - Five expected outcomes for FRFIs to achieve through managing third-party risk

1. Governance and accountability structures are clear with comprehensive risk management strategies and frameworks in place to contribute to ongoing operational and financial resilience.
2. Risks posed by third parties are identified and assessed.
3. Risks posed by third parties are managed and mitigated within the FRFI's risk appetite framework.
4. Third party performance is continually monitored and assessed, and risks and incidents are proactively addressed.
5. The FRFI's risk management program is dynamic and actively captures and appropriately manages a range of third-party relationships and interactions.

#### A4. Related Guidance

This Guideline should be read in conjunction with applicable legislation and relevant OSFI guidance, including but not limited to, Guideline E-21 on Operational Risk Management, Guideline B-13 on Technology and Cyber Risk Management, and the Corporate Governance Guideline.

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## **1. Governance**

**Outcome:** Governance and accountability structures are clear with comprehensive risk strategies and frameworks in place to contribute to ongoing operational and financial resilience.

### **1.1. Accountability**

**Principle 1:** The FRFI is ultimately accountable for all business activities, functions, and services outsourced to third parties and for managing the risks related to third-party arrangements.

#### **1.1.1. The FRFI retains accountability for services outsourced to a third party and for managing the risks related to all third-party arrangements and interactions**

The FRFI has the flexibility to arrange its operations in a way that achieves its business and strategic objectives. However, the FRFI retains accountability for all its business activities, functions, and services outsourced through third-party arrangements, for data exchanged with the third party or data to which the third party has access, and for managing risks arising from third-party arrangements.

The FRFI's Senior Management should be satisfied that business activities, functions, and services performed by third parties are done in a safe and sound manner, and in compliance with applicable legislative and regulatory requirements and the FRFI's own internal policies, standards, and processes. The FRFI's senior management should also be satisfied that third-party arrangements are in alignment with the FRFI's risk appetite and managed proportionate to the level of risk and criticality.

Please refer to OSFI's **Corporate Governance Guideline** for OSFI's expectations of FRFI Boards of Directors in regard to business strategy, risk appetite and operational, business, risk and crisis management policies.

### **1.2. Third-Party Risk Management Framework (TPRMF)**

**Principle 2:** The FRFI should establish a third-party risk management framework (TPRMF) that sets out clear accountabilities, responsibilities, policies, and processes for identifying, managing, mitigating, monitoring, and reporting on risks relating to the use of third parties.

#### **1.2.1. TPRMF is enterprise-wide, governs the lifecycle of third-party arrangements, and is dynamic**

The FRFI should establish a TPRMF that provides an enterprise-wide view of its exposures to third parties. The TPRMF should reflect the FRFI's risk appetite and be consistent with its operational or enterprise risk management frameworks.

The TPRMF should be developed to span the lifecycle of a third-party arrangement, from sourcing and due diligence of a third-party provider to potential exit from the third-party arrangement. The TPRMF should set out how the FRFI will identify and assess; manage and mitigate; and monitor and report on third-party risk.

OSFI expects the FRFI to regularly review and update its TPRMF, and to make continuous improvements based on implementation, effectiveness and other lessons learned (e.g., past incidents).

#### **1.2.2. TPRMF captures key elements**

At minimum, the TPRMF should establish and govern the following elements:

- accountability for third-party risk management, including for relevant oversight functions;
- clear roles and responsibilities for overseeing and managing third-party arrangements and associated risk management processes;
- third-party risk appetite and measurement (e.g., limits, thresholds and key risk indicators);

- methodology for assessing the level of risk and criticality of third-party arrangements;
- policies, standards, systems and processes governing third-party risk, which are approved, regularly reviewed and consistently implemented enterprise-wide;
- processes and systems for identifying, assessing, managing, monitoring, measuring, and reporting on third-party compliance with contractual provisions and/or service level agreements, including processes for managing exceptions and incidents;
- processes for identifying, assessing, managing, monitoring, measuring, and reporting on third-party risks (including, among others, technology, cyber, concentration, business continuity, strategic and financial risks), and the contribution of third-party arrangements in aggregate to the FRFI's overall level of risk; and
- aggregate reporting to Senior Management on third-party risk exposure and trends to inform the FRFI's current and emerging risk profile, including an inventory of third-party providers delineated by level of risk and criticality of the provider.

## **2. Third-Party Risk Management Program**

OSFI expects the FRFI to manage third-party risks in a manner that is proportionate to the level of risk and complexity of the FRFI's third-party ecosystem. OSFI expects the FRFI to assess its third-party arrangements regularly, with higher-risk and more critical arrangements subjected to more frequent and rigorous assessment.

For critical third-party arrangements and those that pose a high risk to the FRFI, OSFI expects that **all** expectations set out in Section 2 be considered minimum expectations.

### **2.1. Risk-Based Approach**

#### **2.1.1. Risk assessment criteria are comprehensive and scalable**

The FRFI's criteria to assess the risks of third-party arrangements should be comprehensive and focus on higher-risk arrangements, while maintaining oversight of other arrangements in accordance with the FRFI's risk-based approach. Assessment criteria should also be reviewed periodically to ensure that they remain current for the risk landscape.

#### **2.1.2. The level of criticality of the third party is determined**

Determining the level of criticality is an important part of sound risk management. The criticality of a third-party arrangement should influence the nature and frequency of the FRFI's risk management activities. Criticality should also be reviewed periodically.

#### **2.1.3. Level of risk and criticality are assessed**

In determining the level of risk and criticality, the FRFI should consider, among other things:

- the third party's use of subcontractors;
- the potential for loss or harm to the FRFI in the event that the third party or material subcontractor fails to meet expectations, due to service disruption, outage, cyber security breaches or any other reason;
- the ability of the FRFI to assess controls at the third party and continue to meet regulatory and legal requirements in respect of activities performed by the third party, particularly in the case of disruption;
- substitutability of the third party, including the portability and timeliness of a transfer of services;
- the potential impact on business operations if the FRFI needed to exit the third-party arrangement and transition to another service provider or bring the business activity in-house;
- the financial health of the third party and the potential "step-in" risk, whereby the FRFI is required to provide financial support to the third party or take over the third party's business;
- the degree of the FRFI's or the industry's reliance on or concentration of the third party (see Section 2.2.3); and

- any other relevant financial and non-financial risks associated with the use of the third party.

#### **2.1.4. Rigour of risk management activities matches the level of risk and criticality**

The robustness and frequency of the FRFI's third-party risk management activities (e.g., risk assessment, mitigation, monitoring, measuring, and reporting) should be proportionate to the level of risk and criticality associated with the third-party arrangement.

### **2.2. Risk Identification and Assessment**

**Outcome:** Risks posed by third parties are identified and assessed.

**Principle 3:** Before entering a third-party arrangement—and, periodically thereafter, proportionate to the level of risk and criticality of the arrangement—the FRFI should identify and assess the risks of the arrangement. Specifically, the FRFI should conduct risk assessments to decide on third-party selection; (re)assess the risk and criticality of the arrangement; and plan for adequate risk mitigation and oversight.

#### **2.2.1. Risk Assessment**

##### **2.2.1.1. Risk and criticality of the arrangement are assessed throughout its lifecycle**

The FRFI should conduct risk assessments of each third-party arrangement to determine the risk and criticality of the arrangement, considering both risks created and reduced (e.g., using suppliers in various jurisdictions to reduce geographic concentration) by the arrangement, as well as potential mitigants.

The FRFI should conduct such assessments:

- prior to entering into the third-party arrangement (see Section 2.2.2);
- regularly throughout the lifecycle of the arrangement at a frequency and scope proportionate to the level of risk and criticality; and
- whenever there is material change in the arrangement or third party (including disruption at the third party or in the service provided).

Such risk assessments should, at minimum:

- determine whether the arrangement aligns with the FRFI's risk appetite for third-party risk and other relevant risks;
- establish the level of risk and criticality; and
- develop a plan, with appropriate intensity of monitoring and mitigating actions, to manage the arrangement within the FRFI's risk appetite.

#### **2.2.2. Due Diligence**

**Principle 4:** The FRFI should undertake due diligence prior to entering contracts or other forms of arrangement with a third party, and on an ongoing basis proportionate to the level of risk and criticality of the arrangement.

##### **2.2.2.1. A due diligence process is established**

The FRFI should establish due diligence processes for third-party arrangements to apply initially and on an ongoing basis, including documented risk escalation, approval and acceptance processes.

##### **2.2.2.2. Due diligence is performed proportionate to level of risk and criticality**

The FRFI should conduct due diligence proportionate to the level of risk and criticality of each third-party arrangement:

- prior to entering into the arrangement;
- as part of the contract renewal process; and

- periodically on an ongoing basis proportionate to the level of risk and criticality or whenever there are material changes to the third-party arrangement, such as the nature of the arrangement or its criticality.

Due diligence should consider all relevant qualitative (i.e., operational) and quantitative (i.e., financial) factors related to the third-party arrangement. A non-exhaustive list of factors to consider is set out in *Annex 1* of this Guideline.

### **2.2.2.3. Out-of-Canada arrangements are considered**

When considering arrangements with third parties based outside of Canada (or Canadian third parties with material subcontractors located outside of Canada), the FRFI should pay particular attention to the legal requirements of relevant jurisdictions, as well as the potential political, legal, security, economic, environmental, social, and other risks that may impede the ability of the third party to provide services.

## **2.2.3. Concentration Risk**

### **2.2.3.1. Concentration risk is assessed**

To determine the appropriate level of mitigation, the FRFI should assess concentration risk both prior to entering a contract or agreement and on an ongoing basis. Processes established should take reasonable steps to assess concentration risk over multiple dimensions including geography, supplier, and subcontractor. Throughout the process, concentration should be considered within the FRFI's business functions/units and legal entities, and across the FRFI's entire organization.

## **2.2.4. Supply Chain Management**

**Principle 5:** The FRFI should assess, manage, and monitor the risks of subcontracting arrangements entered by third parties, including the impact of these arrangements on concentration risk.

Subcontracting risk stems from the complexity and interdependency of the third-party's supply chain. Subcontracting diminishes the FRFI's ability to manage the risk related to such arrangements and can increase the overall risk related to the use of certain third parties.

### **2.2.4.1. Risks related to subcontracting practices are identified and understood**

The FRFI should assess whether the existence of material subcontracting might negatively impact their operational and financial resilience during a significant disruption within the third party's supply chain, and whether this impact could outweigh the benefits of the arrangement.

Prior to entering a third-party arrangement, the FRFI should identify and understand risk factors related to the third party's subcontracting practices, including, at minimum:

- level of subcontracting, including whether there are material subcontractors;
- geographic locations of subcontractors and any associated political, security, economic, environmental, social, and other risks;
- ability of subcontractors to provide services in alignment with the performance standards and controls outlined in the third-party contract, including through disruption; and
- ability of subcontractors to meet legal and regulatory requirements.

### **2.2.4.2. Visibility into the use of subcontractors is established**

The FRFI should also ensure that they have ongoing line of sight into the third party's use of subcontractors. Among other ways, the FRFI might achieve this by:

- contractual provisions prohibiting the use of subcontractors for certain functions;
- requiring that the FRFI be informed, in writing and on a timely basis, when a subcontractor is retained, or substituted, to carry out some of the functions contracted for the third party to perform;
- reserving a right of the FRFI to refuse a subcontractor; and

- contractual provisions allowing the FRFI to commission or conduct an audit of the subcontractor.

#### **2.2.4.3. Evidence that the third party can manage subcontractor risk**

The FRFI should ensure that the third party has the capacity to monitor and manage risks arising from the use of subcontractors, including, where feasible, through audit rights and/or access to independent audit reports.

In addition, the FRFI should evaluate and consider the impact of use of subcontractors on the concentration risk of third-party arrangements (refer to 2.2.3 above).

### **2.3. Risk Management and Mitigation**

**Outcome:** Risks posed by third parties are managed and mitigated within the FRFI's Risk Appetite Framework.

#### **2.3.1. Agreements / Contracting**

**Principle 6:** The FRFI should enter into written arrangements that set out the rights and responsibilities of each party.

##### **2.3.1.1. Clear responsibilities are set out in the agreement**

OSFI expects third-party arrangements to be supported by a written contract or other agreement (e.g., service level agreement) that sets out the rights and responsibilities of each party and which has been reviewed by the FRFI's legal counsel. OSFI recognizes that there are certain third-party arrangements for which a customized contract may not be feasible, or for which a formal contract or agreement may not exist. Please see Section 3 of this Guideline for OSFI expectations related to such third-party arrangements.

##### **2.3.1.2. The third party is expected to comply with FRFI's provisions**

To manage the risks associated with each third-party arrangement, the FRFI should structure its written agreement with the third party in a manner that allows it to meet the expectations set out in this Guideline. At a minimum, OSFI expects the FRFI to include in written agreements the provisions that are set out in *Annex 2* of this Guideline.

#### **2.3.2 Data Security and Controls (including Data Location)**

**Principle 7:** Throughout the duration of the third-party arrangement, the FRFI and third party should establish and maintain appropriate measures to protect the confidentiality, integrity and availability of records and data.

##### **2.3.2.1. Responsibilities for security of records and data are established**

Third-party agreements are expected to set out each party's responsibilities for the confidentiality, availability and integrity of records and data. Agreements should establish, among other things:

- the scope of the records and data to be protected;
- availability of the records and timely access to data by the FRFI and OSFI, upon request;
- controls and monitoring over the third party's use of the FRFI's systems and information;
- clear responsibilities of each party in managing data security;
- which party is liable for any losses that might result from a security breach; and
- notification requirements if there is a breach of security.

In addition, these agreements should specify that the FRFI's data and records be isolated from those of other clients at all times, including during the transfer process and under adverse conditions (e.g., disruption of services). Data and records should be subject to the same standard of protection at the third party as they would be at the FRFI.

##### **2.3.2.2. Record Keeping Requirements**

The *Bank Act*, *Insurance Companies Act*, and the *Trust and Loan Companies Act* (collectively, the FRFI Statutes), contain requirements with respect to certain records that FRFIs must prepare and maintain (the Records).<sup>8</sup> OSFI expects the Records to be updated and accurate as at the end of each business day<sup>9</sup>, and that the Records will be sufficiently detailed to enable:

- OSFI to conduct an examination and inquiry into the business and affairs of the FRFI;
- OSFI to manage the FRFI's assets, prior to the appointment of a liquidator, should the Superintendent take control of the FRFI's assets; and
- The liquidator to conduct an effective liquidation of the FRFI's assets.

Electronic Records must be capable of being reproduced in intelligible written form within a reasonable period of time. OSFI expects electronic Records to be accessible and intelligible without incurring additional costs and by using readily available commercial applications. For certain types of information, such as reinsurance arrangements or files on more complex activities, reproduced electronic Records may not be sufficient for OSFI's review and the executed copy may need to be available, upon OSFI's request.

The FRFI Statutes require FRFIs to keep copies of the Records at its head office, or at such other place in Canada as the directors of the FRFI think fit. If the Records are in electronic form, complete copies must be kept on a computer server(s) physically located at the places stipulated in the FRFI Statutes.<sup>10</sup>

Certain FRFIs are exempted from the requirement to keep copies of the Records at the above noted places in Canada. In those circumstances, the FRFI must provide OSFI with immediate, direct, complete and ongoing access to the Records that are stored outside Canada.<sup>11</sup>

### **2.3.3. Information Rights and Audit**

**Principle 8:** The FRFI's third-party arrangements should allow the FRFI timely access to accurate and comprehensive information to assist it in overseeing third-party performance and risks. The FRFI should also have the right to conduct or commission an independent audit of a third party.

#### **2.3.3.1. The third party provides the FRFI with information and reporting**

The third-party agreement should specify the type and frequency of information to be reported to the FRFI by the third party. This should include reports that allow the FRFI to assess whether performance measures are being met and any other information required for the FRFI's monitoring program, including risk measures (see Section 2.4).

#### **2.3.3.2. The third party reports events that could materially impact the FRFI**

The agreement should include requirements and procedures for the third party to report events in a timely manner to the FRFI that may have the potential to materially affect the risks and delivery of the service.

#### **2.3.3.3. Service performance and controls are evaluated, and audit rights established, as appropriate**

The agreement should give the FRFI and OSFI the right to evaluate the risk management practices related to the service provided. Specifically, the FRFI and OSFI should be able to evaluate the risks arising from the arrangement or appoint independent auditors to evaluate the risk management practices related to service provided and the risks arising from the relationship on the FRFI's or on OSFI's behalf. The FRFI and OSFI should also be able to access audit reports in respect of the service being performed for the FRFI.

The FRFI should employ a range of audit and information gathering methods (e.g., independent reports provided by third parties, individually performed or pooled audits).

### **2.3.4. Business Continuity Planning and Testing**

**Principle 9:** The FRFI's agreement with the third party should encompass the ability to deliver operations through a disruption, including the maintenance, testing, and activation of business continuity and disaster recovery plans. The FRFI should have contingency plans for its critical third-party arrangements.

#### **2.3.4.1. Business continuity and recovery capabilities are established and tested**

Third-party agreements should require the third party, at minimum, to:

- outline the third party's measures for ensuring continuity of services in the event of disruption;

- test regularly the third party's business continuity and disaster recovery programs as they pertain to services provided to the FRFI;
- notify the FRFI of test results; and
- address any material deficiencies.

Among other things, the FRFI's business continuity and disaster recovery plans should:

- address severe but plausible situations (either temporary or permanent) where the third party could fail to continue providing service;
- set out backup systems and redundancies commensurate with the criticality of the service provided; and
- ensure the FRFI has in its possession, or can readily access, all necessary records to allow the FRFI to sustain business operations, meet statutory obligations, and provide all information as may be required by OSFI, in the event of disruption to third-party services.<sup>12</sup>

As applicable, joint design and testing of business continuity plans and disaster recovery plans should be considered between the third party and the FRFI, commensurate with the criticality of the service.

### 2.3.5. Exit Strategy/Planning

#### 2.3.5.1. Exit strategies are developed to ensure continuity of critical services

The FRFI should establish exit plans proportionate to the level of risk and criticality of individual third-party arrangements to ensure continuity of the FRFI's operations through normal and stressed times. Such documented plans should:

- encompass both planned and unplanned exits, such as a provider's default, non-performance or prolonged disruption, and establish triggers for invoking exit/contingency plans;
- establish a set of activities to perform when exiting because of stressed circumstances, such as following the failure or insolvency of the service provider (a "playbook" for stressed exit);
- establish a set of activities to perform when exiting through a planned and managed exit due to commercial, performance, or strategic reasons (a "playbook" for non-stressed exit);
- take into account contractual provisions impacting exit, such as notification requirements and provisions obliging the third party to provide services over a prescribed period of time following notification of termination;
- contain sufficient detail (e.g., alternative options or providers, supported by timelines, costs, resourcing, revenue impacts, and interim workarounds) as to allow rapid execution;
- address severe but plausible scenarios and set out documented plans for each scenario; and
- be reviewed regularly, and more frequently in the event of material changes to the third-party arrangements.

### 2.4. Monitoring and Reporting

**Outcome:** Third-party performance is continually monitored and assessed, and risks and incidents are proactively addressed.

**Principle 10:** The FRFI should monitor its third-party arrangements to verify the third party's ability to continue to meet its obligations and effectively manage risks.

#### 2.4.1. Oversight of Third-Party Provider

##### 2.4.1.1. The FRFI monitors its third-party arrangement(s)

The FRFI should monitor its third-party arrangement(s) to ensure that the service is being delivered in accordance with the terms of the agreement, and that the third party remains financially sound.

Monitoring should also cover regular oversight of current and emerging risks and risk acceptances<sup>13</sup> and compliance of the third-party arrangement with the FRFI's risk policies and procedures and OSFI's expectations. Monitoring should be conducted at the individual arrangement level, as well as at an aggregate business unit, segment, platform, and enterprise level.

The extent and frequency of monitoring should be proportionate to the level of risk and criticality of the third-party arrangement.

#### **2.4.1.2. Metrics confirm residual risk remains within risk appetite**

The FRFI should establish processes to confirm regularly that the residual risk of their third-party arrangements, individually and in aggregate, remains within the FRFI's risk appetite. To facilitate this outcome, the FRFI should establish and report metrics and associated thresholds to alert senior management when a threshold is being approached as well as triggers for invoking the FRFI's escalation process.

### **2.4.2 Incident Management and Reporting**

**Principle 11:** Both the FRFI and its third-party should have documented processes in place to effectively identify, investigate, escalate, track, and remediate incidents to ensure ongoing operational and financial resilience and maintain risk levels within the FRFI's risk appetite.

#### **2.4.2.1. The third-party has clearly defined incident management processes**

As part of an effective third-party risk management program, the FRFI should ensure that its third parties have clearly defined and documented processes for identifying, investigating, escalating, remediating and notifying the FRFI in a timely manner of incidents—including subcontractor incidents—that could directly or indirectly impact the third party's ability to deliver the contracted goods and/or services.

#### **2.4.2.2. Incident reporting and notification requirements of the third party support FRFI compliance with OSFI's incident reporting requirements**

The FRFI should ensure that its written agreements with third parties contain adequate provisions to enable the FRFI to comply with its reporting requirements under OSFI's [Technology and Cyber Security Incident Reporting Advisory](#). Such provisions could include, among other things, requirements to promptly notify the FRFI of technology and cybersecurity incidents (at the third party or the subcontractor) including providing information on each incident in line with the Advisory.

#### **2.4.2.3. Internal incident management process is established**

The FRFI should also have clearly defined internal processes for effectively managing and escalating third-party incidents and for subsequently tracking remediation. The processes established should clearly define accountabilities at all levels of the FRFI and triggers for escalation within the FRFI.

#### **2.4.2.4. Incidents are investigated, analysed and results are shared**

To ensure that remediation actions are sufficient, the FRFI should request that the third party perform root cause analysis and share the results for any incidents, commensurate with the severity/potential impact of the incident on the FRFI. The FRFI should also perform its own root cause analysis, as appropriate. Remediation actions should be monitored by the FRFI.

### **3. Special Arrangements**

**Outcome:** The FRFI's risk management program is dynamic and actively captures and appropriately manages a range of third-party arrangements and interactions.

#### **3.1. Standardized Contracts/Special Arrangements**

Customized contracts can be effective tools for the mitigation of third-party risk. However, FRFIs may often receive, or use, products or services from providers, such as utilities, internet providers, financial market infrastructures, and others, under pre-defined terms and conditions in standard contracts with a limited ability to tailor contract terms.

##### **3.1.1. Third parties without contracts still carry risks**



The absence of a written arrangement<sup>14</sup> does not obviate the existence of a third-party relationship. While the FRFI may not have direct relationships with all third parties they interact with, risks may still arise from these relationships.

### **3.1.2. Risks of third parties with no contracts or standardized contracts are managed**

In situations where a standardized or no formal contract or agreement supports the arrangement, OSFI still expects the FRFI to have a third-party risk management program that covers the relationship, and that is proportionate to the level of risk and criticality of the third-party relationship. In such cases, the FRFI's risk assessment should consider inherent risks, mitigating controls and other factors to arrive at the final risk rating for these arrangements.

Among the mitigating actions and controls that the FRFI may consider are the development of redundancies, workarounds, business continuity measures, and other resiliency mechanisms.

## **3.2. Third-Party Arrangements with the External Auditor**

Arrangements with the external auditor can give rise to conflicts of interest.

### **3.2.1. External auditors comply with auditor independence standards when providing third-party services**

Prior to obtaining management consulting services from its external auditor, the FRFI should assure itself that its external auditor would be in compliance with the relevant auditor independence standards of the Canadian accounting profession, as well as any other applicable auditor independence requirements, in respect of such services to be performed by the external auditor.

### **3.2.2. The FRFI does not obtain actuarial or internal audit services from its external auditor unless certain conditions apply**

Unless it is reasonable to conclude that the results of the service will not be subject to audit procedures during an audit of the FRFI's financial statements, the FRFI should not obtain the following services from its external auditor:

- Any actuarial service.<sup>15</sup>
- Any internal audit service related to the internal accounting controls, financial systems, or financial statements of the FRFI. This does not prohibit the external auditor from providing a non-recurring service to evaluate a discrete item or program, if the service is not, in substance, the outsourcing of an internal audit function.

## **4. Technology and Cyber Risk in Third-Party Arrangements**

OSFI recognizes that technology and cyber risk in third-party arrangements present elevated vulnerabilities to the FRFI. In addition to minimum expectations articulated earlier in this guideline, the FRFI should consider additional controls to manage technology and cyber risks stemming from its third-party arrangements.

### **4.1. Clear roles and responsibilities are established for technology and cyber controls**

As set out earlier in this guideline, and emphasized in Annex 2, establishing clear roles and responsibilities between the FRFI and the third party is essential to managing risk and limiting ambiguity between the parties. When setting responsibilities for technology and cyber controls, the FRFI should consider the risk and criticality of its arrangement. Where necessary, the FRFI should establish more granular descriptions of the roles, responsibilities, and procedures that apply to each party when managing the configuration of products and systems.

### **4.2. Third parties comply with the FRFI's technology and cyber standards**

Where necessitated by risk and criticality, the FRFI should establish processes to ensure that third parties with elevated levels of technology and cyber risk comply with FRFI standards—or recognized industry standards—for mitigating risk, notably in the areas of access management and data security and protection. <sup>16</sup>

### **4.3. Cloud-specific requirements are established**

The FRFI should develop cloud-specific requirements to ensure that cloud adoption occurs in a planned and strategic manner. These specific requirements should optimize interoperability while operating within the FRFI's stated risk

appetite. They should also augment existing FRFI controls and standards, notably in the areas of data protection, key management, and container management.

These requirements should be accompanied by robust cloud governance to provide proper oversight and monitoring of compliance with the FRFI's risk management practices and alignment to the broader technology strategy.

#### 4.4. Cloud portability<sup>17</sup> is considered

In addition to planning appropriate exit strategies (see Section 2.3.5), the FRFI should also consider portability when entering an arrangement with a cloud service provider and as part of the design and implementation process in cloud adoption.

The FRFI should consider strategies (e.g., multi-cloud design) to build resilience and mitigate cloud service provider concentration risk.

### Annex 1 – Examples of Due Diligence Consideration

Before entering an arrangement with a third party—whether written or not—and on an ongoing basis thereafter, the FRFI should perform due diligence. At minimum, due diligence should consist of the following non-exhaustive factors:

- a. Experience, technical competence, and capacity of the third party to implement and support the activities it is being engaged to provide, including, where applicable, the experience, technical competence, and capacity of material subcontractors;
- b. Financial strength of the third party to deliver successfully on the third-party arrangement;
- c. Compliance with applicable laws, rules, regulations and regulatory guidance within Canada and other relevant jurisdictions;
- d. Potential reputation risk associated with the third-party relationship or its services, including existence of any recent or pending litigation, investigation or complaints against the third party;
- e. Strength of the third party's risk management programs, processes, and internal controls as well as the reporting environment (the FRFI should determine if there is alignment with the FRFI's risk management processes and controls);
- f. The third party's capacity to:
  - manage technology and cyber risks in accordance with the expectations outlined in OSFI's Guideline B-13: *Technology and Cyber Risk Management* and
  - provide the FRFI with sufficient and timely information to comply with its reporting requirements under OSFI's [\*\*\*Technology and Cyber Security Incident Reporting Advisory\*\*\*](#);
- g. Strength of the third party's information security programs including their alignment with the FRFI's programs;
- h. The third party's capacity to provide critical services through disruption by examining its business continuity and disaster recovery plans, including the quality of such plans and the frequency and results of testing;
- i. The third party's reliance on, and capacity to, manage subcontractors;
- j. Impact of the third-party arrangement, including its subcontractors, on concentration risk;
- k. Geographic location of the third party's and its material subcontractors' operations;
- l. Ability and ease of substituting the third party with another third party and impact of such substitution on the FRFI's operations;
- m. Portability of applications/services provided by a third party to another third party or the FRFI;
- n. Third party's insurance coverage;

- o. Third party's business objectives, human resource policies, service philosophies, business culture, and their alignment with those of the FRFI; and
- p. Potential for political or legal risks related to the jurisdiction of the third party, or the jurisdictions of any material subcontractors.

## Annex 2 – Minimum Provisions for Third-Party Agreements

This annex provides a non-exhaustive list of provisions that FRFIs should include in duly executed agreements with third parties (tailored to the circumstances of the third-party arrangement):

- a. **Nature and scope of the arrangement:** The agreement should specify the nature and scope of the arrangement, including provisions that address the frequency, content and format of services, duration of the agreement, and physical location of the services being provided.
- b. **Roles and Responsibilities:** The agreement should clearly establish the roles and responsibilities of the FRFI and the third party and any material subcontractors of the third party, including for managing technology and cyber risks and controls.
- c. **Use of subcontractors:** The agreement should establish parameters on the use of subcontractors and require the third party to notify the FRFI of any subcontracting of services so that the FRFI may conduct due diligence, as well as assess and manage the risk of the subcontractors and any potential impacts from a change in service.
- d. **Pricing:** The agreement should set out the basis for calculating fees relating to the services being provided.
- e. **Performance measures:** The agreement should establish performance measures that allow each party to determine whether the commitments set out in the agreement are being fulfilled.
- f. **Ownership and access:** The agreement should identify and establish ownership of all assets (intellectual and physical) related to third-party arrangements, including assets generated or purchased pursuant to the arrangement. The agreement should also specify whether and how the third party has the right to use the FRFI's assets (e.g., data, hardware and software, system documentation or intellectual property), including authorized users, and the FRFI's right of access to those assets.
- g. **Security of records and data:** The agreements should govern the confidentiality, integrity, security, and availability of records and data.
- h. **Notifications to the FRFI:** The agreement should require the third party to notify the FRFI of:
  - i. incidents/events (at the third party or a subcontractor) that impact or could potentially impact services provided, the FRFI's customers/data or the FRFI's reputation;
  - ii. technology and cyber security incidents (at the third party or a subcontractor) to enable the FRFI to comply with its reporting requirements under OSFI's [Technology and Cyber Security Incident Reporting Advisory](#);
  - iii. significant organizational/operational changes.
- i. **Dispute resolution:** The agreement should incorporate a protocol for resolving disputes. The agreement should also specify whether the third party must continue providing the service during a dispute and the resolution period, as well as the jurisdiction, governing law(s), and rules under which the dispute will be settled.
- j. **Regulatory compliance:** The agreement should enable the FRFI to comply with all applicable legislative and regulatory requirements, including, but not limited to, location of records and privacy of client information.
- k. **Business continuity and recovery:** The agreement should require the third party to outline measures for ensuring continuity of services in the event of disruption including testing and reporting expectations and mitigation requirements, as well as requirements of the third party to monitor and manage technology and cyber security risk.

- l. **Default and termination:** The agreement should specify what constitutes a default, or right to terminate, identify remedies, and allow for opportunities to cure defaults or terminate the agreement. Appropriate notice should be required for termination of the service and, where applicable, the FRFI's assets should be returned in a timely fashion. Any data and records should be returned to the FRFI in a format that allows the FRFI to sustain business operations without unreasonable expense.

The agreement should not contain any terms that inhibit OSFI, or any other resolution authority or financial compensation scheme, from carrying out their mandate in times of stress or resolution. For example, the agreement should, among other things, remain valid and enforceable in resolution provided there is no default in payment obligations.

- m. **Insurance:** The agreement should require the third party to obtain and maintain appropriate insurance and disclose the general terms and conditions of the insurance coverage. The agreement should also require the third party to notify the FRFI in the event of significant changes in insurance coverage.
- n. **Prudent risk management:** The agreement should include any additional provisions necessary for the FRFI to prudently manage its risks in compliance with this Guideline.

- 
- 1 In accordance with supervisory information requirements set out in the *Bank Act*, the *Insurance Companies Act*, and the *Trust and Loan Companies Act*.
- 2 'Foreign bank branches' refers to foreign banks authorized to carry on business in Canada on a branch basis under Part XII.1 of the *Bank Act*. 'Foreign insurance company branches' refers to foreign entities that are authorized to insure in Canada risks on a branch basis under Part XIII of the *Insurance Companies Act*.
- 3 An outsourced activity, function or service is one that is, or could be, undertaken by the FRFI itself and is a type of third-party arrangement.
- 4 For clarity, the third-party risk management expectations set out in this Guideline are not intended to replace or substitute for, but rather to serve in addition to, appropriate counterparty credit risk and market risk management activities applied in respect of financial market infrastructures.
- 5 OSFI recognizes that a federally endorsed framework will be developed to govern consumer-directed data mobility within the financial sector. This guideline is not intended to impede the establishment or operations of such a framework. Once the framework is designed, OSFI may provide relevant guidance as appropriate.
- 6 Throughout this document, the term "subcontractors" refers broadly to the third party's supply chain.
- 7 In cases where data is being exchanged between the FRFI and a third party or where the third party has access to FRFI systems, data corruption and breaches may occur at the third party, the FRFI location or while the data is in transit.
- 8 Please see s. 238 of the *Bank Act*, s. 261 of the *Insurance Companies Act*, and s. 243 of the *Trust and Loan Companies Act*.
- 9 Records that change less frequently than daily remain accurate until they change. Accordingly, Records should be updated daily or at the frequency with which they change.
- 10 Please see ss. 239(1) of the *Bank Act*, ss. 262(1) of the *Insurance Companies Act*, and ss. 244(1) of the *Trust and Loan Companies Act*.

- 11** Please see ss. 239(3.1) of the *Bank Act*, ss. 262(3.1) of the *Insurance Companies Act*, and ss. 244(3.1) of the *Trust and Loan Companies Act*.
- 12** Please see Sections 2.3.2.1 and 2.3.2.2 of this Guideline.
- 13** Risk acceptance refers to a decision to accept an identified risk and not take any, or further, mitigating actions.
- 14** The preference is always to have the arrangement documented in a contract; however, OSFI recognizes that there may be situations where obtaining a contract is challenging.
- 15** For this purpose, actuarial services relate to the determination of an amount to be recorded in the financial statements of the FRFI or work normally undertaken by its appointed actuary. They do not include services that involve assisting the FRFI in understanding the methods, models, assumptions and inputs used, and advising management on the appropriate actuarial methods and assumptions that will be used. Consistent with Guideline E-15 (Appointed Actuary: Legal Requirements, Qualifications and Peer Review), the FRFI may use an actuary working in the company's external auditor firm for the external review of the appointed actuary's work and reports.
- 16** Refer to Guideline B-13 - *Technology and Cyber Risk Management* for OSFI's expectations on FRFI technology and cyber risk management.
- 17** NIST 500-291, version 2: NIST Cloud Computing Standards Roadmap defined portability the ability for data to be moved from one cloud system to another or for applications to be ported and run on different cloud systems at an acceptable cost.
- 

Modified Date: 2022-06-01



# Draft Guideline B-10 Third-Party Risk Management

Launch of Public Consultation Process

4 May 2022



OSFI  
BSIF

# Slido and Zoom

## Slido: Ask, view and vote on questions

- ▶ Questions with the most votes will be prioritized for responses
- ▶ Following the session, summary responses to unanswered questions will be provided to participants

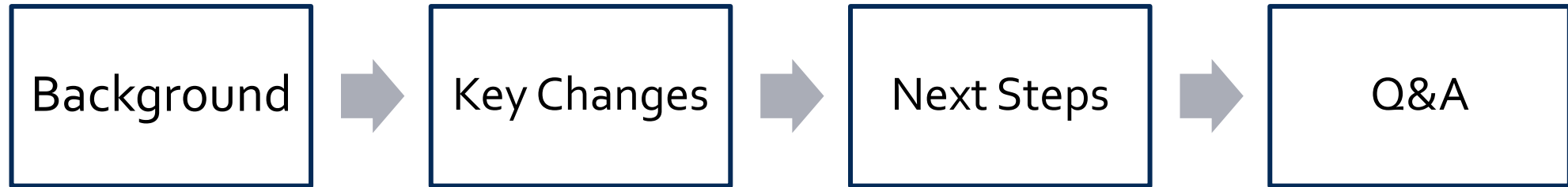
**Join at Slido.com**  
**Event code #: OSFIB10**  
**Passcode: OSFIB10**

## Zoom: Simultaneous interpretation available

- ▶ “Interpretation” button at the bottom right corner of Zoom screen (English or French)



# Agenda





# Background



The financial industry has long made use of third-party arrangements to introduce efficiency, drive innovation, manage shifting operational needs, and improve service.



Increasingly, FRFIs are relying on an expanded third-party ecosystem to execute on and deliver more of their critical activities. This increases the likelihood that these arrangements could impact a FRFI's operational and financial resilience.



# Background

## Current B-10 focuses on outsourcing – last updated in 2009

- ▶ Memorandum on new technology-based outsourcing arrangements in 2012 confirming that B-10 principles should be applied with respect to Cloud and other technology-based outsourcing arrangements

## Recent initiatives to address the changing landscape

- ▶ Third-Party Risk Study results posted in September 2020
- ▶ Tech Risk Discussion Paper issued in September 2020
- ▶ Draft B-13 issued for public consultation in November 2021
- ▶ Upcoming draft guidance on operational resilience later this calendar year



# Key Changes

	Current Guideline B-10	New Revised Guideline B-10
1. Expanded Scope	APPLIES TO OUTSOURCING ARRANGEMENTS	APPLIES TO THIRD-PARTY ARRANGEMENTS
2. Widened Risk Lens	FOCUS ON OUTSOURCING RISK	FOCUS ON THIRD-PARTY RISK & RELATED RISKS
3. Enhanced Risk Focus	RELIANCE ON CONTRACTUAL PROVISIONS TO MANAGE RISK	EMPHASIS ON GOVERNANCE & RISK MANAGEMENT PROGRAMS
4. Modernized Guidance	LEGAL LANGUAGE, DATED GUIDANCE STYLE	REORGANISED & STREAMLINED, SETS CLEAR OUTCOMES & PRINCIPLES



# Key Change #1 – Expanded Scope

## Scope of B-10 has expanded

- ▶ From outsourcing to third party arrangements

## Applies to all business and strategic arrangements, by contract or otherwise

- ▶ Definition excludes arrangements with customers
- ▶ Expanded scope is consistent with international principles, which encompass the entire third-party ecosystem



# Key Change #2 – Widened Risk Lens

## Guideline extends significantly beyond outsourcing risk

- ▶ Expanded scope to mitigate disruption at the FRFI from a wider range of risk factors

## Also encompasses related risks at third parties:

- ▶ Financial
- ▶ Business continuity
- ▶ Data
- ▶ Subcontracting/supply chain
- ▶ Concentration
- ▶ Technology and cyber



# Key Change #3 – Enhanced Risk Focus

## Introduces the concepts of risk and criticality for third parties

- Replaces binary (material/non-material outsourcing) approach to managing risk with a risk-based approach

## Encourages FRFIs to adopt a 'lifecycle' of risk management practices for third parties

- Underlines the importance of an adequate risk assessment process to adjust the intensity of FRFI management and oversight

## Contemplates situations where a contract may not be issued

## Implements findings from supervisory work



# Key Change #4 – Modernized Guidance

## Outcomes-focused, principles-based expectations

- ▶ 5 high-level outcomes and 11 related principles

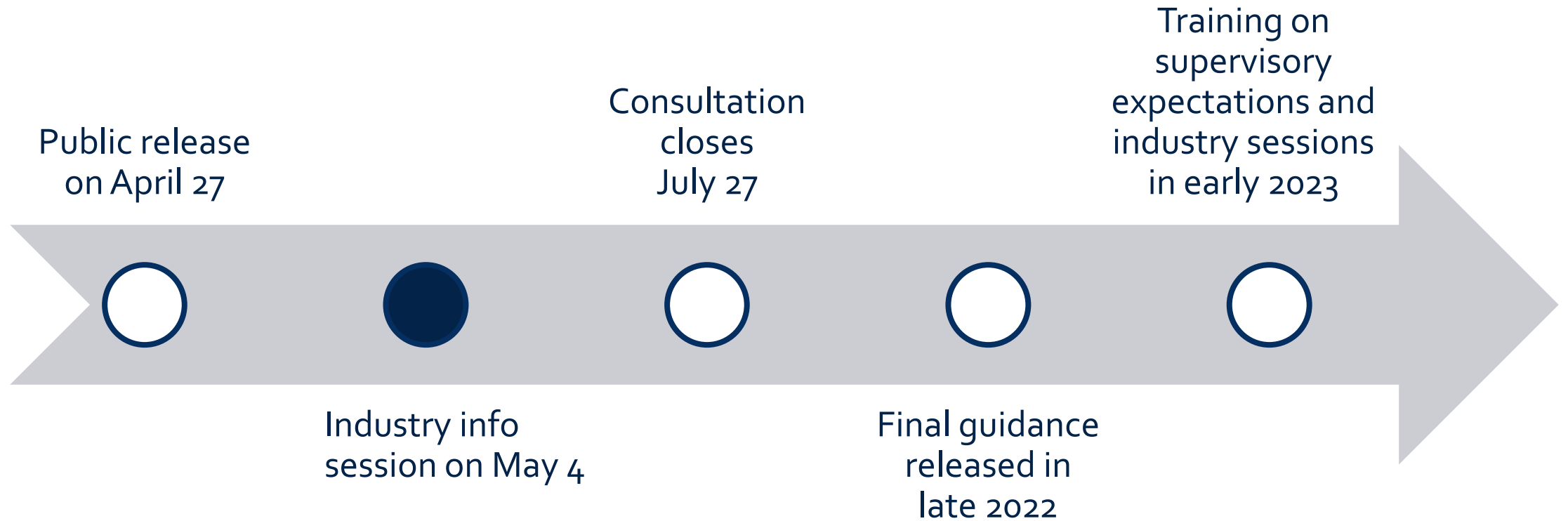
## Simplified concepts and more streamlined

## Aligned expectations with other OSFI guidance

- ▶ Incorporates expectations on tech and cyber in third party arrangements from draft Guideline B-13 (including Cloud)
- ▶ Excludes arrangements between a Canadian branch and its foreign-based head office as these arrangements are covered by revised Guideline E-4



# Next Steps





# Slido

## Slido: Ask, view and vote on questions

- ▶ Questions with the most votes will be prioritized for responses
- ▶ Following the session, summary responses to unanswered questions will be provided to participants

**Join at Slido.com**  
**Event code #: OSFIB10**  
**Passcode: OSFIB10**



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## **Briefing Note**

**CAFII EOC Meeting 28 June, 2022—Agenda Item 4(b)i**

**Committee Updates: Media Advocacy: Proposed Guideline on Members' Utilization of CAFII Videos On Their Own Corporate Websites**

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### **Purpose of this Agenda Item – Update / Approval**

Update and request for approval of a draft Guideline which CAFII has developed.

### **Background Information**

Based on feedback offered at the May 27, 2022 EOC meeting, Media Advocacy Chair Jacqlyn Marcus has augmented and updated a draft Guideline which is intended to govern members posting of CAFII website videos on their own websites.

### **Recommendation / Direction Sought – Update / Approval**

CAFII EOC members will be asked to approve the draft Guideline.

### **Attachments Included with this Agenda Item**

1 attachment.

**Agenda Item 4(b)(i)**  
**June 28/22 EOC Meeting**

*Proposed Guidelines On Members' Utilization of CAFII Videos On Their Own Corporate Websites*

CAFII develops and maintains a repository of content for the purpose of sharing valuable information about Credit Protection Insurance (CPI) and Travel Insurance products in keeping with its mission to educate the Canadian consumers on these products.

CAFII is committed to supporting its Member companies in their efforts to raise the profile and awareness of these products and welcomes the use of CAFII-developed content through their corporate marketing channels, including but not limited to website and social media.

The utilization of CAFII-developed content, particularly videos, by Member companies is an excellent way to raise the profile of the CAFII brand and generate increased awareness of it by consumers, and to encourage more visits to the CAFII website.

The following guidelines are proposed to govern Member company utilization of CAFII videos or other content across their corporate marketing channels:

**Guidelines**

**Video**

1. All CAFII content is available for sharing by Member companies on their websites and/or social channels.
2. Member Companies wishing to post content must obtain approval prior to doing so from the CAFII (Co-) Executive Director(s)
3. Video content, as publicly available on CAFII's YouTube channel, may be embedded on a Member company's website in its published form.
  - a. Video content may not be modified or altered in any way and/or without the express consent of the CAFII (Co-) Executive Director(s)
  - b. CAFII has disabled advertisements and external links from its videos to ensure security and compliance with its members' posting guidelines.
4. Raw video and/or design files will not be provided to a Member company for its use.
5. Attribution to CAFII, other than what already appears in the published videos or other content, is not required
6. A disclaimer may be added below the video or other content on the Member company's website, at the discretion of the Member company, should it wish to provide additional attribution or clarification on products.
  - a. All such disclaimers should be reviewed and approved prior to use by the CAFII (Co-) Executive Director(s). **Example:** This overview video is produced and owned by the Canadian Association of Financial Institutions in Insurance (CAFII), a non-profit industry Association. The information shown in the video is generic and not intended to describe specific coverages provided by [Member company name], or any of its credit protection insurance or travel insurance underwriters [state any relevant exclusions and/or provide any additional information]

## Maintenance & Support Process

To support the accuracy and integrity of CAFII's content on its corporate channels and those of its Member companies, CAFII Management will

- regularly scan content of videos to ensure that it is current; and
- regularly scan website content to ensure that there are no broken links (e.g. the links posted on the "how to make a claim" section of the CAFII website all open to the proper claims sections of member company websites).

## **Briefing Note**

**CAFII EOC Meeting 28 June, 2022—Agenda Item 4(b)ii**  
**Committee Updates: Media Advocacy: Recently Completed and Imminent Operatic Agency**  
**Deliverables**

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### **Purpose of this Agenda Item – *Update***

Update only.

### **Background Information**

An update on the execution of CAFII's 2022 website strategy with Operatic Agency.

### **Recommendation / Direction Sought – *Update***

This is an update only.

### **Attachments Included with this Agenda Item**

No attachments.

## **Briefing Note**

**CAFII EOC Meeting 28 June, 2022—Agenda Item 4(c)i**

**Committee Updates: Research & Education: Implementation of Board-Approved Next Steps Re Public Release of Results of Deloitte Canada Thought Leadership Paper on Digitization of CPI: (a) Webinars for Insurance Regulators and Policy-Makers; and Allied Industry Association and CAFII Associate Representatives; (b) Posting of Executive Summary of Research Results on CAFII Website; and (c) Media Release Based on Executive Summary of Research Results**

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### **Purpose of this Agenda Item – Update**

Update only.

### **Background Information**

CAFII has now executed many components of the Board-approved public release of the results of the Deloitte Canada thought leadership paper on digitization of CPI. This is an update on the status of the public release of the research results.

### **Recommendation / Direction Sought – Update**

This is an update only.

### **Attachments Included with this Agenda Item**

2 attachments.

***Final Draft – Not for distribution until June 29***

## **WHAT WILL IT TAKE TO OFFER ‘BEST-IN-CLASS’ DIGITAL EXPERIENCES TO CONSUMERS OF CREDIT PROTECTION INSURANCE?**

***New report outlines challenges and opportunities for financial institutions in keeping pace with the evolving insurance needs and preferences of Canadians***

**TORONTO, June 29, 2022** – New research has found that collaboration across distributors, underwriters and regulators of Credit Protection Insurance (CPI) is key to delivering the type of “best-in-class” digital experience that Canadian consumers have increasingly come to expect.

The Deloitte Canada report (insert link to report), commissioned by the Canadian Association of Financial Institutions in Insurance (CAFII), says digitization is at the heart of the insurance industry’s most prominent and disruptive trends, which requires the industry to respond with new and innovative business models and customer experiences. The report identifies four key trends that are driving the need to transform the insurance business in ways that are truly more digital:

- Consumers expect more seamless, convenient, and personalized digital experiences from their insurers;
- There is growing competition from new entrants with tech-enabled business models;
- There are opportunities to create greater efficiency in back-office operations; and,
- The increased availability of data and use of advanced analytics has made it possible to generate greater customer insights.

In order to offer a leading digital experience, the report says that insurers will need to exhibit six attributes and underlying capabilities:

- Have a well articulated business digital strategy with clarity on the supporting customer, product, and channel strategy;
- Be highly customer-oriented in how they do business and take a human-centered design approach to their end-to-end user journey and digital experience;
- Become hyper-focused on operational efficiency, optimizing investments and data through process automation and digitization;
- Inform business priorities, product development, and customer experiences based on data-driven insights;
- Utilize modern technology architecture to support flexibility, seamless integration, and speed to market;
- Embed digital culture, skills, and ways of working throughout the organization which drive a holistic culture of innovation.

According to the report, there are unique challenges facing the CPI industry in Canada, accentuated by the multiple stakeholders involved including underwriters, distributors, and regulators. For example, the CPI digital experience is highly dependent upon the future lending journey (i.e., mortgages, loans) where most sales take place, and the regulatory environment can be difficult to navigate digitally, especially due to lack of harmonization across provinces.

-more-



Despite the challenges, the CPI industry is committed to keeping pace with client expectations, with 100% of CAFII members surveyed by Deloitte indicating that digitizing CPI is a top strategic priority for their company, and 43% saying up to 40% of their applications will be fully digital by 2025. Furthermore, distributors of CPI recognize the need for greater omni-channel alignment, with 86% stating that cross channel integration is a key for creating successful digital CPI experiences.

“While the digital expectations of insurance consumers have been evolving for a while, the pandemic was a turning point for accelerating digital maturity in the Credit Protection Insurance industry,” said Keith Martin, Co-Executive Director of the Canadian Association of Financial Institutions in Insurance (CAFII). “Consumers of CPI expect a ‘best-in-class’ digital experience, and our members are committed to working with all of our stakeholders to deliver that outcome.”

“Offering digital-enabled experiences for clients, sales representatives and employees is no longer a choice. To effectively meet the needs of CPI clients and attract or retain top talent, the distributors of CPI in Canada will need to think thoughtfully about how and where it prioritizes its digital investment in collaboration with its lending and underwriting partners,” said Melissa Carruthers, Partner and Leader of Deloitte Canada’s Life & Health Insurance Strategy & Transformation Practice.

The Deloitte report is the latest in a series of studies commissioned by CAFII over the past seven years that have looked at customer satisfaction with CPI and Travel Insurance, and how its members can keep pace with evolving consumer expectations.

Over the past decade consumers of financial services have been shifting more of their transactions to digital channels, and this trend accelerated during the pandemic. In fact, the vast majority of Canadian consumers with CPI who participated in a [Pollara Strategic Insights survey](#) last year said their experience during COVID-19 had made them more comfortable conducting financial transactions online, with most saying it had changed the way they want to conduct these transactions in future.

**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 15 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; Canadian Tire Bank; CUMIS Services Incorporated; Manulife (The Manufacturers Life Insurance Company); Sun Life; and Valeyo.

**Media contact for CAFII:**

David Moorcroft, Public Affairs Advisor

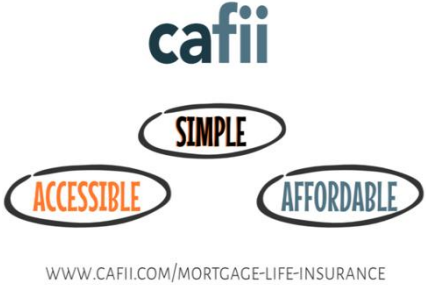
Email: david@strategy2communications.com

Tel: 416-727-1858

**Agenda Item 4(c)(i)(2)**  
**June 28/22 EOC Meeting**

**CAFII WEBSITE VIDEO – Deloitte Canada Study**  
**“Bringing best-in-class digital experiences to Canada’s CPI consumers”**  
**Draft 3 – June 13 @ 3:30 pm**  
**(CAFII Member Feedback/Input Still To Be Incorporated)**

Audio	Story Board Description	Time	Comment
If Canada’s Credit Protection Insurance providers are going to keep pace with consumer expectations, they will need to provide a “best-in-class” digital experience. And doing so will require increased collaboration by key stakeholders in the industry.	Show the full name “Credit Protection Insurance” as well as the acronym “CPI”.	13 sec	
That is the main conclusion of a report by Deloitte Canada that says digitization is at the heart of the insurance industry’s most disruptive trends. The report adds that to remain relevant, CPI providers must respond with new and innovative business models and customer experiences.	Show image of front page of Deloitte Canada report which includes date of study.  Show link to the study on CAFII website	17 secs	
The report identified key trends that are driving the need to transform the insurance business. Those trends include heightened consumer expectations around a convenient digital experience. And, growing competition from new entrants with technology-enabled business models.		15 secs	
According to the report, there are unique challenges facing the CPI industry in Canada, accentuated by the multiple stakeholders involved in the business.		9 sec	

Despite the challenges, the CPI industry is committed to keeping pace with consumer expectations. In fact, 100% of CAFII members surveyed by Deloitte said that digitizing CPI is a top strategic priority.		15 sec	
Studies have shown that financial consumers are shifting more of their transactions to digital channels, while still placing a high value on in-person contact for more complex needs. That trend accelerated during the COVID-19 pandemic.	<i>Show images of Pollara and CBA studies on pandemic impact on consumer preferences for digital channels.</i>	13 sec	
The Deloitte report is the latest in a series of studies commissioned by the Canadian Association of Financial Institutions in Insurance. The studies have looked at consumer satisfaction with CPI and Travel Insurance, and how CAFII members can keep pace with evolving expectations.	<i>Show CAFII 25<sup>th</sup> anniversary logo that shows both the acronym CAFII and the full name spelled out.</i>	16 sec	
CAFII: Making insurance simple, accessible and affordable		5 sec	
Total:		1 minute, 43 seconds	

## **Briefing Note**

**CAFII EOC Meeting 28 June, 2022—Agenda Item 4(c)ii**

**Committee Updates: Research & Education: Recommended CAFII 2022 Research Project**

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### **Purpose of this Agenda Item – Discussion / Approval**

CAFII EOC members will be asked for their feedback on and possibly approve this item.

### **Background Information**

Meetings have been held on the options for the 2022 CAFII research initiative, for which the Board has approved a \$60k budget (before HST). (The current Deloitte Canada research initiative is actually from the 2021 budget.)

Those meetings involved (i) CAFII management and with Research & Education Chair Andrea Stuska, and Vice-Chair Michelle Costello; and (ii) the entire Research & Education Committee, with Media Advocacy Chair Jacqlyn Marcus also in attendance.

Coming out of those meetings and discussions, we are now prepared to make a recommendation on CAFII's 2022 research project to the EOC for its consideration and approval.

### **Recommendation / Direction Sought – Discussion / Approval**

This is a discussion and approval item.

### **Attachments Included with this Agenda Item**

No attachments.

## **Briefing Note**

**CAFII EOC Meeting 28 June, 2022—Agenda Item 4(d)i**  
**Committee Updates: Networking & Events: Plans for September 13/22 In-Person CAFII Annual**  
**Members and Associates Luncheon with Mark White, CEO, FSRA, as Guest Speaker**

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### **Purpose of this Agenda Item – Update**

This is an update only.

### **Background Information**

CAFII is moving ahead with plans to hold an in-person 2022 Annual Members and Associates Luncheon; and Mark White, CEO of FSRA, has been invited to be the guest speaker at this event.

### **Recommendation / Direction Sought – Update**

This is an update item only.

### **Attachments Included with this Agenda Item**

1 attachment.

June 22, 2022

Mr. Mark White, CEO  
Financial Services Regulatory Authority of Ontario  
25 Sheppard Avenue West, Suite 100  
Toronto, Ontario  
M2N 6S6  
[mark.white@fsrao.ca](mailto:mark.white@fsrao.ca)

Dear Mark:

**Re: Invitation To Be Guest Speaker At CAFII's 2022 Annual Members and Associates Luncheon**

Thank you for inviting us to attend the June 9/22 FSRA Reception in honour of founding FSRA Board Chair Bryan Davies; other founding FSRA Board members; and the third anniversary of FSRA's June 2019 launch as Ontario's new financial services regulator. We very much enjoyed the welcome to FSRA's new office facilities and the event itself; and we appreciated the opportunity to echo the tributes to Bryan Davies, Kathryn Bouey, Judith Robertson, and Richard Nesbitt, by chatting with them and with many of the current FSRA Board members and staff who were present.

And in follow-up to a matter which Brendan Wycks discussed with you at the June 9 Reception, another important purpose of this letter is to extend an official, written invitation to you to be the guest speaker at our 2022 CAFII Annual Members and Associates Luncheon. Here are the key particulars about that event:

**Date:** Tuesday, September 13, 2022.

**Time:** 11:30 a.m. to 2:15 p.m.

**Location:** St. James Cathedral Centre Event Venue, 65 Church St., Toronto, Ontario M5C 2E9

**Audience:** Between 100 and 150 CAFII Member and Associate representatives. (See **Appendix A** for more Audience Profile details.)

**Format:** CAFII would be comfortable with either of the following approaches, whichever you prefer:

- (a) a regular speech/TED Talk-style presentation of 35 to 40 minutes duration, followed by a Q&A session of interactive dialogue with the audience for 10 to 15 minutes; or
- (b) a "fireside chat" approach in which a CAFII moderator (likely Co-Executive Director Keith Martin) would dialogue with you and guide/facilitate discussion of a number of pre-approved questions on the chosen topic over the course of 35 to 40 minutes, followed by an open Q&A session of interactive dialogue with the audience for 10 to 15 minutes.

(See **Appendix A** for the Tentative Order of Proceedings for CAFII's 2022 Annual Members and Associates Luncheon.)

**Title/Topic of Presentation:** Any topic of your choosing which will give rise to an information-sharing and update presentation on FSRA's current and future priorities and your vision for the Authority would be very audience-relevant and meet CAFII's expectations. (However, we do wish to receive from you a catchy/grabber title for the presentation, which will aid in our promotional efforts around the event.)

In particular, the following themes/sub-topics would be germane and appealing to the CAFII Members and Associates audience; and could potentially be knitted together into a FSRA overview presentation:

- how FSRA is making principles-based regulation (PBR) work and how it fits with rule-making authority and enforcement powers;
- how FSRA is making consumer views/input a "by-design" element of its priorities;
- how FSRA strives to find the right balance between Fair Treatment of Customers and fostering industry innovation (Innovation Office and other mechanisms);
- the role FSRA sees for itself in harmonization initiatives, at the CCIR and CISRO national co-ordinating body tables;
- how FSRA plans to play a role on the international stage – through its membership involvement in the International Association of Insurance Supervisors (IAIS) – and how IAIS insights will be brought home to inform regulatory initiatives in Ontario and Canada (through CCIR and CISRO);
- how FSRA is deploying technology (reg-tech) to enhance its consumer protection initiatives;
- how FSRA has designed its return-to-office around a hybrid work model; and how it has configured its new office space to be collaborative and team-building; and
- how FSRA plans to maintain and continue to "walk the talk" on its commitment to fulsome, meaningful consultation with industry stakeholders.

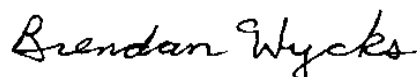
Finally, we would ask that you try to focus your remarks primarily upon the life and health insurance sector; and, to the degree possible, deliver some insights or messages that are tailored for the credit protection insurance and/or travel insurance subsector(s).

Everyone associated with CAFII is excited by the prospect of having you be our 2022 speaker, Mark, and is hoping that you will be able to accept to this invitation. We ask that you respond at your earliest convenience.

Sincerely,



Keith Martin, Co-Executive Director, CAFII  
647.460.7725



Brendan Wycks, Co-Executive Director, CAFII  
647.218.8243

c.c.

Alicia Leshkiw, Executive Assistant to the CEO, FSRA  
Huston Loke, Executive Vice-President, Market Conduct, FSRA  
Diba Kohandani, Engagement and Events Co-ordinator, FSRA

## **Appendix A**

### **CAFII 2022 Annual Members and Associates Luncheon: Tentative Order of Proceedings**

**When:** Tuesday, September 13, 2022 from 11:30 a.m. to 2:15 p.m. (approximate)

**Where:** St. James Cathedral Centre Event Venue, 65 Church St., Toronto, ON M5C 2E9

- **11:30 am** Guest speaker arrives; gets set up for presentation with CAFII assistance
- **11:45 am – 12 Noon** Arrival of CAFII Member and Associate representatives; networking
- **12 Noon to 12:40 pm** Lunch
- **12:40 pm** Welcome Remarks and Introduction of Guest Speaker
- **12:45 to 1:25 p.m.** Guest Speaker Presentation
- **1:25 – 1:40 pm** Q&A session with Guest Speaker
- **1:40 – 1:45 pm** Thank You to Guest Speaker; and Adjournment
- **1:45 – 2:15 pm** Dessert, coffee and tea available at buffet table; networking continues

## **Appendix B**

### **CAFII 2020 Annual Members and Associates Luncheon Audience Profile: 100 to 150 Attendees Expected**

- this is an internal-only CAFII event. Media representatives and guests from other regulator and policy-maker organizations will **not** be present.
- 15 CAFII Board members who are senior executives within CAFII's member companies (mainly bank/credit union distributors of credit protection insurance, travel insurance, and other forms of life and health insurance; but also some insurer underwriters/manufacturers of those insurance products);
- majority of audience will be management and professional staff from CAFII member companies who typically work in the following areas: regulatory compliance; legal compliance; consumer complaints handling/ombudsman roles; strategy; product design; marketing; and operations; and
- approximately five representatives from each of CAFII's several Associates, which are key suppliers to the credit protection insurance and travel insurance industries (e.g. actuarial firms, law firms, accounting and management consulting firms, contact centre administration firms).



## **Appendix C**

### **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 credit protection, travel, life, health, and property and casualty insurance across Canada. In particular, credit protection 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 which helps ensure that Canadian consumers have access to insurance products that suit their needs. Our aim is to ensure that 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; Canadian Tire Bank; CUMIS Services Incorporated; Manulife (The Manufacturers Life Insurance Company); Sun Life; and Valeyo.

## **Briefing Note**

**CAFII EOC Meeting 28 June, 2022—Agenda Item 4(e)i**  
**Committee Updates: Travel Insurance Experts: Insights Gained From June 15/22 In-Person THIA**  
**Annual General Meeting**

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### **Purpose of this Agenda Item – Update**

This is an update only item.

### **Background Information**

Brendan Wycks and Keith Martin attended the THIA in-person AGM on 15 June, 2022. This will be an update on some of the learnings from that meeting, which will also be included in the Regulatory Update.

### **Recommendation / Direction Sought – Update**

This is an update only item.

### **Attachments Included with this Agenda Item**

No attachments.

## **Briefing Note**

**CAFII EOC Meeting 28 June, 2022—Agenda Item 5(a)**

**Recent and Upcoming Strategic and Regulatory Initiatives: Insights Gained from June 6/22 Virtual Meeting of FSRA's Stakeholder Advisory Committee (SAC) for the Life and Health Insurance Sector with the FSRA Board**

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### **Purpose of this Agenda Item – Update**

This is an update item.

### **Background Information**

Keith Martin is the CAFII representative on the newly re-constituted FSRA Sectoral Advisory Committee (SAC) on Life and Health Insurance, and he will give an update on some important FSRA presentations made at the recent 6 June, 2022 meeting of the Committee. These will also be included in the June Regulatory Update.

### **Recommendation / Direction Sought – Update**

This is an update item.

### **Attachments Included with this Agenda Item**

No attachments.

## **Briefing Note**

**CAFII EOC Meeting 28 June, 2022—Agenda Item 5(b)  
Recent and Upcoming Strategic and Regulatory Initiatives: Insights Gained from June 7/22 Get  
Acquainted and Dialogue Lunch with Anthony Ostler, New President & CEO, Canadian Bankers  
Association**

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### **Purpose of this Agenda Item – Update**

This is an update item.

### **Background Information**

Keith Martin, Brendan Wycks, and CAFII media consultant David Moorcroft had a Get Acquainted and Dialogue Lunch on 7 June, 2022 with newly appointed CBA President & CEO Anthony Ostler, and Aaron Boles, CBA's Vice-President, Communications.

This will be an opportunity to share insights from that meeting with EOC members. These will also be included in the Regulatory Update.

### **Recommendation / Direction Sought – Update**

This is an update item.

### **Attachments Included with this Agenda Item**

No attachments.

## **Briefing Note**

**CAFII EOC Meeting 28 June, 2022—Agenda Item 5(c)**

**Recent and Upcoming Strategic and Regulatory Initiatives: Insights Gained From June 8/22 Meeting of CAFII Working Group on Compliance With AMF's Expectations Re RADM's Applicability To Credit Card-Embedded Insurance Benefits**

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### **Purpose of this Agenda Item – Update**

This is an update item.

### **Background Information**

CAFII's Working Group on compliance with the AMF's RADM expectations with respect to credit card-embedded insurance benefits held a meeting on 8 June, 2022. This will be an update on insights gained from that meeting.

### **Recommendation / Direction Sought – Update**

This is an update item.

### **Attachments Included with this Agenda Item**

No attachments.

## **Briefing Note**

**CAFII EOC Meeting 28 June, 2022—Agenda Item 5(d)**

**Recent and Upcoming Strategic and Regulatory Initiatives: Insights Gained from CAFII Attendance at June 9/22 Reception In Honour Of Bryan Davies, FSRA's Founding Board Chair**

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### **Purpose of this Agenda Item – Update**

This is an update item.

### **Background Information**

Keith Martin and Brendan Wycks attended a 9 June, 2022 in-person reception at FSRA's new offices on Sheppard Avenue in North York. This will be an update on some of the learnings and insights gained from that session. These are also summarized in the June 2022 Regulatory Update.

### **Recommendation / Direction Sought – Update**

This is an update item.

### **Attachments Included with this Agenda Item**

No attachments.

## **Briefing Note**

**CAFII EOC Meeting 28 June, 2022—Agenda Item 6(a)**

**Governance Matters: Proposed Cancellation Of Tentatively Scheduled August 16/22 EOC Meeting**

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### **Purpose of this Agenda Item – Discussion / Approval**

This is a discussion and approval item.

### **Background Information**

EOC Chair R. Dobbins will make a recommendation that following the EOC's virtual only meeting on July 26/22, the EOC meeting tentatively scheduled for August 16/22 can be cancelled and the subsequent EOC meeting would then occur on September 20/22.

### **Recommendation / Direction Sought – Discussion / Approval**

EOC members will be asked to approve this recommendation.

### **Attachments Included with this Agenda Item**

No attachments.

## **Briefing Note**

**CAFII EOC Meeting 28 June, 2022—Agenda Item 6(b)**

**Governance Matters: Results of EOC Member Survey on Comfort With Return To In-Person/Hybrid EOC Meetings In Fall 2022**

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### **Purpose of this Agenda Item – Update / Discussion**

This is an update item followed by an EOC discussion.

### **Background Information**

EOC members have recently had the opportunity to complete a survey intended to assess their comfort with a return to in-person EOC meetings in the Fall of 2022; and this will be an opportunity to review and discuss the results of that survey.

### **Recommendation / Direction Sought – Update / Discussion**

EOC members will be asked for their feedback on the results of the survey.

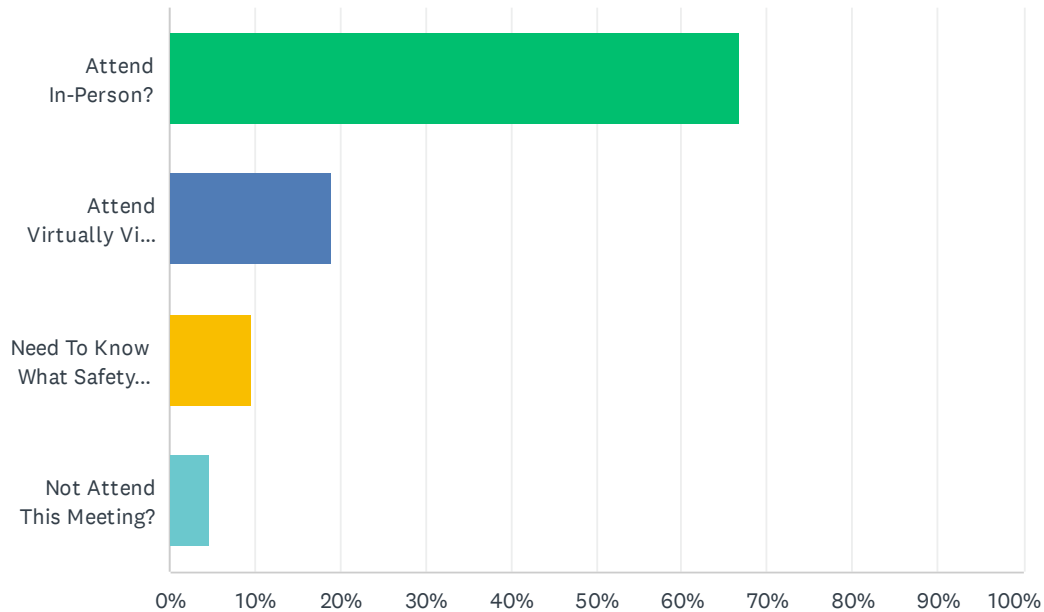
### **Attachments Included with this Agenda Item**

1 attachment.



Q1 If arrangements are firmed up to hold the EOC Meeting scheduled for Tuesday, September 20/22 from 3:00 to 5:00 p.m. as a hybrid meeting, with the in-person attendance option being at a downtown Toronto venue located in close proximity to a TTC subway station, would you

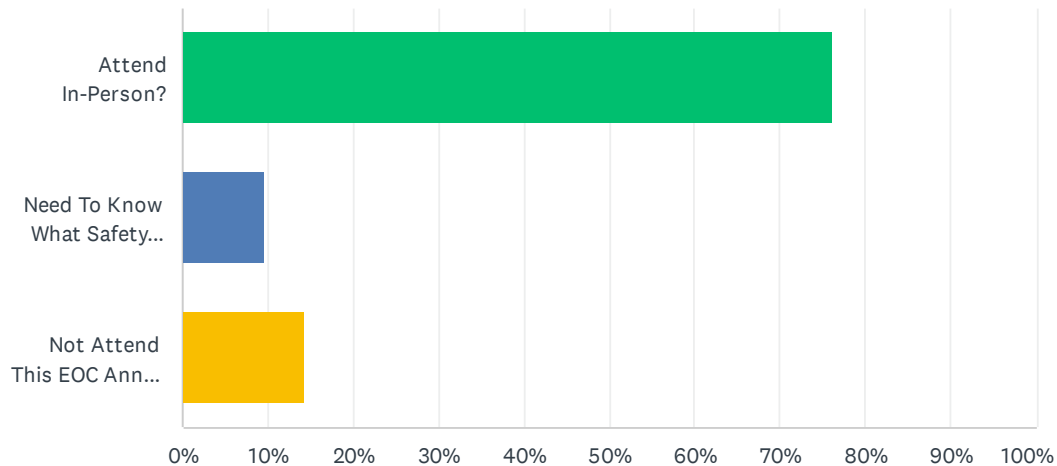
Answered: 21 Skipped: 0



ANSWER CHOICES	RESPONSES	
Attend In-Person?	66.67%	14
Attend Virtually Via MTeams?	19.05%	4
Need To Know What Safety Protocols Would Be In Place At The Venue (egs. vaccination passport required to enter; mask mandate; etc.) Before Deciding?	9.52%	2
Not Attend This Meeting?	4.76%	1
TOTAL		21

**Q2 If arrangements are firmed up to hold a CAFII EOC Annual Appreciation Dinner on Tuesday, September 20/22 as an in-person event – immediately following that afternoon’s EOC meeting -- from 5:30 to 7:30 p.m. at a downtown Toronto venue located in close proximity to a TTC subway station, would you**

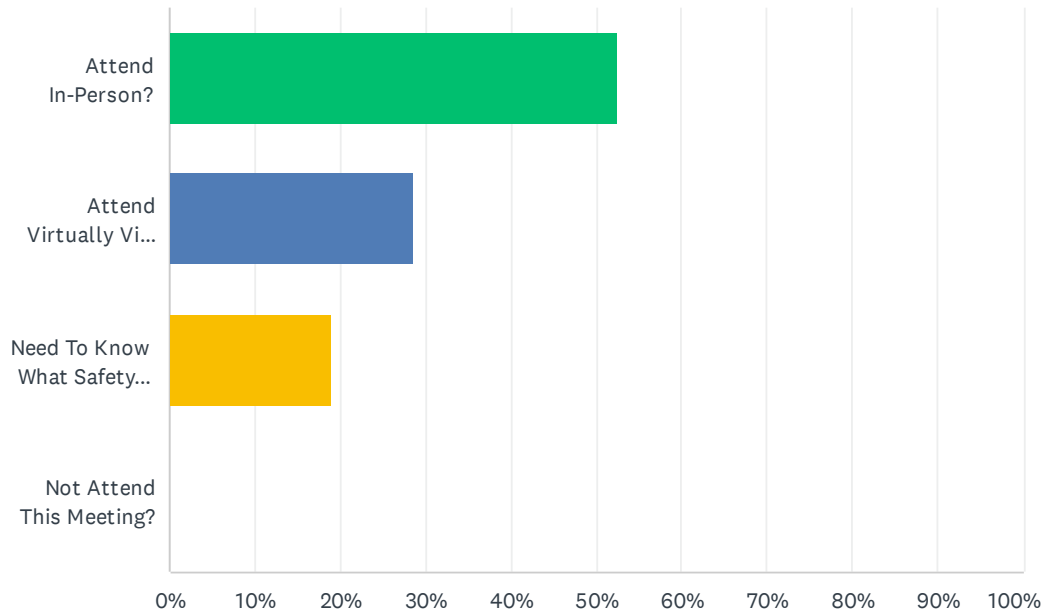
Answered: 21 Skipped: 0



ANSWER CHOICES	RESPONSES	
Attend In-Person?	76.19%	16
Need To Know What Safety Protocols Would Be In Place At The Venue (egs. vaccination passport required to enter; mask mandate; etc.) Before Deciding?	9.52%	2
Not Attend This EOC Annual Appreciation Dinner?	14.29%	3
TOTAL		21

Q3 If arrangements are firmed up to hold the EOC Meeting scheduled for Tuesday, November 22/22 from 2:00 to 4:00 p.m. as a hybrid meeting, with the in-person attendance option being at a downtown Toronto venue located in close proximity to a TTC subway station, would you

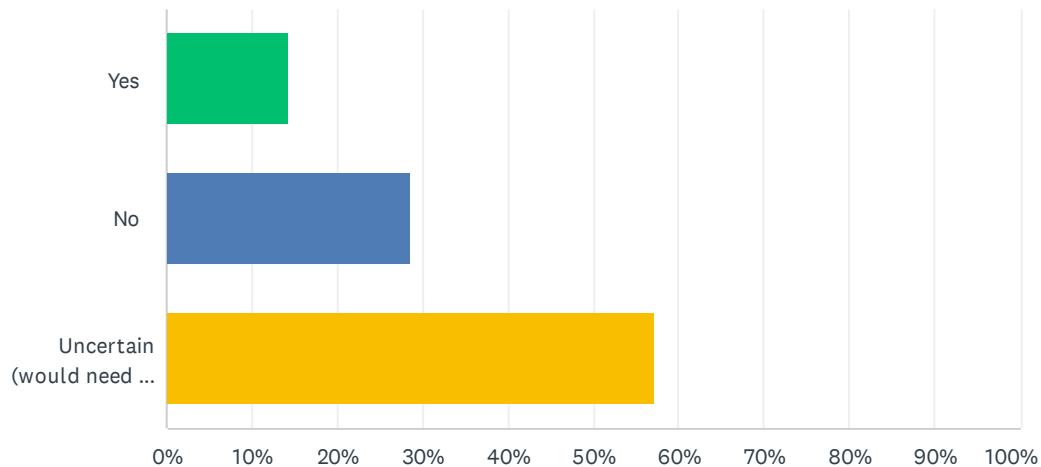
Answered: 21 Skipped: 0



ANSWER CHOICES	RESPONSES	
Attend In-Person?	52.38%	11
Attend Virtually Via MS Teams?	28.57%	6
Need To Know What Safety Protocols Would Be In Place At The Venue (egs. vaccination passport required to enter; mask mandate; etc.) Before Deciding?	19.05%	4
Not Attend This Meeting?	0.00%	0
TOTAL		21

**Q4 Would your CAFII member company be able to host the in-person component of a CAFII EOC hybrid meeting, at a downtown Toronto venue accessible to a TTC subway station and in a meeting room that can accommodate up to 30 people in a Boardroom setting (attendees all seated around one large table) -- on one or more of Tuesday, September 20/22 or Tuesday, November 22/22?**

Answered: 21 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	14.29%	3
No	28.57%	6
Uncertain (would need to check into this before responding)	57.14%	12
TOTAL		21

Q5 If Yes to Question 4 above, what restrictions, if any, would your member company's venue have in place associated with hosting the in-person component of a CAFII EOC hybrid meeting (egs.: vaccination passport required to enter; mask mandate; maximum attendance; food and drink restrictions, etc.)?

Answered: 4 Skipped: 17

#	RESPONSES	DATE
1	all guests must be pre-registered and on the day of the meeting, should self assess and avoid attending if they are experiencing any covid-related symptoms.	6/21/2022 2:08 PM
2	Guests should be pre-booked for arrival to a meeting. Details can be provided closer to the date	6/21/2022 1:36 PM
3	I would need to check. Thanks.	6/15/2022 10:05 PM
4	Definitely vaccination passport but we'd have to, if chosen, work with our facilities to ensure smooth planning.	6/15/2022 10:03 AM

## **Briefing Note**

**CAFII EOC Meeting 28 June, 2022—Agenda Item 6(c)**  
**Governance Matters: Draft Minutes of May 17/22 EOC Meeting**

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### **Purpose of this Agenda Item – Approval**

This is an approval item.

### **Background Information**

EOC members will be asked to approve the 17 May, 2022 EOC minutes.

### **Recommendation / Direction Sought – Approval**

Approval requested.

### **Attachments Included with this Agenda Item**

1 attachment.

**EXECUTIVE OPERATIONS COMMITTEE VIRTUAL MEETING  
CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE**

**Tuesday, May 17, 2022, 2:00-3:30pm**

**MINUTES**

**EOC Present:**

Rob Dobbins	Assurant, EOC Chair
Karyn Kasperski	RBC Insurance, EOC Vice-Chair
Tony Pergola	ScotiaLife Financial, CAFII Treasurer
Martin Boyle	BMO Insurance
Asma Desai	Canadian Premier Life Insurance Company
John Burns	Canadian Premier Life Insurance Company
Anuraj Bains	CIBC Insurance
Mandy Rutten	CIBC Insurance (Guest)
Casandra Litniansky	CUMIS/The Co-operators
Michelle Costello	CUMIS/The Co-operators
Robert Huang	CUMIS/The Co-operators
Isabelle Choquette	Desjardins Insurance
Penelope Cordogiannis	RBC Insurance
Brad Kuiper	ScotiaLife Financial
Anaar Jessa	Sun Life
Edward Kuo	Sun Life
Emily Brown	Sun Life
Andrea Stuska	TD Insurance
Fay Coleman	TD Insurance
Fergal Murphy	TD Insurance
Maira Gill	TD Insurance
Dallas Ewen	The Canada Life Assurance Company
Iman Muntazir	The Canada Life Assurance Company
Jacqlyn Marcus	Valeyo

**Regrets:**

Corrine Gagné	Canadian Tire Financial Services
Farhad Eslah	Canadian Tire Financial Services
Jonine McGregor	Canadian Tire Financial Services
Ben Gray	CIBC Insurance
David Self	CIBC Insurance
Esther Lee	CIBC Insurance
Almas Satwat	CUMIS/The Co-operators
Diane Quigley	CUMIS/The Co-operators
Nathalie Baron	Desjardins Insurance
Afsheen Aslam	Manulife Financial
Carmelina Manno	Manulife Financial
Katia Umutoniwase	Manulife Financial
Caroline Cardinal	National Bank Insurance
Ivan Murray	National Bank Insurance
Marie Nadeau	National Bank Insurance
Charles MacLean	RBC Insurance

Fernando Heleno	RBC Insurance
Stacey Hughes-Brooks	RBC Insurance
Aneta Murphy	ScotiaLife Financial
Mindy Tarantelli	ScotiaLife Financial
Aanchal Gulia	Sun Life
Susanne Oleksandriw	Sun Life
Peter Thorn	TD Insurance
Marco DeiCont	Valeyo

**Also Present:** Brendan Wycks, *Co-Executive Director*  
 Keith Martin, *Co-Executive Director*  
 Jake Becker, *Association Coordinator*

## **Item 1: Welcome, Call to Order, and Priority Matters**

### **Item 1 (a): Call to Order**

EOC Chair Rob Dobbins called the meeting to order.

### **Item 1 (b): Welcome to New EOC Member: Iman Muntazir, Canada Life**

EOC Chair Rob Dobbins welcomed new EOC member Iman Muntazir from Canada Life. Ms. Muntazir introduced herself to EOC members and said that she looked forward to actively participating in the EOC.

### **Item 1 (c): Need for Successor CAFII Treasurer**

Rob Dobbins noted that CAFII was looking for a successor CAFII Treasurer, and he encouraged members to see if there were appropriate candidates within their organizations. Brendan Wycks noted that RBC Insurance had indicated that its Director of Finance, Donald Hinnecke, had expressed an interest, and CAFII would be following up with him.

## **Item 2: Consent Items**

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

- a. Consultations/Submissions Timetable
- b. Regulatory Update
- c. April 29/22 CAFII Response Submission to FSRA Consultation on “Principles-Based Regulation”
- d. May 3/22 CAFII Response Submission to FSRA Consultation on “Principles of Conduct for Insurance Intermediaries”
- e. Regulator and Policy-Maker Visit Plan Recap
- f. Summary of Board and EOC Action Items
- g. Board-Approved Schedule of CAFII 2022 Meetings and Events



### **Item 3: Financial Management Matters**

#### **Item 3 (a): CAFII Financial Statements as at April 30/22**

CAFII Treasurer Tony Pergola noted that as at April 30, 2022, revenues were \$332K, expenses were \$212K, for a surplus of \$120K, which is a positive variance to budget of \$127K. The variance is entirely from the expense line, and is largely a result of the timing of expenses, although there are savings from travel not having occurred yet, and as well budgeted legal expenses having not occurred thus far. The financial reserves as a percentage of annual operating expenses were at 61%, which is higher than CAFII's target of 25 to 50%.

#### **Item 3 (b): Forecast For CAFII 2022 Fiscal Year as at April 30/22**

Treasurer Tony Pergola reported that CAFII's revenue forecast for 2022 is \$996K, and expenses are forecast to be \$1,022K, for a forecasted deficit of \$26K, which is on target with the 2022 budget. The end-of-year financial reserves as a percentage of annual operating expenses should come in at 47%. CAFII will wind down its Restricted Fund by the end of 2022 and will move the \$12K residual funds therein into its General Fund.

#### **Item 3 (c): CAFII Member 2022 First Instalment Dues Payments; and CAFII Associate 2022 Dues Payments as at May 13/22**

Brendan Wycks reported that CAFII is still collecting its first instalment membership dues payments, with 8 of 10 upper tier members paid up, and 2 of 5 lower tier members paid up. Only one of 10 Associates has pay so far, so there will need to be follow up with them.

### **Item 4: Committee Updates**

#### **Item 4 (a): Marketing Conduct & Licensing**

Market Conduct & Licensing Chair Brad Kuiper noted that after a period of unprecedented activity, the volume of simultaneous regulatory consultations was beginning to lighten.

##### **i. FCNB Informal Sounding Board Consultation on Imminent Amendments to Life and Health Sections of New Brunswick Insurance Act (Including CAFII Compliance with FCNB's Confidential/Embargoed Terms of Release) (Submission Deadline: May 20/22)**

Brendan Wycks reported that FCNB had agreed to allow CAFII to permit one person per Member company to have access to the confidential documents related to this consultation. CAFII will therefore be arranging to get feedback from that group of member representatives on this consultation pertaining to amendments to the New Brunswick Insurance Act.

##### **ii. FSRA Consultation on "Guidance on Use of Retained Revenues under Regulation 'Money Retained Outside the Consolidated Revenue Fund'" (Submission Deadline: May 31/22)**

Keith Martin reported CAFII was preparing a very short, targeted submission to FSRA on its guidance around using money collected from fines and administrative monetary penalties for research.

#### **Item 4 (b): Media Advocacy**

##### **i. Proposed Guideline on Members' Utilization of CAFII Videos On Their Own Corporate Websites**

Media Advocacy Committee Chair Jacqlyn Marcus noted that CAFII supported members placing CAFII website videos on their own websites, but -- to ensure there was clarity around the process -- a Guideline had been produced around this.

EOC members had some questions around YouTube videos and advertisements, and it was suggested that CAFII regularly scan the videos on its own website to ensure that they remained up-to-date.

It was agreed that the proposed Guideline would be updated to reflect this feedback, and that it would be brought back to the June 28/22 EOC meeting for approval. There was also a request that CAFII inquire of Operatic Agency if it is able to track how many people view the webinars posted on the website.

*[Action Item: Regularly scan website videos to ensure that they are up-to-date and don't include broken links; K. Martin, B. Wycks, ongoing.]*

#### **Item 4 (c): Research & Education**

##### **i. Implementation of Board-Approved Next Steps Re Public Release of Results of Deloitte Canada Thought Leadership Paper on Digitization of CPI: (a) Webinars for Insurance Regulators and Policy-Makers; and Allied Industry Association and CAFII Associate Representatives; (b) Posting of Executive Summary of Research Results on CAFII Website; and (c) Media Release Based on Executive Summary of Research Results**

Research & Education Committee Chair Andrea Stuska reported that CAFII is moving forward on the Board-approved direction to publicly release the results of the Deloitte Canada thought leadership paper on the digitization of CPI. Two webinars will be held for allied industry associations (CBA, CLHIA, THIA) and for Associates; and another one for regulators, policy-makers, and government officials, with that webinar to be recorded and posted on the CAFII website. There will also be a posting of the executive summary of the research results, both the powerpoint version and a more visually-pleasing graphic designed version; and there will be a media release on the research findings.

#### **Item 4 (d): Networking & Events**

##### **i. Insights Gained from May 3/22 CAFII Webinar On "Principles-Based Regulation (PBR); The Emergence of Rule-Making Authority; and How They Work Together: A Complementary, Harmonious Fit Or 'Dynamic Tension' For Canada's Insurance Regulators?**

Keith Martin reported that there was excellent attendance from regulators and policy-makers for CAFII's webinar on principles-based regulation and rule-making authority, with much positive feedback received, including FSRA requesting CAFII's permission to use the recording of the webinar to share internally with FSRA executives and staff.

##### **ii. Results of Survey of CAFII Board, EOC, and Other Committee Members For Input On Topics and Presenters/Panelists for Future CAFII Webinars and In-Person Events**

Brendan Wycks recalled that CAFII had asked Board, EOC, and other Committee members for their input on topics and presenters for future CAFII webinars and in-person events. The results of that survey will be carefully analysed and assist in determining the focus of future events.

**iii. Plans For Fall 2022 CAFII Webinar with Lesli Martin, Vice-President, Pollara Strategic Insights, as Fireside Chat Discussant on “Consumer Preferences and Product Development Insights Emerging From Recent Research In Financial Services and Relevant Comparator Industries”**

Keith Martin reported that CAFII has lined up Pollara Strategic Insights Vice-President Lesli Martin to be a webinar speaker in the fall of 2022, on broad trends in the financial services industry in Canada as the country emerges from the COVID-19 pandemic.

**Item 4 (e): Travel Insurance Experts**

**i. Issues Discussed in and Insights Gained from Recent Meetings of Travel Insurance Experts Committee**

Brendan Wycks noted that there had not been recent meetings of this Committee but that they would reconvene soon.

**ii. Insights Gained From CAFII/CLHIA/THIA Bi-Weekly Meetings Re Impact Of COVID-19 On Travel and the Travel Insurance Industry**

Brendan Wycks reported that THIA would be holding an in-person AGM on 15 June, 2022; and that it was also developing, through its internal legal counsel Jill McCutcheon, an updated “licensing landscape” document for the travel insurance industry.

**Item 5: Recent and Upcoming Strategic and Regulatory Initiatives**

**Item 5 (a): Recent Implementation Steps Taken Following Re-Launch of CAFII Working Group on Compliance With AMF’s Expectations Re RADM’s Applicability To Credit Card-Embedded Insurance Benefits, To Strengthen Industry Consensus/Unity Position That Fact Sheet and Notice of Rescission Do Not Need To Be Distributed To Card Holders With Embedded Insurance Benefits At This Time**

Keith Martin reported that CAFII recently learned that RSA Canada/Intact intended to distribute the AMF’s Fact Sheet and Notice of Rescission, and that one of its partners was CIBC Insurance.

As a result, that member will not be aligned with the approach most CAFII members are taking on this file, of not distributing these documents at this time. Mandy Rutten of CIBC Insurance joined the meeting as a guest and provided the rationale, explaining that while CIBC Insurance itself would have preferred not to distribute these documents, it was its insurer partner’s decision, as it held the risk. This will be placed on the agenda for the next meeting of the Working Group on *Compliance With AMF’s Expectations Re RADM’s Applicability To Credit Card-Embedded Insurance Benefits*.

**Item 5 (b): Insights Gained From April 29/22 CAFII Dialogue Meeting with CLHIA Staff Executives Sarah Hobbs and Devika Prashad on In-Development CLHIA Response Submission to OSFI Consultation on “Culture Risk Management” (Submission Deadline: May 31/22)**

Keith Martin reported that the CLHIA, in a meeting with CAFII on the regulatory consultation with OSFI on “Culture Risk Management,” agreed that probably CAFII should not make a submission. CLHIA will argue that this guideline by OSFI is unnecessary, but that if it is still issued there are some recommended changes that CLHIA will propose. It was agreed that CAFII and CLHIA will continue to be in touch about CLHIA’s approach to this consultation.

**Item 5 (c): Insights Gained from May 3/22 Virtual Meeting with FSRA Staff Executives Swati Agrawal and Nathan Tam Re Issues of Relevance to FSRA Board's Stakeholder Advisory Committee for the Life and Health Insurance Sector**

Keith Martin, as CAFII's representative on FSRA's Stakeholder Advisory Committee for Life and Health Insurance, met with FSRA staff executives Swati Agrawal and Nathan Tam to discuss agenda topics for future meetings of the Committee. FSRA understood CAFII's preoccupations and priorities, including around principles-based regulation as well as harmonization, and the meeting was friendly and cordial.

**Item 6: Governance Matters**

**Item 6 (a): Draft Minutes of April 26/22 EOC Meeting**

The draft minutes of the April 26, 2022 EOC meeting were approved as presented.

**Item 6 (b): Plans for 2022 Annual Meeting of Members and Immediately Ensuing First Meeting of 2022-23 CAFII Board of Directors on Tuesday, June 7/22, as Hybrid In-Person/Virtual MSTeams Meetings**

Brendan Wycks provided an overview of CAFII's intention to hold the 7 June, 2022 Annual Meeting of Members, and ensuing Board meeting, in-person/hybrid at the offices of TD Bank in downtown Toronto. The meeting will also be held on MS Teams and every effort will be made to have an effective hybrid meeting.

**Item 6 (c): Plans for Return to In-Person EOC Meetings on September 20/22, Including Possible EOC Annual Appreciation Dinner That Evening At Downtown Toronto Restaurant**

It was agreed that there will be further discussion on the possibility of holding the 20 September, 2022 EOC meeting in-person, including holding the annual EOC appreciation dinner afterwards at a nearby restaurant.

**Item 6 (d): Progress In Identifying A Fall 2022 Date For CAFII 25<sup>th</sup> Anniversary Celebration, When Insurance Regulators and Policy-Makers Will Be In Toronto**

Brendan Wycks reported that CAFII is investigating whether the CCIR and CISRO may be holding an in-person meeting in Toronto in the fall of 2022, in which case the Association could hold its 25<sup>th</sup> Anniversary Celebration on the evening in the middle of that two-day meeting, to maximize the attendance of regulators and policy-makers at that CAFII event.

## **Briefing Note**

**CAFII EOC Meeting 28 June, 2022—Agenda Item 6(d)**  
**Governance Matters: Draft Minutes of June 7/22 Board Meeting**

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### **Purpose of this Agenda Item – Endorsement**

This is a request for endorsement.

### **Background Information**

EOC members will be asked to endorse the draft minutes of the 7 June, 2022 Board meeting, for presentation to the Board at its next meeting.

### **Recommendation / Direction Sought – Endorsement**

Endorsement requested.

### **Attachments Included with this Agenda Item**

1 attachment.

**BOARD MEETING**  
**CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE**

Tuesday, June 7, 2022

2:20 to 3:50 p.m. EDT

Minutes

<b>Board Members</b>	Chris Lobbezoo	Royal Bank Insurance (outgoing Chair) (in-person)
<b>Present:</b>	Peter Thompson	National Bank Insurance (incoming Chair) (in-person)
	Paul Cosgrove	Assurant (virtual)
	Zack Fuerstenberg	ScotiaLife Financial (in-person)
	Peter McCarthy	BMO Insurance (virtual)
	Nicole Benson	Valeyo (virtual)
	Kelly Tryon	CUMIS/The Co-operators (virtual)
	Rob Robinson	Canadian Premier Life Insurance Company (virtual)
	Simon Lacroix-Hubert	Desjardins (virtual)
	Sophie Ouellet	Sun Life (virtual)
	Atanaska Novakova	TD Insurance (in-person)
	Adam Vespi	Canadian Tire Financial Services (in-person)
<b>Regrets:</b>	Louie Georgakis	The Canada Life Assurance Company
	Ian Oncea	CIBC Insurance
	Wally Thompson	Manulife Financial
<b>Also Present:</b>	Brendan Wycks, Co-Executive Director (in-person)	
	Keith Martin, Co-Executive Director (in-person)	
	Rob Dobbins, EOC Chair and Board Secretary (in-person)	
	Jake Becker, Association Coordinator (in-person)	
	Tony Pergola, ScotiaLife Financial (outgoing Treasurer) (virtual)	
	Donald Hinnecke, Royal Bank Insurance (incoming Treasurer) (in-person)	
	David Self, CIBC Insurance (representing CAFII Director Ian Oncea) (virtual)	

**Item 1: Welcome, Call to Order, and Meeting Confirmation**

Chris Lobbezoo welcomed all to this first meeting of the 2022-23 CAFII Board of Directors -- which was held at the downtown Toronto offices of TD Bank at 66 Wellington St. West, as well as virtually on the Microsoft Teams platform -- and he called the meeting to order at 2:20 p.m. Jake Becker acted as Recording Secretary.

**Item 1(a): Welcome to New CAFII Director: Simon Lacroix-Hubert, Desjardins Insurance**

Chris Lobbezoo welcomed new CAFII Director for Desjardins Insurance, Simon Lacroix-Hubert, who had just been appointed to the Board via the immediately preceding CAFII 2022 Annual Meeting of Members. Mr. Lacroix-Hubert introduced himself to his CAFII Board member colleagues, and said he was looking forward to participating in CAFII's deliberations.

**Item 1(b): Approval of Agenda**

On a motion duly made, seconded and unanimously carried **IT WAS RESOLVED** that the meeting Agenda be and is approved as amended, to include a special update from Co-Executive Director Keith Martin.

### Item 1(c): Review and Acceptance of CAFII Competition Law Policy

Mr. Lobbezoo recalled that the CAFII Competition Law Policy provided in the Board meeting package had been 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, he indicated.

Mr. Lobbezoo highlighted 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 the 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.

On a motion duly made, seconded and unanimously carried **IT WAS RESOLVED** that the 2022-2023 CAFII Board of Directors hereby commits to comply with and abide by the CAFII Competition Law Policy.

### Item 1(d): Appointment of 2022-2023 CAFII Officers

Mr. Lobbezoo noted that, as this was the first Board meeting following the appointment of the Association's 2022-2023 Directors, the Board must now appoint the volunteer Officers of the Association for 2022-2023, 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 explained 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."*

The following slate of Officers was nominated for appointment by the Board:

Board Chair:	Peter Thompson, National Bank Insurance
Board Vice-Chair:	To Be Announced And Confirmed In Due Course
Board Secretary & EOC Chair:	Rob Dobbins, Assurant Canada
Vice-Board Secretary & EOC Chair:	Karyn Kasperski, RBC Insurance Holdings Inc.
Treasurer:	Donald Hinnecke, RBC Insurance Holdings Inc.

With respect to the Board Vice-Chair position, Mr. Lobbezoo said that he was pleased to advise that there is a strong candidate from among the current Directors who is giving serious consideration to that opportunity and the commitment it involves; and that individual is currently seeking approval from his or her boss at the Member company involved, to take on the CAFII Board Vice-Chair role.

Mr. Lobbezoo added that the Association is confident that the candidate's requested internal approval will be secured imminently, such that the Board will be in a position to make the Board Vice-Chair appointment in the near future, either at the Board's next meeting in October; or perhaps earlier, *via Clause 5.14 of the CAFII Bylaw, Voting By Electronic Means Outside Of A Board Meeting.*



On a motion duly made, seconded and unanimously carried **IT WAS RESOLVED** that the proposed slate of CAFII 2022-2023 Officers be appointed.

As a new Board Chair, Peter Thompson of National Bank Insurance, had just been appointed, at this time Mr. Lobbezoo handed off the Chair's role to Mr. Thompson, and Mr. Thompson chaired the remainder of the meeting.

Mr. Thompson thanked Mr. Lobbezoo for his superb and steady leadership as CAFII Board Chair over the past two years.

#### **Item 1(e): Welcome to New CAFII Treasurer: Donald Hinnecke, RBC Insurance**

Mr. Thompson noted that CAFII had also elected a new Treasurer, Donald Hinnecke from Royal Bank Insurance. Upon Mr. Thompson's invitation, Mr. Hinnecke briefly introduced himself to the CAFII Directors and other representatives in attendance.

#### **Item 2: Consent Items**

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. The consent items approved are as follows:

- a. Draft Board Meeting Minutes, April 12, 2022
- b. Summary of Board and EOC Action Items
- c. April 2022 Regulatory Update
- d. May 2022 Regulatory Update
- e. Consultations/Submissions Timetable
- f. Regulator and Policy-Maker Visit Plan
- g. Committee Reports Addressing CAFII Priorities
- h. Board-Approved Schedule of CAFII 2022 Meetings and Events

And further, **It Was RESOLVED** that the minutes of the meeting of the Board of Directors held April 12, 2022 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.

#### **Item 3: Governance Matters**

##### **Item 3(a): Progress In Identifying A Fall 2022 Date For CAFII 25<sup>th</sup> Anniversary Celebration, When Insurance Regulators and Policy-Makers Will Be In Toronto**

Brendan Wycks reported that CAFII is attempting to find a date for its 25<sup>th</sup> Anniversary Celebration when insurance regulators and policy-makers from across Canada will be in Toronto and would therefore be more likely to attend a CAFII event on the evening in the middle of two days of regulatory meetings. It appeared possible that CCIR and CISRO may be meeting in Toronto on 20 and 21 October, 2022. CAFII was currently liaising with those organizations to co-ordinate a date that would allow maximum regulator and policy-maker participation in a CAFII 25<sup>th</sup> Anniversary Celebration event.



**Item 3(b): Plans to Hold In-Person CAFII 2022 Annual Members and Associates Luncheon On Tuesday, September 13/22 at St. James Cathedral Event Centre Venue, Toronto**

Brendan Wycks reported on current plans for an in-person CAFII 2022 Annual Members and Associates Luncheon, with the intention being to hold such the event at St. James Cathedral on 13 September, 2022.

**Item 3(c): Plans for Next CAFII Board Meeting on Tuesday, October 11/22: To Be Held In Quebec and Combined With A Liaison Lunch and/or “Industry Issues Dialogue” With AMF Staff Executives?**

Board members expressed strong support for the intention to hold the 11 October, 2022 Board meeting as an in-person and hybrid meeting in Quebec, in order to facilitate an opportunity for a liaison lunch and Industry Issues Dialogue session with relevant AMF staff executives.

**Item 4: Financial Management Matters**

**Item 4(a): CAFII Financial Statements as at April 30/22**

Outgoing Treasurer Tony Pergola highlighted from CAFII’s financial statements as at April 30, 2022, noting that the Association had revenues of \$332K, expenses of \$212K, for a surplus of \$120K, which is a positive variance to the budget of \$120K. The entirety of that variance was due to the timing of expenses.

On a motion duly made, seconded, and unanimously carried **IT WAS RESOLVED** that the CAFII Financial Statements as at April 30, 2022 be and are approved.

**Item 4(b): Forecast for CAFII 2022 Fiscal Year as at April 30/22**

Outgoing Treasurer Tony Pergola reported that the forecast for CAFII’s 2022 fiscal year as at April 30, 2022 was well-aligned with the Board-approved budget.

Peter Thompson noted that Mr. Pergola had just completed his final report to the Board, after five years of outstanding service as the Association’s Treasurer. He graciously thanked Mr. Pergola and acknowledged his exemplary contribution to the Association as its financial management and stewardship leader. Mr. Thompson indicated that the CAFII Board would miss Mr. Pergola’s professionalism, reliability, and sage advice.

**Item 4(c): Payment of 2022 Member First Instalment Dues Invoices; and 2022 Associate Dues Invoices**  
**Brendan Wycks provided an overview**

Brendan Wycks provided an update on the payment status of CAFII Member 2022 First Instalment Dues Invoices, along with the payment of 2022 Associate Dues Invoices.

**Item 5: Strategy Setting and Implementation; and Regulatory Matters**

**Item 5(a): Implementation of Board-Approved Next Steps Re Public Release of Results of Deloitte Canada Thought Leadership Paper on Digitization of CPI: (a) Webinars for Insurance Regulators and Policy-Makers; and Allied Industry Association and CAFII Associate Representatives; (b) Posting of Executive Summary of Research Results on CAFII Website; and (c) Media Release Based on Executive Summary of Research Results**  
Keith Martin reported that CAFII was executing on the direction from the Board to publicly release portions of the results of the Deloitte Canada Thought Leadership Paper on the Digitization of CPI. Two webinars had now been held, one with sister Associations, the other with regulators, policy-makers, and government officials, and the latter webinar was now posted on the website.

The research summary was being translated into French, and a more visually-pleasing graphic designed version was also being developed in both English and French, and those documents would also all be posted on the CAFII website. Following that, CAFII would issue a press release on the findings of the study.

**Item 5(b): Implementation of 2022 Operatic Agency Scope of Work Proposal Re CAFII Website and Search Engine Optimization Results Enhancements**

Keith Martin reported that CAFII and Operatic Agency were executing on the 2022 scope of work for the CAFII website, with one video on the Deloitte research study to be developed, along with ongoing work to enhance the website, add to its content, continue enhancing search engine optimization, and reworking the FAQs section. There have been many positive comments on the quality of the website and it continues to be a valuable asset for the Association.

**Item 5(c): Insights Gained from May 3/22 CAFII Webinar On “Principles-Based Regulation (PBR); The Emergence of Rule-Making Authority; and How They Work Together: A Complementary, Harmonious Fit Or ‘Dynamic Tension’ For Canada’s Insurance Regulators?”**

Keith Martin reported that the most recent CAFII webinar, held May 3, 2022, had produced considerable regulator and policy-maker interest, with over 40 regulators and policy-makers registered for it, and over 14 from FSRA alone. FSRA had also reached out to CAFII requesting permission to use the webinar recording, which is posted on the CAFII website, for internal dissemination within FSRA.

**Item 5(d): Insights Gained from CAFII/CLHIA/THIA Biweekly Meetings Re Impact of COVID-19 On Travel and the Travel Insurance Industry**

Brendan Wycks provided an update on insights related to the impact of COVID-19 on travel and the travel insurance industry, which had been shared in CAFII’s periodic meetings with CLHIA and THIA on those matters.

**Item 5(e): Other Business**

Chair Peter Thompson invited Keith Martin to provide a special update under “Other Business.”

Keith Martin noted that he had attended, as CAFII’s representative, a meeting of the recently reconstituted FSRA Sectoral Advisory Committee on Life and Health Insurance, on 6 June, 2022.

At that meeting, FSRA made several presentations on their investigation of the MGA channel, and noted that they had uncovered three large MGAs that were engaged in activities that the regulator was very concerned about. One of those MGAs had 30,000 unlicensed recruits who were engaged in the selling process, including having to make pitches to friends and relatives. The top earners at some of those MGAs sold few or no life insurance policies, and instead made money from those who they had recruited into the organization. FSRA said that those MGAs engaged in “false and misleading training” as well as inappropriate selling, which led to “consumer harm.” Mr. Martin noted that in attendance at the 6 June, 2022 meeting was CLHIA’s Lyn Duhaime; and this issue might fit more under the CLHIA banner than CAFII’s.

**Item 6: Meeting Termination**

On a motion duly made, seconded, and unanimously carried **IT WAS RESOLVED** that the meeting be terminated at 3:50 p.m.

## **Briefing Note**

**CAFII EOC Meeting 28 June, 2022—Agenda Item 6(e)**

**Governance Matters: June 7/22 Appointment of New CAFII Board Chair; and Plans for Appointment of New CAFII Board Vice-Chair**

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### **Purpose of this Agenda Item – Update**

This is an update item only.

### **Background Information**

This is an update for EOC members on the appointment of a new CAFII Board Chair (Peter Thompson, National Bank Insurance), and a process for appointment of a new CAFII Board Vice-Chair.

### **Recommendation / Direction Sought – Update**

This is an update item only.

### **Attachments Included with this Agenda Item**

No attachments.

## **Briefing Note**

**CAFII EOC Meeting 28 June, 2022—Agenda Item 6(f)**

**Governance Matters— Proposed Date Change For November 22/22 EOC Meeting To Avoid Date Conflict With Just-Confirmed 2022 AMF Rendezvous Mini-Conference**

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### **Purpose of this Agenda Item—*Update***

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This is an update, discussion, and approval.

### **Background Information**

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On June 22/22, CAFII received a Save-the-Date Eblast from the AMF indicating that the date of the 2022 version of its annual in-person mini-conference in Montreal called “AMF Rendezvous” would be Tuesday, November 22/22.

As that AMF Rendezvous date conflicts with a CAFII EOC meeting scheduled for the afternoon of Tuesday, November 22/22, the EOC will be asked to consider a date change to another day in that same week, in order to avoid a conflict with the AMF event.

The alternate date/time option of Wednesday, November 23/22 from 2:00 to 4:00 p.m. EST will be proposed for the EOC meeting.

### **Recommendation / Direction Sought – *Approval***

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This is an update, discussion, and approval item.

### **Attachments Included with this Agenda Item**

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1 attachment.

**Agenda Item 6(f)**  
**June 28/22 EOC Meeting**

[View in your browser](#)



**The next edition of the Rendez-vous avec l'AMF, the annual meeting of professionals in the financial products and services industry, will take place on Tuesday, November 22, 2022.**

**Save this date now in your diary!**

Details will follow about programming and registration.

**We wish you a great summer!**

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This message is sent to the following address: brendan.wycks@cafii.com used during the last invitation to the Appointment with the AMF.

You can [unsubscribe](#) at any time. However, the Authority has an obligation to communicate with the enterprises, organizations and industries it supervises. **If you are a taxable person, you will continue to receive certain information** that the AMF is obliged to provide to you.

To make sure you receive our newsletters, add the following email address: info.courriel@lautorite.qc.ca, to the list of authorized senders of your email software.

## **Briefing Note**

**CAFII EOC Meeting 28 June, 2022—Agenda Item 7(a)**

**Read Only Items: Plans For October 5/22 CAFII Webinar with Lesli Martin, Vice-President, Pollara Strategic Insights, as Fireside Chat Discussant on “Consumer Preferences and Product Development Insights Emerging From Recent Research In Financial Services and Relevant Comparator Industries”**

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### **Purpose of this Agenda Item - Read Only**

This is a read only item.

### **Background Information**

CAFII is planning on holding a webinar on October 5/22 with Lesli Martin of Pollara Strategic Insights being the discussant/presenter. This will be an update on that proposed session.

### **Recommendation / Direction Sought – Read Only**

This is a read only item.

### **Attachments Included with this Agenda Item**

1 attachment.

**Read Only Agenda Item 7(a)  
June 28/22 EOC Meeting**

**From:** Keith Martin <[Keith.Martin@cafii.com](mailto:Keith.Martin@cafii.com)>  
**Sent:** April 20, 2022 11:41 AM  
**To:** Lesli Martin <[LesliMartin@pollara.com](mailto:LesliMartin@pollara.com)>  
**Cc:** Brendan Wycks <[brendan.wycks@cafii.com](mailto:brendan.wycks@cafii.com)>; Meighan Pears <[events@cafii.com](mailto:events@cafii.com)>; Jake Becker <[jake.becker@cafii.com](mailto:jake.becker@cafii.com)>; Danielle McLean <[Danielle.McLean@cafii.com](mailto:Danielle.McLean@cafii.com)>  
**Subject:** Query from CAFII

Hi Lesli,

I trust all is well. I am reaching out to you about an initiative CAFII is engaged in, of holding a series of webinars on a variety of topics every year. While this started out as a pivot from in-person events due to the pandemic, our Board likes the initiative so much that we intend to keep it as an ongoing part of our efforts. You can see examples of previous webinars, which we record and post on our website, at

<https://www.cafii.com/research/>

We are beginning our planning for the fall and thought a webinar with you, at which you could speak about broad trends in financial services, including shifting customer expectations coming out of COVID-19, could be very interesting. I know you have your fingers on the pulse of the Canadian industry and hearing your thoughts and insights on general developments in financial services, and even in the broader marketplace, would be very interesting. As you know, we have large banks and insurers as members, and we invite regulators and policy-makers from across the country to these webinars, so I think it would also be good exposure for Pollara and potentially a business development opportunity.

Please let me know if this is something you would consider, if so we are looking at a one-hour webinar from 1-2pm on either Wednesday, October 5 or Thursday, October 6, 2022.

Personal regards,

--Keith

**Keith Martin**

Co-Executive Director / Co-Directeur général  
Canadian Association of Financial Institutions in Insurance  
L'association canadienne des institutions financières en assurance  
[keith.martin@cafii.com](mailto:keith.martin@cafii.com)  
T: 647.460.7725  
[www.cafii.com](http://www.cafii.com)

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**From:** Lesli Martin <LesliMartin@pollara.com>

**Sent:** April-21-22 10:52 AM

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

**Cc:** Brendan Wycks <brendan.wycks@cafii.com>; Meighan Pears <events@cafii.com>; Jake Becker <jake.becker@cafii.com>; Danielle McLean <Danielle.McLean@cafii.com>

**Subject:** RE: Query from CAFII

Hi Keith

I am, of course, more than happy to work with you on a webinar. I have done quite a bit of work in this area, which I know I have shared with you in the form of anecdotal comments. Unfortunately, I can't share those actual results in a more specific way, as the results belong to our clients. I could talk about it in a more general form, but I am not sure how satisfying that will be to the audience without actual numbers to back it up (or maybe that is just the researcher in me!)

Good news is that since it is in September, I have some time to gather some data for public release. Do you have ideas of specific areas that you feel the audience would be interested in?

I feel this is a bit of a rambling email to get to the final point of yes, I will figure something out and be happy to take part in the webinar.

Thanks,

Lesli



## **Briefing Note**

**CAFII EOC Meeting 28 June, 2022—Agenda Item 7(b)**

**Read Only Items— “CAFII June 22/22 Media Release on Appointment of Peter D. Thompson as CAFII Board Chair; and Resulting Industry Trade Press Coverage”**

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### **Purpose of this Agenda Item—*Read Only***

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This is a read only item.

### **Background Information**

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On June 22/22, CAFII issued Media Releases, in English and French, on the appointment of Peter D. Thompson, President and CEO of National Bank Insurance, as the Association’s new Board Chair.

The English and French versions of the Media Release; and the resulting industry trade press coverage, as at June 23/22, are included as part of this Read Only item.

### **Recommendation / Direction Sought – *Read Only***

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This is a read only item.

### **Attachments Included with this Agenda Item**

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3 attachments.

## **Peter D. Thompson of National Bank Insurance Elected Board Chair of Canadian Association of Financial Institutions in Insurance**

**Toronto, June 21, 2022** – The Canadian Association of Financial Institutions in Insurance (CAFII) is pleased to announce that Peter D. Thompson has been elected Chair of its Board of Directors. Mr. Thompson succeeds Chris Lobbezoo, who has completed a two-year term as Chair.

Mr. Thompson, President and CEO of National Bank Insurance, has been a director of CAFII since 2019, and its Vice-Chair since 2020. National Bank Insurance is a trademark of National Bank of Canada, which is a leading bank in Quebec and the sixth largest commercial bank in Canada.

“On behalf of CAFII’s Board, I want to thank Chris Lobbezoo for guiding our Association through the unprecedented challenges presented by the COVID-19 pandemic over the last two years,” said Mr. Thompson. “Under Chris’ leadership, CAFII was able to successfully pivot its member meetings and services, as well as its relationship-building and communications with insurance regulators and policy-makers to online channels. In addition, the Association was able to adroitly turn its research focus to the impact of the pandemic on how Canadians want to conduct insurance transactions in future.”

Mr. Lobbezoo, who is Vice-President of Creditor Insurance at RBC Insurance, remains on the CAFII Board as the director from his member organization.

“I want to thank my fellow directors, the member volunteers who serve on CAFII committees, and the Association’s leadership team for their support during my term as Chair,” said Mr. Lobbezoo. “Going forward, CAFII is in very experienced, capable hands with Peter D. Thompson as Chair and I wish him the best of luck in guiding the Board in setting our Association’s strategic direction and achieving much continued success.”

**About CAFII:** The [Canadian Association of Financial Institutions in Insurance](https://www.cafii.ca/) 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 15 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; Canadian Tire Bank; CUMIS Services Incorporated; Manulife (The Manufacturers Life Insurance Company); Sun Life; and Valeyo.

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Media contact:

David Moorcroft, Public Affairs Advisor

Email: [david@strategy2communications.com](mailto:david@strategy2communications.com); Tel: +1-416-727-1858

**Peter D. Thompson de Banque Nationale Assurances est élu président du conseil d'administration de l'Association canadienne des institutions financières en assurance**

**Toronto, le 21 juin 2022** – L'Association canadienne des institutions financières en assurance (ACIFA) est heureuse d'annoncer que Peter D. Thompson a été élu président de son conseil d'administration. M. Thompson succède à Chris Lobbezoo, qui a terminé un mandat de deux ans à la présidence.

M. Thompson, président et chef de la direction de Banque Nationale Assurances, est administrateur de l'ACIFA depuis 2019, et vice-président de l'association depuis 2020. Banque Nationale Assurances est une marque de commerce de la Banque Nationale du Canada, qui est une banque de premier plan au Québec et la sixième banque commerciale en importance au Canada.

« Au nom du conseil d'administration de l'ACIFA, je tiens à remercier Chris Lobbezoo d'avoir guidé notre association face aux défis sans précédent que la pandémie de COVID-19 a créés au cours des deux dernières années », a déclaré M. Thompson. « Sous la direction de Chris, l'ACIFA a réussi à adapter ses réunions et ses services aux membres, ainsi que ses rapports et ses communications avec les régulateurs et les décideurs du secteur de l'assurance aux plateformes de communication en ligne. De plus, l'Association a habilement réorienté ses recherches afin d'étudier les répercussions de la pandémie sur la façon dont la population canadienne souhaite effectuer des transactions d'assurance à l'avenir. »

M. Lobbezoo, qui est vice-président de l'assurance-crédit à RBC Assurances, demeure au conseil d'administration de l'ACIFA en tant qu'administrateur de son organisation membre.

« Je tiens à remercier mes collègues administrateurs, les membres bénévoles qui siègent aux comités de l'ACIFA ainsi que l'équipe de direction de l'Association pour leur soutien durant mon mandat de président », a déclaré M. Lobbezoo. « Au cours des prochaines années, l'ACIFA sera dirigée par une personne très expérimentée et compétente. Je souhaite à Peter D. Thompson la meilleure continuation possible pour guider le conseil d'administration dans le choix de l'orientation stratégique de notre association et pour cumuler les réussites. »

**À propos de l'ACIFA :** L'[Association canadienne des institutions financières en assurance](#) (ACIFA) est une association sectorielle à but non lucratif qui se consacre au développement d'un marché de l'assurance ouvert et flexible. L'ACIFA croit que les consommateurs sont mieux servis lorsqu'ils ont un choix significatif dans l'achat de produits et services d'assurance. Les 15 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, Banque Canadian Tire, CUMIS Services Incorporated, Manuvie (La Compagnie d'Assurance-Vie Manufacturers), Sun Life et Valeyo.

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**Agenda Item 7(b)(3)**  
**June 28/22 EOC Meeting**

**CAFII Names New Board Chair**

***Peter D. Thompson will replace Chris Lobbezoo, who served for two years***

*By Jean Dondo, Wealth Professional, June 23, 2022*

[https://www.wealthprofessional.ca/investments/life-and-health-insurance/cafii-names-new-board-chair/367684?utm\\_source=GA&e=YnJlbnRhbi53eWNrc0BjYWZpaS5jb20&utm\\_medium=20220623&utm\\_campaign=WPCW-Newsletter-20220623&utm\\_content=9B8F63D4-69B1-4D0C-AE64-59C8BBAFABC8&tu=9B8F63D4-69B1-4D0C-AE64-59C8BBAFABC8](https://www.wealthprofessional.ca/investments/life-and-health-insurance/cafii-names-new-board-chair/367684?utm_source=GA&e=YnJlbnRhbi53eWNrc0BjYWZpaS5jb20&utm_medium=20220623&utm_campaign=WPCW-Newsletter-20220623&utm_content=9B8F63D4-69B1-4D0C-AE64-59C8BBAFABC8&tu=9B8F63D4-69B1-4D0C-AE64-59C8BBAFABC8)

Peter D. Thompson has been appointed as the new Chair of the Board of Directors for the Canadian Association of Financial Institutions in Insurance (CAFII). Following this announcement, Thompson will replace Chris Lobbezoo, who served as Chair for two years.

As president and chief executive officer of National Bank Insurance, Thompson has served as CAFII's vice-chair since 2020 and as a director since 2019. He has been responsible for all areas of the insurance division at National Bank of Canada, the country's sixth-largest commercial bank.

Thompson has also served as the Big Six bank's Vice President for Real Estate, Canada where he served as Head of Real Estate and Construction Financing across the country. He was responsible for the development and execution of the bank's real estate and construction financing strategy, including expansion across Canada.

"On behalf of CAFII's Board, I want to thank Chris Lobbezoo for guiding our Association through the unprecedented challenges presented by the COVID-19 pandemic over the last two years," said Thompson.

"Under Chris' leadership, CAFII was able to successfully pivot its member meetings and services, as well as its relationship-building and communications with insurance regulators and policy-makers to online channels. In addition, the Association was able to adroitly turn its research focus to the impact of the pandemic on how Canadians want to conduct insurance transactions in future," Thompson added.

Lobbezoo, Vice President of Creditor insurance at RBC Insurance, continues to serve as a director for his member company on the CAFII Board.

“I want to thank my fellow directors, the member volunteers who serve on CAFII committees, and the Association’s leadership team for their support during my term as Chair,” said Lobbezoo. “Going forward, CAFII is in very experienced, capable hands with Peter D. Thompson as Chair and I wish him the best of luck in guiding the Board in setting our Association’s strategic direction and achieving much continued success.”

Thompson graduated with an MBA in Finance at Ivey Business School at Western University and a BSc in Economics and Psychology at Trent University.

### **CAFII Names National Bank Insurance CEO As New Board Chair**

*by Lyle Adriano, Insurance Business Canada, June 22, 2022*

<https://www.insurancebusinessmag.com/ca/news/breaking-news/cafii-names-national-bank-insurance-ceo-as-new-board-chair-410492.aspx?Region=Canada>

The Canadian Association of Financial Institutions in Insurance (CAFII) has named Peter Thompson – president and CEO of National Bank Insurance – as the new chair of the association’s board of directors.

Thompson succeeds Chris Lobbezoo, who has completed his two-year term as chair of the board. Thompson has served on the CAFII board as a director since 2019, and as its vice chair since 2020.

“On behalf of CAFII’s Board, I want to thank Chris Lobbezoo for guiding our association through the unprecedented challenges presented by the COVID-19 pandemic over the last two years,” said Thompson in a statement.

Thompson added that it was under Lobbezoo’s leadership that CAFII was able to transition its member meetings, services, and engagement with insurance regulators and policymakers to online channels. He also noted that it was Lobbezoo who shifted CAFII’s research focus to the impact of the pandemic, and how Canadians want to conduct insurance transactions in the future.

“I want to thank my fellow directors, the member volunteers who serve on CAFII committees, and the Association’s leadership team for their support during my term as Chair,” said Lobbezoo. “Going forward, CAFII is in very experienced, capable hands with Peter D. Thompson as Chair and I wish him the best of luck in guiding the Board in setting our Association’s strategic direction and achieving much continued success.”

## **CAFII Appoints National Bank Insurance CEO As New Chairman Of The Board**

*by Garret Schoenberg, Eminentra Canada, June 22, 2022*

### [CAFII Appoints National Bank Insurance CEO as New Chairman of the Board - Eminentra Canada](#)

The Canadian Association of Insurance and Financial Institutions (CAFII) has appointed Peter Thompson, President and CEO of National Bank Insurance, as the new chair of the association's board of directors.

Thompson succeeds Chris Robezoo, who has completed his two-year term as chairman of the board.

Thompson has been a board member of CAFII since 2019 and has been Vice-Chair since 2020.

"On behalf of the CAFII Board, I would like to thank Chris Lobbezoo for guiding our association through the unprecedented challenges presented by the COVID-19 pandemic over the past two years," Thompson said in a statement.

Thompson added that it was under the leadership of Lobbezoo that CAFII was able to move its members' meetings, services, and engagement with insurance regulators and policy makers to online channels. He also described how Canadians would like to trade insurance in the future, as it was Robezoo who shifted the focus of CAFII's research to the influence of the pandemic.

"I would like to thank my fellow directors, volunteer members of the CAFII Committee, and the association's team of leaders for their support during my term as chairman," Robezoo said. "From now on, CAFII is in a very experienced and competent position, chaired by Peter D. Thompson. I have set a strategic direction for our association and many continued successes. Good luck in guiding the Board to achieve."