

CAFII EOC Meeting

Tuesday, March 25, 2014

Location: RBC Insurance

**RBC Insurance, Royal Bank Plaza, South Tower, Capital Markets,
200 Bay St., 5th Floor [Dominion Securities Room], Toronto, ON**

1:00 – 4:00 pm

Conference call dial-in information:

416-764-8662 or 1.888-884-4534, participant pass code: 771017#, moderator pass code: 7661560#

Chair: J. Hines

Agenda

- | | |
|---|--|
| 1. Call to Order | J. Hines |
| 2. Approval of Agenda | All |
| 3. Minutes | All |
| a. EOC Minutes and Action Items of February 18, 2013 | |
| 4. CAFII Financial Management | R. Rajaram |
| a. 2013 Audited Financial Statements | |
| b. Financial Statements As At February 28, 2014 | |
| 5. Policy Issues and Decision Items | |
| a. Balanced Scorecard | J. Hines |
| b. CAFII External Communications Strategy Update and Discussion | J. Hines, B. Wycks |
| c. Proposed Revised CAFII By-Law and Articles of Continuance, to comply with Canada Non-Profit Corporations Act | J. Lewsen; B. Wycks; P. Smith; K. Christensen & Beck |
| d. Possible CAFII Project on Travel Insurance | J. Lewsen |
| 6. Regulatory Update | |
| a. BC FICOM's Creditor's Group Insurance Issue | B. Wycks |
| b. Regulatory Visit Plan 2014 | |
| i. March 17/14 Liaison Meeting With Alberta Insurance Council | |
| ii. April 8/14 Liaison Discussion with Louis Morisset, CEO, AMF | |
| iii. May 15/14 Joint Liaison Meeting With Atlantic Canada Regulators | |
| 7. EOC Committee Updates | |
| a. Distribution and Market Conduct Committee | S. Manson |
| i. Customer Value Proposition of Creditor's Group Insurance Project | |
| ii. CAFII Submission In Response To Proposed New Financial Consumer Code | |
| b. Licensing Efficiency Issues Committee | M. Gill |
| i. Online CIPR Demo Presentation For CAFII and CADRI | |
| ii. CAFII Submission On BC Conflict Of Interest Guidelines | |
| iii. Status of Saskatchewan Concept Proposal Re Representation | |
| iv. Possible Submission to Alberta On "Representation for Restricted Licence Holders" | |
| v. Ontario Review of Online Promotion of Insurance by Credit Unions | |

- c. Media and Advocacy Committee
 - i. CAFII External Communications Strategy Update
 - ii. Visual Identity Modernization
- d. Events and Networking Committee
 - i. Proposed Speakers: June 10, October 7, 2014

J. Lewsen/B. Wycks

P. Yeung/M. Sanchez-Chung

8. Other Business

- Next EOC Meeting is April 22, 2014 in Toronto
- Next Board Meeting is April 8, 2014 in Montreal (QC) hosted by National Bank

**CAFII EOC Meeting Minutes
Tuesday, February 18, 2014
Action Items from the Meeting**

Agenda Item	Action Item	Responsible	Deadline
5b. CAFII Submission in Response to Proposed New Financial Consumer Code	Brendan Wycks to revise the draft response based on today's discussion as CAFII does not wish to take an official position on the issues at this time. Instead the response shall be high level. Following this: <ul style="list-style-type: none"> Brendan Wycks to circulate the draft to EOC for review and feedback by Friday, February 21. Members to review and respond by early the following week (February 24). CAFII Chair Mark Cummings shall be the signatory on the response and will review the document before it is sent. 	B. Wycks	February 21
	Leya Duigu to setup a meeting for Monday, February 24 to discuss the submission.	L. Duigu	February 20
6. Regulatory Updates	Brendan Wycks to reformat the executive summary of the Regulatory Update to include titles and a small teaser that highlights key points.	B. Wycks	Ongoing
6c (i). Joint Visit to Atlantic Canada Regulators	Media & Advocacy Committee to work on the key messages for this meeting.	MAC	April 15
	Leya Duigu to provide the Media & Advocacy Committee with the two webinar presentations via email for review. The MAC to consider combining and updating the information into a presentation for the Atlantic Canada regulators.	L. Duigu	March 28
6c (ii). April 8/14 Lunch and Discussion with Louis Morisset, AMF CEO	Brendan Wycks and Jennifer Hines to seek guidance from Board Chair Mark Cummings with respect to his preferred Order of Proceedings for the day, and then confirm the final approach to Board and EOC members.	B. Wycks, J. Hines	February 28
6c (iii). CLHIA Compliance Conference, May 7-9, 2014 in Ottawa	Brendan Wycks to accept CLHIA's offer of registration and review the program for potential meetings with key people (compare with our Regulatory Visit Plan and identify regulators for whom no meetings have been scheduled yet).	B. Wycks	March 28

CAFII EOC Meeting
Tuesday, February 18, 2014
Location: RBC Insurance
RBC Insurance, Royal Bank Plaza, South Tower, Capital Markets
200 Bay St., 5th Floor [Dominion Securities Room], Toronto, ON

Present:	Rose Beckford	ScotiaLife Financial
	Derek Blake	RBC Insurance
	Charles Blaquiere	Canadian Premier Life Insurance Co.
	Emily Brown	BMO Insurance
	Vicky Cantin	Desjardins Financial Security Life Assurance (<i>by teleconference</i>)
	Moira Gill	TD Insurance
	Greg Grant	CIBC Insurance
	Jennifer Hines	RBC Insurance, Chair
	Sue Manson	CIBC Insurance (<i>by teleconference, for part</i>)
	Raja Rajaram	CIBC Insurance (<i>by teleconference, for part</i>)
	Paul Yeung	RBC Insurance (<i>by teleconference</i>)

Regrets:	Eleanore Fang	TD Insurance
	Andre Duval	Desjardins Financial Security Life Assurance
	John Lewsen	BMO Insurance
	Maria Sanchez-Chung	TD Insurance
	Brian Wise	Assurant Solutions

Also Present:	Leya Duigu	T•O Corporate Services
	Brendan Wycks	CAFII Executive Director

1. Call to Order

The meeting was called to order at 1:05 pm. Jennifer Hines acted as Chair and Leya Duigu acted as Recording Secretary.

2. Approval of Agenda

The CLHIA Compliance Conference invitation was added and the agenda was approved as amended.

3. Minutes and Action Items

a. EOC Minutes and Action Items of January 14, 2014

Jennifer Hines reviewed the Action Items from the last meeting, noting that follow-ups on most were included in today's agenda.

b. Board Minutes and Action Items of December 4, 2013

An addendum is to be added to the end of these minutes identifying National Bank as the next Board Meeting host on April 8, 2014 in Montreal.

4. 2014 Budget Update

Raja Rajaram reported that changes had occurred to the compensation line item of the budget, as agreed by the Board of Directors recently. No other changes have occurred.

5. Policy Issues and Decision Items

a. Customer Value Proposition of Creditor's Group Insurance Comparative Project

Sue Manson provided a high level overview of the process followed by her Distribution and Market Conduct subcommittee in arriving at the recommendation included in today's meeting materials. Members discussed the actuarial firm candidates and the rationale for the selection recommendation.

The subcommittee is seeking approval in advance of the April 8 Board meeting, in order to facilitate the presentation of results at the Fall Board Meeting on October 7, 2014. The interim period shall be used for notifying member organizations of the pending survey and includes the anticipated turnaround time of 12 weeks.

Next Steps:

- The recommendation will be presented by Jennifer Hines and Brendan Wycks to Board Chair Mark Cummings for review and approval, before approval is sought from the Board.
- The recommended supplier, Towers Watson, is expected to provide a contract, including a confidentiality agreement, to formalize the engagement.

b. CAFII Submission in Response to Proposed New Financial Consumer Code

The Distribution and Market Conduct (DMC) Committee met recently to identify CAFII's key messages in response to the proposed new Financial Consumer Code. Following this, Brendan Wycks drafted a response which was reviewed by the DMC Committee and is included in today's meeting materials. The Canadian Bankers Association (CBA) and Canadian Life and Health Insurance Association (CLHIA) are also submitting responses. CAFII has an opportunity to provide a response that is unique and differentiates us from these other Associations.

Following thorough discussion, the EOC's consensus was that CAFII's submission should:

- Avoid supporting a federal consumer code that would conflict with existing provincial insurance regulatory regimes;
- Recommend that if the federal government does proceed with a financial consumer code, it be kept to a high principles-based level so as to avoid a potential scenario of overlapping regulation, confusion, and blurred accountabilities;
- Avoid stating a definitive position on most of the issues raised in the consultation document, allowing CAFII some flexibility in further consultation discussions around the proposed consumer code. Instead, we should recommend that the government not do certain things and highlight where items could potentially be in conflict with provincial regulations.

Action: Brendan Wycks to revise the draft response based on today's discussion, as CAFII does not wish to take an official position on the issues at this time. Instead the response should be high level. Following this:

- Brendan Wycks to circulate the draft to EOC for review and feedback by Friday, February 21.
- Members to review and respond by early the following week (February 24).
- CAFII Chair Mark Cummings shall be the signatory on the response and, as such, will be provided with the opportunity to review the document before it is sent.

Action: Leya Duigu to setup a meeting for Monday, February 24 to discuss the submission.

Sue Manson and Raja Rajaram left the meeting at 2:00 pm

c. CAFII Input Submission on CCIR's 2014-17 Strategic Plan

Brendan Wycks shall be producing a draft for review by the EOC.

d. CAFII Letter of Support for CISRO's LLQP Modernization Initiative

A CAFII delegation attended a one-on-one stakeholder meeting with the CISRO LLQP Committee on February 10, 2014, following which CAFII was asked to submit an official letter of support for the committee's LLQP modernization initiative. Included in today's meeting materials is a draft for review by members of the EOC. A brief discussion ensued, in which members expressed general comfort with the draft letter, subject a minor amendment being made.

6. Regulatory Update

Brendan Wycks reviewed the Regulatory Update highlighting the key points for EOC members.

It was noted that Maria Sanchez-Chung is currently following up with FCAC regarding a potential speaker for the June 2014.

Action: Brendan Wycks to reformat the executive summary of the Regulatory Update to include titles and a small teaser on each item that highlights its key points.

a. Manitoba's ISI Licensing Regime Regulation; and Meeting With Minister

This meeting has been pushed back to mid-March at the earliest, as new Finance Minister Jennifer Howard is engrossed in preparing her first budget. The EOC felt that the Association should continue to press for a meeting with the Minister even though it appeared that most of the industry's concerns about the Manitoba draft ISI Regulation were going to be resolved in a favourable manner.

b. CAFII One-on-One Stakeholder Meeting With CISRO LLQP Committee

A CAFII delegation including Brendan Wycks, Sandy Prokop (RBC Insurance) and Laura Henderson (RBC Insurance) attended a one-on-one stakeholder meeting with the CISRO LLQP Committee on February 10, 2014. A summary is included in today's meeting materials.

c. Regulatory Visit Plan 2014

i. Joint Visit to Atlantic Canada Regulators

Brendan Wycks provided an update on the potential joint visit to the Atlantic Canada regulators which was raised during CAFII's 15th Anniversary Celebration last April. Brendan is currently communicating with the Atlantic Canada regulators and seeking to confirm a

meeting in May. The attendance will be open to anyone in CAFII that wishes to participate. Additional suggestions for creating additional value for the regulators include providing a presentation on the Underserved Market or E-commerce, for which materials already exist. Some of the regulators would have heard this content the first time and this is our opportunity to provide them with an update, emphasizing any changes that have occurred since the last presentation.

Action: Media & Advocacy Committee (MAC) to work on the key messages for this meeting.

Action: Leya Duigu to provide the Media & Advocacy Committee with the two webinar presentations via email for review. The MAC to consider combining and updating the information into a presentation for the Atlantic Canada regulators.

ii. April 8, 2014 Lunch and Discussion with Louis Morisset, AMF CEO

EOC Members discussed the proposed timing for the meeting and luncheon with Louis Morisset and AMF executives and the ensuing CAFII Board meeting in Montreal on April 8, 2014.

Action: Brendan Wycks and Jennifer Hines to seek guidance from Board Chair Mark Cummings with respect to his preferred Order of Proceedings for the day, and then confirm the final approach to Board and EOC members.

iii. CLHIA Compliance Conference, May 7-9, 2014 in Ottawa

John Lewsen, Greg Grant, Moira Gill and Rose Beckford will be attending this CLHIA conference in Ottawa. CLHIA has also extended a discounted regulator registration rate invitation to Brendan Wycks as CAFII Executive Director.

Action: Brendan Wycks to accept CLHIA's offer of registration and review the program for potential meetings with key people (compare with our Regulatory Visit Plan and identify regulators for whom no meetings have been scheduled yet). Once a regulator meeting opportunity in Ottawa is identified, the best time to schedule it would be during dinner on the Tuesday night before the conference.

7. EOC Committee Updates

a. Distribution and Market Conduct Committee

Most of the DMC's updates have been addressed earlier in the agenda. In addition, a subcommittee is working on the IAIS matrix for which they are seeking the assistance of individuals from compliance to review and provide feedback. They anticipate producing a slide presentation in a few months on this initiative. RBC may have a potential volunteer for the committee and Derek Blake shall follow-up on providing a name.

b. Licensing Efficiency Issues Committee

The majority of the LEIC issues have been addressed in earlier agenda items. On the matter of representation for restricted licence holders in Alberta, an updated analysis of options has been received from Stikeman Elliott and is awaiting the committee's review. A concept proposal was

submitted to Saskatchewan last year on representation for restricted licence holders and we don't anticipate hearing back from Ron Fullan on it until March at the earliest.

c. Media and Advocacy Committee

The MAC Committee met last week and achieved the following:

- Visual Identity: the new logo was reviewed and approved on the PowerPoint presentations, regulatory newsletters, and website and email communications.
- Testimonials: last year members provided video testimonials which were to be posted online using a third party video hosting site; however, it was later confirmed that member organizations provided express permission to post the testimonials on www.cafii.com only. Since then TO Corporate Services has been working on developing video hosting capabilities on the CAFII site and shall be contacting site developer CompanyB for assistance.
- CAFII External Communications Strategy: there was some discussion around this, as while the Board approved the strategy, Directors wished to see some more details and examples of the strategy in practice.
- Media Training: Brendan Wycks will be scheduling this and inviting members of the Media & Advocacy Committee, some of whom will participate in the session and assist with the positioning of media issues.

d. Events and Networking Committee

i. Feedback on February 11/14 Annual Members Luncheon

Members reported that the topic and speaker were excellent and the venue and format worked out well. In future, we should have someone onsite taking pictures of the event such as staff from TO Corporate Services. A copy of the speaker's presentation and supplementary handout provided after the event shall be distributed via email to all who attended.

ii. Proposed Speakers: June 10 and October 7, 2014

Maria Sanchez-Chung is working on a speaker from FCAC for the June event. Other potential speakers could be sourced from CAFII auditors KPMG who have their own subject matter experts.

iii. Feedback on January 14, 14 EOC Dinner

Members were satisfied with the annual dinner held at Momufuku recently. Next year, we can decide to return to Momofuku again or try a new place.

8. Other Business

a. CAFII Compliance with Canada Non-Profit Corporations Act (CNCA)

Brendan Wycks provided the EOC with a brief update on the recent meeting he attended with John Lewsen, Pamela Smith, and Leya Duigu. Next, they will be meeting with lawyers from Fasken Martineau Dumoulin to review the proposed changes and receive further recommendations (if any). The initiative is proceeding as planned with the expectation that a proposal and update will be provided to the EOC for approval at the next meeting on March 25.

b. Succession Planning

There are no updates as of today. The issue of succession planning has been tabled for discussion at the next meeting with Board Chair Mark Cummings that will occur before the end of February.

9. Termination

There being no further business, the meeting terminated at 3:20 p.m. The next CAFII EOC Meeting will be held on March 25, 2014, in Toronto.

Date

Chair

Recording Secretary

DRAFT #3
March 20, 2014

Financial Statements of

**CANADIAN ASSOCIATION OF
FINANCIAL INSTITUTIONS IN
INSURANCE**

Year ended December 31, 2013

INDEPENDENT AUDITORS' REPORT

To the Members of the Canadian Association of Financial Institutions in Insurance

We have audited the accompanying financial statements of Canadian Association of Financial Institutions in Insurance, which comprise the statement of financial position as at December 31, 2013, the statements of operations and changes in unrestricted net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Canadian Association of Financial Institutions in Insurance as at December 31, 2013, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

DRAFT

Chartered Professional Accountants, Licensed Public Accountants

April 8, 2014
Toronto, Canada

CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE

DRAFT Statement of Financial Position

Year ended December 31, 2013, with comparative information for 2012

	2013	2012
Assets		
Current assets:		
Cash and short-term deposits (note 4)	\$ 294,201	\$ 237,005
Accounts receivable	—	594
Interest receivable	344	493
Prepaid expenses	9,672	10,339
Capital assets (note 5)	1,828	2,295
	\$ 306,045	\$ 250,726

Liabilities and Unrestricted Net Assets

Current liabilities:		
Accounts payable	\$ 17,754	\$ 71,302
Unrestricted net assets	288,291	179,424
	\$ 306,045	\$ 250,726

The accompanying notes are an integral part of the financial statements.

On behalf of the Board:

_____ Director

_____ Director

CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE

DRAFT Statement of Operations and Changes in Unrestricted Net Assets

Year ended December 31, 2013, with comparative information for 2012

	2013	2012
Revenue:		
Membership fees	\$ 400,500	\$ 410,100
Interest	607	709
	401,107	410,809
Expenses:		
Association operating	244,889	273,742
Distribution and Market Conduct Committee	8,059	67,515
Licensing Efficiency Issues Committee	992	—
Media and Advocacy Strategy Committee	4,633	2,420
Networking and Events Committee	33,667	14,597
Media Relations, CAFII Consultant	—	10,430
	292,240	368,704
Excess of revenue over expenses	108,867	42,105
Unrestricted net assets, beginning of year	179,424	137,319
Unrestricted net assets, end of year	\$ 288,291	\$ 179,424

The accompanying notes are an integral part of the financial statements.

CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE

DRAFT Statement of Cash Flows

Year ended December 31, 2013, with comparative information for 2012

	2013	2012
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 108,867	\$ 42,105
Amortization which does not involve cash	467	39
Change in non-cash operating working capital	(52,138)	51,620
	57,196	93,764
Financing activities:		
Purchase of capital assets	—	(2,334)
Increase in cash position	57,196	91,430
Cash position, beginning of year	237,005	145,575
Cash position, end of year	\$ 294,201	\$ 237,005
Represented by:		
Cash	\$ 241,349	\$ 184,908
Short-term deposits	52,852	52,097
	\$ 294,201	\$ 237,005

The accompanying notes are an integral part of these financial statements.

CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE

DRAFT Notes to Financial Statements

Year ended December 31, 2013

The Canadian Association of Financial Institutions in Insurance ("CAFII") is a not-for-profit association incorporated under the Canada Corporations Act. CAFII was incorporated on October 29, 1997 and commenced operations on January 1, 1998. CAFII was established to provide an industry-based forum to represent a range of financial institutions in insurance in Canada and to work in partnership with governments to create an efficient and effective regulatory framework that provides consumer choice in the purchase of insurance products and services. CAFII's members provide life, property and casualty, travel and credit insurance, reinsurance and other products and services through a wide variety of distribution systems. CAFII is exempt from income taxes under paragraph 149(1)(i) of the Income Tax Act (Canada).

1. Significant accounting policies:

(a) General:

The financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-For-Profit Organizations in Part III of The Canadian Institute of Chartered Accountants' Handbook.

(b) Revenue recognition:

CAFII derives its revenue primarily through membership fees. Fees are recognized as revenue in the membership period to which they relate.

Deferred membership fees represent fees received in advance of the membership period to which they relate.

(c) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and short-term deposits which are highly liquid with original maturities of less than three months.

CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2013

1. Significant accounting policies (continued):

(d) Capital assets:

Capital assets are recorded at cost. When a capital asset no longer contributes to CAFII's ability to provide services, its carrying amount is written down to its residual value.

Capital assets consist of computer equipment and are amortized on a straight-line basis over five years.

(e) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. CAFII has not elected to carry any such financial instruments at fair value.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, CAFII determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount CAFII expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(f) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amount of capital assets. Actual results could differ from those estimates.

CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2013

2. Unrestricted net assets:

Management intends to utilize unrestricted net assets on projects subject to approval by the Board.

3. Financial instruments:

The carrying amounts of financial assets and liabilities approximate their fair values due to the short-term nature of these financial instruments.

4. Cash and cash equivalents:

Cash and cash equivalents are comprised of the following:

	2013	2012
Cash	\$ 241,349	\$ 184,908
Short-term deposits	52,852	52,097
	\$ 294,201	\$ 237,005

5. Capital assets:

			2013	2012
	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment	\$ 2,334	\$ 506	\$ 1,828	\$ 2,295

CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2013

6. Financial risks and concentration of credit risk:

(a) Liquidity risk:

Liquidity risk is the risk that CAFII will be unable to fulfill its obligations on a timely basis or at a reasonable cost. CAFII manages its liquidity risk by monitoring its operating requirements. CAFII prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures from 2012.

(b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. CAFII is exposed to credit risk with respect to the accounts receivable. CAFII assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts.

CAFI

55 St Clair Ave West, Suite 255

Toronto, ON M4V 2Y7

Balance Sheet

As at February 28, 2014

ASSETS	Current 2014
Current Assets	
Bank Balance	\$202,546
Investments ^A	\$52,852
Accounts Receivable	\$224,250
Interest Receivable	\$429
Prepaid Expenses	\$1,316
Computer/Office Equipment	\$2,334
Accumulated Depreciation -Comp/Equip	(\$544)
Intangible Assets-Trademarks	\$0
Accumulated Amortization-Trademark	\$0
Total Current Assets	\$483,183
TOTAL ASSETS	\$483,183
LIABILITIES	
Current Liabilities	
Account Payable ^B	\$20,276
Deferred Revenue	\$157,500
Total Current liabilities	\$177,776
TOTAL LIABILITIES	\$177,776
UNRESTRICTED NET ASSETS	
Unrestricted Net Assets, beginning of year	\$288,291
Excess of revenue over expenses	\$17,115
Total Unrestricted Net Assets	\$305,407
Total Unrestricted Net Assets	\$305,407
TOTAL LIABILITIES AND UNRESTRICTED NET ASSETS	\$483,183

Minimum Reserve = Greater of:

Reserve at 25% of Annual Operating Expense =	\$ 61,383
Reserve at 6 months of Operating Expense =	\$ 121,759

2013 Reserve (based on 6 month Reserve):

C A F I I
55 St Clair Ave West, Suite 255
Toronto, ON, M4V 2Y7
Balance Sheet Items
As at February 28, 2014

Item A

Investment Portfolio

Investment Type	Issue Date	Principal	Rate	Deemed Interest	Maturity Date
Cashable GIC #0087-8019718-12	May-07-13	\$52,852.40	1.00%	\$528.52	May-07-14
Total		\$52,852.40		\$528.52	

Item B

Accounts Payable

	Total
	3,694.88
	169.50
	1,289.90
	14,373.60
	748.51
Total outstanding:	20,276.39

CAFII

55 St Clair Ave West, Suite 255
Toronto, ON M4V 2Y7

Statement of Operations As at February 28, 2014

REVENUE	Current Month	Current YTD	Budget 2014	% Used	YTD 2013 Balance	% Used YTD 2013
Membership Fees	\$33,375	\$66,750	\$400,500	17%	\$68,350	18%
Interest Revenue	\$41	\$85	\$720	12%	\$122	122%
TOTAL REVENUE	\$33,416	\$66,835	\$401,220	17%	\$68,472	17%
EXPENSE						
Association Operating Expenses						
Management Fees	\$19,402	\$38,666	223,380	17%	\$36,205	52%
Lawrie Savage Fees	\$0	\$0	-		\$0	0%
CAFII Legal Fees/Corporate Governance	\$0	\$0	19,500	0%	\$0	0%
Audit Fees	\$0	\$0	14,000	0%	\$0	0%
Insurance	\$439	\$877	5,368	16%	\$473	11%
Website (incl translation)	\$0	\$0	540	0%	\$10	2%
Telephone/Fax/Internet	\$342	\$653	2,250	29%	\$58	3%
Postage/Courier	\$0	\$51	500	10%	\$4	0%
Office Expenses	\$123	\$143	4,500	3%	\$698	26%
Bank Charges	\$0	\$0	38	0%	\$0	0%
Miscellaneous Expenses	\$0	\$0	-	0%	\$0	0%
Amortization Expense	\$0	\$0	-	0%	\$0	0%
Depreciation Computer/Office Equipm ¹	\$0	\$39	640	0%	\$78	3%
Sub Total Association Operating Expenses	\$20,306	\$40,429	\$270,716	15%	\$37,526	
Distribution & Market Conduct Committee						
Provincial Regulatory Review	\$0	\$0	3,000	0%	\$0	0%
Research/Studies	\$0	\$0	50,000	0%	\$0	0%
Sub Total Distribution & Market Conduct Committee	\$0	\$0	\$53,000	0%	\$0	
Licensing Efficiency Issues Committee						
Regulatory Model (s)	\$63	\$434	12,000	4%	\$0	0%
Federal Financial Reform	\$0	\$101	3,000		\$0	0%
Sub Total Licensing Efficiency Issues Committee	\$63	\$534	\$15,000	4%	\$0	
Media & Advocacy Strategy Committee						
Tactical Communications Strategy	\$194	\$194	51,500	0%	\$0	0%
Association Branding	\$0	\$0	2,500	0%	\$0	0%
Sub Total Media & Advocacy Strategy Committee	\$194	\$194	\$54,000	0%	\$0	
Networking & Events Committee						
Board/EOC/AGM Expense ²	\$6,162	\$8,553	20,500	42%	\$2,230	11%
Networking Events	\$9	\$9	1,756	1%	\$0	0%
15th Anniversary Event	\$0	\$0	-	#DIV/0!	\$0	0%
Sub Total Networking & Events Committee	\$6,171	\$8,562	\$22,256	38%	\$2,230	
Media Relations, CAFII Consultant						
Media Relations, CAFII Consultant	\$0	\$0	-		\$0	0%
Sub Total Media Relations, CAFII Consultant	\$0	\$0			\$0	
TOTAL EXPENSE	\$26,733	\$49,720	414,972	12%	\$39,756	11%
EXCESS OF REVENUE OVER EXPENSES	\$6,682	\$17,115	(\$13,752)		28,715.75	

Explanatory Notes:

- (1) Amortization of office equipment based on 4 year straight line depreciation
(2) Board meetings and receptions, special Board or EOC lunch meetings, speaker expenses

CAFII

Toronto, ON M4V 2Y7

Membership Fees

As At December 31, 2013

	<u>Jan-14</u>		<u>Jul-14</u>
	<u>Billed</u>	<u>Received</u>	<u>Billed</u> <u>Received</u>
BMO Bank of Montreal	\$ 23,500.00	Mar7,2014	\$ 23,500.00
CIBC Insurance	\$ 23,500.00	Mar21,2014	\$ 23,500.00
RBC Insurance	\$ 23,500.00		\$ 23,500.00
ScotiaLife Financial	\$ 23,500.00	Mar7,2014	\$ 23,500.00
TD Insurance	\$ 23,500.00	Mar7,2014	\$ 23,500.00
AMEX Bank of Canada	\$ 11,750.00		\$ 11,750.00
Assurant Solutions	\$ 11,750.00		\$ 11,750.00
Canadian Premier Life Insurance Company	\$ 11,750.00		\$ 11,750.00
Desjardins Financial Security Life Assurance Company	\$ 11,750.00		\$ 11,750.00
National Bank Insurance Company	\$ 11,750.00		\$ 11,750.00
Aimia	\$ 4,800.00	Mar7,2014	
Avalon Actuarial	\$ 4,800.00	Mar21,2014	
Collins Barrow Toronto Actuarial Services	\$ 4,800.00		
CSI Brokers Inc.	\$ 4,800.00		
KPMG	\$ 4,800.00		
Laurentian Bank of Canada	\$ 4,800.00	Mar21,2014	
Munich Re	\$ 4,800.00	Mar7,2014	
Optima Communications	\$ 4,800.00	Mar21,2014	
RGA Life Reinsurance Company of Canada	\$ 4,800.00		
The Canada Life Assurance Company	\$ 4,800.00	Mar21,2014	
January Invoices	\$224,250		\$176,250
July Invoices	\$176,250		
Total Membership Fees	\$400,500		
Total amount to realocate monthly Jan-Dec	\$33,375		

Canadian Association of Financial Institutions (CAFI)
2014 Executive Director Balanced Scorecard — Association Oversight and Management Metrics
20-03-2014

Association Oversight and Management Metrics			
Audience/Stakeholder Type	Objectives	Measures	Analysis
Association as a whole	Ensure that CAFI successfully and optimally "continues" under Canada Non-Profit Corporations Act (CNCA)	<p>CAFI successfully files "Articles of Continuance" and Revised Bylaw with Industry Canada by October 17, 2014 deadline; and Certificate of Continuance is received thereafter</p> <p>CAFI's Revised By-law is optimally structured, within constraints imposed by CNCA, to facilitate efficient and effective future governance and operations</p>	
Association as a whole	Ensure that Association adheres to good governance practices in Board, EOC, and committee appointments and other transitions, conduct of annual and special meetings of members; and that required policies and procedures are in place and followed	<p>CAFI governance policies and procedures are well-conceived, documented, and communicated; and adhered to</p> <p>Smooth, successful, non-controversial conduct of Board and EOC succession appointments; and of annual meeting</p>	
Association as a whole	Seek to become a trusted "go to" information resource	<p>ED remains fully engaged and become knowledgeable about all CAFI activities, decisions, and policies</p> <p>ED plays lead role in agenda preparation for Board and EOC meetings, and attends all scheduled Board, EOC, and subcommittee meetings</p> <p>Board and EOC members see ED as "go to" resource on governance and strategic decision matters</p>	

Audience/Stakeholder Type	Objectives	Measures	Analysis
Association as a whole	Ensure that CAFII prepares an annual operating budget that is well-grounded in approved strategic and operational plans; funds are spent according to plan; and financial control policies and procedures are appropriate and adhered to	<p>ED plays a leadership role in development, management, and tracking/monitoring of CAFII's annual operating budget, and committee and project budgets</p> <p>Budget targets are met, except for explainable/approved variances</p> <p>Financial control and signing authority policies and procedures are adhered to</p>	
Association as a whole	With EOC Chair, oversee forming and activities of standing EOC subcommittees and adhoc working groups; and monitor and foster their progress	ED participates on all EOC subcommittees, helps in the determination of priorities and budgets, and works to support their activities and success in the achievement of objectives	
Association as a whole	Ensure that CAFII's daily operations and ongoing administration function smoothly	<p>ED works productively and manages relationship with CAFII Administrative Co-ordinator and other members of TO Corp support team</p> <p>ED provides leadership, management and mentoring which optimizes performance of TO Corp staff in support of CAFII's goals and objectives</p> <p>ED completes assessment of workload allocation and resourcing; tracking of his time allocations over a set period; and compilation of results. Pulls together insights/conclusions for EOC and Board review and approval</p> <p>ED engages with TO Corp and EOC Chair to identify opportunities to streamline processes and realign workloads to ensure smooth and timely completion of all deliverables</p>	
Executive Operations Committee	Provide strategic and operational support to the EOC Chair in management of CAFII priorities and activities, and accountability reporting thereon	<p>ED provides engaged strategic and operational support of EOC Chair which alleviates "human resources burden" on that volunteer leader</p> <p>ED escalates appropriate matters to EOC Chair for review and decision-making</p>	

Audience/Stakeholder Type	Objectives	Measures	Analysis
Association as a whole	<p>Efficient, effective CAFII meetings</p> <p>Working with EOC Chair and standing committee Chairs, ensure that agendas are focused and goal-oriented; and meetings are managed accordingly</p>	<p>Agendas and meeting materials are distributed with appropriate lead time.</p> <p>Committee members are engaged in meeting discussions and generally pleased with the conduct of meetings.</p> <p>Meeting outcomes are productive and advance CAFII's objectives.</p>	
Association as a whole	<p>Ensure that "CAFII Priorities By Committee" document is kept up-to-date and well-utilized as an operations plan for the Association</p>	<p>ED demonstrates engaged "ownership" of "CAFII Priorities By Committee" document</p> <p>Document is updated for every EOC and Board meeting</p> <p>ED monitors and ensures that CAFII committee activities remain focused and on track, using document as a map and guide</p>	

Canadian Association of Financial Institutions (CAFI)
2014 Executive Director Balanced Scorecard — Media and Public Communications Metrics
20-03-2014

Regulatory Relations and Advocacy Metrics			
Audience/Stakeholder Type	Objectives	Measures	Analysis
Media	Deliver on Strategy and Tactics within the timelines as set out in the Board-approved Communications Strategy (appended)	Successful execution of tactics within specified timelines	

Canadian Association of Financial Institutions (CAFII)
2014 Executive Director Balanced Scorecard — Regulatory Relations and Advocacy Metrics
20-03-2014

Regulatory Relations and Advocacy Metrics			
Audience/Stakeholder Type	Objectives	Measures	Analysis
Regulators and Policy-Makers	Deliver on Strategy and Tactics within the timelines as set out in the Board-approved Communications Strategy (appended)	Successful execution of tactics within specified timelines	
	Completion of the "rebranding" of the Association, such that its new "look and feel" becomes synonymous with CAFII's name in the eyes of regulators, policy-makers, and other key stakeholders including members	Timely, high quality regulatory submissions emblazoned with new CAFII branding	
	Ensure that Regulator and Policy-Maker Visit Plan is well-maintained, updated for every EOC and Board meeting, and executed/achieved	Regulators' and policy-makers' willingness to meet with CAFII; willingness to take advocacy arguments into account; favourable legislative and regulatory action or inaction	
	Produce an informative, "industry intelligence"-focused Regulatory Update for each EOC and Board meeting	Development and maintenance of enhanced Regulator and Policy-Maker Visit Plan, focused on dedicated, face-to-face meetings with each provincial regulator and relevant policy-maker at least once every 18 months, in Toronto or their location	
	Draft and deliver high quality regulatory submissions on time	Interaction with related Associations to ensure that Key Messages are aligned yet still tailored to reflect CAFII's unique perspective	
	Obtain input from EOC and Board members in preparation of regulatory submissions; and ensure that they have sufficient time to respond to initial drafts		
	Ensure that, where appropriate, CAFII regulatory submissions reflect prior consultation with allied industry Associations		
	Maintain productive, collegial, mutually beneficial working relationships with allied industry Associations (egs. CLHIA, CBA)		

Canadian Association of Financial Institutions (CAFI)
2014 Executive Director Balanced Scorecard — Learning Metrics
20-03-2014

Learning Metrics			
Audience/Stakeholder Type	Objectives	Measures	Analysis
Personal	Polish communication style for three key audiences: Media, Regulators and Policy-Makers, and Board/CAFI leaders	Development and improvement through learning at Media Training and Communications Training Sessions with Patrick McGee	
	Continue strong focus on learning about Creditors Group Insurance industry and alternate distribution	ED becomes "Subject Matter Expert" and "go to" resource for Board and EOC members and other CAFI stakeholders ED demonstrates enhanced understanding of and judgment on CAFI positioning on contentious issues	

2014 CAFII External Communications Strategy:

Communications Tactics and Implementation Timelines

(Draft For EOC Review and Concurrence on Tactical Activities; Timelines to be Confirmed by MAC)
March 25, 2014

Communications Tactics For Regulators and Policy-Makers

- ✓ Continued strong proactive focus on this key audience, broadened to include Policy-Makers in addition to Regulators
- ✓ Majority of activity is provincially focused, with selective activity against federal authorities, i.e. Financial Consumer Agency of Canada (FCAC)
- ✓ Maximize use of face-to-face interaction opportunities, as the warmest and most effective channel to build relationships and deliver key messages
- ✓ Strategic use of all written contacts (submissions, regulatory newsletters, etc.) as an opportunity to reinforce communications objectives

Communication Tactics	Details
Proactive Face-to-Face Interaction	<p><i>Continued Activity, with enhanced focus:</i></p> <ul style="list-style-type: none"> • Invitations to CAFII Speaker and Networking events • Pre-consultation and consultation meetings with regulators • Enhanced Regulator Visit Plan, focused on dedicated, face-to-face meetings with each provincial regulator at least once every 18 months, in Toronto or their location - Leverage regional meetings where common interest exists - Periodic liaison meetings with provincial regulator executive teams, as needs/issues arise <p><i>New/Enhanced Activity:</i></p> <ul style="list-style-type: none"> • Identify key provincial and federal policy-makers and develop a Policy-Maker Visit Plan, with targeted key messages • Meet with relevant provincial policy-makers, in conjunction with regulator meetings • Attendance at industry conferences, symposia, and related events where regulators and policy-makers will be present • Assess options to engage and influence non-FI Creditor Insurance players around regulatory risk discussions and industry education, including targeting them as possible Associate Members of CAFII
Proactive Written Communications	<p><i>Continued Activity, with enhanced focus:</i></p> <ul style="list-style-type: none"> • Timely, high quality regulatory submissions emblazoned with new CAFII branding • Webinars for CCIR and the CISRO community (on annual basis at a minimum) • Regulatory Newsletter, distributed to regulators and policy-makers as an information resource • Regular phone contact by Executive Director to source newsworthy developments • Interaction with related Associations (i.e. CLHIA, CBA) to ensure Key Messages are aligned yet still tailored to reflect CAFII's perspective <p><i>New/Enhanced Activity:</i></p> <ul style="list-style-type: none"> • Sponsor more frequent independent consumer research on key CAFII issues to provide content for submissions and proactive Releases . (i.e.. inclusion of two or three targeted questions on quarterly omnibus survey, eg. Pollara's syndicated "InsurPoll") • Strategically share results with regulators and policy-makers in timely, focused manner through both written Releases and educational webinars • Regulator Kit of briefing documents focused on CAFII's key messages (both electronic and paper distribution) • Leverage enhanced, regularly updated web site content which provides CAFII-branded regulator and policy-maker-focused resources

Communications Tactics For Media

- ✓ Focus on gradual transition to a “Prepared and Selectively Proactive” strategy, to begin earning credibility and bona fides with this Key Audience
- ✓ Focus on developing air-tight Key Messages to fuel confidence in being selectively proactive; and on using third party research to buttress messages
- ✓ Reassess strategy as part of 2015 communications planning

Communication Tactics	Details
<u>Prepared and Selectively Proactive</u>	<p><i>New /Enhanced Activity:</i></p> <ul style="list-style-type: none"> •Develop a broad inventory of Key Messages which can also be used with other Key Audiences and develop potential story scenarios with up-to-date scripted responses (share with CAFII members for their own use) •Develop a series of short, non-provocative articles on various aspects of the case for Creditor Insurance and Alternate Distribution, written as much as possible from a Consumer Financial Literacy lens. Use this content for “pen control” media communication opportunities, a Media Kit, the website, and other applications •Leverage independent consumer research on targeted insurance topics to provide content for a program of feature-style Media Releases; and dissemination of findings to other audiences •Identify “friendly” media representatives •Respond to media requests for information and interviews, in accordance with Board-approved Media Protocol •Monitor media coverage and social media posts (English and French) re Creditor’s Insurance and related CAFII-relevant issues <ul style="list-style-type: none"> –Strategically and selectively respond to published misinformation about Creditor’s Insurance products, using Key Messages and Stock Answers •Provide media training session for Executive Director and available Board members, based on approved Key Messages and Stock Answers •Create “About Creditor Insurance” Media Kit from web-based resources, for ready dissemination when need arises <ul style="list-style-type: none"> –some overlap with Regulator Kit content, so likely dual application of information pieces developed –Develop Media-focused section on CAFII web site •Revisit and assess this Communications Strategy in Q4 2014 to determine if CAFII wishes to continue a “Prepared and Selectively Proactive” approach or transition to more proactive media communications tactics beginning in 2015

Communications Tactics For The Public and Consumer Interest Groups

- ✓ Focus on gradual transition to a “Prepared and Selectively Proactive” strategy, to begin earning credibility and bona fides with this Key Audience
- ✓ Focus on developing air-tight Key Messages to fuel confidence in being selectively proactive; and on using third party research to buttress messages
- ✓ Reassess strategy as part of 2015 communications planning

Communication Tactics	Details
<u>Prepared and Selectively Proactive</u>	<p>New/Enhanced Activity:</p> <ul style="list-style-type: none"> • Increase reliance on the recently enhanced website to communicate with this audience: <ul style="list-style-type: none"> – Ensure Key Messages and FAQs are added to the website and easily accessible to the public – Source member company testimonial videos or short stories citing the positive impact of Creditor Insurance. – Enhance “Contact Us” section to facilitate consumer questions about Creditor Insurance, or about CAFII and its members. Ensure responses to questions are provided on a timely basis – Invest in Search Engine Optimization (SEO) services to drive consumers with “Creditor Insurance” and related queries to the site • Leverage independent consumer research on key CAFII issues (developed primarily for use with Regulators /Policy-Makers and Media) to provide content for responding to Public and Consumer Interest Group information requests • Monitor the agendas and activities of key Consumer Interest Groups for environmental scanning purposes: <ul style="list-style-type: none"> – i.e.. Consumers Council of Canada; Consumer’s Association of Canada; Public Interest Advocacy Centre, etc. – identify opportunities to provide value-added information (eg. “Creditors Insurance: Are Consumers Being Well Served?” report prepared by Consumers Council of Canada for Office of Consumer Affairs, Industry Canada, March 2009) • <i>When and if appropriate, engage proactively with the public and/or consumer interest groups around Consumer Financial Literacy or other targeted insurance topics</i> • <i>Revisit and assess this Communications Strategy in Q4 2014 to determine if CAFII wishes to continue a “Prepared and Selectively Proactive” approach or transition to more proactive communications tactics beginning in 2015</i>

Implementation Timelines For New Tactics: Regulators and Policy-Makers

					2014												2015			
	P = Planning	X = Execution			Period	Jan	Feb	Mar	April	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Objective	Comms. Objective	Audience	Activity																	
Engage effectively with Key Audience		Regulators and Policy-Makers	Update Regulatory Visit Plan regularly (ongoing); and execute to achieve objective of meeting face-face with each relevant regulator and policy-maker at least once every 18 months		X	X	X		X	X	X	X	X	X	X	X	X	X	X	X
	Position CAFII as the “go to” resource for credible information about Creditor Insurance	“	Re Policy-Makers: small CAFII group to make Fall 2014 visits tour to meet with policy-makers in relevant provinces					P	P	P			X	X	X	X		X	X	X
		“	Compile list of industry conferences, symposia, events that provide a meaningful opportunity for interaction with regulators and policy-makers				P													
	“	“	Attend selected industry conferences/events and interact with regulators and policy-makers							X			X	X	X	X	X	X	X	X
		“	Develop and deliver new CAFII webinar on topic of interest to regulatory audience								P	P	P	X	X					
Demonstrate the value of Creditor Insurance	Communicate the consumer benefits of Creditor Insurance, and positively influence perceptions, awareness, and understanding	Regulators and Policy-Makers	Develop Regulator Kit, including quarterly Regulator Newsletter					P	P	X										
“	“	“	Disseminate Regulator Kit, and subsequent issues of quarterly Regulator Newsletter							X			X			X			X	
“	“	“	Formulate plan and budget for increased use of independent consumer research. Seek EOC and Board approval of plan and budget.								P	P								
	“		Dedicate a MAC meeting to considering and planning for engagement with non-FI Creditor Insurance Groups around regulatory risk and industry education; and possible Associate status in CAFII. Seek EOC and Board approval of engagement plan.																	
								P	P	P										

Implementation Timelines For New Tactics: Media

P = Planning X = Execution		2014 Period Jan Feb Mar April May Jun Jul Aug Sept Oct Nov Dec 2015 Jan Feb Mar																
Objective	Comms. Objective	Audience	Activity															
Engage effectively with Key Audience	Position CAFII as the "go to" resource for credible information about Creditor Insurance	Media	Arrange Media Training Session for Executive Director and small group of CAFII volunteers															
		"	Complete Key Messages/Story Scenarios/Stock Answers utilizing, in part, feedback obtained from Media Training Session		X													
		"	Develop series of short articles on case for Creditor Insurance and Alternate Distribution, for use on web site, in Media Kit, in "pen control" media opportunities, etc.			X	X	X										
		"	Develop "About Creditor Insurance" Media Kit from existing CAFII web site resources						X	X	X							
		"	Develop media-focused section on CAFII web site						X	X	X							
		"	Identify "friendly" media representatives and disseminate Media Kit to them								X							
Demonstrate the value of Creditor Insurance	Communicate the consumer benefits of Creditor Insurance, and positively influence perceptions, awareness, and understanding	Media	Respond to media requests for information and interviews, in accordance with Board-approved Media Protocol (including re-activation of Board Communications Committee)									X	X	X	X	X	X	X
		"	Dedicate a MAC meeting to formulating a plan for leveraging consumer research on insurance topics to provide content for a program of feature Media Releases and dissemination of findings to select media and other audiences; if EOC and Board approval secured, proceed to execute this plan											P	P			
		"	Dedicate part or all of a MAC meeting to considering a plan/proposal (to come) for availing of "pen control" media opportunities to communicate the value of Creditor Insurance. Seek EOC and Board approval of plan.													P	P	
		"																

Implementation Timelines For New Tactics: The Public and Consumer Interest Groups

[illegible]

Regulatory Update - CAFII Executive Operations Committee, March 25, 2014

Prepared By Brendan Wycks, CAFII Executive Director

Executive Summary of this Issue

- **BC's FICOM Identifies Creditor's Group Insurance Issue. Page 2:** In the near future, FICOM will issue an open letter to all insurers authorized to offer creditor's group insurance in BC, which will pose two or three high level filter questions in an effort to ascertain the prevalence of products in the market which may contravene BC insurance legislation with respect to the "structuring and effecting" of creditor's group insurance.
- **Travel Insurance Issues A Growing Concern For Alberta Insurance Council. Page 2:** In an open and transparent discussion with CAFII representatives on March 17/14, AIC leaders Joanne Abram and Ron Gilbertson identified consumer understanding and protection issues related to travel insurance as a growing concern for them.
- **Bill Introduced To Modernize Discipline Process For Insurance Agents And Adjusters. Page 3:** On March 5, Bill 171, which will amend Ontario's Insurance Act, was introduced at Queen's Park. The Bill captures all of the desired changes highlighted in FSCO's 2013 consultation on the need to modernize the process.
- **AMF Fines Industrial Alliance. Page 3:** On February 7, the AMF announced that it had reached an agreement with Industrial Alliance under which the insurer will pay a fine of \$165,000 with respect to commercial practice violations.
- **New Brunswick FNCB Publishes Creditor's Insurance Web Content. Page 4:** The Financial and Consumer Services Commission (FCNB) recently published new consumer advisory content on insurance on its web site, including a section on "Insurance on Your Debts" which will be reviewed by CAFII's Distribution and Market Conduct Committee.
- **FCAC Appoints New Deputy Commissioner. Page 5:** FCAC Commissioner Lucie Tedesco has appointed Brigitte Goulard as Deputy Commissioner, effective immediately.
- **Public Interest Advocacy Centre (PIAC) Supports Federal Financial Consumer Code. Page 6:** PIAC responded to the federal government's consultation around a proposed new financial consumer code with a strong vote in favour. PIAC's Executive Summary contains 12 recommendations, the most interesting of which for CAFII comments on insurance.

British Columbia

Financial Institutions Commission Identifies “Creditor’s Group Insurance Issue”

On March 12, 2014, Harry James, Director, Policy Initiatives with BC’s FICOM contacted Brendan Wycks to provide heads-up information about an issue related to creditor’s group insurance which had led the Commission to impose a Consent Order and fines totaling \$150,000 on Manulife Financial and its subsidiary company Benesure Canada.

In the near future, FICOM will issue an open letter to all insurers authorized to offer creditor’s group insurance in BC, which will pose two or three high level filter questions in an effort to ascertain the prevalence of products in the market which may also contravene BC insurance legislation with respect to the “structuring and effecting” of creditor’s group insurance.

A full summary of the matter, including additional information that was obtained from Harry James on March 19, is found in a separate Report.

Alberta

Travel Insurance Issues A Growing Concern For Alberta Insurance Council

On March 17, 2014, CAFII representatives Moira Gill, John Lewsen, and Brendan Wycks met with Joanne Abram, CEO, and Ron Gilbertson, Chair of the Alberta Insurance Council.

In an open and transparent discussion, the AIC leaders identified consumer understanding and protection issues related to travel insurance as a growing concern for them. A full summary of the issues discussed at this meeting is found in a separate Regulatory Visit Report.

Manitoba

Minister of Finance Offers Meeting Date Options To CAFII

In late February 2014, Scott Moore, Deputy Superintendent of Insurance, contacted Brendan Wycks to advise that Manitoba’s Draft ISI Regulation would be amended to address nearly all of the concerns expressed by CAFII and other industry stakeholders. He followed that verbal message up with a written confirmation.

On March 21/14, Minister of Finance Jennifer Howard’s Executive Assistant e-mailed Mr. Wycks to offer two April date/time options for a CAFII meeting with the Minister: Thursday, April 10 and Tuesday, April 15. Moira Gill’s advice is that because both meeting dates offered fall within a very busy period for CAFII and since a meeting with the Minister of Finance is no longer urgent, it would be preferable to push it back by a few weeks. Doing so would also give us a better chance of co-ordinating meetings with other stakeholders in Winnipeg on the same day.

Ontario

Bill Introduces Desired Modernization Changes For Insurance Agent and Adjuster Disciplinary Hearings

On March 5, 2014, Jim Fox, Senior Policy Advisor in the Financial Services Commission of Ontario (FSCO)'s Licensing & Market Conduct Division and leader of its "Modernizing Disciplinary Hearings For Insurance Agents and Adjusters" initiative, e-mailed Brendan Wycks to advise that the desired changes had introduced the previous day at Queen's Park in Bill 171, which will amend Ontario's Insurance Act.

Bill 171 can be found here:

http://www.ontla.on.ca/web/bills/bills_detail.do?locale=en&Intranet=&BillID=2952.

CAFII participated in the 2013 consultation process on the proposed changes led by Jim Fox, through both in-person meetings and a written submission.

Jim has advised that

- the modernizations to disciplinary hearings for insurance agents and adjusters are set out fairly succinctly in Section 22 of the amending legislation, which states that "Section 407.1 of the Act is repealed and the following is substituted . . ."
- once the Bill is passed and there is a proclamation date, FSCO will send out a bulletin to the industry and send an e-mail blast to all agents and adjusters.
- the timing of passage and proclamation of the Bill are somewhat uncertain, being dependent upon whether the opposition parties support the Bill and if it goes to committee for clause-by-clause review after second reading. (The Bill went to second reading on March 5).
- there are no new Regulations coming into force with the amending legislation, but Section 17 of the Bill does contain three of the provisions that were in FSCO's consultation paper around increasing the Superintendent's authority:
 - provides the Superintendent with authority to revoke or suspend an agent's licence for failure to pay a fee or admin penalty - 392.5 (4);
 - empowers the Superintendent to issue an Interim order - 392.5 (6); and
 - provides the Superintendent with specific powers with respect to a Request for Licence Surrender – 392.7 (1).

Quebec

AMF Fines Industrial Alliance

On February 7, 2014, the AMF announced that it had reached an agreement with Industrial Alliance under which Industrial Alliance will pay a fine of \$165,000 with respect to commercial practice violations.

The AMF alleged that Industrial Alliance committed various violations related in particular to Industrial Alliance Pacific Insurance and Financial Services Inc., of which it owns the rights and assumed the obligations further to the merger of June 30, 2012, namely, selling student medical insurance policies over some 10 years through persons who were not registered with the AMF, selling Freedom Medical Plan policies through distributors without previously submitting the related distribution guide to the AMF, offering a product ("*Partenaire Élite*") through distributors without previously submitting the related distribution guide to the AMF and without notifying the AMF of an additional distributor, and distributing insurance policies that stated they were administered by Travel Underwriters, a "licensed insurance broker," although the latter is not authorized to operate as such in Québec.

Industrial Alliance also undertook to stop distributing the Student Medical Insurance policy through unregistered persons and generally to set up appropriate measures to ensure that the distribution of its policies complies with the law.

Industrial Alliance Auto and Home Insurance Inc. also agreed to pay the \$25,000 penalty imposed by the AMF for entering into referral agreements with automobile dealers and violating *An Act respecting the distribution of financial products and services* regarding the sharing of commissions with non-registrants.

New Brunswick

Consumer Advisory Content On Insurance Posted To New Web Site

The Financial and Consumer Services Commission (FCNB) recently published new consumer advisory content on insurance on its web site, including a section on “Insurance on Your Debts.” That content can be found here: <http://www.fcnb.ca/insurance-on-your-debts.html>. The sub-tabs are “Overview”; “Life Insurance on the Debt”; “Critical Illness or Disability”; and “Credit Card Insurance.”

CAFII’s DMC should review this content for accuracy and provide feedback to David Weir, Deputy Superintendent of Insurance, as appropriate.

Federal/National

Canadian Council of Insurance Regulators

Stakeholder Meetings A Success: To Be Continued

In the highlights of its January 23, 2014 conference call meeting, CCIR reports that its one-on-one Stakeholder Meetings approach to engagement is working well and will be continued in 2014. On October 29-30, 2013, CCIR met with 13 groups from across the industry, including CAFII.

With two years of success with this approach under its belt, CCIR now plans to make Stakeholder meetings an annual event each Fall in Toronto. The 2014 dates will be announced once they confirmed.

Disciplinary Information Implementation Working Group (DIIWG) Disbanded

With its mandate completed ahead of time and under budget through the December 2, 2013 launch of the Canadian Insurance Regulators Disciplinary Actions (CIRDA) database, CCIR’s DIIWG has now been disbanded.

CCIR Strategic Plan, 2014-17

As the term of CCIR’s current strategic plan is coming to an end, the Council has begun work on its next three-year plan. CCIR issued a formal call for stakeholder input, and CAFII made a submission in February 2014. CCIR reports that a Strategic Planning Committee has now been struck and is reviewing the industry input received.

Canadian Insurance Services Regulatory Organizations (CISRO)

LLQP Modernization

On March 18, Ron Fullan, Chair of CISRO and its LLQP Committee, e-mailed Brendan Wycks to provide the following updates:

- at the one-on-one stakeholder meetings held February 10, the Committee received requests for copies of the Detailed Planning documents for each of the study modules. The Committee has therefore posted a “Request for Access to Detailed Planning” document on the CISRO website. Stakeholders need to complete and submit that document to get access to the Detailed Planning documents (B. Wycks is taking care of this registration for access process);
- the Committee has also posted the revised Curriculum document, along with the Curriculum Survey Results; and
- the Committee has scheduled its next stakeholder meetings for May 28, 2014 in Toronto. Exact details will follow, one-on-one sessions will likely be the approach again, and the focus will be on the criteria to be approved as a Course Provider.

CAFI has requested a stakeholder meeting slot on May 28, and Ron Fullan has confirmed that we will have one.

Financial Consumer Agency of Canada

FCAC Appoints New Deputy Commissioner

On March 17, 2014, FCAC Commissioner Lucie Tedesco announced the appointment of a new Deputy Commissioner.

Brigitte Goulard has been appointed Deputy Commissioner of the Financial Consumer Agency of Canada, effective immediately.

The Deputy Commissioner plays a fundamental role for the FCAC. Ms. Goulard brings experience and expertise from within the financial sector that will strengthen FCAC’s capacity to maintain productive relationships and effective oversight, Ms. Tedesco said.

The Deputy Commissioner serves as the Executive Director of the Agency and the senior policy advisor to the Commissioner. Ms. Goulard will be responsible for all aspects of the administration of the Agency and will perform a role similar to that of a Chief Operations, Financial and Administrative Officer of the organization.

Before joining the Financial Consumer Agency of Canada, Ms. Goulard was the Vice-President, Policy and Government Relations, for Credit Union Central of Canada.

Proposed Federal Financial Consumer Code

CAFI responded to the Government of Canada’s consultation around a proposed financial consumer code with a succinct submission on February 28, 2014. Following an auto-generated reply acknowledging the submission, the Government also sent a subsequent e-mail advising that all submissions received have been posted on the Department of Finance’s web site. Thirty five submissions in total were received.

Public Interest Advocacy Centre (PIAC)

PIAC Strongly Supports Proposed Federal Financial Consumer Code

PIAC responded to the federal government's consultation around a proposed new financial consumer code with a submission that is 72 pages in length, along with an additional 15 pages in two appendices.

PIAC's Executive Summary contains 12 recommendations, the most interesting of which for CAFII is the following:

*ES11: The financial consumer code should have as broad a coverage of financial services as possible. Unfortunately, it cannot encompass investment services due to constitutional limitations. **Likewise, insurance regulation may be too difficult to work into the scope of the code in its first iteration.** However, PIAC is strongly of the view that Canadians consider payments systems to be a part of banking and therefore recommend development of code rules for payments. Should payments matters be dealt with elsewhere, this fact should be revealed publicly and a commitment made to make the payments regime complementary to the financial consumer code.*

International/Global

Global Federation of Insurance Associations (GFIA)

GFIA delegation to G-20 stresses insurers' social and economic role

In a series of meetings held during the week of March 17-21, 2014 with the Australian G-20 Presidency, the Global Federation of Insurance Associations (GFIA) called on the G-20 to ensure that all international regulatory reform initiatives allow the insurance sector to continue to support the ambitious economic growth targets agreed upon last month by G-20 finance ministers.

"The GFIA welcomes the Australian G-20 Presidency's focus on long-term growth and its ambitious targets," said Frank Swedlove, chair of the GFIA.

"Sustainable long-term growth requires not only the financial security that insurers offer through efficient risk-transfer mechanisms but also the industry's long-term investments."

Agenda Item 6(a)(i)

March 25, 2014 EOC Meeting

From: Brendan Wycks [mailto:brendan.wycks@cafii.com]

Subject: Further Information Re BC FICOM's Creditor's Group Insurance Issue

In addition to the details set out below in my e-mail message of March 11, 2014, I obtained the following additional information about BC FICOM's Creditor's Group Insurance issue through a phone conversation with Harry James, Director, Policy Initiatives, on March 19:

Relevant Legislation

There are two pieces of BC legislation in play here: the Insurance Act and the Financial Institutions Act. The FI Act contains definitions of classes of insurance that are slightly different from, but not in conflict with, what's in the Insurance Act. Both Acts are germane in the governance and regulation of creditor's group insurance.

Consent Order Details (No Cease and Desist Order)

The Consent Order references four contraventions of the BC Insurance Act made by the Manulife/Benesure creditor's group insurance product"

- (i) Use of unlicensed individuals
- (ii) Payment of commissions to unlicensed individuals
- (iii) Acting as an unauthorized insurer; and
- (iv) Breach of the disclosure requirements, ie. lack of transparency regarding the identities of the insurer and related players and "improper holding out"

The fact that none of the four breaches talks about the insurance policy in question is significant. That's because while BC insurance legislation says that an insurer is prohibited from underwriting a product that the company was not a party to structuring/effecting, the legislation also says that – unless there is an identified immediate harm to consumers – a product in the market that is found to be in contravention will not be found void and immediate withdrawal will not be required.

As a regulator, you look at situations such as this violation of the Act and you weigh things and assess what's the best method for addressing the issue.

If we do find that there are other creditor's group insurance products in the market that are also in contravention, we are likely – unless there's an immediate harm to consumers – to try to work out a solution.

Plans For Open Letter to Insurers Authorized To Offer Creditor's Group Insurance In BC

Our intention is to take a broad, high level approach in the open letter to insurers, which we hope to have out in the week of March 24-28.

We are not trying to put the industry through a "search and cull" process and we don't want to impose an undue burden. In the letter, we won't be asking for a complete catalogue of products that each company has in the market.

We are trying to come up with the wording for two or three simple “filter questions” that will help insurers to identify whether or not they’re offering a product that is of the type that we want to hone in on and take a look at. We want the filters to help make it a simple task.

For example, one filter question might be “Do you offer any policies where the group policy holder is not the lender?” (Conversely, just because the lender is the group policy holder doesn’t necessarily mean that that lender was involved in structuring/effecting the contract, so we have to be careful in designing our filters.)

Our goal with the open letter and the filters it will contain as a simple survey is to get a sense of the magnitude of the problem, ie. how many players in the industry may have a product in the market that may be in contravention. We want to find out if it’s a small number of companies, such as two or three participants, or if it’s a larger number such as 15 or 20.

If it’s only a small number, we may decide that the best approach is to work with each company individually on a solution.

Hopefully, with the responses we get to the filter questions that will frame the issue, we’ll be able to remove the vast majority of authorized insurers from the picture; and then direct our focus to the rest that may have an off-side product that contravenes the Act in the market.

From: Brendan Wycks [mailto:brendan.wycks@cafii.com]

Sent: March-11-14 3:10 PM

To: 'Manson, Sue'; 'emily.brown@bmolife.com'; 'alduval@dsf.ca'; 'rose.beckford@scotiabank.com'; eleanore.fang@td.com; brian.wise@assurant.com; 'Hines, Jennifer' (jennifer.hines@rbc.com); 'Yeung, Paul' (paul.yeung@rbc.com); Gill Moira (moira.gill@td.com); Grant Greg (Greg.Grant@cibc.com); 'Lewsen, John'; 'Leya Duigu'; cblaquiere@aegonusa.com; derek.blake@rbc.com; Cecillia.Xiao@assurant.com; heather.latimer@scotiabank.com

Cc: mark.cummings@scotiabank.com; Rino D'Onofrio (rino.donofrio@rbc.com); David Minor (Dave.minor@td.com); Rick Lancaster (rick.lancaster@cibc.com); Richard Hebert (Richard.Hebert@bnc.ca); Linda Fiset (lfiset2@dfs.ca); vivianne.g.maglione@aexp.com; Robert Zanussi (Robert.Zanussi@assurant.com); Isaac Sananes (isananes@aegonusa.com); Julie Barker-Merz (julie.barkermerz@bmo.com)

Subject: Important Heads-Up From BC Financial Institutions Commission (FICOM) On A Creditor's Group Insurance Issue

EOC Members:

I received a voicemail this afternoon from Harry James, Director, Policy Initiatives with BC’s FICOM, who focuses on insurance regulation (and is Chair of CCIR’s TPA Review Committee) – about a creditor’s group insurance issue that they are about to post an Enforcement Action on. I then connected with him to get additional information and add some flesh to the bones of his message.

Here is what I’ve learned:

Later this afternoon, FICOM will be sending to me, as CAFII Executive Director, and to other industry stakeholders an open letter about a contravention issue that FICOM has identified in the market that is germane to those who offer creditor’s group insurance.

FICOM has found at least one instance of a product where the contract was not constructed in accordance with the provisions of BC insurance legislation, and that product had been widely distributed.

The culprit is not a CAFII member. It is a large life insurer (Manulife Financial and Benesure Canada Inc.) that has been involved in the provision of mortgage protection insurance.

The key issue that has resulted in a contravention of BC legislation is that the definition of Creditor's Group Insurance only contemplates contracts that have been "effected by the lender." In the known offending case, the group contract was not so constructed; rather, mortgage brokers, as intermediaries, were the group policy holder. The actual lender was not an active participant in the effecting of the contract.

With respect to the offending large life insurer, a Consent Order will be posted on FICOM's web site this afternoon under the Enforcement tab.

<http://www.fic.gov.bc.ca/pdf/enforcement/trust/fia20140228.pdf>

As a result of this investigation and Enforcement Action, FICOM will, within the next few weeks, be doing some fact-finding with the industry, including CAFII members, just to understand whether or not there are similar products out there in the market.

The potential to be off-side the pertinent part of BC legislation arises not just with mortgage brokers, but with a number of different types of intermediaries. Any group product covering a borrower's loan in which the lender was not directly involved in structuring the contract is likely off-side. A "flag" is where the lender is not a contracting party.

The purpose of today's open letter is to provide a heads-up on what the issue is.

Today's letter will be followed-up by a direct letter to each insurer authorized to underwrite creditor's group insurance, on both the life and p&c sides. It'll be a fact-finding letter asking insurers to tell FICOM whether or not they may offer a creditor's group insurance product that is structured in this manner. The questions in the letter will be high level, rather than a formal, detailed survey. FICOM doesn't want to raise alarm bells unduly but it does need to do further investigation and due diligence to find out if this type of inappropriately structured product is fairly isolated in the market right now or if it's more widespread. And to find out if this may be a national issue, or is local to BC.

Brendan Wycks, BA, MBA, CAE
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March 11, 2014
File No.: 78000-03
Ref. No.: 0345

Open Letter RE: Structure of Creditor's Group Insurance Offered in British Columbia

It has come to the Financial Institutions Commission's (FICOM) attention that there are creditor's group insurance contracts in the market that have been effected by a third party, not the creditor. As these contracts are not being effected by the creditor, they do not meet the requirements to qualify as creditor's group insurance as stipulated in the *Insurance Act*.

Section 37 and section 92 of British Columbia's *Insurance Act* define creditor's group insurance as "*insurance effected by a creditor under which the lives of a number of the creditor's debtors are insured severally under a single contract.*" In order to "effect" a contract, the creditor must play an active and substantive role in negotiating and concluding the contract with the insurer.

FICOM plans to directly contact all insurance companies that are authorized to offer creditor's group insurance products in British Columbia in the coming weeks to determine the extent of third party effected contracts in the market.

Based on the results of its review, FICOM may work with other provincial regulators to address this issue.

Yours truly,



Frank Chong
Executive Director
Supervisory Support & Policy

MB/ac

-
- Superintendent of Financial Institutions
 - Superintendent of Pensions
 - Superintendent of Real Estate
 - Registrar of Mortgage Brokers

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CAFIL Regulator Visit Plan 2014

updated March 20, 2014

Jurisdiction	Regulator	Annual Courtesy Call	Purpose/Issues	Attendees	Date/Venue	Status
British Columbia	Insurance Council of BC: Gerry Matier, Exec. Dir.	X	-Update on Council priorities -Maintain and strengthen relationship	S. Gelgor J. Lewsen R. Beckford T. VanMeggelen B. Wycks	Invite when in Toronto	<p>Five Cafil reps had liaison lunch meeting with G. Matier in Toronto on May 15/13; covered range of topics in Cafil Briefing document.</p> <p>G. Matier is member of CISRO LLQP Committee, which had engaging discussion with Cafil reps. in one-on-one stakeholder meeting on February 10/14 meeting.</p> <p>CAFIL LEIC decided not to make submission in response to Insurance Council of BC's 2014 consultation on "Conflict of Interest Guidelines" (due date: March 9/14) as it was not high among competing priorities</p> <p>B. Wycks to try to arrange dinner meeting for small Cafil group with G. Matier on Tuesday, May 27/14, as he will be coming to Toronto for CISRO LLQP stakeholder meetings on May 28</p>

Jurisdiction	Regulator	Annual Courtesy Call	Purpose/Issues	Attendees	Date/Venue	Status
	Financial Institutions Commission(FICOM): Carolyn Rogers , CEO, FICOM & Superintendent of Insurance (CCIR chair); Doug McLean, Deputy Superintendent	X	-update on FICOM priorities -Maintain and strengthen relationship (-CAFII has decided not to submit a formal response to FICOM's summer 2013 Consultation on Use of Managing General Agents, as that is not CAFII members' distribution channel.)		Surrey, BC When Carolyn is in Toronto; or CAFII Board member in Vancouver	-Targeted networking with C. Rogers occurred during CAFII 15 th Anniversary event on April 10, 2013; at CLHIA Compliance Conference in Vancouver in May 2013; and at CAFII/CCIR Industry Stakeholder Meeting on October 30, 2013. B. Wycks to arrange dinner meeting for CAFII delegation with C. Rogers in Ottawa on April 6/14, as she will be presenting at CLHIA Compliance Conference, April 7-9 -J. Lewsen and B. Wycks met with Harry James, Director, Policy Initiatives, FICOM and Chair of CCIR's Agencies Regulation Committee, and Carol Shevlin of CCIR on September 26, 2013 around CCIR's TPA Review initiative. Presented opportunity to have brief side meeting with Harry around BC/FICOM regulatory issues -Harry James phoned B. Wycks on March 12/14 with heads-up about "Creditor's Group Insurance" issue involving large life insurer that led to Consent Order and \$150,000 in fines (see March 2014 Regulatory Update)

Jurisdiction	Regulator	Annual Courtesy Call	Purpose/Issues	Attendees	Date/Venue	Status
Alberta	Alberta Insurance Council : Joanne Abram, CEO; Tom Hampton, Chief Operating Officer; Ron Gilbertson, Chair (2012-15)	X	-Update on Council priorities -Council Representation -Licensing for 3 rd party providers -Business number registration system -Maintain and strengthen relationship	S. Gelgor M. Gill J. Lewsen R. Beckford T. VanMeggelen	When Joanne or Tom is in Toronto; or CAFII Board member in Edmonton	<p>Five CAFII reps met with J. Abram and R. Gilbertson in Vancouver on May 7, 2013; discussion captured in Regulatory Visit Report</p> <p>B. Wycks met with J. Abram over lunch at the CLHIA Consumer Complaints Officers Section Fall Seminar on November 21, 2013; insights captured in ED's Report</p> <p>M. Gill, J. Lewsen, B. Wycks and L. Duigu met with J. Abram and S. Boyetchko on December 12/13 around AIC's interest in Representation for Restricted Licence Holders in Alberta. Discussion captured in Regulatory Report. CAFII to submit formal proposal on two viable options to J. Abram</p> <p>J. Abram and W. Martinson of AIC are members of CISRO LLQP Committee, which had engaging discussion with CAFII reps. in one-on-one stakeholder meeting on February 10/14 meeting</p> <p>M. Gill, J. Lewsen, and B. Wycks had lunch liaison meeting with J. Abram and R. Gilbertson on March 17/14 (see March 2014 Regulatory Update)</p> <p>CAFII arranged opportunity for two AIC staff execs. to give demo presentation of new "Canadian Insurance Participant Registry" (CIPR) to CAFII member audience on January 8/14. Highlights captured in Regulatory Update. CAFII arranged follow-up opportunity for electronic demo presentation of CIPR for CAFII and CADRI members which occurred on March 17/14</p>

Jurisdiction	Regulator	Annual Courtesy Call	Purpose/Issues	Attendees	Date/Venue	Status
	Ministry of Finance: Mark Prefontaine, Superintendent of Insurance Brad Geddes, Deputy Superintendent of Insurance Laurie Balfour, Acting Deputy Superintendent of Insurance		-Update on Superintendent's priorities -Maintain and strengthen relationship		When Mark is in Toronto; or CAFII Board member in Edmonton	Targeted networking with M. Prefontaine and B. Geddes occurred during CAFII 15 th Anniversary event on April 10, 2013 Effective June 27, 2013 Laurie Balfour became Deputy Superintendent of Insurance - Alberta. Brad Geddes has been seconded to the Government of Alberta's Flood Recovery Task Force as the Director of Stakeholder Engagement. This is for an indefinite period of time, likely for at least 6 months. Briefing networking with L. Balfour occurred during CAFII/CCIR Industry Stakeholder Meeting on October 30, 2013
	New President of Treasury Board and Minister of Finance Doug Horner					

Jurisdiction	Regulator	Annual Courtesy Call	Purpose/Issues	Attendees	Date/Venue	Status
Saskatchewan	Sask. Insurance Council: Ron Fullan, Chair	X	-Update on Council priorities -Council Representation -Maintain and strengthen relationship		Invite when Ron is in Toronto	<p>B. Wycks had Get Acquainted discussions with April Stadnek, Director of Compliance, Saskatchewan Insurance Councils, around CLHIA CCOS Fall Seminar and FSCO Life & Health Sector Symposium, November 21-22, 2013; insights captured in Executive Director's Report</p> <p>Targeted networking with R. Fullan occurred during CAFII 15th Anniversary Event on April 10, 2013, and during CLHIA Compliance Conference in May 2013</p> <p>CAFII reps met with R. Fullan on July 29, 2013 to discuss main themes in CAFII's Proposal For Restricted Licensee Representation in Sask. Proposal submitted to R. Fullan on October 10, 2013. Feedback on CAFII proposal expected from R. Fullan in March or April 2014</p> <p>R. Fullan is Chair of CISRO LLQP Committee, which had engaging discussion with CAFII reps. in one-on-one stakeholder meeting on February 10/14 meeting</p>

Jurisdiction	Regulator	Annual Courtesy Call	Purpose/Issues	Attendees	Date/Venue	Status
	Financial and Consumer Affairs Authority , David Wild, Chairperson and Superintendent of Insurance; Ian McIntosh, Deputy Superintendent of Insurance		-Courtesy visit, Introduction of CAFII -Insurance Act Review, ISI; Council Representation -Maintain and strengthen relationship		When David or Ian is in Toronto; or CAFII Board member in Regina	
	Consultant (ex Superintendent) Jim Hall		-Update on Insurance Act review -Maintain and strengthen relationship		When Jim is in Toronto; or CAFII Board member in Regina	

Jurisdiction	Regulator	Annual Courtesy Call	Purpose/Issues	Attendees	Date/Venue	Status
Manitoba	Ministry of Finance: Jim Scalena, Superintendent (Targeted networking with J. Scalena, Superintendent, occurred during CAFII 15 th Anniversary Event on April 10, 2013)	X	-Update of Insurance Act review and ISI regime -Maintain and strengthen relationship		Winnipeg	<p>Manitoba released Draft ISI Regulation in early June 2013. CAFII responded with detailed submission</p> <p>S. Moore, Deputy Superintendent, called B. Wycks on October 2, 2013 with detailed update on progress and timelines re Draft ISI Regulation. In early November, B. Wycks had a follow-up telephone conversation with S. Moore, which confirmed that a CAFII meeting with the Minister would be prudent and necessary</p> <p>On January 10/14, CAFII responded to Draft 2 of ISI Regulation with detailed submission. CAFII will now pursue meeting with Minister of Finance re imperative of harmonization of Manitoba ISI Regime with other provinces, as directed by Board on October 8/13</p> <p>In late February 2014, S. Moore communicated with B. Wycks by e-mail and phone to advise that Manitoba's Draft ISI Regulation would be amended to address nearly all of the concerns expressed by CAFII and other industry stakeholders (see Regulatory Update)</p> <p>On March 21/14, Minister of Finance Jennifer Howard's EA e-mailed B. Wycks to offer two April date/time options for a CAFII meeting with the Minister</p>

Jurisdiction	Regulator	Annual Courtesy Call	Purpose/Issues	Attendees	Date/Venue	Status
	Manitoba Insurance Council: Erin Pearson, Exec Director;	X	-Update on Council priorities -Restricted Certificate holder representation on Council -Maintain and strengthen relationship		When Erin is in Toronto; or CAFII Board or EOC member or Executive Director is in Winnipeg	
	Ministry of Finance Minister Jennifer Howard		Letter of introduction sent to predecessor Finance Minister Stan Struthers; include on a visit of CAFII Chair or other reps to Manitoba. Letter requesting meeting with new Finance Minister Jennifer Howard re Draft ISI Regime Regulation and other CAFII issues sent on January 15/14, on heels of response submission on Draft 2 of ISI Regulation			After concerted follow-up by B. Wycks, on March 21/14, Minister Howard's EA e-mailed B. Wycks to offer two April date/time options for a CAFII meeting with the Minister
Ontario	FSCO: Phil Howell, CEO & Superintendent	X	-Update on FSCO priorities -Maintain and strengthen relationship		Toronto	Targeted networking during CAFII 15 th Anniversary event on April 10, 2013. B. Wycks had Get Acquainted lunch meeting with P. Howell, at his request, on July 5, 2013. Insights gained captured in Regulatory Visit Report

Jurisdiction	Regulator	Annual Courtesy Call	Purpose/Issues	Attendees	Date/Venue	Status
	<p>FSCO: Grant Swanson, Executive Director, Licensing & Market Conduct Division</p> <p>FSCO: Anatol Monid, Director, Market Regulation Branch</p> <p>Shonna Neil, Senior Manager, Licensing</p>		<p>Consultation Proposal on “Modernizing Disciplinary Hearings for Insurance Agents and Adjusters”</p> <p>Industry consultation on “Life Insurance & Mortgage Broker Product Suitability Review”</p>			<p>On February 14/13, B. Wycks and Rosemary Troiani, RBC Insurance, met with G. Swanson, Isobel Scovino and Jim Fox around FSCO’s plans for Modernizing Disciplinary Procedures For Life Insurance Agents and Independent Adjusters. CAFII made written submission in September 2013. J. Fox e-mailed B. Wycks in early March 2014 to advise that implementing amendments to Insurance Act had been introduced in the legislature</p> <p>Adrienne Warner of A. Monid’s team is “point person” for FSCO’s “Life Insurance & Mortgage Broker Product Suitability Review,” scope of which was narrowed to cover just term life, whole life, and universal life sales</p> <p>CAFII reps participated in focus group discussion with A. Monid, A. Warner, and other FSCO reps on this matter on July 18/13. Follow-up discussion on draft survey of insurance agents occurred on September 6/13. FSCO issued two follow-up requests of CAFII member on Sept. 30/13 re removing Call Centre agents from universe for random sample for online survey; and recommending “paragon of best practices” agents for focused meetings</p> <p>On March 10 and 11/14, A. Warner e-mailed B. Wycks to provide update on life agent questionnaire re product suitability; and to schedule a follow-up meeting with CAFII to share results of that survey (set for April 9/14)</p>

Jurisdiction	Regulator	Annual Courtesy Call	Purpose/Issues	Attendees	Date/Venue	Status
	FSCO: Annual Symposium for Life and Health Insurance Sector			-individual FI member reps. -CAFII Executive Director	Toronto November	FSCO's 6 th Annual Symposium for the Life and Health Insurance Sector took place on November 22, 2013. Networking by B. Wycks and several CAFII volunteer leaders in attendance occurred with G. Swanson, A. Monid, S. Neil, A. Warner, L. Miclescu, and other FSCO senior staff

Jurisdiction	Regulator	Annual Courtesy Call	Purpose/Issues	Attendees	Date/Venue	Status
Quebec	New AMF CEO effective July 2, 2013: Louis Morisset		-Update on AMF priorities -Maintain and strengthen relationship		When Louis is in Toronto; or CAFII Board member in Quebec City	<p>R. Hebert, M. Gill, R. Beckford, I. Choquette, and B. Wycks met with Mario Albert, CEO; Eric Stevenson; Julien Reid; and Louise Gauthier in Quebec City on June 7, 2013 for a productive and informative liaison meeting</p> <p>L. Morisset has accepted CAFII invitation to speak to CAFII Board & EOC group, in conjunction with CAFII Board meeting to be held in Montreal on April 8, 2014. Follow-up letter in French sent by CAFII in early March to confirm details. B. Wycks has telephone appointment with E. Stevenson in week of March 24-28 to review agenda and discussion topics, to ensure L. Morisset's full preparation and comfort with the CAFII liaison meeting</p>

Jurisdiction	Regulator	Annual Courtesy Call	Purpose/Issues	Attendees	Date/Venue	Status
	AMF: Superintendent, Client Services and Distribution Oversight: Eric Stevenson AMF: Superintendent of Solvency, Patrick Dery	X				Targeted networking with E. Stevenson and P. Dery occurred during CAFII 15 th Anniversary event on April 10, 2013
	AMF: Stephane Langlois, Senior Director, Distribution Practices				Fall	B. Wycks had networking discussions with S. Langlois at CLHIA CCOS seminar and FSCO symposium on November 21-22, 2013. No further update at this time on release date for next iteration of two-page Distribution Guide

New Brunswick	Angela Mazerolle-Stephens, Superintendent of Insurance David Weir, Deputy Superintendent of Insurance		<ul style="list-style-type: none"> -Update on Superintendent's priorities -Discuss/educate on creditor's group insurance (CGI) and Avalon Study; -Licensing issues, electronic licensing; Insurance Act Review Status; including consultation on "Opportunities for Reforming the Licensing Framework for Other-than-Life Agents and Brokers" announced in late August 2013 -Maintain and strengthen relationship -David Weir is Chair of Atlantic Taskforce on ISI (dormant) 		TBD Fredericton	<p>Targeted networking with A. Mazerolle-Stephens and D. Weir, Deputy Superintendent of Insurance, occurred during CAFII 15th Anniversary Event on April 10, 2013</p> <p>D. Weir is member of CISRO LLQP Committee, which had engaging discussion with CAFII reps. in one-on-one stakeholder meeting on February 10, 2014 meeting</p>
	Consumer Advocate For Insurance, Ronald Godin		<ul style="list-style-type: none"> -Update on Consumer Advocate's priorities -Discuss /educate on creditor's group insurance (CGI) and Avalon -Build relationship 		When Ronald Godin is in Toronto; or CAFII Board member in Fredericton	
Nova Scotia	Superintendent Doug Murphy		<ul style="list-style-type: none"> -Update on Superintendent's priorities -Discuss/educate on creditor's group insurance (CGI) and Avalon Study; -Atlantic Taskforce on ISI -Build relationship 		TBD Halifax	<p>Targeted networking with D. Murphy occurred during CAFII 15th Anniversary event on April 10, 2013; and brief networking with him occurred following CAFII/CCIR Industry Stakeholder Meeting on October 30, 2013</p>

PEI	Superintendent Robert Bradley		Courtesy- Low priority for 2013 (only if CAFII Board member in Charlottetown) -Update on Superintendent's priorities -Build relationship		Charlottetown	Targeted networking with R. Bradley occurred during CAFII 15 th Anniversary event on April 10, 2013
Newfoundland	Superintendent Douglas Connolly (retired effective early 2014; successor expected to be appointed prior to May 15/14) Craig Whalen, Deputy Superintendent		-Update on Superintendent's priorities -Discuss/educate on creditor's group insurance (CGI) and Avalon -Build relationship		St John's	Targeted networking with D. Connolly occurred during CAFII 15 th Anniversary event on April 10, 2013 Brief networking with C. Whalen occurred immediately following CAFII/CCIR Industry Stakeholder meeting on October 30, 2013

Atlantic Canada	Joint Forum of Insurance Regulators		<ul style="list-style-type: none"> - Update on Superintendents' priorities -Discuss/educate on creditor's group insurance (CGI) and Avalon -Build relationships 			<ul style="list-style-type: none"> -M. Gill contacted David Weir, Deputy Superintendent of Insurance, New Brunswick, re prospect of CAFII having a Joint Meeting with all four Atlantic Canada insurance regulators in Fall 2013 - CAFII made proposal for joint meeting with all Atlantic Canada insurance regulators in Fall 2013 or Spring 2014; this meeting now confirmed for May 15/14 in Halifax, from 11:30 a.m. to 4:00 p.m. -Such a joint visit to Atlantic Canada regulators was strongly encouraged by Phil Howell of FSCO
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CCIR	Carol Shevlin, Policy Manager	X	-Annual lunch. Discuss priorities -Maintain and strengthen relationship		Toronto	<p>-B. Wycks had a Get Acquainted Lunch with C. Shevlin in January 2013; and is in regular contact with her</p> <p>-J. Lewsen and B. Wycks had meeting with Carol Shevlin and Harry James, ARC Chair, on September 26, 2013 around CCIR's TPA Review initiative</p> <p>-in spirit of open communication, B. Wycks shared CAFII's submission in response to proposed federal financial consumer code with CCIR in early March 2014, to which C. Shevlin replied with a note of acknowledgment and appreciation</p>
	CCIR Executive		Meet when pressing issues or opportunistic meeting occasions arise.		October 30, 2013 in Toronto	<p>CAFII Board members, EOC members, and B. Wycks had "industry stakeholder meeting" with CCIR Executive on October 30, 2013. Discussion captured in Regulatory Update</p>

CISRO	Ron Fullan Chair		<ul style="list-style-type: none"> -Update on CISRO priorities -Maintain and strengthen relationship -LLQP Modernization 		<ul style="list-style-type: none"> -invite when in Toronto 	<p>B. Wycks interacted and had private liaison conversations with CISRO LLQP Chair Ron Fullan and other LLQP Committee members during each of four Stakeholder Information Sessions held in Toronto in 2013</p> <p>CAFI representatives (3) had engaging and worthwhile one-on-one stakeholder meeting discussion with CISRO LLQP Committee on February 10/14</p> <p>On March 18/14, R. Fullan e-mailed B. Wycks to provide update on LLQP Committee's latest progress; and advise that its next Stakeholder Information Session will be one-on-one stakeholder group meetings on Wednesday, May 28/14 in Toronto. B.Wycks replied to book a stakeholder meeting slot for CAFI</p>
Federal	Federal Finance Dept.		Educational – marketing of CGI			
	OSFI: Julie Dickson, Superintendent					
	OBSI: Doug Melville Ombudsman		Educational – marketing of CGI			

	Financial Consumer Agency of Canada (FCAC)		Financial Literacy re insurance			<p>Ursula Menkes retired from FCAC Commissioner role at end of May 2013; Finance Minister Flaherty announced appointment of Lucie Tedesco as new Commissioner on September 4, 2013</p> <p>M. Gill and B. Wycks had Get Acquainted/Refresh meeting with FCAC contacts January 9/14. Discussion captured in Regulatory Update</p> <p>CAFI participated in federal government consultation, being led by FCAC, around a proposed new federal financial consumer code . Submission sent February 28/14. Initial auto-acknowledgment received; followed by a further message that submissions from CAFI and other stakeholders had been posted on the Department of Finance's website</p>
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Agenda Item 6(b)(i)
March 25, 2014 EOC Meeting

Regulator Visit Report
Confidential: Not For Distribution

Regulator: Alberta Insurance Council (AIC)
Date: March 17, 2014
Location: Stratus Restaurant, TD Centre, Toronto
Purpose: Stakeholder Liaison Meeting requested by AIC; part of Council Chair's industry consultation plan

Attendees:

AIC: Joanne Abram, CEO; and Ron Gilbertson, Council Chair

CAFII: Moira Gill, TD Insurance; John Lewsen, BMO Insurance; and Brendan Wycks, Executive Director

The following are highlights of the industry issues discussed in this luncheon liaison meeting:

Issues Raised By CAFII

Representation For Restricted Licence Holders in Alberta

J. Abram has delivered to Superintendent Mark Prefontaine her proposal that the near-dormant Insurance Adjusters Council be merged into the General Insurance Council. It has been decided that there will be an industry consultation on this change, which will require amendments to existing regulations; so the earliest that it will be implemented is 2015.

This means that the window of opportunity to advance a concept proposal for representation of restricted licence holders in Alberta is still fairly wide open. However, J. Abram would like to receive CAFII's proposal sooner rather than later so that there is time to consider it and work with CAFII and other relevant stakeholders to refine it, as appropriate. She will also be very interested to learn how the Insurance Councils of Saskatchewan decides to handle the industry's proposals for representation for restricted licence holders in that province, as it would probably make sense for Alberta to adopt a similar approach rather than something altogether different.

B. Wycks advised that CAFII had, as promised, requested and received an updated Representation Options Analysis from legal counsel, to reflect the feedback provided in CAFII's December 12, 2013 meeting with J. Abram on this subject. CAFII is therefore close to being in a position to submit an official proposal on representation to the AIC.

Multi-jurisdictional Licensing and Interprovincial Harmonization

M. Gill described the regulatory compliance issues and hurdles that CAFII members have to meet to offer creditor's group insurance in all jurisdictions in Canada. She noted that the lack of harmonized licensing creates significant obstacles to efficient and effective business practices, which can have a negative impact on the customer's experience.

B. Wycks advised that this long-standing issue of concern for CAFII members was reiterated in the Association's recent letter of support for CISRO's LLQP modernization initiative, as related relevant commentary. This is why CAFII is so delighted with the progress being made by the AIC with the Canadian Insurance Participant Registry (CIPR) initiative, and the potential it holds for a nationally harmonized licensing system.

(J. Abram thanked CAFII for the kudos it had extended to AIC for the CIPR initiative, and for arranging two CIPR demo presentation opportunities for her IT leaders, including an online presentation for CAFII and CADRI members later that afternoon. She acknowledged that AIC was shouldering all of CIPR's development costs and was not looking for any pro-rated cost-sharing contributions from other jurisdictions. AIC views its industry leadership and innovator role with CIPR as "just the right thing to do; and if other jurisdictions want to come on board and help make it a national system, it's our contribution to the national interest.")

J. Abram and R. Gilbertson listened intently to CAFII's concerns on this issue, and asked questions for clarification. J. Abram made the following suggestion: CAFII might want to approach CISRO Chair Ron Fullan and arrange an opportunity to make a brief presentation on this matter at CISRO's next meeting, which is coming up in Banff on Thursday, May 22 and Friday, May 23. She felt that CISRO members would be interested in this presentation and would be a receptive audience.

The CAFII representatives thanked J. Abram for this suggestion and said it would be given serious consideration.

(B. Wycks' observation: J. Abram's CISRO presentation suggestion aligns with feedback provided by G. Swanson of FSCO during CAFII's Stakeholder Consultation Meeting with the CCIR Executive on October 30, 2013, as follows:

Grant Swanson advised that when making the case for a nationally harmonized licensing system, it would be helpful if CAFII illustrated its points via some actual case studies to flesh out the problem and the obstacles that our members encounter in their national operations. We need to help the regulators understand the licensing hoops and hurdles we have to go through to attract new hires and to deliver quality service to consumers. This will help the regulators better understand, and make what otherwise might appear abstract seem real.)

Issues Raised By AIC

Need For A Licensed Insurance Intermediary

R. Gilbertson said that given the increasing complexity of all types of insurance products – including the creditor's group insurance products offered by CAFII members – he is trying to get his head around whether it makes best sense to require the involvement of a licensed intermediary in all insurance transactions, as a better safeguard for ensuring that the consumer understands what he/she is buying.

J. Lewsen delicately countered R. Gilbertson's initial statement on this issue, noting the burgeoning consumer demand for quick, convenient, unfettered access to insurance products through electronic, non-face-to-face channels.

R. Gilbertson acknowledged that that is a fact of today's society and mobile communications business world, noting that is a struggle for a regulator to find the right balance between consumer protection and supporting the efficient and effective conduct of business.

(In a private conversation with R. Gilbertson after the conclusion of the meeting, B. Wycks advised him of some additional research-based facts that support CAFII's position on the importance of supporting electronic commerce and alternate distribution channels so that the under-served lower and middle income markets will have access to insurance coverage: the broker/agent sales force is dwindling as new entrants to the profession are not being attracted in the numbers they were 15 or 20 years ago; and brokers/agents, being compensated on a commission basis, tend to focus exclusively on high income and high net worth individuals, thereby ignoring lower and middle income consumers.)

Travel Insurance

When asked if there were any particular existing or "on the horizon" industry issues of concern for the AIC, J. Abram and R. Gilbertson replied "Yes, it's travel insurance."

J. Abram indicated that travel insurance is the one area of the restricted insurance licence regime that is causing noticeable numbers of inquiries and complaints. The bottom line is that, often, consumers don't understand what they're buying.

J. Abram and R. Gilbertson explained that, as they see things, there are two issues of regulatory concern related to travel insurance:

- Consumers may be buying travel coverage that they don't really need because it duplicates coverage they already have through a credit card or through their employer's group benefits plan; and this potential duplication/redundancy is not being raised by the insurance salesperson; and
- Consumers, despite their honest best intentions, are not completing the application/enrolment form correctly because they don't understand the medical-related questions. In particular, they don't understand the coverage exclusions based on pre-existing conditions.

J. Abram said that the AIC wants to "get ahead of this issue" and avoid a situation where a travel insurance issue blows up in the legislature based on a consumer complaint of denial of coverage, where the consumer is dumbfounded and has a huge sense of injured merit based on a belief that the travel insurance application form was completed honestly and accurately.

In discussion of this issue, B. Wycks asked what the AIC would think of a "Joint Industry/Regulator Review Group on Travel Insurance Application Forms and Medical Questionnaires" which might have participation from CAFII, THIA, CLHIA, and one or more provincial regulators. J. Abram replied that, in her view, such a proposal would be positively perceived and favourably received by regulators. She noted a "joint" committee seemed particularly appropriate for this issue, as there would definitely be diverse perspectives and different types of expertise that would need to be represented at the table.

CAFII agreed to broach the issue of a Joint Review Group with THIA and CLHIA, and get back to J. Abram on it. She thanked CAFII for agreeing to take the first steps on this proposal.

(B. Wycks' observation: AIC's concerns about travel insurance, which emerged a few years ago, closely parallel both what Dave Minor of TD Insurance reported hearing during a round of regulator visits in late 2012 and early 2013; and the views that Carolyn Rogers, CCIR Chair, shared with CAFII in its Stakeholder Consultation Meeting with the CCIR Executive on October 30, 2013, as follows:

Carolyn Rogers advised that the problem with travel insurance that keeps recurring time and again relates to “Do people know what they’re buying, especially as it relates to pre-existing conditions.”

And are distributors of travel insurance doing everything they can to ensure that consumers know what they’re buying.

The problem always arises in the event of a claim – the moment of truth for the industry – when one is denied, and nearly always the reason for denial is failure to report accurately a pre-existing condition.

Carolyn Rogers said that she has been called upon to provide a Briefing Note to the Minister on a number of occasions related to the denial of a travel insurance claim. And the circumstances are always the same, so she can just resurrect and dust off her previous Briefing Note.

It’s inevitably a retired single or couple, who are snowbirds or are vacationing outside the country when a medical issue comes up. They believe that they have answered all of the questions on the application form honestly, so they’re dumbfounded, devastated, and have a real sense of injured merit when they find out that the insurer is refusing to pay their claim.

Grant Swanson advised that a related question is “has the consumer been made aware of all of the travel insurance alternatives available to them?”: egs. they may have travel insurance on their credit card; there may be the alternative of a more generous, fully underwritten plan. This is where you get into the issue of advice and supporting Consumer Financial Literacy.

In summing up, Carolyn Rogers said that given that it’s the same problem that keeps cropping up with travel insurance again and again, it appears to be a systemic problem.

CCIR would appreciate it if CAFII could play a leadership role in dealing with this problem, by striking a group to review and improve Medical Application Forms and the related underwriting process, possibly in conjunction with CLHIA and/or the Travel Health Insurance Association.)

March 5, 2014

Mr. Louis Morisset
Président-directeur général
Autorité des marchés financiers
800, Square Victoria, 22^e étage
Tour de la Bourse, Montréal (Québec) H4Z 1G3

Dear Mr. Morisset:

On behalf of the Canadian Association of Financial Institutions in Insurance (CAFII), I'm pleased to confirm the details of your upcoming luncheon and informal discussion with our Board of Directors and Executive Operations Committee on Tuesday, April 8, 2014 in Montreal. Thank you for accepting the invitation to meet and have an informal dialogue with our Association's leadership group, as confirmed by Evelyne Gemme and Louis Beauchamp in e-mail exchanges with me in late 2013.

Here are the details of our luncheon and meeting on April 8:

Date: Tuesday, April 8, 2014
Time: 12 Noon to 2:15 p.m.
Location: National Bank
600, rue de la Gauchetière Ouest,
Executive Dining Room, 4th floor
Montréal, Québec
Program: **12 Noon to 1:00 p.m.:** Luncheon and casual conversation between/among CAFII Board members and Louis Morisset, CEO, and other members of AMF senior management
1:00 to 2:15 p.m.: Informal dialogue between Louis Morisset/AMF senior management team and CAFII Board of Directors/Executive Operations Committee, with a focus on *AMF Vision and Industry Issues*

In keeping with the tradition of productive and mutually beneficial liaison meetings between CAFII and the AMF, we would be pleased to have the members of your senior management team join you in attending our gathering on April 8. In that connection, we kindly ask that you have someone from your office inform us of who will be accompanying you, by Thursday, April 3.

CAFII's most recent official meeting with the AMF senior management team was on June 7 of last year, shortly before it was announced that Mario Albert had been appointed by the Government to a new leadership post and that you would be his successor as CEO of the AMF. CAFII's leaders are therefore very much looking forward to the opportunity to meet you on April 8, get acquainted over a nice lunch, and have some informal dialogue on issues of common interest.

Sincerely,


Brendan Wycks, BA, MBA, CAE
Executive Director

ABOUT CAFII

The Canadian Association of Financial Institutions in Insurance (CAFII) is a not-for-profit industry Association dedicated to the development of an open and flexible insurance marketplace. CAFII was established in 1997 to create a voice for financial institutions involved in selling insurance through a variety of distribution channels. CAFII 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.

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

In addition, CAFII has 10 Associate members that support the role of financial institutions in insurance.

CAFII members offer travel, life, health, property and casualty, and creditor's group insurance across Canada. In particular, creditor's group insurance and travel insurance are the product lines of primary focus for CAFII as its members' common ground.

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

Date: Tuesday, April 8, 2014

Host: National Bank

Location: National Bank
600, rue de la Gauchetière Ouest,
Executive Dining Room, 4th floor
Montréal, Québec

Event Type: Lunch and Meeting

CAFII Contact: Leya Duigu at leya@cafii.com or 416-494-9224 ext. 316

Program & Requirements

Time	Description	# of people	Setup	A/V	Comments
12:00–1:00 pm	CAFII Board Lunch and casual conversation with Louis Morisset, CEO, and AMF Staff Executives	14 - 16	Lunch	none	<u>Invited:</u> Louis Morisset, CEO, and AMF Staff Executives (3-4); CAFII Board Members; Jennifer Hines; and Brendan Wycks
1:00 – 2:15 pm	<i>Industry Vision and Issues</i> discussion	25 - 28	Board room style	Conference phone that is appropriate for group size	Informal discussion between Louis Morisset/AMF Management Team and CAFII Board/EOC group
2:30 – 5:00 pm	CAFII Board Meeting	25	Board room style	Conference phone that is appropriate for group size	Refreshments determined by host and could include tea, coffee, water, juice and cookies.

PLEASE NOTE: Hosts can be reimbursed for expenses related to hosting the CAFII Board meeting and reception. Please see Expense Reimbursement Guidelines on www.cafii.com under the Documents / Other / CAFII Association Documents tab.

Agenda Item 6(b)(ii)(b)

March 25, 2014 EOC Meeting

CAFII Liaison Lunch and Meeting With Louis Morisset, CEO, and Staff Executives of AMF

Overarching Topic

-What is M. Morisset's Vision for the AMF and, in particular, its role as insurance regulator in Quebec?

Possible Agenda Items

-AMF/Quebec Sound Commercial Practices Guideline: How is implementation going? Any particular issues or concerns re its application?

-Quebec Insurance Act overhaul/re-write that was formally announced on April 30, 2013: Progress report on this initiative

-Two-Page Distribution Guide: Progress report on this initiative

-Any particular changes to the legislative and regulatory agenda for insurance anticipated as a result of the outcome of yesterday's (April 7) election in Quebec?

-Federal Government's Proposed Financial Consumer Code: AMF's views on this initiative?

-Electronic Commerce: What implementation steps, if any, does AMF/Quebec plan to take with respect to the final CCIR Position Paper on Electronic Commerce?

-CCIR: Will the AMF's linkages with and participation in the CCIR change under M. Morisset's leadership?

-LLQP Modernization: What sort of feedback on this initiative is the AMF receiving from brokers/agents in Quebec?

-Electronic Licensing and Interprovincial Harmonization Issues: Will AMF/Quebec be "getting on board" quickly with the Canadian Insurance Participant Registry initiative being led by the Alberta Insurance Council?

-AMF's Strategic Focus on Financial Literacy Education as part of Consumer Protection: Progress report on this initiative. Will this initiative and, in particular, the "Financial Literacy Index" component change under M. Morisset's leadership?

-Any particular regulatory concerns or hot button issues re insurance at this time? Anything looming on the horizon?

-Given CAFII's expanded focus on both regulators and policy-makers, would it be prudent for CAFII to meet with the Minister of Finance and/or other Quebec policy-makers in 2014? Who are the key policy-maker officials?

***Agenda Item 6(b)(iii)(a)
March 25, 2014 EOC Meeting***

From: Brendan Wycks [mailto:brendan.wycks@cafii.com]

Sent: March-07-14 3:50 PM

To: mark.cummings@scotiabank.com; Rino D'Onofrio (rino.donofrio@rbc.com); David Minor (Dave.minor@td.com); Rick Lancaster (rick.lancaster@cibc.com); Richard Hebert (Richard.Hebert@bnc.ca); Linda Fiset (lfiset2@dfs.ca); vivianne.g.maglione@aexp.com; Robert Zanussi (Robert.Zanussi@assurant.com); Isaac Sananes (isananes@aegonusa.com); Julie Barker-Merz (julie.barkermerz@bmo.com)

Cc: 'Manson, Sue'; 'emily.brown@bمولife.com'; 'alduval@dsf.ca'; 'rose.beckford@scotiabank.com'; eleanore.fang@td.com; brian.wise@assurant.com; 'Hines, Jennifer' (jennifer.hines@rbc.com); 'Yeung, Paul' (paul.yeung@rbc.com); Gill Moira (moira.gill@td.com); Grant Greg (Greg.Grant@cibc.com); 'Lewsen, John'; 'Leya Duigu'; cblaquiere@aegonusa.com; derek.blake@rbc.com; Cecillia.Xiao@assurant.com; heather.latimer@scotiabank.com

Subject: Call For CAFII Board/EOC Member Participation In Liaison Meeting With Atlantic Canada Regulators: Thursday, May 15, 2014

Board and EOC Members:

The date and details for our joint liaison meeting with the Atlantic Canada regulators are now settled, as set out in my confirmation e-mail to them below.

With reasonable advance notice, we'd now like to invite Board member and/or EOC member participation in this regulatory visit. We'd like to secure commitments from several additional representatives, to augment a core group of Moira Gill, Charles Blaquiere, and myself (based on established relationships with the regulators; and previous discussion about this joint meeting).

Based on the Association's policy and practice, this invitation is extended on the understanding that a member FI will cover its own representative's travel expenses to Halifax, and any accommodation and incidental expenses.

So we are canvassing Board and EOC members for participation commitments based on interest; availability on Thursday, May 15; and available budgetary resources.

(We will also try to arrange, for a smaller CAFII group that has the additional availability, a one-on-one regulatory meeting with Nova Scotia Superintendent Doug Murphy on the evening of Wednesday, May 14, likely over dinner. And possibly a similar one-on-one meeting with another of the Atlantic Canada regulators on the evening of Thursday, May 15.)

Please consider this opportunity and let me know by Friday, March 21 if you can be a member of CAFII's delegation for this meeting. That deadline will allow the EOC to formulate specific plans for this joint visit at its meeting on March 25, based on a delegation of confirmed participants.

Brendan Wycks, BA, MBA, CAE
Executive Director

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

Sent: March-05-14 5:08 PM

To: 'Mazerolle, Angela (FCNB)'; 'murphydh@gov.ns.ca'; 'rabradley@gov.pe.ca'; cwhalen@gov.nl.ca

Cc: 'Weir, David (FCNB)'; steeleka@gov.ns.ca; pjmcinnis@gov.pe.ca; Gill Moira (moira.gill@td.com); 'Hines, Jennifer' (jennifer.hines@rbc.com); 'Leya Duigu'; cblaquiere@aegonusa.com; 'Yeung, Paul' (paul.yeung@rbc.com)

Subject: Confirming Date and Details For 2014 CAFII and Atlantic Canada Insurance Regulators Joint Meeting

Hello again, Angela, Doug, Robert, and Craig.

Thanks to all of you for responding promptly to my *availability and preferences poll* last week. Fortunately, a couple of the dates proposed appear to work for everyone.

CAFII is therefore pleased to confirm the following date and details for our joint meeting:

Date: Thursday, May 15, 2014 (alternate date, in case any regulator has an immediate/near future change in calendar commitments, is Wednesday, May 14, 2014)

Time/Format: Half-day meeting, beginning with lunch, from 11:30 a.m. to 4:00 p.m. CAFII will cover the hosting expenses, including lunch.

Location: Halifax, Nova Scotia

Participation1: -Angela Mazerolle, New Brunswick; Doug Murphy, Nova Scotia; Robert Bradley, PEI; successor to Doug Connolly and/or Craig Whalen, Newfoundland

-As many staff members from regulators' offices as the Superintendents would like to bring along

-five to 10 CAFII representatives, including Executive Director

Agenda: Within the next two weeks, CAFII will circulate a draft agenda for the meeting, for your review and feedback. We want to organize the agenda such that the information-sharing and learning it generates is highly mutual and beneficial; and such that both CAFII representatives and regulators serve as presenter/lead discussant on given topics

1 The purpose of our liaison meeting is both education (mutual) and dialogue on specific industry issues. In that connection, immediately following lunch, CAFII would like to start things off on an educational note with a short, independent research-based presentation on creditor's group insurance, alternate distribution, and access for under-served consumer segments. Therefore, we strongly encourage you to consider bringing a broader staff group to the meeting, as many members of your team as you feel would benefit from its education and information-sharing focus.

Approximately one week prior to the meeting, CAFII will ask each regulator's office to confirm its number of attendees, to ensure that the meeting room is suitably equipped and that we order appropriately for lunch.

Looking forward to our meeting in May,

Brendan Wycks, BA, MBA, CAE

Executive Director

Canadian Association of Financial Institutions in Insurance

Agenda Item 6(b)(iii)(b)

March 25, 2014 EOC Meeting

CAFII Joint Visit To Atlantic Canada Insurance Regulators: May 15, 2014

Possible Presentation Topics

-Overview of Creditor's Group Insurance and Alternative Distribution (CAFII "Creditor Insurance 101" presentation to CCIR from a few years ago will need only minor tweaks and updates)

-Highlights of 2010-11 "Customer Value Proposition of Creditor's Group Insurance for Mortgages Study," comparing creditor's group mortgage life, disability, and critical illness insurance versus individual insurance products (including mention that CAFII is currently in the process of updating this study again using the services of an independent, third party actuarial firm)

Possible Agenda Items

-LLQP modernization, including CAFII's letter to CISRO in support of same

-Electronic licensing and other interprovincial harmonization issues; including Canadian Insurance Participant Registry and need for all provinces to "get on board" quickly

-Update on New Brunswick's "Opportunities for Reforming the Licensing Framework for Other-than-Life Agents and Brokers";

-Update on status of Atlantic Task Force on ISI; other related opportunities for regulatory modernization and inter-provincial harmonization

-Insurance Act Review status in each province; and Superintendent's Priorities in each province

-Need to foster innovation/access for under-served market via support for alternate distribution, including electronic commerce

-CCIR's strategic plan priorities for 2014-17, including CAFII's submission on that topic

-provincial interest in federal Government's proposed financial consumer code, including CAFII's submission on same;

-Plain Language, Consumer Financial Literacy, and Consumer Protection

CAFII Priorities by Committee – March 20, 2014

Executive Operations Committee

Membership: As per CAFII Bylaw 6.01. Sub-committees may strike taskforces drawing on expertise of other individuals associated with member companies.

Mandate	Activities	Issues of Interest
Recommend budget and priorities to Board	Draft and review Financial Reports	
Keep environment open to key products	Be aware of current and emerging issues (Regulatory Update).	
	Develop responses to regulatory initiatives. Forward to board for approval as necessary. Oversight of Distribution and Market Conduct Policy Committee (DMC)	Regulation of ISI
		International regulation of creditor products
		Market Conduct Regulation
		Electronic Commerce
		Provincial Insurance Act Reviews
		Quebec Distribution Guide
Keep environment flexible /efficient	Identify barriers to efficient operations. Oversight of Licensing Efficiency Issues Committee (LEIC)	Licensing Irritants
		Provincial Insurance Councils and CISRO issues, including LLQP
		Electronic licensing
Develop communication plans and tools	Oversight of Media and Advocacy Strategy Committee(MAC)	Multi-jurisdictional licensing/mutual recognition
Build relationships with key stakeholders	Connect with regulators and policy-makers. Manage and conduct regulator visits. (Manage Regulator and Policy-Maker Visit Plan) Approve attendees at regulator and policy-maker meetings, review meeting notes and manage follow-up actions	Communications strategy, CAFII Branding Advocacy Strategy Website
	Oversight of Networking and Events committee	
Other items	Continuance under new Canada Not for Profit Corporations Act (CNCA)	Articles of Continuance to be filed by October 17, 2014
	Changes to CAFII Management structure – development of Executive Director role	Executive Director hired effective December 2012; oversight of establishment of ED's role, its evolution and effectiveness

Distribution and Market Conduct Policy Committee

Membership: The committee will have 4 permanent members including 2 co-chairs all of whom are members of the EOC.

Co-Chairs: 1) Sue Manson, CIBC 2) ? **Other members:** 3) Emily Brown, BMO 4) Brian Wise, Assurant Solutions

5) Andre Duval, DFS 6) Rose Beckford, ScotiaLife Financial 7) Ex Officio: Jennifer Hines, RBC; Brendan Wycks, Executive Director **Mandate:** Oversee development of CAFII policy positions as directed by EOC. Oversee taskforces as required. Activities: Draft CAFII submissions, Manage and interpret industry research projects as approved by EOC

Item	Description	Activities Completed/Industry Developments	Status/Next Steps
Regulation of ISI	Quebec <ul style="list-style-type: none"> DWR (review of Insurance Act) 	<ul style="list-style-type: none"> CAFII members met with Eric Stevenson November 15, 2012 and with AMF staff executives on June 7, 2013 Insurance Act Overhaul/Re-write formally announced by Quebec Government on April 30, 2013 	<ul style="list-style-type: none"> Active
	Quebec <ul style="list-style-type: none"> Review of Distribution Guide 	<ul style="list-style-type: none"> CAFII input provided on Guide (e.g. signature, remuneration) through letter sent to AMF June 2012, meeting with Eric Stevenson on November 15, 2012 and follow-up letter sent to AMF Dec 2012 	<ul style="list-style-type: none"> Active EOC involvement and oversight Met with AMF in Quebec City on June 7, 2013 DMC proposes information session on the Guide, for CAFII member staff, once Guide is finalized
International Regulation of Creditor Insurance	PPI IAIS Core Principles	<ul style="list-style-type: none"> B. Wycks reported on US and UK developments CAFII Project 	<ul style="list-style-type: none"> Active/Monitor ongoing Board approval received on June 11, 2013 to secure draft communication of project outcomes Post-Implementation Review Presentation by Chrys Lemon on latest developments in US, at Annual Members' Luncheon in February 2014
		<ul style="list-style-type: none"> Subcommittee working on matrix of impact of Insurance Core Principles (ICPs) and international regulations 	<ul style="list-style-type: none"> EOC Input obtained Active

CAFII Priorities by Committee – March 20, 2014

Item	Description	Activities Completed/Industry Developments	Status/Next Steps
Industry Complaint Statistics		<ul style="list-style-type: none"> Subcommittee working on compilation of Industry Complaint Statistics 	<ul style="list-style-type: none"> EOC Input obtained DMC Subctte. met on June 4 and 25, 2013 To be reactivated
Consultations	FSCO life insurance product suitability review	<ul style="list-style-type: none"> FSCO has held consultation meetings with CAFII on this initiative in July and September 2013 	<ul style="list-style-type: none"> Having provided significant input through two meetings, CAFII was consulted on final draft of survey of life agents, and on final report from Suitability Review. FSCO has requested follow-up meeting with CAFII on April 9, 2013 to share results of life agent survey
	E-commerce	<ul style="list-style-type: none"> CCIR and AMF – upcoming consultations 	<ul style="list-style-type: none"> Active with Release of CCIR E-Commerce Position Paper on May 23, 2013 CAFII submitted detailed response to CCIR E-Commerce Position Paper in July 2013 CCIR Final E-Commerce Position Paper released November 15, 2013; CAFII analysis indicates that final CCIR recommendations in harmony with CAFII positions, as stated in submission
	Provincial Insurance Acts	<ul style="list-style-type: none"> Manitoba 	<ul style="list-style-type: none"> Draft ISI Regulations released on June 3, 2013; Licensing Committee dealt with this matter. CAFII submitted detailed response to Draft ISI Regulation in July 2013

CAFII Priorities by Committee – March 20, 2014

Item	Description	Activities Completed/Industry Developments	Status/Next Steps
			<ul style="list-style-type: none"> ▪ Scott Moore, Deputy Superintendent, called B. Wycks on October 2, 2013 to provide detailed update on progress with and timelines for ISI Regulation ▪ B. Wycks had further conversations with S. Moore in November 2013 and February 2014 ▪ CAFII submitted response to second draft of ISI Regulation on January 10, 2014 ▪ CAFII requested meeting with Manitoba Minister of Finance to stress imperative of harmonization of provincial ISI regimes ▪ S. Moore advised in February 2014 that Draft ISI Regulation will be amended to address nearly all of concerns expressed by CAFII and other industry stakeholders; and confirmed same in writing ▪ Finance Minister Jennifer Howard's EA contacted B. Wycks on March 21/14 to propose two April 2014 date/time options for a meeting with CAFII
		<ul style="list-style-type: none"> ▪ Saskatchewan 	<ul style="list-style-type: none"> ▪ Watch
		<ul style="list-style-type: none"> ▪ Ontario 	<ul style="list-style-type: none"> ▪ Watch

CAFII Priorities by Committee – March 20, 2014

Item	Description	Activities Completed/Industry Developments	Status/Next Steps
Comparison of creditor insurance on mortgages with term life and individual disability insurance project	Survey member companies, update analysis and research	<ul style="list-style-type: none"> Comparison of creditor insurance on mortgages with term life and individual disability insurance: pricing, approval rates, claim approval rates, etc. 	<ul style="list-style-type: none"> Active Last conducted in late 2009/early 2010 on 2008 data DMC secured Board approval for refresh of this study, using 2013 data; to be conducted in 2014. Avalon proposal and draft survey brought to EOC at September 24, 2013 meeting. Due to concerns, committee advised to negotiate with Avalon for better terms and also to “shop” the Study Board approved the engagement of Towers Watson as actuarial consultant to this project in early March 2014. Project kick-off meeting held March 20/14

AMF Distribution Guide Task Force

(Task Force of Distribution and Market Conduct Policy Committee)

Members: Emily Brown, Brian Wise, Rose Beckford, Moira Gill, Sue Manson, Brendan Wycks

Purpose: Recommend changes to the AMF Distribution Guide based on the Mutual Fund Guide, customized for exclusion disclosure

Licensing Efficiency Issues Committee

Membership – 1 Chair who is a member of EOC and three members from representative companies.

Chair: Moira Gill, TD 2) Rose Beckford, ScotiaLife Financial 3) Brian Wise, Assurant Solutions 4) Greg Grant, CIBC 5) Ex Officio: Jennifer Hines, RBC; Brendan Wycks, Executive Director

Mandate: Identify and manage licensing efficiency issues for restricted and individual licensing processes.

Priorities	Issues	Currently active issues	Status
Licensing operation issues Streamlining and harmonizing licensing requirements (training, CE, other)	Request for restricted certificates for third parties in Alberta	v	CAFII letter to the Council (2011). Council responded that they did not support the request. Committee decision to address the issue with the Council again when time was opportune. J. Abram indicated to B. Wycks on November 21/13 that AIC is interested in creating a forum for Representation for Restricted Licence Holders in Alberta. Window of opportunity for this in Q1 2014, in conjunction with plans to fold near-dormant Adjusters Council into General Council. CAFII had preliminary consultation meeting with J. Abram about this on December 12/13 and a further discussion during liaison lunch on March 17/14. This development may present a tandem opportunity to push for restricted certificates for third parties.
	CISRO project to redesign LLQP – project completion target date is early 2015		CAFII attended CISRO's quarterly LLQP Stakeholder Information Sessions on January 17/13, April 9/13, and October 30/13; and had one-on-one meeting with LLQP Committee on February 10/14. Thereafter, CISRO requested a letter of support from CAFII for its LLQP modernization initiative, which CAFII delivered on February 21/14.

CAFII Priorities by Committee – March 20, 2014

			Another session of one-on-one stakeholder meetings to be held in Toronto on Wednesday, May 28/14.
	Licensing process -streamlining and harmonization		Identification of issues ongoing
ISI regime implementation	Manitoba – issues to be resolved with implementing regulations		<p>Included in Insurance Act Spring 2012 Letter sent in August 2012 -CAFII response to draft ISI Regulation sent in early July 2013. On October 8/13, Board supported recommendation that CAFII seek a meeting with the Minister re imperative of harmonization of Manitoba's ISI Regime with other provinces -CAFII response submission on second draft of ISI Regulation sent on January 10, 2014 -In late February 2014, S. Moore, Deputy Superintendent, communicated to CAFII that Manitoba's Draft ISI Regulation would be amended to address nearly all of the concerns expressed by CAFII and other industry stakeholders; and he subsequently confirmed that in writing</p>
Provincial Insurance Councils and CISRO issues	Opportunities to have restricted licensees represented or otherwise participate on Council discussed with Saskatchewan and Alberta. Committee identified a need for an analysis of options for BC, Alberta & Saskatchewan. Council representation needed		<p>Legal assistance engaged and analysis of options underway.</p> <p>Meeting with AIC Jan 2012. Meetings with Sask. held Meeting with Manitoba held</p> <p>Active: CAFII Concept Proposal For A Saskatchewan Insurance Councils' Restricted Insurance Agents Advisory Committee submitted to R. Fullan on October 10/13.</p>

CAFII Priorities by Committee – March 20, 2014

			Active: In a meeting with B. Wycks on November 21/13, J. Abram, CEO, indicated that AIC would be open to a CAFII proposal re representation for restricted licence holders. Q1 of 2014 could be opportune to begin discussions re establishing a "Restricted Licence Holder Council." CAFII advanced discussion with AIC on this issue on December 12/13 and March 17/14. CAFII to provide submission to AIC based on updated options analysis developed by Stikeman Elliott
Electronic licensing	Promote use of electronic licensing systems by provincial regulators; possible use of "business numbers" to link		-Letter of support sent to CISRO May 2012 -Alberta Insurance Council readying to launch Canadian Insurance Participant Registry (CIPR) later in 2014; will be a significant leap forward towards a national electronic licensing system
Multi-jurisdictional licensing/ mutual recognition	Trade Agreements - promote mutual recognition (Ontario – Quebec, New West Partnership)		-Attended trade agreement update meeting May 2012 - CAFII viewpoints on licensing and harmonization communicated, as related relevant commentary, in February 2014 letter of support for CISRO's LLQP modernization initiative

Media and Advocacy Strategy Committee

Membership: The committee will have 4 permanent members including 2 co-chairs, all of whom are members of EOC. EOC chair is co-chair.

Co-Chairs: 1) John Lewsen, BMO 2) Moira Gill, TD

Members: 3) Paul Yeung, RBC 4) Greg Grant, CIBC 5) Charles Blaquiere, Canadian Premier 6) Ex Officio: Jennifer Hines, RBC

Resources: Leya Duigu, Brendan Wycks

Mandate: Identify key stakeholders and develop, recommend and implement communication and advocacy strategy. Oversee CAFII branding. Oversight of Media Response Task Force.

Areas of Interest: Underserved Market: Creditor Insurance (value proposition, disclosure); Counter broker lobby messages

Initiatives	Status/Explanation	Resp	Next steps
-Develop a Communications Strategy	<p>-Update Communications Strategy: CAFII-branded “Regulatory Value Added Strategy” for website and regulator communication. Most materials exist but materials should be reviewed and recommendations made as to how to package and brand materials. Include concept of sending targeted messages to regulators when an issue is in the media.</p> <p>-bring strategy up to date, should be a refresher at every Board meeting</p>	ED	<p>-Draft 2014 External Communications Strategy prepared by B. Wycks and reviewed with MAC on September 19/13. Highlights presentation shared with EOC on September 24/13. Executive Summary of Strategy document – reflecting MAC and EOC feedback -- prepared for Board review and approval on October 8/13.</p> <p>-Based on Board feedback, Communications Strategy refined by MAC, for EOC Review on October 29 and November 26/13. Revised “Media” and “Public and Consumer Interest Groups” strategies to be presented and Board approval of Revised Communications Strategy received at December 4/13 meeting.</p>
<p><u>Website</u></p> <p>-collect testimonials, post on site</p> <p>-Refresh CAFII mission statement</p>	<p>-Testimonial (written or video)- 1 per member, have 7 or 8 available and determine how to rotate through (value –add to members)</p> <p>-review mission statement to ensure it is in line with branding,</p>	<p>ED</p> <p>ED</p>	<p>-Email reminder sent w/o Oct 22, 2012; One written and two video testimonials received to date. B. Wycks to follow-up with direct request to each Voting Member, via EOC members</p> <p>-Removed from MAC Priorities, as Mission Statement is solely within Board purview and typically is reviewed as part</p>

CAFII Priorities by Committee – March 20, 2014

Initiatives	Status/Explanation	Resp	Next steps
-expand tabs to include other products & regulators/industry	-incorporate alternate distribution (underserved market) - Travel insurance product – ED to reach out to travel association and CLHIA; look at it from distribution perspective	ED ED ED	of Strategic Plan renewal. J. Hines and B. Wycks to discuss with Chair M. Cummings -Underserved market material drafted, to be approved for website. In process with ED B. Wycks as part of Communications Strategy implementation B. Wycks met with CLHIA Execs. on April 1, June 3, October 7, and December 19/13; had get acquainted discussion with John Thain, volunteer President of Travel Health Insurance Association, who works for Assurant Solutions, at CAFII 15 th Anniversary event. May be a need to form a joint industry/regulator working group on travel insurance application forms – with representation from CAFII, THIA, and CLHIA – as per wish expressed by J. Abram, Alberta Insurance Council CEO, on March 17/14; and earlier by C. Rogers, CCIR Chair, in CAFII/CCIR liaison meeting on October 30/13.
-What's New?	-In place, ongoing update of news		-Ongoing
<u>CAFII Branding</u> -develop marketing tagline -CAFII newsletter for regulators	several tagline options sent to Board -identify differentiating factor, eg advocating for insurance access , choice, all Canadians - include tagline on all submissions, website, swag, and letters to regulators -Insurance regulatory news to be collected and shared with regulators as a value-added service	J Lewsen ED ED	Completed -Completed -Completed and ongoing

CAFII Priorities by Committee – March 20, 2014

Initiatives	Status/Explanation	Resp	Next steps
-CAFII “look”	-Develop a font and layout unique to CAFII to be used in letters, submissions and newsletter; assess if new logo needed	ED	-Completed
-Acquire soft marketing tools (pads, pens etc),	-Coasters suggested– include tagline and web address on next re-order		-Completed
<u>Media Protocol</u> -Develop and manage protocol for handling media requests -media training for ED	-Protocol revised with arrival of ED	ED	-Completed; revised Media Protocol approved by MAC on January 17/13 -Media Training for ED scheduled for March 26/14, with three MAC members also participating.
-Monitor Media		ED	Ongoing
-Develop List of Friendly media			Paul & Moira have completed list
-Notify communications departments of member firms	-To be done when messaging is reviewed		
-News Release	-Send out notification re new ED		-Completed. Notice sent to all CAFII members. Included in first issue of Regulators’ newsletter and added to web site.
Develop 2-3 likely media response scenarios	-In process in conjunction with Key Message development and media training/media preparedness work	ED	-B. Wycks reviewing material drafted by G. Grant.
Key Message Development - identify issues and develop key messages	-Key message document: develop and review stock messages to be used in communication opportunities	ED	-In process. Key Messages being reviewed and refined by B. Wycks as part of Communications Strategy implementation
-Regulator Kit -develop booklet /brochure	For new regulators. Compile package of information for regulators which can include: -booklet - past submissions, -testimonials and -key fact sheet.	ED ED	-Some content developed by RBC intern -To be completed as part of Communications Strategy implementation

CAFII Priorities by Committee – March 20, 2014

Initiatives	Status/Explanation	Resp	Next steps
-Key Facts sheet	Booklet - take images from website, testimonials, designed to highlight major issues. Small 10 page booklet that can be given out with business cards. -develop a “Key Facts” sheet to be part of regulator package	ED ED	-To be completed as part of Communications Strategy implementation -To be completed as part of Communications Strategy implementation
Manage research to support message (eg. Pollara) - develop key messages - manage plan of use of research - determine when and what research must be undertaken or renewed	-Pollara plan of use in place	MAC	-Research is a key component of Communications Strategy. Plan of use to be reviewed by ED in light of now approved Communications Strategy
-Industry Statistics	-identify and keep current statistics from LIMRA and CAFII research	ED	-overlapping responsibility with DMC. Referred/delegated to DMC.
Webinars: -Develop and offer webinar education -Determine distribution of webinar material	-develop / oversee development of new webinars -review and keep webinars current -track who has seen which webinars -plan number of webinars per year, have list of upcoming webinars -deliver webinars	ED	-Digital commerce and social media webinar, developed by Davis Yoo and Debbie Dimoff of PwC, delivered to CCIR audience on May 30, 2013. -Topic and timing of next webinar for CCIR under consideration as part of Communications Strategy implementation

Media Response Taskforce

Membership: Taskforce consists of any two members of the Media and Advocacy Strategy committee plus Executive Director Brendan Wycks.

Purpose: Deal with media issues as they arise. Make recommendation to Board communications committee (Members: Mark Cummings, Scotialife Financial; Dave Minor, TD; Rick Lancaster, CIBC; Julie Barker-Merz, BMO)

CAFIL Priorities by Committee – March 20, 2014

Networking and Events Committee

Membership: 1 Chair - 2 members; EOC Chair is an Ex-Officio member

Chair: Paul Yeung, RBC 2) Maria Sanchez –Chung, TD 3) Ex-Officio: Jennifer Hines, RBC Resources: Leya Duigu, Brendan Wycks

Mandate : Operate Cafil events and receptions to maintain contact with regulators, associate members and other key stakeholders.

Priority	Activities	Status
Plan Quarterly Speaker and reception events, and member-only event	-February 2014 Speaker Event (members only)	-Annual Members' Luncheon moved to February 11, 2014, with Chrys Lemon, Partner, McIntyre & Lemon, PLLC, Washington, DC, speaking on "Update On Credit Card Insurance Market In The U.S. Since 2012."
	-April 8, 2014	-Louis Morriset, AMF CEO, has agreed to speak to Cafil Board/EOC informally at liaison lunch and group discussion gathering in Montreal
	-June 2014 AGM/Regulator Reception Event	-Maria Sanchez-Chung pursuing speaker form FCAC
	October Speaker Event	-Speaker required
	December 2014 Reception	
Keep current lists of key contacts		
Christmas cards to key contacts?		
Seek out other opportunities to meet with contacts (eg. corporate table)		

Agenda Item 7(b)(i)

March 25, 2014 EOC Meeting

Online CIPR Demo Presentation for CAFII and CADRI Members

March 17, 2014

CAFII Attendees: Moira Gill; John Lewsen; Charles Blaquiere; Derek Blake; Sue Manson; Cecilia Xiao; Lynn Whitehead; Christina Raso-Lazzaro; Richard Hebert; Sandy Prokop; Steve Montgomery; Brendan Wycks; Leya Duigu

CADRI Attendees: Antonietta Di Girolamo; Barb Wesselius; Eva Skupien; Jaime Porcellato; Sarah Cook; Wenda Robinson

Alberta Insurance Council Attendee: Robin Thompson, Director of IT

Presentation Overview

- 20 people participated including 13 CAFII members, 6 CADRI members and presenter, Robin Thompson
- The presentation was held from 3:35 to 4:45 pm
- The presentation was offered online, in real time via Adobe Connect and CAFII's conference call provider.
- While participants had the ability to ask questions verbally everyone opted to type questions into the chat window. Questions were asked by Sandy Prokop (RBC), Brendan Wycks, Wenda Robinson (The Cooperators), and Eva Skupien (The Cooperators).
- Robin Thompson ended the call by noting that the site is still in development mode and he welcomes feedback from the industry.

CIPR Highlights

- The Alberta Insurance Council has taken a consumer approach to the look and feel of the site, using bold colours, white space and larger font sizes.
- The overall goal of the CIPR is to facilitate information-sharing on a large scale including the application and renewal process.
- At present, 93% of Alberta licence renewals are processed without a person ever visiting the AIC and, should a renewal be flagged for any reason, the system pushes it to an individual staff member for review. CIPR will be designed to operate in much the same way.
- CIPR is being developed to provide real-time notifications regarding applications, renewals and cancellations.
- To date, FSCO and RIBO have expressed an interest in joining in on the CIPR in the near future.
- Anticipated roll-out and adoption will occur in the first quarter of 2015.

Next Steps: None at this time.