

CAFII Executive Operations Committee Meeting

Date: Tuesday, March 26, 2019
Location: BMO Insurance, 6th Floor Boardroom, 60 Yonge St., Toronto, ON
Chair: M. Boyle

Time: 2:00 – 4:30 p.m. EST
Dial-in: 416-477-0921; 514-447-8925; or 1-888-543-2449
Participant: 1500; Moderator: 1501
Zoom URL: <https://zoom.us/j/4164770921>

Agenda

Item	Presenter	Action	Document
1. Call to Order 2:00 p.m. a. Welcome to New EOC Members (Joanna Onia, CIBC Insurance; and Afzal Baig, TD Insurance)	M. Boyle		
2. Consent Items 2:02 p.m. a. Consultations/Submissions Timetable b. Summary of Board and EOC Action Items c. April 3/19 CCIR Q&A Session/Webinar on Year 3 Changes to Annual Statement on Market Conduct d. Meeting Notes of February 26/19 EOC Teleconference Meeting	M. Boyle	Receipt Receipt Receipt Receipt Receipt	<u>✓</u> <u>✓</u> <u>✓</u> <u>✓</u> <u>✓</u>
3. Approval of Agenda and Previous Minutes 2:05 p.m. a. Agenda for March 26/19 EOC Meeting b. Minutes of January 15/19 EOC Meeting c. Minutes of November 20/18 EOC Meeting d. Minutes of March 1/19 CAFII Special Purpose Board Meeting	All All All All	Approval Approval Approval Approval	<u>✓</u> <u>✓</u> <u>✓</u> <u>✓</u>
4. Strategy and Governance 2:10 p.m. a. CAFII Special Project On CCBPI: i. Next Steps with Selected Law Firm Stikeman Elliott ii. RFP Process for Business Consulting Firms b. CAFII Submission to FCAC on Draft Online/Web Consumer Education Materials c. Proposal That CAFII Pursue a “Creditor Insurance Education and Dialogue Meeting” with Richard Bilodeau, Acting Deputy Commissioner, FCAC d. EOC Feedback on February 18-22/19 Visit of Helen Troup, Executive General Manager, Comminsure, Australia, to CAFII and Member Companies e. Strategy Around March 27/19 CAFII Meeting with CCIR/CISRO Fair Treatment of Consumers Working Group f. CAFII Membership Status of Amex Bank of Canada	K. Martin B. Wycks P. Thorn/B. Wycks B. Wycks/K. Martin B. Wycks/K. Martin B. Wycks/K. Martin	Updates Update Discussion Discussion Discussion Update	 <u>✓</u> <u>✓</u> <u>✓</u> <u>✓</u> <u>✓</u> <u>✓</u> <u>✓</u> <u>✓</u> <u>✓</u> <u>✓</u>
5. CAFII Financial Management 2:40 p.m. a. Financial Statements as at February 28/19 b. Draft CAFII 2018 Audited Financial Statements	T. Pergola	Approval Approval	<u>✓</u> <u>✓</u>
6. Regulatory 2:50 p.m. a. Regulatory Update i. CAFII Submission to AMF on Other than Debtors/Spousal Coverage Issue ii. Next Steps Arising From AMF’s Regulation Respecting Alternative Distribution iii. Communication to Insureds Arising From Manitoba Change in PST Rate b. Regulator and Policy-Maker Visit Plan i. Proposed Change In Timing For 2019 CAFII Western Canada Insurance Regulators and Policy-Makers Visits Tour ii. CAFII Insurance Regulator and Policy-Maker Liaison Meetings During 2019 CLHIA Compliance and Consumer Complaints Conference, May 8-10/19, Niagara Falls iii. FCNB 2019 “Consumer Protection Conference,” June 11/19, Fredericton	B. Wycks B. Wycks K. Martin B. Wycks/P. Thorn B. Wycks B. Wycks/K. Martin B. Wycks B. Wycks	Update Update Update Update Discussion Update Update	<u>✓</u> <u>✓</u> <u>✓</u> <u>✓</u> <u>✓</u>

7. Committee Updates		3:20 p.m.		
a. Research & Education	D. Quigley/K. Martin K. Martin/D. Quigley	Update	<u>✓</u>	<u>✓</u>
i. Public/Media Results Release of Pollara Consumer Research on Mortgages/HELOCs, including Webinar for CCIR/CISRO		Update		
ii. CAFII Research Priorities, 2019		Update		
b. Market Conduct	B. Kuiper	Update		
c. Media Advocacy	C.Blaquiere/K.Martin	Updates		
i. New CAFII Website Video On Travel Medical Insurance Research Results			<u>✓</u>	
ii. CAFII Website Enhancements, 2019				
d. Licensing Efficiency Issues, including	M. Gill			
i. Saskatchewan Restricted Insurance Agent Advisory Committee	M. Gill/B. Wycks	Update		
e. Travel Medical Experts	A. Baig	Update		
f. Networking & Events	J. Lewsen/S. Kirby	Update		
i. EOC Feedback on 2019 CAFII Annual Members' Luncheon	K. Martin/B. Wycks	Discussion	<u>✓</u>	
ii. Speaker for April 16/19 CAFII Reception	K. Martin/B. Wycks	Update	<u>✓</u>	
iii. Speaker For June 4/19 CAFII Reception	K. Martin/B. Wycks	Update	<u>✓</u>	
8. Other Business		4:05 p.m.		
a. Proposal That Duration of CAFII EOC Teleconference-Only Meetings Be Extended To 90 Minutes, To Be Used Only If Necessary	B. Wycks/K. Martin			
9. In Camera Session		4:15 to 4:30 p.m.	M. Boyle	Discussion
10. Tracking Issues				
a. BC 10-Year Review of Financial Institutions Act				
b. FCNB Plans To Introduce An RIA Licensing Regime in New Brunswick				
c. AMF Consultation on Updating Sound Commercial Practices Guideline				
d. Alberta Government Plans to Create a Single Financial Services Regulator				
e. FCAC: Phase 2 of Domestic Bank Retail Sales Practices Review				

Next Board Meeting: Tuesday, April 16/19, 3:00 – 5:00 p.m.; The National Club, 303 Bay St.; Host: CUMIS Services Inc.

Next EOC Meeting: Tuesday, April 23/19, 2:00 – 3:00 p.m. (*Teleconference only*) 416.477.0921 / 1.888.543.2449 | Participant code: 1500#

CAFII Consultations/Submissions Timetable 2019-20

Regulatory Issue	Deliverable	Deadline	Accountable
BC Ministry of Finance 10-Year Review of FIA (Initial Public Consultation Paper released June 2, 2015)	<ul style="list-style-type: none"> Preliminary Recommendations Paper on policy proposals for change CAFII Response to Preliminary Recommendations Paper Proposed Revised Financial Institutions Act released for consultation CAFII submission on proposed revised FIA <i>Meeting with Ministry of Finance officials, if necessary</i> 	<ul style="list-style-type: none"> Released March 19/18 June 19/18 Q2 2019 (expected) Q2 2019 <i>Q2 or Q3 2019</i> 	<ul style="list-style-type: none"> Joint Market Conduct/Licensing Committee; Co-EDs to monitor
Alberta Consultation on Creating a Single Financial Services Regulator	<ul style="list-style-type: none"> Alta Govt. releases Consultation Paper CAFII Submission on Govt. Consultation Paper 	<ul style="list-style-type: none"> Q2 2019(expected) Q2 or Q3 2019 	<ul style="list-style-type: none"> Joint Mkt Conduct/Licensing Committee; Co-EDs to monitor
AMF Sound Commercial Practices Guideline Update	<ul style="list-style-type: none"> 2018 “update” consultation announced by L. Gauthier AMF releases consultation document CAFII submission on updated Sound Commercial Practices Guideline 	<ul style="list-style-type: none"> May 3/18 <u>Q3 2019 (expected)</u> Q3 or Q4 2019 	<ul style="list-style-type: none"> Market Conduct Cttee; Co-EDs to monitor
Quebec Bill 141 and Related Regulations	<ul style="list-style-type: none"> Omnibus Bill 141 tabled and related Bill 150 subsequently tabled CAFII submission to National Assembly Committee on Public Finance National Assembly passes Bill 141 (certain Bill 150 provisions included) AMF releases Regulation Respecting Alternative Distribution Methods CAFII submission on Regulations Supporting Bill 141 AMF Response to Feedback on Regulation Respecting Alternative Distribution Methods 	<ul style="list-style-type: none"> Oct 5 and 23, 2017 January 16, 2018 June 2018 October 10, 2018 December 10, 2018 Q2 2019 (expected) 	<ul style="list-style-type: none"> Joint Mkt Conduct/Licensing Committee; Co-EDs to monitor
CCIR/CISRO Guidance: Conduct of Insurance Business and Fair Treatment of Customers	<ul style="list-style-type: none"> CCIR releases Draft 2 of Guidance for formal industry consultation CAFII submission on Draft 2 of CCIR Guidance document CCIR issues final version of FTC Guidance document Meeting with CCIR/CISRO Working Group re Guidance implementation <i>Meeting with CCIR/CISRO Working Group re Guidance implementation</i> <i>Meeting with CCIR/CISRO Working Group re Guidance implementation</i> 	<ul style="list-style-type: none"> May 3, 2018 June 18, 2018 September 27, 2018 November 28, 2018 <i>March 27, 2019</i> <i>June 2019 (date TBC)</i> 	<ul style="list-style-type: none"> Market Conduct Cttee; Co-EDs to monitor
CCIR Review of Travel Health Insurance	<ul style="list-style-type: none"> CCIR Travel Health Insurance Products Position Paper Released Meeting with TIWG Re Position Paper and industry reforms Follow-up meetings with TIWG re travel insurance data collection Further meeting with TIWG re travel insurance data collection 	<ul style="list-style-type: none"> May 31, 2017 January 29, 2018 Oct. 24 & Dec. 5, 2018 <u>February 26, 2019</u> 	<ul style="list-style-type: none"> EOC; Co-EDs to monitor
SK Bill 177	<ul style="list-style-type: none"> FCAA releases The Insurance Amendment Regulations, 2018 CAFII submission on The Insurance Amendment Regulations, 2018 FCAA delays implementation of new Act and Regulations to Jan 1/20 	<ul style="list-style-type: none"> August 10, 2018 September 14, 2018 November 26, 2018 	<ul style="list-style-type: none"> Market Conduct Cttee; Co-EDs to monitor
FCNB Insurance Act Rewrite and Introduction of RIA Regime	<ul style="list-style-type: none"> FCNB informs CAFII that development of RIA regime is well-advanced FCNB launches industry consultation on RIA licensing regime model Meeting with David Weir, FCNB re Insurance Act Rewrite and Introduction of RIA Regime (embedded within Rewrite initiative) CAFII submissions on FCNB’s Insurance Act Rewrite and RIA Regime 	<ul style="list-style-type: none"> May 14, 2018 Q1 2019 (expected) December 5, 2018 Q2 2019 	<ul style="list-style-type: none"> Licensing Committee; Co-EDs to monitor

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

Summary of CAFII Board and EOC Action Items					
	Source	Action Item	Responsible	Deadline	Status March 26, 2019
		Association Strategy and Governance			
1	EOC May 29, 2018	Develop a summary job description for the CAFII EOC Chair role and circulate it to EOC Members.	Brendan, Keith	30-Apr-19	In progress
2	EOC February 27, 2018	Document in writing the process for reviewing, approving, and admitting applicants for CAFII Members and Associate status	Brendan	30-Apr-19	In progress
3	EOC November 20, 2018	Keith to send links to additional information appearing on the CBC Marketplace website related to the story, to EOC and Board Members.	Keith	25-Jan-19	Complete

Agenda Item 2(c)
March 26/19 EOC Meeting

From: Adrienne Warner <Adrienne.Warner@fSCO.gov.on.ca>

Sent: March-05-19 12:15 PM

To: Brendan Wycks <brendan.wycks@cafii.com>

Cc: Keith Martin <Keith.Martin@cafii.com>; Laurie Balfour <laurie.balfour@gov.ab.ca>; CCIR-CCRRA <ccir-ccrra@fSCO.gov.on.ca>

Subject: CCIR Annual Statement Q&A Session

Good afternoon Brendan,

CCIR is hosting Q&A sessions for year 3 filing of the Annual Statement on Market Conduct. The session for life and health insurers will be held on Wednesday, April 3, 2019 at 11:00 am to 12:00 noon.

Below is a copy of the invitation that was sent this morning, by the CCIR service provider, to all insurers that are required to complete the Annual Statement.

Note that receipt of questions from insurers in advance will greatly facilitate the sessions so I will reach out to you in mid March for any questions that you are able to solicit from your members.

Please do not hesitate to contact me if you have any questions.

Regards,
Adrienne

Adrienne Warner

Policy Manager, CCIR Secretariat

Regulatory Coordination Branch

Financial Services Commission of Ontario (FSCO)

Telephone: 416-590-7243

Email: Adrienne.Warner@fSCO.gov.on.ca

Website: <https://www.ccir-ccrra.org>



CCIR Q&A Session

Annual Statement on Market Conduct

CCIR is hosting question and answer sessions for year three filing of the Annual Statement on Market Conduct (Annual Statement).

The Q&A sessions will provide insurers an opportunity to get clarification on the questions in the Annual Statement and the filing process. Insurers will also get to hear what insurers have to say.

- For **Life insurers**, the session will be held via webinar on **Wednesday, April 3, 2019 (11 am – 12 noon ET)**.
- For **P&C insurers**, the session will be held via webinar on **Wednesday, April 3, 2019 (2 pm – 3 pm ET)**.

[Link to connect](#)

Dial-in number:

1-866-994-8459

Passcode:

807236

Adobe Connect

Annual Statement on Market Conduct

AUTORITÉ DES MARCHÉS FINANCIERS

1 Guest Registered User

2 Name

By entering a Name & clicking "Enter Room", you agree that you have read and accept the [Terms of Use & Privacy Policy](#)

Enter Room

The image shows a screenshot of the Adobe Connect webinar interface. On the left, there is a light blue box containing the dial-in number (1-866-994-8459) and the passcode (807236). On the right, there is a white box with the Adobe Connect logo, the title 'Annual Statement on Market Conduct', the logo of the Autorité des marchés financiers, and a registration form. The form has two steps: 1. Guest Registered User, and 2. Name. Below the form, there is a disclaimer: 'By entering a Name & clicking "Enter Room", you agree that you have read and accept the Terms of Use & Privacy Policy'. At the bottom of the form is a blue button labeled 'Enter Room'. To the right of the white box is a dark blue background with a stylized graphic of a building or structure.

A document listing all Q&A will be posted online shortly on the [Annual Statement web page](#). This document will also be updated after the webinar.



Agenda Item 2(d)
March 26/19 EOC Meeting

CAFII Executive Operations Committee Teleconference-Only Meeting
26 February, 2019
Meeting Notes

Martin Boyle, EOC Chair, welcomed new member Joanna Onia from CIBC Insurance.

It was also noted that Afzal Baig of TD Insurance would be taking over the role of Chair of the CAFII Travel Medical Experts Working Group, as current Chair Sue Manson of CIBC was retiring at the end of February, 2019. Given that transition, Mr. Baig would also be joining the EOC as a new member, and would likely attend the March 2019 meeting.

Treasurer Tony Pergola provided an overview of the CAFII financial statements as at January 31, 2019 were shared with member.

A timeline for review and approval of the 2019 CAFII audited financial statements and their presentation to the membership at the Annual Meeting of Members in June was provided, with Brendan Wycks noting that the process was moving smoothly and expeditiously with KPMG this year.

Mr. Wycks provided an update on possible venues for the April 16, 2019 CAFII Board meeting and ensuing Reception which would be hosted by CUMIS Services Inc., with The National Club at 303 Bay St. in Toronto being the most likely location.

It was also noted that due to renovations at Manulife's corporate headquarters, the date of the June 2019 CAFII Board meeting and ensuing Reception which Manulife will host had been moved forward by one week to June 4, 2019.

There was extensive EOC discussion on the CAFII/industry response to the AMF regarding the spousal coverage issue. Concern was expressed around the intransigence of the AMF, and the timelines proposed by the AMF for both an industry response (March 8, 2019) as well as Detailed Action Plans from individual affected Members (end of March, 2019). As both of the AMF's stated deadlines were viewed as being unrealistic, it was agreed that CAFII would request extensions on both.

There was discussion of CAFII's response to the FCAC on its request for feedback on two draft online consumer education documents regarding "credit card balance insurance" and "credit or loan insurance," with both drafts of the website materials being notable for their biased and negative attitude against credit protection insurance, including many statements which were not objective and not grounded in evidence. It was agreed that CAFII would provide a detailed set of recommended changes. It was also agreed that to ensure optimal alignment and thereby maximum consistency and impact from industry stakeholders as a whole, CAFII would work with the Canadian Bankers Association (CBA) and the Canadian Life and Health Insurance Association (CLHIA), both of which were also planning to submit written responses, although it was also felt that compressed timelines would prohibit a single, combined response from the three Associations together.

It was reported that the 19 February, 2019 presentation by Helen Troup of Comminsure, Australia to the CAFII Board was viewed as an outstanding success, as were her individual meetings with 11 of the 13 CAFII members during the week that Ms. Troup spent with our Association. Many members reported that the information and context provided by Ms. Troup was both influential and consequential.

Keith Martin provided an update on the next steps flowing out of the 21 February, 2019 presentations by four law firms bidding on the competition law/legal advisory component of the Special Project on Credit Card Balance Protection Insurance. It was noted that of the four law firms that presented to CAFII (Torys, Stikeman Elliott, BLG, and Fasken), two were shortlisted: Torys and Stikeman Elliott. Each was asked to make a further presentation, which took place just prior to this EOC meeting, to a Working Group nominated by the Board and consisting of CAFII Board Chair Nicole Benson; ScotiaLife Financial's CAFII Director Zack Fuerstenberg; and CAFII Co-Executive Directors Brendan Wycks and Keith Martin. These two firms were also invited to respond to written comments submitted to them after the 21 February, 2019 presentations.

Torys was viewed as having demonstrated strong legal expertise in Jill McCutcheon, and it was felt that having former Deputy Commissioner of the Financial Consumer Agency of Canada (FCAC) Brigitte Goulard as part of the Torys team was a benefit. However, Torys indicated that they wanted to do the entire research effort on their own, without the engagement of a business consultancy firm. The CAFII Board had decided against such an approach, and there were some concerns expressed about the ability of Torys to adapt to this model and to engage appropriately with an external consultancy firm.

Stikeman Elliott was viewed as being much better aligned to CAFII's intended business model for the Special Project, but lead lawyer Stuart Carruthers did not demonstrate his subject matter expertise as effectively as possible, and the firm had included less detail around their project management timelines and milestones in their proposal.

These were the issues these two firms were asked to address in the follow-up meetings and in their follow-up written submissions.

As a next step, Mr. Martin advised that he would be reaching out to each CAFII Board member to share the outcome of today's follow-up session with the shortlisted law firms; and to solicit their feedback as a CAFII Director.

Following EOC deliberation and discussion, new Associate applicant PwC (formerly Price Waterhouse Coopers) was unanimously approved for admission to CAFII Associate status.

Mr. Martin reported that the Pollara consumer research on mortgages and HELOCs was moving forward. A consumer-friendly version of the results report is being developed by marketing and consumer research expert Craig McKendrick of CIBC, and media consultant David Moorcroft is developing a press release. These will be reviewed by the Research & Education Committee (Chair, Diane Quigley) and the Media Advocacy Committee (Chair, Charles Blaquiere), with the expectation that a recommendation will be made shortly to the Board of Directors to release these documents publicly. If that is the wish of the Board, prior to such a public release a webinar will be organized to share the results with CCIR/CISRO members, with Lesli Martin of Pollara as the lead presenter, to ensure that insurance regulators across the country receive the results and are informed of CAFII's intention to release them publicly, prior to that actually happening.

Brendan Wycks advised that CAFII had engaged in several very successful interactions with the Financial Services Regulatory Authority of Ontario (FSRA)'s management and Board of late, through its representation, with CLHIA, on FSRA's Industry Advisory Group-Life and Health Insurance; and that good relationships were being developed with FSRA's management team, many of whose senior leaders were now in place. It was noted that a strategic consideration that had been shared with FSRA is the importance of having individuals with life and health insurance expertise on both the Board and on the senior management team.

Mr. Wycks reported that work was continuing on how best to approach the upcoming 27 March, 2019 CAFII quarterly meeting with CCIR/CISRO's Fair Treatment of Customers Working Group regarding the implementation of the "Guidance: Conduct of Insurance Business and Fair Treatment of Customers."

Mr. Wycks also provided an update on BC FICOM's follow-up survey on insurer implementation of the September 2015 CGI Information Bulletin.

Keith Martin reported that the second CAFII website video, summarizing the results of the travel medical insurance consumer research study, was nearly complete and should be posted on the CAFII website within the next few weeks. He noted that we were now ready to move forward with further 2019 website investments. The list of proposed investments was part of the materials posted for this meeting, for pre-reading; and would be a formal agenda item at the upcoming 26 March, 2019 EOC meeting.

CAFII Executive Operations Committee
Tuesday, January 15, 2019
BMO Insurance
6th Floor Boardroom, 60 Yonge St. Toronto ON
MINUTES

EOC Present: Martin Boyle, BMO Insurance *Chair*
Sue Manson, CIBC Insurance
John Lewsen, BMO Insurance
Charles Maclean, RBC Insurance
Dominique Julien, CIBC Insurance
Brad Kuiper, Scotialife Financial
Peter Thorn, TD Insurance
Diane Quigley, CUMIS Group Inc. *(by teleconference)*
Charles Blaquiere, Canadian Premier Life
Dallas Ewen, Canada Life Assurance
Shawna Sykes, The Co-operators *(by teleconference)*
Tony Pergola, Scotialife Financial *Treasurer (by teleconference, dropped off at 4:30pm)*
Monika Spudas, Manulife Financial
Moira Gill, TD Insurance *(by teleconference)*
Isabelle Choquette, Desjardins *(by teleconference)*
Anuraj Bains, CIBC Insurance *(by teleconference)*
Rob Dobbins, Assurant
Dana Easthope, Canadian Premier Life *(by Teleconference)*
Sharon Apt, Canada Life Assurance
Karyn Kasperski, RBC
Nicolas Moskiou, National Bank Canada
Michele Jenneau National Bank Canada
Vivek Sahni, RBC Insurance

Also Present: Natalie Hill, Managing Matters *Recording Secretary*
Keith Martin, CAFII *Co-Executive Director*
Brendan Wycks, CAFII *Co-Executive Director*

Regrets: Scott Kirby, TD Insurance
Anita Mukherjee, RBC Insurance
Mindy Tarantelli, Scotialife Financial
Nina Desai, Manulife Insurance
Jérôme Savard, Desjardins Financial Security

1. Call to Order

The meeting was called to order at 3:08 p.m.; M. Boyle acted as Chair; N. Hill acted as Recording Secretary. M. Boyle welcomed newest EOC members: Karyna Kasperski of RBC, and Michele Jenneau and Nicolas Moskiou of National Bank.

2. Consent Items

The following Consent Items were received for the record, without discussion:

2. a. Summary of Board and EOC Action Items

2. b. CAFII Submission on AMF's Regulation Respecting Alternative Distribution Methods

2. c. CAFII Submissions on FSRA's proposed Fees and Assessments Rules

3. Approval of Agenda and Previous Minutes

3.a. Agenda for January 15/19 EOC Meeting

The agenda for this January 15/19 meeting was approved as circulated.

3.b. Minutes of November 20/18 EOC Meeting

Not yet posted; will be approved at March 26/19 EOC in-person meeting.

3.c. Minutes of November 27/18 Board Meeting

The Board Minutes of November 27/18 were approved as presented.

3.d. Minutes of December 10/18 Board Meeting

The Board Minutes of December 10/18 were approved as presented.

4. Strategy and Governance

4.a. Special Project On Credit Card Balance Protection Insurance and Next Steps:

4.a.i. Engagement of firm to manage/co-ordinate research on consumer value proposition and/or international comparisons of CCBPI

K. Martin noted that the Board has expressed concerns that the regulatory and media environment is shifting and there are risks that this presents for CAFII. While the CBC Marketplace story on credit card balance protection insurance was not as damaging as feared, it was noticed by regulators and may result in increased scrutiny. FCAC has been granted additional powers and resources and have identified credit card balance protection insurance as an area of interest. As well, the *Australian Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry* is set to soon release its final report, and testimony from the hearings by the Royal Commission raises concerns that could have an impact on the regulatory environment in Canada.

As a result, it has been agreed by the Board that CAFII will engage in a Special Project on Credit Card Balance Protection Insurance. The intention is to issue Request for Proposals (RFPs) to five law firms with knowledge of competition law and the insurance industry: Fasken, Stikeman Elliott, Torys, BLG, and Blakes. The RFP will be issued to law firms to ensure that a competition law lens is cast on all discussions and activities, but the law firms will be invited to consider outsourcing some components of the project. Specifically, a major component of the project is to conduct research on what has caused regulatory problems with credit card balance protection insurance in other jurisdictions like the UK, the US, and Australia, and to compare and contrast the Canadian situation to understand where we are different, and where we share characteristics. This will then provide the basis for recommendations on possible strategies by the Canadian industry, including possible reforms at the industry or at a proprietary level.

K. Martin noted that the project is not budgeted and so if CAFII proceeds with it, arrangements will have to be made on how to fund it. He also noted that if this phase of the project leads to meaningful changes that could be impactful with regulators and media, a second phase will be considered where a public affairs or government affairs firm could help us develop messaging.

Non-Disclosure Agreements must be signed by each of the law firms prior to their receiving the RFP. The RFPs must be submitted by 14 February, 2019; there will be a full-day meeting with the law firms presenting to CAFII members on 21 February, 2019, after which CAFII members will choose a winner and how to fund the project; and the project is to be completed and presented to the Board at the next Board meeting on 16 April, 2019.

4.a.ii. February 2019 Visit of Helen Troup, General Manager, Comminsure, Australia, to Toronto for Confidential Meetings with CAFII, Member Companies, and Allied Industry Associations

B. Wycks mentioned that those who were in attendance at Nov 27 Board Meeting would have been introduced to CAFII's newest Director Zack Fuerstenberg. Mr. Fuerstenberg has had some phone conversations with Helen Troup, the General Manager of Comminsure in Australia. Ms. Troup has provided testimony to the Australian Royal Commission and is well-suited to help CAFII members understand what has happened in Australia and the risks it provides to the companies operating in the credit protection insurance space there.

Arrangements are currently being made for Ms. Troup to spend a week in Toronto to meet with CAFII members, both as a group and in private meetings, as well as with allied industry associations like CLHIA and CBA, with the meeting occurring most likely during the week of the 18th of February, 2019. It was originally proposed that the CAFII Board meet with Ms. Troup privately, followed by a meeting with the EOC, but those present at this meeting felt this was not optimal and it was agreed that CAFII management would work with the Board to change this to a meeting with the Board to which EOC members would be invited to attend as silent observers. Ms. Troup will also attend the Annual Members' Luncheon on 19 February, 2019. Ms. Troup will also be invited to be present at the presentations by law firms on the Special Project, on 21 February, 2019. The expenses for this visit will be sourced from the 2019 CAFII budget and are expected to be in the range of \$15,000.

4.b. Possible CAFII Association-Level Action/Intervention Re AMF Letters To Individual Members Directing A Cease To Spousal Coverage Under Business/Consumer Creditor Protection Insurance

M. Boyle summarized that the AMF has contacted insurers directly regarding their intention to have companies cease offering credit protection insurance to spouses, with a request for an action plan on this by 30 January, 2019. CAFII has decided to intervene on this issue, with a request to provide an extension to the deadline for the action plan, an intention to provide a written submission explaining CAFII's disagreement with this edict, and a request for an in-person meeting on this issue. Ms. Sylvie Bourdeau of Fasken, CAFII's legal counsel in Quebec, will be involved in this process including reviewing CAFII's written submission.

4.c. Re-Admission of National Bank Insurance As A CAFII Foundation Member

B. Wycks noted that CAFII is about to officially welcome back National Bank Insurance as a Member. Written resolutions will be distributed to Board members to make this official. Nicolas Moskiou and Michele Jenneau from National Bank Canada are in attendance at this meeting and will join the EOC, and National Bank Insurance President Peter Thompson will be NBI's Board member. CAFII EOC members welcomed National Bank Insurance back as a foundation member.

4.d. CAFII Initiation Member, Returning Member, and Associate Prospects

4.d.i. Sun Life Financial

K. Martin updated EOC members on the efforts to bring SunLife on board as a member. There have been positive discussions on this with Laura Hewitt and Russell Purre.

4.d.ii. Chubb Insurance Canada

K. Martin updated the EOC on Chubb Insurance membership. While Chubb had an interest in membership, they are a small entity and did not feel they could absorb the fees. It was noted that they may be occasion to review CAFII's membership fee structure, including whether a lesser fee might be possible for smaller entities. If that transpires, Chubb's interest in membership with CAFII could be revisited.

4.d.iii. HSBC Bank Canada

B. Wycks updated the EOC on the standing of HSBC on CAFII Membership. The primary contact at HSBC is Sarah Gelgor, Senior Compliance Officer. She was recently promoted to a more senior role, which might help her in advancing this file internally within HSBC Bank Canada.

4.e. Possible Member Request For Review of CAFII Member Dues Structure

B. Wycks spoke to the possibility of reviewing CAFII Member Dues. He mentioned that Peter Thompson of National Bank Insurance had raised a concern that some of the larger banks pay the same fee as a much smaller bank like NBI, and it was agreed that consideration would be given later in 2019 to a possible review of the fee structure.

5. CAFII Financial Management

5. a. Financial Statements as at November 30/18

T. Pergola walked the EOC through the latest financials, noting that with National Bank Insurance rejoining CAFII we had achieved an important revenue target, and this would help the financial situation of CAFII in 2019. Overall, the 2018 budget will end up with a much lower deficit than originally anticipated, largely due to two new initiation members joining the Association in 2018.

5. b. Board-Approved CAFII 2019 Operating Budget

B. Wycks spoke to the 2019 Board-approved budget. The budget was approved with the caveat that the expenses, in particular the discretionary expenses (research and website investments) depending on CAFII landing at least one new initiation member at the higher tier of membership, representing \$44K in additional revenue. With National Bank Insurance rejoining there is an additional \$55K of revenue that will be booked, and so this requirement has been achieved, assuming all existing members remain.

6. Regulatory

6. a. Consultations/Submissions Timetable

B. Wycks gave an update on the Consultations/Submission Timetable. He noted that there were no major changes since the last time it was produced in November.

B. Wycks noted that with respect to Saskatchewan Bill 177, an encouraging email was received from the Financial Consumer Affairs Authority (FCAC) indicating that the implementation of the new Act and accompanying regulations would be delayed by a year to 1 January, 2020.

6. b. Regulatory Update

6.b.i. Proclamation Delay for New Saskatchewan Insurance Act and Regulations

6.b.ii. Next Steps Arising from AMF's Regulation Respecting Alternative Distribution

With respect to the Regulation on Alternative Distribution Methods, K. Martin noted that currently individual companies are expected to come up with a template that will replace the Distribution Guide. CAFII asked for many changes in terms of the required content for that template, and until we hear back from the AMF it is not possible to do meaningful work on the development of a template. When the AMF does issue its final expectations, CAFII may strike a Working Group of EOC members to develop a model template that members could use as a starting point or basis for their individual templates.

6.b.iii. RAMQ Requirement of Insured's Written Consent for Life Insurance Claim Investigation

P. Thorn mentioned that electronic consent has been accepted on this issue and this file is now resolved.

6.b.iv. November 28/18 CAFII Meeting with CCIR/CISRO FTC Working Group; and CAFII Responses To Requests For Sharing of Data on (a) Implementation of FTC Guidance; and (b) Credit Card Balance Protection Insurance

B. Wycks update members on the recent CCIR/CISRO meeting with the Working Group on the Fair Treatment of Customers, noting that credit card balance protection insurance was specifically called out. B. Wycks is organizing the next quarterly meeting with Tony Toy of the CCIR Secretariat, which is likely to be held on 27 or 28 March, 2019, and it was agreed that CAFII needs to be well-prepared for that meeting.

6.b.v. December 5/18 CAFII Meeting With David Weir Re New Brunswick Insurance Act Rewrite

B. Wycks noted that CAFII attended a meeting on December 5, 2019 with David Weir, the Deputy Director, Insurance of the Financial and Consumer Services Commission of New Brunswick (FCNB). Mr. Weir is spearheading a major, multi-year project to re-write the province's insurance act. Among his possible recommendations will be the introduction of a restricted insurance licensing regime in the province. He has identified a series of high-level issues to which he requested CAFII provide written thoughts and comments, which we agreed to.

6.b.vi. December 5/18 Industry Meeting with CCIR Travel Insurance Working Group; and Ongoing Co-ordinated Response to TIWG Request for Travel Health Insurance Industry Data

S. Manson mentioned that there will be a meeting on this issue with the CCIR Travel Medical Working Group next week, they are getting close to finalizing the data requirements.

6.b.vii. FSCO: Implementation Plans for ISI Market Conduct Questionnaire and CEO Attestation

K. Martin mentioned that there was a meeting late last year with FSCO on these matters. They were very receptive to the feedback provided by CAFII and CLHIA. R. Dobbin mentioned that was a notification in late December from CLHIA (Sarah Hobs) noting that the questionnaire is on hold,

6.c. Regulator and Policy-Maker Visit Plan

B. Wycks noted that as a part of CAFII Strategic plan, there is a commitment to relationship building to insurance regulators and Policy Makers with the intention to visit every regulator on their own turn no less than once every 18 months. In October 2017, CAFII visited the four western provinces, and it is now time to do so again. Mr. Wycks noted that the ideal week to do this is 13-17 of May 2019. He encouraged EOC members and volunteers to check if their schedules permit them to participate.

7. Committee Updates

7. a. Research & Education

7. a. i. Development of Credit Protection Insurance Research Results

K. Martin indicated that the research effort on Credit Protection Insurance is moving forward. A shorter, public version of the deck will be produced, which Craig McKendrick will turn into a storyline as he did for the Travel Medical Consumer Research. The Board and EOC will then be engaged on the issue of releasing the research publicly.

7. a. ii. CAFII Research Priorities, 2019

K. Martin noted that decision on 2019 research priorities will require further work to first be done on the Special Project on Credit Card Balance Protection Insurance.

7. b. Market Conduct

No further update.

7. c. Media Advocacy

7. c. i. New CAFII Website Video on Travel Medical Insurance Research Results

K. Martin mentioned that the production of a video on the Travel Medical Insurance Consumer Research was well-advanced, and should be ready to post in the new month or so.

K. Martin thanked two EOC members, Sue Manson of CIBC Insurance and Scott Kirby of TD Insurance, for their very helpful review of the videos and suggested changes.

7. c. ii. CAFII Website Enhancements, 2019

K. Martin stated that RankHigher had made 2019 proposals for investing in the website, totaling a budget of \$35,000 and including the production of 3 new videos (French and English), turning 10 remaining consumer examples into vignettes, further work on search engine optimization, and continuing with bi-annual metric reports.

7.d. Licencing Efficiency Issues, including

7. d. i. Saskatchewan Restricted Insurance Agent Advisory Committee

B. Wycks noted that at the November 28th meeting with the CCIR/SISRO, Ron Fullen and April Stadnek of the Insurance Councils of Saskatchewan indicated that despite the delay by one year of the Saskatchewan Insurance Act and Regulations, their intention to develop an Advisory Group to the ICS would not be delayed.

7. e. Travel Medical

7. f. Networking & Events

7. f. i. 2019 CAFII Annual Members' Luncheon on February 19/19

K. Martin mentioned that the proposed approach to this year's Annual Members' Luncheon is to have a panel of Insurance law experts present their views in a panel to be moderated by CAFII Chair Nicole Benson.

It was mentioned that the senior EOC members will be asked to vet the invite list for the Luncheon. CAFII members can bring up to seven guests, Associates can bring five, although additional guests can be invited but on the condition that the nominal costs of their attendance will be charged back to their institution.

7. F. ii. Proposed Speaker for April 2019 CAFII Reception Event; In Comparison To Proposed Revised Location and Approach for October 2/19 CAFII Board Meeting; Liaison Lunch and Industry Issues Dialogue with AMF Staff Executives; and CAFII Reception Event

B. Wycks noted that a draft letter was posted in the meeting materials to Louis Morisset, CEO of the AMF, to be CAFII's speaker for the 16 April, 2019 reception following the Board meeting. It was agreed that the letter would note that Patrick Déry from the AMF was warmly invited to attend the speech.

8. Other Business

K. Martin mentioned that the FCAC released a report about Canadians' use of HELOCs, which noted the high levels of usage among some Canadians.

M. Boyle noted that the FCAC had sent a letter to some members to collect information on their complaint handling policies.

9. Termination

There being no further business, the meeting was terminated at 5:23pm

CAFII Executive Operations Committee
Tuesday, November 20, 2018
BMO Insurance
6th Floor Boardroom, 60 Yonge St. Toronto ON
MINUTES

EOC Present:	Martin Boyle, BMO Insurance <i>Chair</i> Sue Manson, CIBC Insurance Scott Kirby, TD Insurance Laura Bedford, RBC Insurance John Lewsen, BMO Insurance Charles Maclean, RBC Insurance Dominique Julien, CIBC Insurance Mindy Tarantelli, Scotialife Financial Brad Kuiper, Scotialife Financial Peter Thorn, TD Insurance <i>(by Teleconference)</i> Anita Mukherjee, RBC Insurance <i>(by teleconference)</i> Diane Quigley, CUMIS Group Inc. <i>(by teleconference)</i> Charles Blaquiere, Canadian Premier Life <i>(by teleconference)</i> Dallas Ewen, Canada Life Assurance <i>(by teleconference)</i> Shawna Sykes, The Co-operators <i>(by teleconference)</i> Tony Pergola, Scotialife Financial <i>Treasurer (by teleconference)</i> Monika Spudas, Manulife Financial <i>(by teleconference)</i> Moira Gill, TD Insurance <i>(by teleconference)</i> Isabelle Choquette, Desjardins <i>(by teleconference)</i> Anuraj Bains, CIBC Insurance <i>(by teleconference)</i> Rob Dobbins, Assurant (arrived at 3pm)
Also Present:	Natalie Hill, Managing Matters <i>Recording Secretary</i> Keith Martin, CAFII <i>Co-Executive Director</i> Brendan Wycks, CAFII <i>Co-Executive Director</i> David Moorcroft, S2C <i>(for part)</i> Lesli Martin, Pollara <i>(for part)</i> Mubashera Kothawala, Pollara <i>(for part)</i>
Regrets:	Vivek Sahni, RBC Insurance Nina Desai, Manulife Insurance Dana Easthope, Canadian Premier Life Jérôme Savard, Desjardins Financial Security Sharon Apt, Canada Life Assurance

1. Call to Order

The meeting was called to order at 2:05 p.m.; M. Boyle acted as Chair; N. Hill acted as Recording Secretary. M. Boyle welcomed new EOC Members Mindy Tarantelli and Sharon Apt.

2. Consent Items

The following Consent Items were received for the record, without discussion:

2.a. EOC Meeting Notes of October 23/18

2.b. Summary of Board and EOC Action Items

3. Approval of Agenda and Previous Minutes

3.a. Agenda for November 20/18 EOC Meeting

The agenda for this November 20/18 meeting was approved as circulated.

3.b. Minutes of September 25/18 EOC Meeting

The EOC Minutes of September 25/18 were approved as presented.

3.c. Minutes of October 2/18 Board Meeting

The Board Minutes of October 2/18 were approved as presented.

4. Strategy and Governance

4. a. Credit Card Balance Protection Insurance and Possible CAFII Next Steps:

4. a. i. CBC Marketplace and Go Public Stories of November 2018

K. Martin spoke to the CBC Marketplace and Go Public stories on credit card balance protection insurance of November 2018. He noted that the Media Advocacy Committee has met on numerous occasions, with special representation from media representatives of CAFII members who do not have a representative on the Committee, to coordinate the responses of CAFII members and ensure everyone was on the same page. The CBC Marketplace story was not the lead story, was shorter than expected, and was biased and one-sided. The view of the Media Advocacy Committee was that the story would not have long duration and was lacking in credibility.

ACTION: Keith to send links to additional information appearing on the CBC Marketplace website related to the story, to EOC and Board Members.

4. a. ii. CAFII-sponsored research on consumer value proposition and/or international comparisons of Balance Protection Insurance

K. Martin provided an update on a proposal that CAFII sponsor research on credit card balance protection insurance. There have been criticisms of the product, and action by regulators, in other jurisdictions like Australia, the U.K., and the U.S. What are the issues that caused these concerns; where are there similar practices or features in Canada; and where are there differences in Canada? Knowing this information would allow CAFII and its members to identify areas for better communication, as well as areas of risk where we might wish to explore options to address any concerns. This could also provide a foundation for any other activities that the Association might wish to undertake related to credit card balance protection insurance.

It was agreed that EOC members would explore this issue with their board member in preparation for review of this idea at the next CAFII Board meeting.

4. a. iii. CAFII-developed guidelines/standards and/or training/certification program related to Balance Protection Insurance

K. Martin noted that at the last Board meeting there was an interest in exploring the possibility that CAFII could develop a certification or training program. There are a range of options that could be looked at. One would be to collect information about the training of employees who sell creditor insurance, and then aggregate this and share it with stakeholders. CAFII could also develop some training programs that could be administered to members who sell these products. An even more involved program would require a training program for anyone selling creditor insurance, with testing, leading to a certification ("CAFII trained").

K. Martin noted that each of these options involve a significant investment in resources, and the certification program in particular would be a longer term effort with a major budgetary requirement. As this would be on the agenda for the upcoming Board meeting, EOC members were encouraged to discuss this issue with their Board member so that there could be more direction on the approach CAFII should take.

4. a. iv. CAFII Special Purpose GR/PR Campaign in Support of Balance Protection Insurance (proposal from Z. Fuerstenberg, Social Life Financial)

K. Martin noted that incoming Scotia Life Financial Board member Zack Fuerstenberg has expressed an interest in CAFII engaging in a significant effort to develop a government relations / public relations effort. This would involve a major GR/PR firm leading the development of such a campaign. K. Martin noted that there was a view that such a campaign would first require the research on credit card balance protection insurance that was discussed earlier, or would need to include such research as a first step in the development of a campaign, as it would be challenging to produce a GR/PR program without knowing the fact base and what the specific issues are that we face as an industry.

As this would be on the agenda for the upcoming Board meeting, EOC members were encouraged to discuss this issue with their Board member so that there could be more direction on the approach CAFII should take.

4. b. CAFII Response to Recent Presentation from B. Goulard, FCAC: Next Steps

K. Martin noted that a document was posted to the meeting site that identifies possible next steps with the FCAC.

One area for engagement could be education around some of the issues raised by Brigitte Goulard in CAFII's recent meeting with her, that we felt demonstrated a misunderstanding of creditor products or a misunderstanding of the sales practices of our members. This could involve a written submission, a request to present to them, or presenting the results of the Creditor Protection Insurance Pollara consumer research, and using that as an opportunity to raise some of these other issues.

Another area for engagement would be to share any initiatives that CAFII develops around training or certification.

4. c. Proposed Schedule of 2019 CAFII Meetings and Events

B. Wycks noted that the proposed schedule of meetings and events was sent to all EOC and Board members.

4. d. CAFII Initiation Member, Returning Member, and Associate Prospects

4. d. i. National Bank Insurance

B. Wycks mentioned that there has been traction made with getting National Bank back as a member. There is a new president of National Bank, Peter Thompson, and he has indicated that he will be coming to Toronto next week to attend the CAFII Board reception, and may bring a few of his colleagues. He is also meeting Peter McCarthy and Keith Martin in Montreal for lunch next week to discuss National Bank Insurance returning as a CAFII member.

4. d. ii. Chubb Insurance Canada

K. Martin noted that Zack Fuerstenburg and Scotia Life Financial have a relationship with Chubb insurance. Zack Fuerstenburg has encouraged Chubb to consider joining CAFII. Chubb CEO Andy Hollenberg met with Keith Martin recently and they had a productive discussion about Chubb possibly joining CAFII as an Initiation Member.

4. d. iii. Sunlife Financial

K. Martin noted he has been in touch with Laura Hewitt from Sunlife about it joining as an Initiation Member. A membership package on the benefits of CAFII has been shared with her. Laura Hewitt and a senior colleague will be at the upcoming Board networking reception.

5. CAFII Financial Management

5. a. Financial Statements as at October 31/18

- T. Pergola walked the EOC through the latest financials, and he noted that revenues were higher than anticipated at the beginning of the year, due to new Initiation Members joining the Association. CAFII is still currently in the acceptable band for the target ratio.

5. b. Proposed CAFII 2019 Operating Budget

T. Pergola discussed the proposed operating budget, noting that the Board will be presented with a variety of scenarios that make different assumptions around revenues, expenses, and operating deficits.

6. Regulatory

6. a. Consultations/Submissions Timetable

Brendan noted that there were not many new items from the last update in September.

6. b. Regulatory Update

6. b. i. Response Submission on AMF's Regulation on Alternative Distribution Methods

K. Martin noted that the AMF held a Webinar on 17 October, 2018 that was very informative. K. Martin has developed a summary of the key points that will be helpful in developing CAFII's submission to the AMF on the Regulation on Alternative Distribution Methods.

B. Kuiper expressed appreciation to Keith for all his hard work and time spent working on the draft to the AMF.

6. b. ii. Response Submission on FSRA's Proposed Fees and Assessments Rules

B. Wycks noted that the Market Conduct Committee is beginning to work on CAFII's submission on FSRA's proposed fees and assessment rules.

6. b. iii. Implementation of Saskatchewan's New Insurance Act and Regulations

B. Wycks mentioned that he had sent out a number of documents re: Saskatchewan's New Insurance Act and Regulations, which currently has a January 2019 implementation.

B. Wycks noted that Jan Sibel had sent an email about the possibility of a delay in the enactment of the new Insurance Act and Regulation. Members agreed with the benefits of a delay and requested that the delay be for one year.

6. b. iv. October 24/18 CAFII Meeting With CCIR Travel Insurance Working Group

S. Manson provided an update on a recent meeting with Harry James and others from the CCIR Travel Insurance Working Group, noting that the TIWG was requesting a set of new data from industry. CAFII is engaged with the TIWG on consultation related to this request.

6. b. v. October 25/18 CAFII Stakeholder Meeting With CCIR

B. Wycks mentioned that there was about 9-10 representative from CAFII at the Stakeholder Meeting with CCIR, where the Fair Treatment of Customers was a major topic of interest to the CCIR. There is a CCIR Fair Treatment of Customers meeting scheduled for November 28, 2018 to talk to CAFII about its members' plans around the implementation of the FCT guidelines.

6. b. vi. November 16/18 FSCO Life and Health Insurance Market Conduct Symposium

K. Martin provided an update on the November 16, 2018 Market Conduct Symposium, which he noted focused heavily on the Fair Treatment of Customers guideline. He mentioned that FSCO said that if a company was not sure whether to follow the FSCO or CCIR Guideline, they should "just pick one, either is fine." K. Martin also noted that Izabel Scovino took him aside at the Symposium to let him know that FSCO would be re-engaging CAFII on the Incidental Sale of Insurance Questionnaire.

6. b. vii. New Brunswick Insurance Act Rewrite

B. Wycks mentioned that David Weir has reached out to CAFII about a meeting on a multi-year effort in New Brunswick around the Insurance Act Rewrite.

7. Committee Updates

7. a. Research & Education

7. a. i. Results of Pollara Credit Protection Insurance Research Project

L. Martin noted that the initial results are now being studied from the Pollara Credit Protection Insurance Research Project. He reminded the EOC that the research focused on life, critical illness, disability, and job loss insurance for mortgages and for HELOCs.

Lesli Martin, Vice President at Pollara, then provided a review of the key findings, which generally were positive and showed that the purchase experience was positive, and a high percentage of claims were paid out.

7. a. ii. Deployment of Credit Protection Insurance Research Results

K. Martin indicated that the results looked sufficiently positive to warrant a public release and a press release. Media consultant D. Moorcroft highlighted his view that the research provides a lot of positive information that could be made public and put into the media. He noted that there are some things that should not be included because they are too detailed or they are proprietary. A draft press release was also shared with the EOC.

7. c. Media Advocacy

7. c. i. New CAFII Website Video on Travel Medical Insurance Research Results

K. Martin mentioned that CAFII is currently in the process of developing a second website video, this one on the research results from the Pollara Travel Medical Insurance consumer research study.

7. f. Networking & Events

7. f. i. Proposed Presentation Concept for 2019 CAFII Annual Members' Luncheon

B. Wycks spoke to the reconstitution of the CAFII Networking/Events Committee. He noted that Scott Kirby and John Lewsen are the new members.

B. Wycks proposed for the 2019 Annual Members Luncheon that CAFII have three lawyers on a panel speaking on regulatory developments.

8. Other Business

8. b. Proposal That All Future EOC In-Person Meetings Be Scheduled for 2.5 Hours Duration

K. Martin requested approval to make all EOC in-person meetings 2.5 hours in duration moving forward. The EOC approved this proposal.

9. Termination

There being no further business, the meeting was terminated at 4:30p.m.

Agenda Item 3(d)
March 26/19 EOC Meeting

CAFII Special Purpose Board of Directors Meeting
on the
CAFII Special Project on Credit Card Balance Protection Insurance
1 March, 2019, 4:00 to 5:00 p.m.
Via Teleconference
MINUTES

In Attendance

Directors Present:

Nicole Benson	Canadian Premier Life <i>Chair</i>
Kelly Tryon	CUMIS Services Incorporated
Zack Fuerstenberg	ScotiaLife Financial
Sandra Rondzik	CIBC Insurance
Chris Knight	TD Insurance
Wally Thompson	Manulife
Paul Cosgrove	Assurant

Director Surrogates

and EOC Members Present:

Charles MacLean	RBC Insurance (Surrogate for C. Lobbezoo)
John Lewsen	BMO Insurance (Surrogate for P. McCarthy)
Dallas Ewen	Canada Life (Surrogate for D. Fear)
Rob Dobbins	Assurant
Monika Spudas	Manulife

Also Present:

Keith Martin	CAFII <i>Co-Executive Director</i>
Brendan Wycks	CAFII <i>Co-Executive Director</i>

1. Choosing a Law Firm for the Special Project on Credit Card Balance Protection Insurance

Keith Martin was asked to provide some context for the Proposed Resolution that Stikeman Elliott be selected as the competition and insurance advisory law firm to oversee CAFII's Special Project on Credit Card Balance Protection Insurance.

Mr. Martin advised that following the presentations by four law firms at the 21 February, 2019 session on the RFP submissions, Torys and Stikeman Elliott had been short-listed.

Stikeman Elliott was viewed as having best understood the Association's intent and as having demonstrated the greatest willingness to take an approach that was consistent with the strategic objectives of the organization, including outsourcing the business consulting component of the effort.

That firm was also viewed as having the strongest presentation in terms of the competition law lens that CAFII was seeking. On the other hand, the subject matter expertise of Stuart Carruthers, the insurance partner lead from Stikeman Elliott, did not come across as strongly as desired, and the process and timelines that Stikeman Elliott was working towards were not sufficiently detailed.

Torys was viewed as having expert subject matter knowledge and excellent regulatory relationships through their lead insurance lawyer, Jill McCutcheon. Brigitte Goulard, part of the Torys team, was also viewed as a definite positive, given her regulatory knowledge as former Deputy Commissioner of the Financial Consumer Agency of Canada (FCAC). However, Torys did not intend to use external business consultants, as they felt they had the required knowledge internally. They were viewed as less impressive than Stikeman Elliott on the component of the presentation on competition law. The CAFII Board, after hearing the four presentations, also decided to proceed with having a business consultancy firm lead the research effort, and there was concern about whether Torys would be able to adjust to that model.

The Board appointed a Working Group consisting of Board Chair Nicole Benson; Board member Zack Fuerstenberg; and CAFII Co-Executive Directors Keith Martin and Brendan Wycks to meet with the two shortlisted firms again, where they could provide responses to the concerns expressed. Keith Martin was asked to provide feedback to them, which he did through phone calls to share the Board's comments; and through written questions to which the law firms were invited to respond.

The follow-up meetings with the two shortlisted law firms occurred on Tuesday, 26 February, 2019. At those follow-up meetings, it was felt that both law firms responded effectively to all of the issues raised. However, there were concerns expressed that while Torys indicated that they would be willing to work with external consultants, they might not be well-suited to doing so. Keith Martin also reached out and gathered feedback from 11 Board members, and CAFII Chair Nicole Benson received direct feedback from several Directors. From those conversations, there emerged a pattern of a number of Board members expressing reservations about the style of Torys and their ability to be collaborative with external consultants. At the same time, no Board member expressed any reservations about the style or competency of Stikeman Elliott. There was also a view that Stikeman Elliott would be better suited than Torys, based on the presentations made, to engage in a collaborative effort that would be focused not on legal arguments, but on new approaches to the business.

As a result, Stikeman Elliott emerged as the more appropriate law firm for CAFII to engage for the Special Project on Credit Card Balance Protection Insurance; and that was reflected in the proposed Resolution.

Moved by Zack Fuerstenberg, seconded by Nicole Benson, That

CAFII appoint Stikeman Elliott as the Competition and Insurance Advisory Law Firm to oversee the Association's Special Project on Credit Card Balance Protection Insurance, at a projected cost of between \$100,000 and 125,000.

Carried Unanimously

2. Agreeing on an Initial Budget and Funding Formula for the Special Project on Credit Card Balance Protection Insurance

In order to provide funding for the Special Project to move forward, the following Resolution was proposed:

Moved by Zack Fuerstenberg, seconded by Nicole Benson, That

- CAFII collect special purpose funds from among the Association's Members, under the Funding Formula set out in a separate document, to pay for the engagement of the selected Competition and Insurance Advisory Law Firm, and to provide funding for the related involvement of a Business Process/Strategic Advisory Consulting Firm in the project, at an initial budget of \$350,000;*
- after quotes are received from Business Process/Strategic Advisory Consulting Firms, the quotes are reviewed, and a decision is made about the engagement of a Business Process/Strategic Advisory Consulting Firm, the Board will determine at a further meeting whether additional funds are needed to complete the project; and*
- the special purpose funds collected from CAFII Members for this project are to be allocated solely to work at the industry/Association level; and any related proprietary work within individual Member companies will be funded separately by the Members involved.*

In Board discussion of this Resolution prior to the calling of a vote on it, it was noted that since the time that the Resolution had been circulated to the Board, there had been some concerns expressed about it. Specifically, there was a concern that \$350,000 in funding was being sought, without knowing precisely what the amount required would be, as bids from business consultancy firms had not yet been received and a winning business consulting firm had not yet been selected.

The suggestion was made that the amount that should initially be collected should be the amount that would allow the project to move forward with the selected law firm, the quote from which had been agreed upon; and that when CAFII knew the associated costs of the business consultant firm, then another Board meeting could be held to deal with any additional funds required.

An amended Resolution was therefore proposed, as follows:

Moved by Zack Fuerstenberg, seconded by Nicole Benson, That

- *CAFII collect special purpose funds from among the Association's Members, under the Funding Formula set out in a separate document, to pay for the engagement of the selected Competition and Insurance Advisory Law Firm, at an initial budget of \$200,000;*
- *after quotes are received from Business Process/Strategic Advisory Consulting Firms, the quotes are reviewed, and a decision is made about the engagement of a Business Process/Strategic Advisory Consulting Firm, the Board will determine at a further meeting whether additional funds are needed to complete the project; and*
- *the special purpose funds collected from CAFII Members for this project are to be allocated solely to work at the industry/Association level; and any related proprietary work within individual Member companies will be funded separately by the Members involved.*

Carried Unanimously

(As part of the meeting materials for this Board meeting, a document was also distributed that provided a detailed explanation of the Funding Formula to be used to collect funds for the Special Project on Credit Card Balance Protection Insurance from individual CAFII members.)

3. Other Business

There being no other business to discuss, the meeting was terminated.

List of Attendees from CAFII at 1 April, 2019
Business Consultancy Presentations

Firm	Board Member	Attending?	Surrogate (Attending)
Desjardins	Christian Dufour	No	Isabelle Choquette
BMO	Peter McCarthy	No	Gillian Noble
valeyo	Nicole Benson	Yes, in part, by phone	
RBC	Chris Lobbezoo	Yes	
Canada Life	David Fear	Yes	
ScotiaLife	Zack Fuerstenberg	Yes	
Assurant	Paul Cosgrove	No Response	Rob Dobbins
TD Insurance	Chris Knight	Tentative	Peter Thorn
Manulife	Wally Thompson	No	Monika Spudas
CIBC	Sandra Rondzik	Tentative	Joanna Onia
National Bank	Peter Thompson	No Response	
CUMIS	Kelly Tryon	No	
AMEX		No response	

Schedule of Business Consultancy Presentations on 1 April 2019
Business Consultancy / Actuarial Firms that have Signed NDA and Received RFP

<u>Firm</u>	<u>Lead</u>	<u>Other Contacts</u>	<u>Time</u>
Deloitte	Chris Duvinage	James Colaco Melissa Carruthers	8.30-9.10am
PwC	Matthew Lawrence	Byren Innes	9.15-9.55am
EY Canada	Glenn Parkinson		10.00-10.40am
			BREAK
KPMG	Chris Cornell		10.55-11.35am
McKinsey	Rohit Bhapkar		11.40am-12.10pm
			LUNCH BREAK
RSM Canada	Fabricio Naranjo		1.00-1.40pm
Towers Watson	Christine Panet-Raymond		1.45-2.25pm
BCG	Thomas Foucault		2.30-3.10pm
			BREAK
DISCUSSION			3.30-5.00pm

Agenda Item 4(b)(i)
March 26/19 EOC Meeting

From: Brendan Wycks
Sent: March-01-19 9:57 PM
To: Kathryn Martin (FCAC/ACFC) <Kathryn.Martin@fcac-acfc.gc.ca>
Cc: Keith Martin <Keith.Martin@cafii.com>
Subject: CAFII Feedback on FCAC Consumer Education Materials on "Credit or Loan Insurance" and "Credit Card Balance Protection Insurance"

Hi, Kate.

As Canada's only industry Association focused exclusively on creditor's group insurance, travel insurance, and alternate distribution in the life and health insurance industry, CAFII thanks you for the opportunity you've given us to bring the expertise of our members to bear in reviewing and providing feedback on two directly relevant FCAC consumer education documents which the Agency is developing. We also thank you for granting a deadline extension to end of day on March 1/19 for us to provide our feedback.

As promised, please find attached CAFII's Track Changes feedback submissions on the FCAC's draft online/web consumer education materials on

- Credit or Loan Insurance;
- Credit Card Balance Protection Insurance; and, in addition,
- a separate but directly related document titled "CAFII Outreach Questions & Answers On Creditor's Group Insurance and Alternate Distribution," which we are providing as an integral Appendix A to our Track Changes submissions.

We have provided our two Track Changes submissions in MSWord format, to make it easy and convenient to expand/open our marginal comments and view them in their entirety.

As noted in the marginal comments in our Track Changes submissions, CAFII would like to meet with you and/or other FCAC representatives to discuss and clarify the content of our Track Changes submissions and, in particular, our Appendix A submission as it addresses a number of factual errors and misperceptions/misunderstandings which were evident in the two FCAC draft consumer education documents.

And as noted specifically in the marginal comments in our Credit or Loan Insurance feedback submission, CAFII is strongly of the view that the example provided in that document is not credible and potentially misleading. The term life premiums quoted therein assume that the insured is not in sub-standard health. While the term life premium quoted may be accurate for some 37 year old women, it would not be accurate for a significant proportion of such consumers. There are other examples which could be used in which the cost of term life insurance would be much higher than for an equivalent amount of creditor mortgage life insurance. For example, a 50 year old male smoker would generally pay much more for a \$250,000 term life policy than for an equivalent amount of creditor mortgage life insurance. Consumers may get the false impression from Figure 1 that term life insurance is always less expensive than creditor mortgage life insurance and, based on that misinformation, could decide to decline creditor mortgage life insurance without investigating the cost for themselves.

In that connection, CAFII would like to meet and work with FCAC representatives to develop a credible example, drawn from independent, third party actuarial research on the Consumer Value Proposition of Creditor Mortgage Life Insurance Versus Term Life Insurance, research which CAFII has at its disposal and would be pleased to share.

We look forward to hearing back from you shortly, Kate, about some near future date/time options when it would be possible for a small group of CAFII representatives to meet with relevant FCAC senior staff members, at your offices in Ottawa/vicinity, to discuss these important matters.

Regards,
Brendan Wycks, BA, MBA, CAE
Co-Executive Director
Canadian Association of Financial Institutions in Insurance
Brendan.wycks@cafii.com
T: 647.218.8243
Alternate T: 647.361.9465
www.cafii.com

From: Kathryn Martin (FCAC/ACFC) <Kathryn.Martin@fcac-acfc.gc.ca>
Sent: February-12-19 10:55 AM
To: Brendan Wycks <brendan.wycks@cafii.com>
Subject: For review: FCAC Consumer Education materials

Good morning Brendan,

Thank you for your patience as we prepare educational web content on credit and loan insurance and credit card balance insurance for your review.

As part of our process, we ask key stakeholders to review draft content and provide comments before publication.

What we're looking for reviewers to do

We mainly ask reviewers to help us ensure our information for consumers is accurate, relevant, useful and easy to understand. If there are any key points that consumers should know which you feel are missing, please let me know. Editorial comments are not the main point of the review exercise, but would also be welcome, especially if the text is phrased in a way that seems unclear or potentially misleading.

Guidelines for web content

To further inform your review, here are some of the parameters that guide the drafting of our web content:

- This web content will be published on the government-wide web site Canada.ca, updating the pages: [Credit card balance insurance](#) and [Credit and loan insurance](#).
- We need to adhere to Canada.ca style guidelines, including:
 - Aiming for a Grade 8 reading level
 - Using simple terms and short and simple sentences that are easy for readers to scan quickly
 - Only including information that helps readers “complete their task”. In this case, the “task” is to understand the credit card balance insurance and credit and loan insurance.

Requested date for comments

If possible, could you please provide any comments by end of day **February 26, 2018**.

Typically, reviewers provide comments via track changes. I'd also be glad to discuss any feedback by email or phone if you like.

We greatly appreciate the feedback we receive from stakeholders. We endeavour to revise our draft content when appropriate, although we may not be able to accept all suggestions for revisions.

Thanks in advance,

Kate Martin

Consumer Education Officer
Financial Consumer Agency of Canada / Government of Canada
Kathryn.Martin@fcac-acfc.gc.ca
Tel 343.550.3485

Agent, Éducation des consommateurs
Agence de la consommation en matière financière du Canada / Gouvernement du Canada
Kathryn.Martin@fcac-acfc.gc.ca



Agence de la consommation
en matière financière du Canada

Financial Consumer
Agency of Canada



Credit card balance insurance

From: Financial Consumer Agency of Canada

On this page

- [What to know about credit card balance insurance](#)
- [Find out if you have credit card balance insurance](#)
- [Buying credit card balance insurance](#)
- [Cost of credit card balance insurance](#)
- [How to make a claim](#)
- [Cancelling credit card balance insurance](#)
- [Making a complaint about credit card balance insurance](#)

What to know about credit card balance insurance

~~Credit card balance insurance can be expensive. It's often marketed and sold in a way that does not take all your needs and circumstances into consideration. It may not offer you the best insurance coverage.~~

~~Credit card balance insurance, sometimes known as balance protection insurance, is a type of credit or loan insurance which pays down or pays off your outstanding balance (subject to any limits in the policy) or makes monthly payments on your behalf to your credit card issuer if a covered occurrence happens to you.~~

~~If you already have enough term life insurance, disability insurance, job loss insurance, critical illness insurance, and rainy day/rainy-day funds in place, you may not need credit card balance insurance. However, if you wouldn't have enough money to continue making your minimum monthly payments on your credit card if your income was reduced or interrupted by unforeseen circumstances, credit card balance protection insurance is an option to consider.~~

~~Credit card balance insurance is not sold by a licensed insurance representative; therefore it does not include a full analysis of your financial circumstances and insurance protection needs as financial institutions are not legally permitted to offer consumers advice when offering credit card balance-of insurance or other types of credit and loan insurance. As with the purchase of any type of insurance coverage, you should consider whether it is appropriate insurance coverage for you.~~

Commented [BW1]: This opening assertion does not take into account the legal and regulatory restrictions which FRFIs face in distributing insurance products to consumers. Banks are only permitted to promote Authorized Insurance Products; they are not permitted to conduct insurance needs assessments with consumers, nor can they refer consumers to licensed insurance agents or insurance companies who would be able to provide other types of insurance products. The tone of this opening assertion may mislead consumers into thinking that banks have the ability to offer other types of insurance products (such as term life insurance or individual disability insurance) or have the ability to conduct an insurance needs analysis with consumers but choose not to do so, when that is not the case.

This opening statement may also deter consumers from even considering creditor insurance altogether, including those consumers who may not be eligible for other types of insurance coverage. There are many factors which a consumer should consider in deciding upon the insurance option that best meets their needs. For example, some consumers with health complications would be declined for individual insurance coverage but may be accepted under a creditor's group insurance policy. Consumers should be encouraged to review their options and should be given guidance on how to equip themselves to make an informed decision.

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Commented [BW2]: Many consumers prudently decide to have both individual insurance and/or group insurance (such as through their employment or an Association) and credit insurance as well as complementary coverage. The individual insurance is intended to cover lost income, final expenses, survivor support, children's education, etc. The credit insurance, in contrast, is purposefully chosen to provide coverage for paying down or paying off a debt obligation. Please see "CAFII Outreach Questions & Answers on Creditor's Group Insurance and Alternate Distribution" which is an integral Appendix to this submission. CAFII would like to meet with FCAC officials to discuss and clarify the content of that Appendix, as it addresses many misperceptions and ... [1]

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You may be offered credit card balance insurance when you apply for a credit card, or are activating a credit card. ~~This is also called balance insurance. Balance insurance is a type of credit and loan insurance.~~

~~B~~Credit card balance insurance is optional insurance that's a separate product from your credit card. You don't need to buy credit card balance insurance to be approved for a credit card.

~~Credit card balance insurance can reduce the burden of making payments to your credit card issuer and help protect your good credit rating, should a covered occurrence such as job loss, disability, critical illness, or death happen to you.~~

Credit card balance insurance commonly includes the following types of coverage that may help make credit card payments if you:

- ~~job loss insurance~~lose your job
- ~~disability insurance~~become injured or disabled
- ~~become critically ill~~ness insurance
- ~~die~~ life insurance

The amount and the duration of benefits under credit card balance insurance vary depending upon the particular insurance product designed by the credit card issuer. For example, if you lose your job or become injured or disabled, credit card balance insurance may pay a set percentage of your credit card balance per month (for example 5% to 10% of your balance) may pay 5% to 10% of your credit card balance up to a maximum amount every month for a period of 10 to 24 months. Or, if you become critically ill or die, credit card balance insurance will may pay off your balance in full or up to a maximum amount.

As with all types of insurance, it is important that you read the your certificate of insurance for the credit card balance insurance you're being offered, to ensure that you fully understand the coverage provided, and any limitations and exclusions. Ask questions if you don't understand what's covered. credit card balance insurance has important limiting definitions and exclusions on related to the coverage it provides. For example, just as with individual critical illness insurance policies, under some certificates of insurance for credit card balance insurance policies, not all types of cancer may be included in the definition of "critical illness" for which a benefit will be paid are considered a critical illness. As with any type of insurance that you're considering purchasing, you should read your insurance certificate policy carefully and ask questions if you don't understand what's covered.

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~~For some people, depending on how much coverage they have in place for life insurance, disability, job loss and critical illness, they may not feel that they need credit card balance insurance. This is a personal decision as everybody's needs and circumstances are unique. Compare the credit card balance insurance coverage you are being offered and its cost with other insurance options which you already have in place or could purchase, to determine if this coverage is right for you and is within your budget. For example, a term life insurance policy, disability insurance policy, or the insurance provided by your employee benefits plan may already provide you with similar coverage; but there may be a difference in cost. Credit card balance insurance might not be suitable or necessary right for you if you have already have enough term life insurance, disability insurance, job loss insurance, critical illness insurance, and rainy day funds in place coverage from another insurance policy. Compare the coverage you would get with other insurance options. For example, a term life insurance policy, disability insurance policy or your employer's insurance plan may already provide you with similar coverage.~~

~~If you have enough savings to pay your balance, or if you pay your balance in full each month, you may not need credit card balance insurance.~~

~~Read the terms and conditions of the credit card balance insurance certificate. If you do not understand what is or isn't covered, ask questions. and ask questions to understand what is and isn't covered.~~

~~Understand the terms and conditions of credit and loan insurance of credit and loan insurance before buying agreeing to be signed up and enrolled in credit card balance insurance.~~

~~Understand your rights and responsibilities before you buy agree to be enrolled in credit card balance insurance.~~

Find out if you have credit card balance insurance

~~You must agree to sign up for and be enrolled in credit or loan insurance before you can be charged for it. This is known as giving your express consent.~~

To find out if you have credit card balance insurance you can:

- check your credit card statement for a balance insurance premium listed under optional products
- check your credit agreement for any optional products
- ~~and their cost~~

Commented [KM(3): This will link to a new section: "Understand terms and conditions of credit and loan insurance" on "Credit or loan insurance." (<https://www.canada.ca/en/financial-consumer-agency/services/insurance/credit-loan.html>)

- check for a certificate of insurance that was issued to you after you agreed to be signed up and enrolled in credit card balance insurance~~came with your credit agreement~~
- contact the financial institution that provides your credit card to ask if you have credit card balance insurance

Find out more about how to check for credit ~~or~~ loan insurance

Signing up for~~Buying~~ credit card balance insurance

You can ~~apply~~sign up for credit card balance protection insurance in person, over the phone or online through:

- banks
- credit unions
- caisses populaires
- stores and other companies that offer credit cards

You can sign up for credit card balance insurance when you are activating a new credit card. Or, you can add it at any time after you've received your card.

If you want to have credit card balance insurance on more than one credit card account, you ~~would~~must need to apply separately buy a separate insurance policy for each card account.

When you get credit card balance insurance, federally regulated financial institutions, such as federally chartered banks, must give you certain information ~~both before you agree to purchase the coverage and after you have been enrolled in the coverage~~both before and after you have been enrolled in the coverage. policy takes effect.

Distributors of credit card balance insurance, such as banks, also can't mislead you about the insurance when you give consent. This means that credit card balance insurance must be explained to you in a way that is accurate, clear and simple.

Commented [KM4]: This will link to a new section: "Find out if you have credit and loan insurance" on "Credit or loan insurance" (<https://www.canada.ca/en/financial-consumer-agency/services/insurance/credit-loan.html>)

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Learn more about eligibility and applying for credit card balance insurance, a type of credit and loan insurance.

Understand your rights and responsibilities when you sign up for ~~buy~~ credit card balance insurance.

Cost of credit card balance insurance

~~For some consumers, c~~credit card balance insurance may be more expensive than other insurance options. ~~However, f~~For other insurance options such as term life insurance, the cost will pricing may depend But that will depend upon your age, gender, and lifestyle habits such as whether you are a smoker or not.

For credit card balance insurance, you usually pay a monthly fee called a premium, usually monthly. You usually pay a monthly fee for credit card balance insurance. This is also called a premium. Premiums vary from one financial institution to another. The amount of the premium depends upon your credit card balance. The higher your balance, the higher your premium. Your premium will change each month depending on the amount you owe. Your premium will be charged to your credit card and will appear on your monthly credit card statement.

Premiums are ~~either~~ calculated ~~either~~ based upon your final monthly balance or as an average of your daily balances. ~~This means that even if you pay off your credit card in full every month, you may still be charged a premium if your card had a balance on it at the end of any day during the previous month.~~

Example:

(See alternate CAFII-proposed Example, Step 1 below, which we believe is easier to understand and more consumer-friendly, following the FCAC-proposed Example for job loss credit card balance insurance. Steps 2 and 3 of CAFII's more consumer-friendly example will need to be calculated.)

Say you have signed up for credit card balance insurance and your monthly premium is \$0.95 per \$100 you owe. This example shows how your premium would be calculated for the month of December, which has 31 days, using the average daily balance method.

Step 1: Find out the total of interim average ~~amount of~~ daily balances

Commented [KM(5): This will link to "Eligibility" section on the page "Credit or loan insurance" (<https://www.canada.ca/en/financial-consumer-agency/services/insurance/credit-loan.html>) This will be a new section on Credit and loan insurance.

Commented [BW6]: This comment, as drafted, could mislead a consumer into thinking that he/she would pay a premium but would not be eligible for a benefit because the statement balance was paid in full at the end of the month. In actual fact, the consumer would be charged a premium but would also be eligible for a benefit even if the credit card balance had been paid in full. For example, if the consumer had a \$2,000 monthly statement balance for January that was paid in full by the due date of February 10, and then the consumer became totally disabled on February 15, he/she would be eligible for the monthly disability benefit of generally 10% of the \$2,000 January monthly statement balance, even though the statement balance was paid in full.

Number of days	Balance amount for that number of days	Interim Average Sum of Daily Balances
5	\$1000	\$5,000
5	\$2000	\$10,000
21	\$4000	\$84,000

Total of ~~Interim Average~~ ~~Daily Balances~~ \$99,000

Step 2: Find out the average daily balance

Take the ~~T~~total of ~~Interim Average~~ ~~Daily Balances~~ and divide it by the number of days in the month to get the average daily balance:

\$99,000/ 31 days in December = \$3193.54 is the average daily balance.

Step 3: Find the cost of credit card balance insurance for the month of December:

Next, you multiply the average daily balance by the premium rate: $\$3193.54 \times 0.0095 = \30.33
(this calculation does not include the PST on the insurance premium which is payable in some provinces).

In this example, you'd pay \$30.33 for your monthly premium. If your average daily balance amount stays the same for the year, you'd pay more than \$360 in insurance premiums for the year.

Example of benefits you may get from credit card balance insurance

Here are examples of benefits that may be included in a credit card balance insurance policy. The examples assume you are eligible to make a for the claim. Keep in mind there's usually a maximum amount of benefit that you'll be able to claim.

Example 1: Credit card balance insurance benefits if you lose your job

Suppose you have a credit card balance of \$1,000. You pay 19% annual interest on your balance, which means you'll be charged about ~~\$15.83~~16.58 per month in interest.

If you lose your job:

- your insurance company pays 105% of your outstanding credit card balance, or ~~\$101.58~~106.58 a month, for up to 10~~12~~ months (until your entire insurance balance is paid in full)
- your balance at the end of the first month after the claim would be \$9~~14.25~~15.83
- your balance at the end of 12~~10~~ months, if you make no additional purchases, would be ~~\$414.33~~658.91

Commented [BW7]: Ten percent or 20% are the industry standards. If 10%, the maximum number of months the benefit would be paid is 10 months.

CAFI's Proposed Alternate Example

Say you have signed up for credit card balance insurance and your monthly premium is \$0.95 per \$100 you owe. This example shows how your premium would be calculated for the month of November, which has 30 days, using the average daily balance method.

Daily balance from day 1 to day 15 is \$1,000

Daily balance from day 16 to day 20 is \$1250

Daily balance from day 21 to day 30 is \$1500

Therefore, the Total of interim average daily balances for this month is calculated as follows:

\$1,000 x 15 = \$15,000

\$1250 x 5 = \$6,250

\$1500 x 10 = \$15,000

TOTAL \$36,250

Average Daily Balance = \$36,250 ÷ 30 days = \$1208.33

Monthly Premium = \$1208.33 ÷ \$100 = 12.08 x \$.95 = \$11.48 + \$0.92 PST (8% in Ontario) = \$12.40

Example 2: Credit card balance insurance benefits if you become critically ill

Suppose you have a credit card balance of \$1,000. You pay 19% annual interest on your balance, which means you'll be charged [about \\$165.83](#) per month in interest.

If you become critically ill:

- your insurance company pays [an amount equivalent to the outstanding balance, on the date of loss, or \\$1,000](#)~~your entire outstanding credit card balance of \$1,000~~
- your credit card balance, if you make no additional purchases, would be zero

[Find out more about making a credit card balance insurance claim.](#)

Cancelling credit card balance insurance

You can cancel credit card balance insurance at any time. Check your [certificate of insurance policy](#) for the steps to take.

~~Usually you need to contact the insurance company. Keep in mind that the insurance company is often a different company than the financial institution that issued your credit card.~~

~~Financial institutions offer a “free look period” or “review period” for credit card balance insurance, which is usually a 30 day period after your coverage starts. This period provides you with the opportunity to consider the purchase in light of your financial needs and circumstances.~~

Commented [BW8]: The offering of a review period should apply to all financial institutions as doing so is required under provincial insurance legislation in most provinces; and under CLHIA Guideline G7: Creditor’s Group Insurance.

~~During the review period, you can cancel the credit card balance insurance and get a full refund of any premiums you’ve paid to that point. After 30 days, your financial institution will continue to charge you an insurance premium and the premiums will not be refunded if you decide to cancel at a later date.~~

~~If you cancel credit card balance insurance within the “free look” trial period, you’ll be refunded the premium you paid.~~

~~Some financial institutions offer trial periods for balance insurance. There’s often a 30-day trial period after your coverage starts. During this time, you can cancel the policy and get a refund for any premiums you’ve paid. After 30 days, your financial institution will start charging you the premiums every month.~~

It’s best to understand [credit card](#) balance insurance and whether it’s right for you before agreeing to ~~be enrolled in purchase~~ it, even for a [review trial](#) period.

[Find out more about cancelling your insurance.](#)

Making a complaint about credit card balance insurance

~~Distributors of credit card balance insurance~~ [Federally regulated financial institutions](#), such as banks, can’t [enrol you in or](#) charge you for credit card balance insurance if you [haven’t agreed to sign up for it](#) ~~don’t agree to it~~.

If you notice a credit card balance insurance charge on your credit card statement, but you didn’t [agree to](#) sign up for it, contact the [insurance company at the phone number provided in your certificate of insurance](#). ~~financial institution that issued your credit card.~~

[Find out the steps to take to make a complaint.](#)

[Make a complaint about your insurance provider.](#)

Related links

- [Determining your insurance needs](#)
- [Credit ~~orand~~ loan insurance](#)
- [Disability insurance](#)
- [Life insurance](#)

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Many consumers prudently decide to have both individual insurance and/or group insurance (such as through their employment or an Association) and credit insurance as well as complementary coverage. The individual insurance is intended to cover lost income, final expenses, survivor support, children's education, etc. The credit insurance, in contrast, is purposefully chosen to provide coverage for paying down or paying off a debt obligation. Please see "CAFII Outreach Questions & Answers on Creditor's Group Insurance and Alternate Distribution" which is an integral Appendix to this submission. CAFII would like to meet with FCAC officials to discuss and clarify the content of that Appendix, as it addresses many misperceptions and misunderstandings which were evident in the first draft of this FCAC consumer education document.

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Credit ~~or~~ loan insurance

From: Financial Consumer Agency of Canada

On this page

- [What to know before getting credit ~~or~~ loan insurance](#)
- [Find out if you have credit or loan insurance](#)
- [Decide if you need credit ~~or~~ loan insurance](#)
- [Getting credit ~~or~~ loan insurance](#)
- [Types of credit ~~or~~ loan insurance](#)
- [Cancelling credit ~~or~~ loan insurance](#)
- [Making a complaint about credit ~~or~~ loan insurance](#)

What to know about credit or loan insurance

Credit or loan insurance -- also known as credit protection insurance, creditor insurance, creditor's group insurance, or credit insurance -- is insurance that can pay down or pay off the balance on a mortgage, line of credit, loan, or credit card (up to the maximum specified in the certificate of insurance) or to make/postpone debt payments on the insured's behalf in the event of death, disability, job loss, or critical illness. It can be obtained for a variety of debt obligations, including mortgages, consumer loans, lines of credit, and credit cards. Credit and loan insurance can be expensive. It's often marketed and sold in a way that does not take all your needs and circumstances into consideration. It may not offer you the best insurance coverage.

If you already have enough term life insurance, disability insurance, job loss insurance, critical illness insurance, and rainy-day funds in place, you may decide that you do not need credit or loan insurance. However, if you or your family wouldn't have enough money to continue making payments on your loan or to pay off your loan if you died or your income was reduced by unforeseen circumstances, credit or loan insurance is an option to consider.

Compare the credit or loan insurance coverage you are being offered and its cost with other insurance options which you already have in place or could purchase, to determine if this coverage is right for you and is within your budget. For example, a term life insurance policy, disability insurance policy, or the insurance provided by your employee benefits plan may already provide you with similar coverage, but there may be a difference in cost.

Many consumers acquire credit or loan insurance as complementary coverage to other insurance coverage. By directly covering a specific debt obligation, it frees up other individual

Commented [BW1]: Use Credit or Loan Insurance consistently throughout, to avoid any possible confusion

Commented [BW2]: This opening assertion does not take into account the legal and regulatory restrictions which FRFIs face in distributing insurance products to consumers. Banks are only permitted to promote Authorized Insurance Products; they are not permitted to conduct insurance needs assessments with consumers, nor can they refer consumers to licensed insurance agents or insurance companies who would be able to provide other types of insurance products. The tone of this opening assertion may mislead consumers into thinking that banks have the ability to offer other types of insurance products (such as term life insurance or individual disability insurance) or have the ability to conduct an insurance needs analysis with consumers but choose not to do so, when that is not the case.

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and group insurance coverage to protect a family's quality of life by covering such costs as medical, education, child care, and burial expenses; capital gains taxes, etc.

Credit or loan insurance is not sold by a licensed insurance representative; therefore, it does not include a full analysis of your financial circumstances and insurance protection needs as financial institutions are not legally permitted to offer consumers advice when offering credit or loan insurance. As with the purchase of any type of insurance coverage, you should consider whether it is appropriate insurance coverage for you.

Your financial institution may suggest offer you take the opportunity to apply for credit or loan insurance when you get a mortgage, line of credit, credit card or other loan with them. This type of insurance is also known as:

- creditor insurance
- balance protection insurance
- balance insurance
- debt insurance

Credit or loan insurance is optional insurance that's a separate product from a loan or credit card. You don't need to apply for this insurance in order to be approved for a loan or credit card.

Credit and loan insurance is a separate product from a loan or credit card. You do not have to take this insurance to be approved for a loan or activate your credit card.

Credit and loan insurance may help make your loan payments in the event of your you cover your loan payments if you can't make payments due to illness, accident, or death, usually up to a maximum amount. Benefits are paid to your creditors. Your creditors are the companies to which that you owe money to. For example, if you have credit insurance on your mortgage card balance insurance, your mortgage balance (up to the maximum specified in the certificate of insurance) will be paid out in the event of your death, relieving your family of the financial obligation to pay the mortgage, a benefit is paid to the financial institution that issued you the credit card to pay part, or all, of your credit card balance usually up to a maximum amount.

Not all credit and loan products will offer the same type of insurance coverage. For example, you may be able to get life insurance and critical illness insurance coverage on a line of credit, but not disability insurance.

As with all types of insurance, it is important that you read the certificate of insurance for the credit or loan insurance you're being offered, to ensure that you fully understand the coverage provided and any limitations and exclusions. Ask questions if you don't understand what's

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Commented [BW3]: This listing of the types of credit or loan insurance is better to be positioned in the opening paragraph. The term "debt insurance" is not commonly used in the insurance industry.

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covered. For example, just as with individual critical insurance policies, under some certificates of insurance for credit or loan insurance, not all types of cancer may be included in the definition of "critical illness" for which a benefit will be paid.

~~There are important exclusions on credit and loan insurance that determine if your claim will be approved. Exclusions are anything that aren't covered by your insurance policy. For example, certain types of cancer will not be eligible for coverage.~~ Understand the terms and conditions before purchasing credit or loan insurance to make sure it's the right type of insurance for you.

~~In most cases, eCredit or loan insurance applies to a specific loan or specific credit card. If you'd like insurance on multiple loans or credit cards, you'd need to get insurance for each loan or card you must enrol in credit or loan insurance separately for each loan.~~

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Commented [BW4]: It is not correct to refer to the fact that not all types of cancer would be covered under credit or loan critical insurance as an "exclusion." Rather, it is correct to say that certain types of cancer "are not within the scope of the coverage."

Did you enrol for insurance coverage when you took out your loan? Find out if you have credit or loan insurance

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You must apply for and be enrolled in credit or loan insurance before you can be charged for it. This is known as giving your express consent.

Sometimes people have second thoughts about credit or loan insurance after they have applied for the coverage and subsequently provided express consent to be enrolled in it. Financial institutions and other credit issuers therefore offer a “free look period” or “review period” for credit or loan insurance, which is usually a 30 day period after your coverage starts (except in Quebec where the review period may be shorter). This period provides you with the opportunity to consider the coverage in light of your financial needs and circumstances.

During the review period, you can cancel the credit or loan insurance and get a full refund of any premiums you’ve paid to that point. After 30 days, your financial institution will continue to charge you an insurance premium for the credit or loan insurance and the premiums will not be refunded if you decide to cancel at a later date.

You may have credit or loan insurance on a loan or credit card. This type of insurance is an optional and separate product. It is not a feature of a loan or credit card.

Even if you didn’t purchase this type of insurance when taking out a loan or applying for a credit card, you may have agreed to a trial period that usually lasts for 30 days. You have to cancel the trial within the first 30 days to be refunded any premium you’ve paid. If you don’t ask your financial institution to cancel credit or loan insurance after the 30 day trial, you will continue to be charged a premium for it.

You can find out if you have credit or loan insurance by:

- checking your credit or loan agreement for information about optional services
- contacting the financial institution or other issuer where you took out your loan or credit card

[Find out how to check for balance protection insurance on your credit card.](#)

Commented [BW5]: It doesn’t make sense to include this here as these pages are for credit or loan insurance. We recommend that all references to credit card balance protection insurance be removed from this document, save and except for an initial mention that balance protection insurance is one form/kind of credit or loan insurance.

How to cancel credit ~~or~~ loan insurance.

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Decide if you need credit ~~or~~ loan insurance

Before you apply for credit or loan insurance, ~~take a trial or sign up for insurance on your credit or loans~~, make sure you receive and review information about this type of insurance. Important information about the cost of the insurance, what's covered and what isn't covered, and the ~~type of~~ benefit you may receive is included in the certificate of insurance. You can ~~ask for~~ a certificate of insurance for the optional credit or loan insurance from the financial institution or other issuer that is providing you with a loan or credit card or mortgage. You don't need to agree to sign up ~~for~~ this type of insurance ~~or take a trial in order~~ to get a sample the certificate of insurance.

You can determine if this insurance provides the best coverage and is affordable for you by:

- ~~checking to see if you already have insurance coverage through an individual plan or your employer in case of death, illness or disability, which could be used to pay off outstanding debts~~
- ~~comparing the coverage offered by other insurance products, such as term life and health insurance, to see which product meets your needs and offers the best value~~
- understanding what's covered and what isn't covered (e.g. the exclusions) by reading the certificate of insurance
- understanding if you are ~~if~~ eligible for credit and loan insurance by reading the terms and conditions ~~about exclusions~~ in the certificate of insurance

~~Exclusions are anything that aren't covered. Be aware that credit and loan insurance coverage can change over time depending on your age and whether you develop certain medical conditions.~~

~~Be sure to review the certificate of insurance to ensure that you understand the exclusions – things that aren't covered – as well as the maximum benefits payable. For example, if you were to die, credit or loan insurance can pay out your mortgage or loan balance, but only up to the maximum specified in the certificate of insurance. Also, your certificate of insurance might also limit the insurance coverage when you reach a certain age or when a claim is accepted for a specific medical condition.~~

~~You can also check the certificate of insurance for the maximum benefit you'd be eligible for if you make a claim. For example, if you lose your job or become injured or disabled, balance insurance may pay 5% to 10% of your credit card balance up to a maximum amount every month, for a certain number of months, usually 10 to 24 months. Or, if you become critically ill or die, balance insurance will pay off your balance in full or up to a maximum amount.~~

Commented [BW7]: Many consumers prudently decide to have both individual insurance and credit insurance. The individual insurance is intended to cover lost income, final expenses, survivor support, children's education, etc. The credit insurance, in contrast, is purposefully chosen to provide coverage for paying down or paying off a debt obligation. Please see "CAFII Outreach Questions & Answers on Creditor's Group Insurance and Alternate Distribution" which is an integral Appendix A to this submission. CAFII would like to meet with FCAC officials to discuss and clarify the content of that Appendix, as it addresses many misperceptions and misunderstandings which were evident in the first draft of this FCAC consumer education document.

Commented [BW8]: Eligibility and exclusions are two separate issues. Eligibility determines whether or not a consumer meets the requirements to be insured under the creditor insurance group policy. Exclusions determine whether or not a claim will be payable.

Commented [BW9]: This is not an accurate statement. Please see "CAFII Outreach Questions & Answers on Creditor's Group Insurance and Alternate Distribution" which is an integral Appendix to this submission. CAFII would be pleased to meet with FCAC officials to discuss and clarify the content of that Appendix, as it addresses many misperceptions and misunderstandings which were evident in the first draft of this FCAC consumer education document.

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Commented [BW10]: Credit and loan insurance is underwritten based on the customer's age, health, etc. as stated at the date of the application. Once coverage has been issued coverage, it does not change based on age or health until it expires. The only thing that could limit coverage is if a medical condition is considered to be pre-existing or if there are limits for certain specified medical conditions in the coverage -- which would have been specified in the certificate of insurance at the time the consumer enrolled in the insurance.

If the customer seeks to increase his/her coverage, or make another application for insurance at a later date and now has new medical conditions, then that may affect his/her coverage.

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Commented [BW11]: This is repetitive of the content in the credit card balance protection document; and therefore redundant. If retained, it should be amended to reflect the corrections/edits provided on the same content in that document.

If you have any questions about being approved or what the credit or loan insurance will cover, contact the insurance company directly before applying for buying credit or loan insurance coverage. The insurance company will be listed on the certificate of insurance. It is a different company than the financial institution or other credit issuer that is providing you with thea loan or credit card.

Getting credit ~~or~~ loan insurance

You usually get credit or loan insurance at ~~the~~ financial institution or other credit issuer where you can obtain aget your loan, line of ~~credit~~, ~~credit card~~ or mortgage. This includes:

- banks
- credit unions
- caisse populaires
- ~~stores that offer credit cards~~

Commented [BW12]: Do not mix credit card balance insurance content into this credit or loan insurance document. Doing so will only confuse the consumer.

This type of insurance is optional. Be aware that federally regulated financial institutions, such as federally chartered banks, which are distributors of credit or loan insurance ~~financial institutions~~ aren't allowed to pressure you into taking this type of insurance as a condition for getting a loan ~~or credit card~~ from them. This practice, called coercive tied selling, is illegal in Canada.

~~At federally regulated financial institutions, such as banks, you must give your permission to purchase credit or loan insurance before you can be charged for it. This is known as giving your express consent.~~

Commented [BW13]: Better to mention this fact about express consent earlier on in the document.

Giving your express consent means that you clearly agree to apply for and subsequently to purchase be enrolled in credit or loan insurance. You can give consent:

- verbally, such as over the phone
- in writing on paper, such as face-to-face with a financial institution employee in a branch
- in writing using an electronic format, such as through a website

Using a product or service does not mean that you've given express consent.

Distributors of credit or loan insurance~~Federally regulated financial institutions~~, such as banks, also can't mislead you about credit or loan insurance when you give consent. This means that credit or loan insurance must be explained to you in a way that is accurate, clear and simple.

[Learn more about coercive tied selling.](#)

[Learn more about giving your express consent for financial products and services.](#)

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Understand the terms and conditions of credit and loan insurance

The terms and conditions of credit ~~or~~ loan insurance can vary depending on the insurer. The terms and conditions will also tell you what types of coverage is provided under the certificate of insurance of claims you can make. Make sure you understand the terms and conditions before you sign up for credit or loan balance insurance.

Depending upon the credit or loan insurance product you're considering, the terms and conditions will tell you the following:

- the maximum benefit payable you may get
- for critical illness coverage, the specific conditions that will be covered by the insurance the illnesses covered by the insurance policy
- for disability coverage, the definition of what is considered a disability
- for job loss and disability coverage, if there's a minimum number of hours you need to work to qualify for a benefit you need to work to qualify for a benefit after you lose your job or become injured
- for job loss coverage, whether you'd qualify for a job loss benefit if you're self-employed whether you'd qualify for a job loss benefit if you're self-employed

Even ~~after~~ you've been enrolled in the credit or loan insurance, not all claims may be payable, approved, not all injuries, illnesses or periods of unemployment will be covered. For example, your claim may not be paid if might not be covered if:

- it is a life insurance, disability insurance, or critical illness insurance claim that relates to you have a pre-existing medical condition that gets worse
- you had symptoms of a disease when you applied
- it is a job loss claim and you were fired from your job with cause
- it is a job loss claim and you resigned from your job
- you were working on a contract

If you have any questions, contact the insurance company before agreeing to apply for buying credit or loan balance insurance coverage.

Eligibility for credit ~~or~~ loan insurance

You ~~may~~ will be required to answer a short health questionnaire of 'yes' or 'no' questions to determine if you're eligible for credit ~~or~~ loan insurance. Based on your answers, you may be approved right away or you might need to take a medical exam or answer more health questions before you can be approved.

Commented [BW16]: Some credit or loan insurance products do not require health questions if the amount to be insured falls below a certain threshold. The application process for creditor or loan insurance is generally one of "simplified underwriting" which does not require the consumer to provide much information to the insurer. For creditor's life insurance, for example, the applicant may be required to answer only one question. In contrast, in order to qualify for term life insurance, the applicant will generally be required to answer many more questions, including questions about his/her health, travel history, criminal record, finances, and sporting or related activities; and provide more detailed personal information such as height, weight, and smoking status. Some consumers would be declined for individual coverage by an insurer but would be accepted for coverage under a credit or loan insurance group policy. There are many factors other than cost which should be considered by consumers in deciding what type of insurance product meets their needs.

Your insurance ~~may not~~^{won't} be valid if you do not provide accurate answers on this questionnaire. This means a claim will not be paid even if you have paid premiums. you won't get any money if you try to make a claim, even if you have paid premiums. Take your time to understand if you're eligible for coverage; answer all eligibility questions carefully and truthfully; and ask questions if you have any. Take the documents home with you or consult with a medical professional if ~~necessary~~^{needed}.

As with nearly all types of life and health insurance, ~~C~~credit or loan insurance often has exclusions relating to ~~pre-existing~~ health conditions that existed before you applied for the coverage. That means if you have any signs or symptoms of an illness (even if undiagnosed) before you became covered, the insurance may not provide coverage for that particular illness. This means the insurance may not provide coverage for certain illnesses. For example, asthma, high blood pressure or heart disease might be excluded from coverage. An exclusion is anything not covered by your policy.

Depending on the type of insurance product design~~loan you're insuring~~, you may not be eligible to claim for credit or loan insurance if any of the following apply:

- you have not worked the minimum number of hours required to qualify for a benefit, are self-employed or a seasonal employee
- ~~you have a pre-existing medical condition~~
- you're above the maximum age to qualify (often between 65 and 70 years old)
- you're under the minimum age to qualify (often 18 years old)
- ~~you're over your credit limit~~
- ~~you owe any payments that are past the due date~~
- ~~you have recent dishonoured payments on your account (dishonoured payment happens if an automatic payment does not go through because you've reached your credit limit)~~

~~Keep in mind that after you make a claim, the insurance company that provides insurance can more fully investigate and change your coverage. This means that the insurance company may take a close look at whether you are eligible to receive money after you make a claim. In some cases, your claim may not be approved for something you thought would be covered.~~

Just as in the adjudication of claims in other types of insurance, the insurance companies that underwrite credit or loan insurance perform a review of all claims to ensure that they are payable under the terms and conditions stated in the certificate of insurance. An analysis is done to verify that the circumstances of the incident triggering the claim meet the terms of the contract signed by the insured. As with any life and health insurance, misrepresentation on the application can make the insurance void and no claim would be payable. Details of any

Commented [BW17]: Not all of these are eligibility conditions. A pre-existing medical condition is not an eligibility condition – you can still get the insurance, but if your claim relates to the pre-existing condition it will not be paid. Any other claim likely would be, though.

Commented [BW18]: These three situations are not germane to this list, as they don't relate to "eligibility for coverage" but rather they are grounds for "termination of coverage".

Commented [BW19]: This paragraph is inaccurate and implies that post-claims underwriting occurs, which is false. What occurs in credit or loan insurance, as with all types of insurance, is claims adjudication.

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limitations and exclusions are disclosed to you at the time of application and set out in the certificate of insurance.

Cost of credit or loan insurance

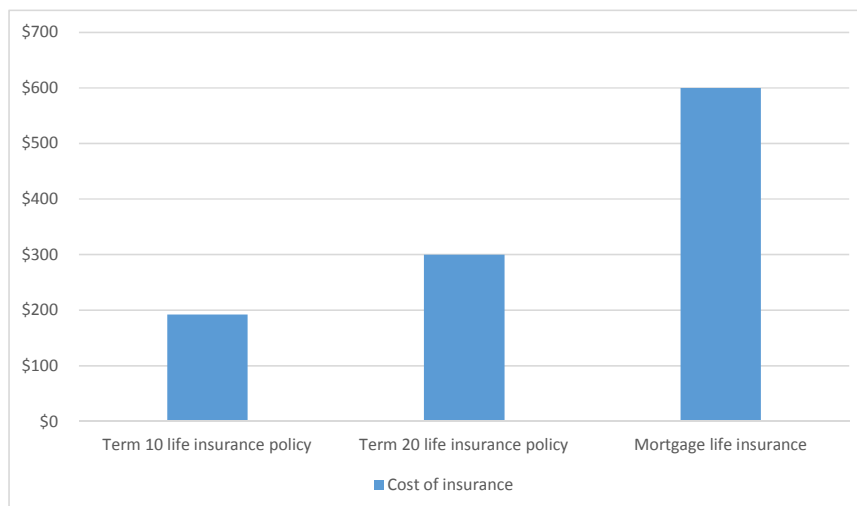
When you get credit or loan insurance, you either pay ~~a monthly recurring~~ premiums based on ~~the frequency of your loan payments~~ or a one-time premium, ~~depending on the product you're insuring and the financial institution that is providing your insurance.~~ If you're charged a one-time premium, you usually pay this at the time your ~~credit or loan insurance loan~~ is approved. ~~Recurring Monthly~~ premiums are ~~usually~~ calculated based ~~upon~~ ~~a number of factors which may include the initial amount of your loan, the amount of time it will take to pay off your loan, your age, your gender, your health status, and, for some products, your average daily balance during the previous month.~~ ~~the average daily balance of the previous month.~~

~~Credit or loan insurance may be more expensive than other types of insurance coverage.~~

Figure 1: Comparing the annual cost of mortgage loan insurance and term life insurance

For example, on a \$250,000 mortgage with a fixed term of 5 years, at ~~an~~ interest rate of 5%, a 37-year-old woman would pay \$600 a year to get mortgage life insurance, a type of credit ~~or~~ ~~and~~ loan insurance.

To insure the same amount, the woman would pay \$190 a year for a life insurance policy with a 10-year term or \$300 a year for a life insurance policy with a 20-year term.



Commented [BW20]: CAFII believes that the example provided here is not credible and potentially misleading. The term life premiums quoted here assume that the insured is not in sub-standard health. While the term life premium quoted may be accurate for some 37 year old women, it would not be accurate for a significant proportion of such consumers. There are other examples which could be used in which the cost of term insurance would be much higher than creditor mortgage life insurance. For example, a 50 year old male smoker would generally pay much more for \$250,000 term life policy than for an equivalent amount of creditor mortgage life insurance. Consumers may get the false impression from Figure 1 that term life insurance is always less expensive than creditor mortgage life insurance and, based on that misinformation, could decide to decline creditor mortgage life insurance without investigating the cost for themselves. CAFII would like to meet and work with the FCAC to develop a credible example, drawn from recent independent, third party actuarial research on the Consumer Value Proposition of Creditor Mortgage Life Insurance Versus Term Life Insurance, research which CAFII has at its disposal and would be pleased to share.

Keep in mind that for loans that have fixed amounts, such as a mortgage, the premiums are based on the original amount of the loan. As you pay down your loan, the premiums generally remain the same even though you'll owe less on your loan. The death benefit will decrease as you make payments and the outstanding balance is reduced.

Types of credit ~~or~~ loan insurance

Life insurance to pay off credit or loan obligations

This type of life insurance ~~pays a lump sum to pay down or pay off your loan, covers your loan payments in the event of your death.~~ Your insurance company will use the death benefit to pay down or pay off the remaining balance on the loan, up to the maximum specified in the certificate of insurance, if you meet the claim requirements. The money from your death benefit will go to your creditor. The money won't go to your family or beneficiaries, although they may benefit indirectly from your loan being paid down or paid off.

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If you want your family or beneficiaries to receive a death benefit in the event of your death, you'd need to buy a separate life insurance policy.

[Learn about the types of life insurance available.](#)

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Critical illness insurance on credit or loans

This type of insurance can help to pay will ensure down or pay off the outstanding balance on your ~~credit or~~ loan ~~will be paid~~ if you're diagnosed with one of the critical illnesses specified in your certificate of insurance~~insurance policy~~.

Your certificate of insurance will~~policy~~ lists:

- which illnesses are covered
- what you need to do make a claim~~qualify~~ for the insurance benefits

For example, cancer is usually one of the illnesses covered. However, some policies may cover only ~~for~~ certain types of cancer.

Pre-existing medical conditions ~~illnesses~~ are usually not covered. However, some certificates of insurance~~policies~~ will pay benefits if you've been free of the medical condition~~illness~~ for a period of time. This will be defined in the your policy's terms and conditions found in your certificate of insurance.

Commented [BW22]: On this point, please see Question and Answer #7 in Appendix A: "CAFIL Outreach Questions & Answers on Creditor's Group Insurance and Alternate Distribution," which is an integral Appendix to this submission.

[Learn about supplementary health insurance to help you replace your income in the case of critical illness.](#)

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Disability insurance on credit or loans

This type of insurance ~~can help to ensure that your regular payments~~ ensures that the required ~~minimum payments~~ on your loan, mortgage, or credit arrangement ~~or credit card will be made will be made~~ for a ~~specified~~ certain period of time if you ~~become ill~~ get an unexpected illness or have an accident that leaves you unable to work and earn an income. It generally doesn't pay off the full outstanding balance of your loan.

You'll still be responsible for paying the balance on your loan ~~when:~~

- ~~when~~ you recover ~~OR~~
- after the ~~benefit~~ coverage period ends ~~(whichever occurs first)~~

Your ~~certificate of insurance~~ policy will ~~set out all the~~ define the disabilities that would make you eligible for benefits. It will also have other terms and conditions ~~of coverage~~. These include:

- the amount of the payments the insurance company will make toward your ~~credit or~~ loan
- the length of time the insurance company will make payments toward your ~~credit or~~ loan

Some ~~certificates of insurance~~ policies will include job loss insurance in addition to disability insurance. Job loss insurance may make the minimum payment if you can't work because of involuntary job loss. Involuntary job loss usually means if you were laid off, ~~or~~ dismissed without cause, ~~or if you're involved in a legal strike or walk out.~~

[Learn about disability insurance to replace your income if you become unable to work.](#)

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~~If you become injured, disabled or lose your job, credit card balance insurance may make the minimum payments on your credit card or pay a specified percentage of your monthly balance.~~

~~If you die or have a critical illness, the insurance company will pay off the credit card balance owing at the time of your illness or death.~~

~~Make sure you read your policy carefully and understand what is covered and what is not.~~

~~[Learn more about credit card balance insurance.](#)~~

Commented [BW25]: Do not mix credit card balance insurance content into this credit or loan insurance document. Doing so will only confuse the consumer.

How to make a claim

Check your certificate of insurance policy for the steps to make a claim.

Usually, you start your claim either online or over the phone through your financial institution or insurance company. You will likely be asked to complete claims forms and you may be required to provide more information ~~and take a medical exam~~.

Most certificates of insurance policies require that claims are made within a certain timeframe, usually ranging from 90 days to a year from the date on which the injury, disability, or critical illness was diagnosed or which death occurred, depending on the type of claim you're making. You'll find information about the timeframe to make your claim in your certificate of insurance policy. It's important that you begin your claim during this timeframe or your claim might be ~~denied~~ declined and you will not be paid any insurance benefits.

Keep in mind that even if your claim is accepted, you will not be refunded the premiums you've already paid.

[Find out more information about making an insurance claim.](#)

Cancelling credit ~~or~~ and loan insurance

You can cancel credit ~~or~~ and loan insurance at any time. Check your certificate of insurance policy for the steps to take.

Usually you need to contact the insurance company. Keep in mind that the insurance company is often a different company than the financial institution or other credit issuer through which ~~where~~ you signed up for the credit or loan insurance.

Financial institutions offer a "free look period" or "review period" for credit or loan insurance, which is usually a 30 day period after your coverage starts (except in Quebec where the review period may be shorter). This period provides you with the opportunity to consider the purchase in light of your financial needs and circumstances.

During the review period, you can cancel the credit or loan insurance and get a full refund of any premiums you've paid to that point. After 30 days, your financial institution will continue to charge you an insurance premium and the premiums will not be refunded if you decide to cancel at a later date.

~~Some financial institutions offer trial periods for credit card balance insurance. When your coverage starts, there's usually a 30-day trial period. During this time, you can cancel the policy and get a refund for any premiums you have paid. If you don't want credit or loan insurance you are responsible for cancelling it. After 30 days, your financial institution will start charging you the premiums every month.~~

Commented [BW26]: The consumer is not paid the insurance benefits. The insurer pays the benefits to the financial institution to be applied against the insured loan or debt.

Commented [BW27]: While true, this statement could potentially confuse consumers and raise false expectations in their minds. Insurers generally do not refund premiums for any type of insurance when a claim is paid.

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Commented [BW29]: The offering of a review period should apply to all financial institutions as doing so is required under provincial insurance legislation in most provinces; and under CLHIA Guideline G7: Creditor's Group Insurance.

[Find out more information about cancelling your insurance.](#)

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Making a complaint about credit or loan insurance

[Distributors of credit or loan insurance](#) ~~Federally regulated financial institutions~~, such as ~~banks~~, can't charge you for credit ~~or loan~~ ~~card balance~~ insurance if you don't clearly agree to [sign up](#) and be enrolled in it.

If you notice a ~~debit related to an insurance premium payment~~ ~~credit card balance insurance charge~~ on your ~~credit card~~ ~~bank~~ statement, but you ~~don't recall agreeing to~~ ~~didn't~~ sign up for it, contact the financial institution [that issued your bank statement](#) ~~that issued your credit card~~.

Find out the steps to make a complaint.

[Make a complaint about your insurance provider.](#)

Related links

- [Credit card balance insurance](#)
- [Getting an insurance policy](#)

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This opening assertion does not take into account the legal and regulatory restrictions which FRFIs face in distributing insurance products to consumers. Banks are only permitted to promote Authorized Insurance Products; they are not permitted to conduct insurance needs assessments with consumers, nor can they refer consumers to licensed insurance agents or insurance companies who would be able to provide other types of insurance products. The tone of this opening assertion may mislead consumers into thinking that banks have the ability to offer other types of insurance products (such as term life insurance or individual disability insurance) or have the ability to conduct an insurance needs analysis with consumers but choose not to do so, when that is not the case.

This opening statement may also deter consumers from even considering creditor insurance altogether, including those consumers who may not be eligible for other types of insurance coverage. There are many factors which a consumer should consider in deciding upon the insurance option that best meets their needs. For example, some consumers with health complications would be declined for individual insurance coverage but may be accepted under a creditor's group insurance policy. Consumers should be encouraged to review their options and should be given guidance on how to equip themselves to make an informed decision.

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Appendix A To

CAFII Feedback Submissions To FCAC On Draft Consumer Education Online Materials

**CAFII Outreach Questions & Answers on Creditor's Group Insurance
and Alternate Distribution**

1. What is Creditor's Group Insurance (CGI)?

- CGI, also known as credit insurance and creditor's insurance) is an optional, single purpose insurance product -- intended to be complementary to other types of insurance coverage -- that pays off an insured's outstanding credit balance or makes debt payments on the insured's behalf in the event of death, disability, job loss or critical illness.
- CGI gives individuals and families "peace of mind" that a debt will not become a burden if an unexpected event should occur. For example, CGI on a mortgage will pay off the debt in full if the income earner dies, thereby ensuring that the surviving family members do not lose their home.
- CGI is offered on mortgages, loans, lines of credit, credit cards, and business/farm loans, and can conveniently be applied for at the same time that a consumer is taking on a new debt.
- CGI is offered primarily by banks and credit unions across Canada, including CAFII members.
- A CGI policy is between an insurance company and a financial institution (group policyholder). A consumer is insured by being enrolled in the group.

2. What are the benefits/advantages of CGI?

- If a customer is unable to make debt repayments due to reasons such as death, disability or job loss, CGI ensures that the debt is paid off (in the case of death) or that the loan remains in good standing and the insured's credit rating is protected.
- As an optional benefit offered alongside a loan or mortgage product, CGI is inherently timely and convenient. Premiums can be included with the periodic debt repayments.
- Provides benefits not readily available elsewhere. For example, Job Loss CGI, a major component of the credit card CGI bundle, provides peace of mind in today's volatile economy and is broadly available to credit card customers but hard to acquire individually.
- Provides consumers with the opportunity to buy protection they might not otherwise be able to obtain, as approximately two-thirds of Canadian households, especially those in younger age brackets, do not have a life insurance agent or broker.
- Coverage is offered in exactly the amount of debt being taken on; and is competitively priced.

- CGI is offered through well-trained and supervised salaried staff at banks and credit unions, and provides Canadians with coast-to-coast access to simple, optional insurance coverage on a 24/7 basis through more than 8,000 branches, telephone contact centres, and online.
- CGI's group policy structure allows more Canadians to be insured standard rates, and almost all applicants are accepted.

3. Do Canadians really need CGI? Aren't they adequately covered through other types of insurance?

- A 2013 independent research study conducted by the Life Insurance Market Research Association (LIMRA) found that life insurance ownership in Canada is at a 30 year low and many households have insufficient coverage.
- Only 68% of households have life insurance, down from 79% seven years ago.
- 45% of households believe they need more life insurance, up from 38% in 2006.
- Canadian households have half the life insurance coverage they believe they should have. Among households that believe they need more coverage, they say they need enough coverage to replace 6.8 years of income while they actually have just 3.2 years of income coverage in place.
- Low and middle income households are at the greatest risk as the need for life insurance is highest among households with lower incomes and fewer assets to fall back on.
- One-third of Canadian households would have trouble meeting everyday living expenses in the event of the death, disability or critical illness of a primary wage earner.
- Lower and middle income Canadians have not been well-served by the "traditional" insurance industry because lower face value policies are not economical to distribute in a face-to-face model. Commission-based insurance agents and brokers are incented to pursue sales of fewer, larger policies to more affluent consumers.
- For many Canadians with smaller protection needs, CGI may be their only real insurance option.

4. Why is there such a large proportion of Canadians who are uninsured or under-insured in terms of life insurance?

- Life insurance offered by agents and brokers is commission-based; therefore, they focus on higher face value policies. An independent actuarial study (Avalon Actuarial, 2011) showed that the average new term life policy issued in Canada is now in excess of \$400,000 whereas the average new mortgage insured through CGI is for approximately \$200,000.
- Between 1995 and 2012, the average face value of a new individual life insurance policy (both term life and universal life) sold in Canada increased from \$106,000 to \$307,000, while the number of such policies sold annually decreased from 994,000 to 755,000. The focus of agents and brokers on a more affluent client base – to sell fewer but larger policies and optimize commission earnings – does not meet the needs of underinsured households.

- About two-thirds of households don't have a life insurance agent or broker, so financial institutions and CGI are key to meeting their insurance needs.

5. How can CAFII members claim that CGI products make insurance simple, accessible, and convenient for Canadians?

- CGI is offered when a consumer is taking on a new debt, making it inherently timely and convenient to secure this protection. It can be put in place for a short duration to match the term of the mortgage or loan.
- The application process is simple, with over 80% of applicants approved without detailed medical questionnaires and tests. Most application forms require answers to just a few questions related to medical conditions.
- Enrolment is done in consultation with an advisor at the consumer's trusted financial institution: a well-established relationship through which consumers are comfortable seeking financial advice. The discussion is holistic, dealing with all of the client's insurance coverage. Full disclosure about the CGI product is provided.
- CGI covers occupational groups and vocations that individual policies may not cover.
- CGI is available at over 8,000 financial institution branches across Canada, over the internet, or through a telephone contact centre.
- CGI distribution offers extensive geographic availability, making insurance protection accessible to all Canadians even those in small towns and remote areas.

6. How difficult is it to qualify and get approved for CGI?

- CGI's group policy structure allows more Canadians to be insured at standard rates and almost all applicants are accepted.
- An independent actuarial study (Avalon Actuarial, 2011) that compared Application Approval Rates for CGI versus Individual Life Insurance indicates that
 - CGI accepts 84% of applicants upon completion of a short form application; and an additional 10% are insured at the same standard rates following medical tests. Only 3% of applicants are denied coverage, while another 3% withdraw their application.
 - For Individual Life applicants, 73% are approved at standard rates following completion of a detailed application form and medical underwriting; and another 6% are approved for coverage at higher than standard rates. More than one-fifth (21%) of applicants are denied coverage.
- CGI's standard rate pricing provides coverage for all approved risk groups despite risk differences (egs. smoker vs. non-smoker; blue vs. white collar; male vs. female).

7. Does CGI exclude any applicant who has a pre-existing medical condition? How does CGI stack up against individual insurance for consumers who have a condition?

- The standard CGI pre-existing conditions clause is significantly more accommodating than the approach taken by individual insurance under the same circumstances.

- The pre-existing conditions clause found in most CGI policies is highly favourable for consumers who have certain pre-existing medical conditions, as it makes coverage possible for the vast majority of Canadians while managing the insurer's risk.
- Specifically, pre-existing conditions clauses in CGI allow people with pre-existing conditions to obtain coverage at standard premium rates and – other than for the pre-existing conditions – they can make a claim at any time. After the pre-existing condition exclusion period ends (typically x year(s)), they can make a claim for the pre-existing conditions as well.
- In contrast, with individual insurance coverage, people with pre-existing conditions would either not be able to obtain any insurance or would pay a higher premium.

8. Are consumers made aware of pre-existing condition clauses as part of the application process?

- Yes, pre-existing condition clauses are disclosed to consumers at the time of application and sale: on (i) the application form which must be signed by the consumer; and (ii) in the certificate of insurance.
- in the telephone and internet sales channels, all scripts include disclosure of pre-existing condition clauses and policy limitations.
- sales practices mandated by the Canadian Bankers' Association Code of Conduct for Authorized Insurance Activities require the sales person to explain product coverages, exclusion clauses, and limitations to the consumer.

9. How does the application process work?

- The application and underwriting process for CGI is simple and straightforward, and typically includes the following steps:

-consumers apply for CGI by completing an application form that includes several questions about their health.

-If the consumer answers "No" to all of the health questions, then the insurer takes them at their word and trusts that the information provided on the application is accurate. The consumer is approved for coverage effective on the date indicated on the application form.

-If the consumer answers "Yes" to any of the health questions, then he/she is required to complete a more detailed health questionnaire which is forwarded to the insurance company for further consideration.

-the insurer will carry out a detailed underwriting analysis. Once a decision is made by the insurer on whether the applicant meets the criteria associated with the particular CGI product, the insurer advises the applicant in writing.

10. What percentage of CGI claims are paid versus denied?

- 95% of mortgage life CGI claims are paid, which is similar to the claims approval rate for individual life insurance.
- That claims approval rate comes from an independent actuarial study (Avalon Actuarial, 2011).

11. What about that 5% of claims that are denied? Why are they denied?

- Due to the very small percentage of denied claims, we don't have industry-level statistics on the reasons for denial. However, the following standard reasons for not paying a claim are noted in the CGI certificate of insurance:

-suicide within the first two years of the policy;

-death as a result of driving while intoxicated or as a result of a criminal offence; or

-a false declaration on the insurance application.

12. How does the claims review and adjudication process in CGI work?

- Just as in the adjudication of claims in other types of insurance, the insurance companies that underwrite CGI perform a thorough and fair review of all claims to ensure that they comply with the terms and conditions stated in the Certificate of Insurance. An analysis is done to verify that the circumstances of the incident triggering the claim meet the terms of the contract signed by the insured.
- As with any insurance product, there are some coverage exclusions which could make a claim ineligible, including misrepresentation of information required on the insurance application. CGI uses Industry Standard Key Limitations and Exclusions. Details of any limitations and exclusions are disclosed to the consumer at the time of application and set out in the certificate of insurance.
- As part of the claims adjudication process, the medical history of a CGI claimant can be reviewed by the insurer to ensure that the claimant didn't commit fraud when completing the application.
- Very few CGI claims are denied due to misrepresentation of health status. There is no systemic problem with difficult-to-understand application forms ultimately leading to claims denials.
- When a situation of misrepresentation of health status is discovered, with most distributors of CGI (typically CAFII members), a claim will only be denied within the first two years after the Certificate of Insurance was issued (the "contestability period").
- It is in the best interests of banks and credit unions, as distributors of CGI, to have their third party insurers pay all claims. Financial institutions are interested in maintaining a long-term, full spectrum financial services relationship with their clients, and have no interest in seeing CGI claims denied.
- It is not in the best interests of the insurers that underwrite CGI to deny claims without good reason, and upset a group policyholder.
- CGI is underwritten and claims are adjudicated by the same Canadian life insurance companies that offer individual life and health insurance products.

13. What does “misrepresentation” mean?

- Misrepresentation in this context is the failure to disclose information, or providing false information, in response to questions, including medical questions, on an insurance application, whether the non-disclosure/falsification is intentional or not. The denial of a claim due to misrepresentation is a standard insurance industry practice, if material medical information was not accurately disclosed at the time of application and the underwriting and issuance of the policy. In offering CGI coverage, all CAFII members stress and impress upon clients the importance of full and accurate disclosure in answering health questions on the application.

14. What must a consumer disclose to avoid misrepresentation?

- By answering up to three health questions on the application, the consumer must disclose truthfully and accurately any existing health conditions he/she has at the time of application.
- If a consumer has any doubt about answering the health questions, he/she is always encouraged to answer “Yes” and thereby have their application undergo further underwriting; or to consult with their physician and return the application at a later time.

15. Aren’t the medical questions on the application form very complex, such that consumers have difficulty understanding them, answering them correctly, and avoiding misrepresentation?

- No. Compared to the application and underwriting process for individual insurance, CGI is straightforward and simple. With most CGI policies, the applicant is asked to answer up to three health-related questions in plain language that require the disclosure of any existing health conditions. “No” answers lead to immediate approval for coverage.
- In contrast, individual term insurance applications can be as long as 25 pages and it can often take up to three months for a policy to be underwritten and issued.
- Both CGI and individual term insurance require full disclosure and consumer signatures to ensure that clients are protected from miscommunication.

16. Isn’t one of the inherent flaws of CGI that it is not medically underwritten until the time a claim is made, which can lead to a denial of a claim when the consumer thought that he was fully insured and had purchased “peace of mind”?

- No, CGI products are not subject to post-claim underwriting. The typical application and underwriting process for CGI follows these steps:

-consumers apply for CGI by completing an application form that includes several questions about their health.

-If the consumer answers “No” to all of the health questions, then the insurer takes them at their word and trusts that the information provided on the application is accurate. The consumer is approved for coverage effective on the date indicated on the application form.

-If the consumer answers “Yes” to any of the health questions, then he/she is required to complete a more detailed health questionnaire which is forwarded to the insurance company for further consideration.

-the insurer will carry out a detailed underwriting analysis. Once a decision is made by the insurer on whether the applicant meets the criteria associated with the particular CGI product, the insurer advises the applicant in writing.

-for some coverages, eg. lower value loans, there may not be any health questions asked on the application form; and in such cases, coverage is automatically approved. For such coverages that are not underwritten at the time of application, there is no misrepresentation exclusion. However, benefits will be paid for the covered event (death or disability) subject to a pre-existing health exclusion. The exclusion applies if death or disability occurs within six to 12 months (depending on the policy) of the enrolment date, and the event was caused by or related to a health condition that pre-existed for six to 12 months (depending on the policy) prior to enrolment and for which the insured has received treatment. All other medical conditions will be covered from the enrolment date.

17. Can having a routine medical exam such as a blood pressure test or a mammogram have an impact on a subsequent CGI claim?

- No. Tests that are part of a routine health check that result in no indication of a health problem will have no bearing on a claim.
- Tests that are undertaken because of a known health issue and are being used to verify the extent of the health condition are not reported by the client could lead to a claim being denied based on the client misrepresenting his/her health status.
- The health-related questions on CGI applications are intended to identify customers who are in good health and provide them with immediate coverage. They are also intended to identify customers who have health conditions (eg. being treated for a disease) so that they can go through more thorough underwriting.
- Health questions must be answered honestly and completely. If a customer is unsure about how to answer a health question, he/she should simply answer “yes” to permit more thorough underwriting.

18. Do banks and credit unions knowingly sell CGI to people, aware that many misrepresent the facts concerning their health – and thereby collect premiums falsely because when they’re asked to pay a claim, the banks deny the claim by proving the falsity?

- No, that is completely false. For the vast majority of CGI products that are medically underwritten at the time of application, customers are eligible to claim benefits for all covered conditions with the exception only of conditions that pre-existed six to 12 months (depending upon the policy) prior to enrolment. After six to 12 months from the effective date of coverage (depending upon the policy), customers are eligible to claim benefits for all covered conditions regardless of their health status at the time of application.
- It is in the best interests of banks and credit unions, as distributors of CGI, to have their third party insurers pay all claims. Financial institutions are interested in maintaining a long-term, full spectrum financial services relationship with their clients, and have no interest in seeing CGI claims denied.

- It is not in the best interests of the insurers that underwrite CGI to deny claims without good reason, and upset a bank group policyholder.

19. Which insurance companies underwrite CGI?

- The insurers that underwrite CGI are the same large and reputable companies – Canada Life; Sun Life; Canadian Premier Life; Assurant Solutions; etc. – that underwrite individual life insurance policies.

20. Is there an appeals process for clients that disagree with a denial of their claim?

- Yes. Clients who are not satisfied with the decision rendered by the insurer can appeal the decision directly through the insurance company, in the first instance. If the consumer remains unsatisfied after the insurer has reviewed and made a decision on the appeal, the consumer has a further avenue of appeal through an independent, third party such as the OmbudService for Life and Health Insurance (OLHI).

21. Isn't CGI mortgage insurance inferior to individual term life insurance on a value-for-money basis?

- CGI mortgage life is affordable and competitive with term life insurance, while being more advantageous for some consumers. For example, CGI can be put in place for a short duration to match the term of a loan.
- An independent actuarial study (Avalon Actuarial, 2011) found that CGI premiums are very competitive with the premiums for comparable individual term life coverage.
- CGI mortgage life premiums are typically lower than term life for younger lives, males, smokers, and smaller amount coverages.
- CGI typically offers a level premium for duration of the original debt, be it five or 35 years.
- CGI's pricing model based on initial age and initial balance, with the benefit paid on the declining balance, equalizes the premium over the mortgage term, making coverage more affordable and accessible for younger, lower net worth, lower income borrowers.
- Over the life of a typical mortgage, the premium costs of CGI versus Term 10/20 life insurance are very competitive.
- That said, Canadians clearly see CGI as part of their complete insurance portfolio. An independent Life Insurance Marketing and Research Association (LIMRA) survey of life-insured households in Canada found that the majority that have CGI on their mortgage also own individual life insurance.

22. Why is it that with CGI mortgage life, the coverage declines as the mortgage is repaid but the premiums don't decline?

- Premiums on CGI mortgage life do not decline over time -- by design. Instead of charging a higher premium at the beginning and allowing it to decrease as the mortgage balance covered goes down, the CGI pricing structure is designed to have a lower, affordable premium at the outset and hold it constant. This assists clients to budget and manage expenses by providing a lower, level premium over the life of the mortgage which can be an attractive feature, particularly in the early years, when cash flow can be an issue.
- Also while the amount of coverage goes down as the mortgage balance declines, the CGI premium has the offsetting advantage of staying constant and not increasing as the customer ages, which would be the case with individual life insurance.

23. Isn't CGI really just a product that benefits the financial institution because the payout goes to the bank?

- No. The purpose of CGI is to protect consumers. That's why it's available in the marketplace and why tens of thousands of Canadians opt for it.
- CGI mortgage life protects consumers by making sure that the mortgage is paid off in the event of the insured's death; and by maintaining their credit worthiness. It helps families to stay in their homes if something unforeseen happens. That's the coverage that people are paying for.
- So it is indeed in the consumer's best interests to have CGI in place to eliminate a major debt in the event of an untimely death.

24. Where does CGI fit in terms of a family's overall financial plan?

- CGI is complementary to other insurance coverage, an immediate and reliable protection solution for increased borrowing, and a component of a sound financial plan.
- By directly covering a specific debt obligation, CGI frees up other individual and group life and disability coverage to protect a family's quality of life by covering such costs as medical, education, child care, and burial expenses; capital gains taxes, etc.
- Approximately 60% of Canadian households with CGI on their mortgage also have individual life insurance.
- Combined with individual and group disability coverage (typically capped at 70% of income), CGI provides complementary coverage and contributes to full protection in the event of death or a disability. All should be considered as components of a sound family financial plan.

25. What does "alternate distribution" mean in the insurance business?

- Alternate distribution providing consumer with access to insurance through channels other than the traditional face-to-face distribution channel of licensed agents and brokers. It means using alternative delivery channels such as the internet and telephone contact centres, to complement the opportunity to purchase CGI in-branch, thereby improving choice and access to coverage for all Canadians.

26. What benefits and advantages does alternate distribution provide for consumers?

- Choice. In today's technology-enabled world, consumers are demanding choice in accessing and buying insurance.
- Convenience. Offered alongside a loan, credit, or mortgage product, CGI is inherently timely and convenient. Premiums can be included with the periodic debt payments. The claims process is simple and straightforward. The consumer always has the option to purchase or decline CGI.
- Accessibility. Consumers have access to CGI through thousands of bank and credit union branches, over the internet, or by telephone. CGI offers broad geographic availability, making insurance accessible in small towns and remote areas and enabling all Canadians to be protected.
- Simple and affordable products available through well-trained and supervised client service representatives.

27. How is CGI sold? Where can consumers buy it?

- CGI is offered by banks and credit unions and provides Canadians with coast-to-coast access to simple, optional insurance solutions at their convenience, on a 24/7 basis, through branches, contact centres, and the internet.

28. Shouldn't CGI be sold only by licensed insurance agents?

- government regulation generally does not require individual licensing to enroll a customer in a group insurance plan, such as CGI.
- CGI offered by CAFII members features a simple product design and straightforward enrolment process.
- CGI's application forms (typically 1 page), Certificates of Insurance, and underwriting process are much simpler than are the same aspects of individual life insurance.
- CAFII member client service representatives are well-trained on the products they sell and highly supervised both in branch and in client contact centres.
- CAFII members comply with all legislation and regulations, and with industry guidelines and codes of conduct governing the offering of CGI.

29. Are there regulatory requirements and related consumer protections governing the sale of CGI?

- Yes. CGI is tightly regulated. The consumer has access to a robust complaints resolution system; and industry practices give the consumer time to consider the purchase.
- Banks and credit unions are highly regulated in all of their activities including the selling of CGI. CGI is offered in the context of a strong consumer protection regime that includes federal and provincial legislation and industry codes.

- The selling practices of CAFII members are monitored by the Financial Consumer Agency of Canada (FCAC) and by the provincial insurance regulators for compliance with industry guidelines and codes of conduct. The insurer underwriters of CGI are regulated by both provincial insurance regulators and the federal Office of the Superintendent of Financial Institutions (OSFI).
- The FCAC tracks enquiries and complaints from the public pertaining to the financial marketplace, including complaints about CGI.
- Consumers have a "free look" period, typically 20 to 30 days, during which they have insurance coverage and can read over their material and assess any other options. If they decide they do not want the Creditor Insurance coverage, they can discontinue and receive a full premium refund. Alternatively, after the free look period, they can cancel coverage at any time and pay no further premiums.
- The negligible number of complaints about CGI to any regulator shows that it meets a consumer need and that the current mix of government and industry regulation is working.

30. Do bank staff pressure clients by implying that taking CGI is mandatory to receive the mortgage, loan, or credit card?

- No. CGI products are optional and are part of a bank's larger financial relationship with a customer. Full disclosure about CGI is provided and the decision to purchase or decline the product is entirely the client's. CAFII member Financial Institutions would not jeopardize the overall customer relationship for the sake of selling an additional product.
- Coercive tied selling is a violation of the Bank Act; and the CBA Code of Conduct for Authorized Insurance Activities prohibits any form of pressure or coercion.
- CAFII member client service representatives are trained on the Bank Act, the CBA Code, Canadian Life and Health Insurance Association Guidelines, and federal privacy legislation. Engaging in this type of behavior can result in disciplinary action or outright dismissal.

31. How do the banks that distribute CGI help consumers to make a sound financial decision?

- CAFII member client service representatives use plain language and clear communication to help consumers understand exactly what they are buying. Their objective is to give customers the information they need to make an informed and sound decision.
- They are trained to point out features and limitations of the insurance and answer customer questions. In addition, information is available on our members' websites and consumers are given a toll-free phone number to call with any questions.
- CAFII members provide marketing materials and certificates, detailing coverages and exclusions in a manner that is easy to understand. CAFII members are always working to improve clarity.

- Customers can take their time to do a full review of all materials - they have a generous "free look" period, typically 30 days, during which time they have insurance coverage and can cancel with a full premium refund.

32. What sort of training do the people who sell CGI receive?

- All CAFII member client service representatives are required to undergo comprehensive and recurring training to ensure that they provide consumers with accurate and reliable information.
- That training ensures that representatives offering CGI have the knowledge and skills to do their jobs and serve clients well. It also ensures that they act in accordance with
 - the CBA Code of Conduct for Authorized Insurance Activities;
 - the Bank Act, regarding tied selling;
 - federal privacy legislation; and
 - CLHIA's Guidelines on Creditor's Group Insurance.
- CAFII member client service representatives are also highly supervised both in branch and in client contact centres.

33. Do the people who sell CGI earn a commission?

- No. All CAFII member client service representatives are salaried staff and do not earn sales commissions.

34. What is the level of consumer satisfaction with CGI products?

- The level of consumer satisfaction with CGI is high. An independent Pollara study found that 92% of Canadians who had purchased CGI said that the coverage gave them "peace of mind" that their family would be protected in the event of a death or disability. There have been so few complaints to regulators about CGI products that the number is statistically insignificant.

Agenda Item 4(d)
March 26/19 EOC Meeting

Itinerary For Helen Troup, Executive General Manager, Comminsure, Australia:
Meetings With CAFII; CAFII Member Companies; and Allied Industry Associations
In Toronto, Ontario, Canada
Monday, February 18/19 to Friday, February 22/19

Saturday, February 16/19

Helen Troup arrives at Toronto's Pearson International Airport at 4:40 p.m. and takes taxi/limousine to One King West Hotel in downtown Toronto.

Monday, February 18/19 ("Family Day" statutory holiday in Ontario, Canada)

-2:15 p.m.: Brendan Wycks and Keith Martin arrive in lobby of One King West Hotel and meet up with Helen Troup. They walk 10 to 15 minutes (mainly indoors) to Scotiabank Arena for Toronto Marlies versus Syracuse Crunch ice hockey game (AHL professional hockey game, one level below the top level National Hockey League (NHL)).

-2:30 to 5:30 p.m.: attendance at Toronto Marlies game at Scotiabank Arena with Brendan and Keith.

-5:30 to 5:50 p.m.: Helen Troup, Brendan Wycks, and Keith Martin walk 15 minutes (mainly indoors) to restaurant for dinner.

-6:00 to 8:00 p.m.: Welcome to Canada Dinner with Brendan Wycks and Keith Martin at The Keg Restaurant & Bar, 165 York St., Toronto; (416) 703-1773.

-8:00 to 8:15 p.m.: Brendan Wycks and Keith Martin escort Helen Troup back to One King West Hotel.

Tuesday, February 19/19

- 8:05 a.m.: Keith Martin arrives in lobby of One King West Hotel and meets up with Helen Troup. Together, they walk 10 to 12 minutes (outdoors) to Arcadian Loft, 401 Bay St., 8th floor, Toronto, where nearly all of this day's meetings/proceedings will take place.

-8:30 to 10:00 a.m.: confidential/proprietary meeting with Nicole Benson, CEO, Canadian Premier Life Insurance Company (CPL)/Valeyo and CAFII Board Chair, with other CPL/Valeyo executives possibly in attendance, in private meeting room at Arcadian Loft.

-10:00 to 10:15 a.m.: Break

-10:15 to 11:40 a.m.: confidential/proprietary meeting with Kelly Tryon, Vice-President, Creditor Insurance and Retail Distribution – Eastern Canada, CUMIS Services Inc. (and CAFII Board member); Diane Quigley, Director, Creditor Insurance Product & Pricing, CUMIS Services Inc. (and CAFII Executive Operations Committee (EOC) member), with other CUMIS Services executives possibly in attendance, in private meeting room at Arcadian Loft.

Tuesday, February 19/19 (continued)

-11:45 a.m. to 2:15 p.m.: *2019 CAFII Annual Members' Luncheon* in main/large room at Arcadian Loft, where Helen will be a VIP guest seated at a special reserved table but with no official/speaking role (Martyn Gilling, Vice-President, Business Development at RGA Life Reinsurance Company of Canada (a CAFII "Associate" company), who hails from Australia and is an acquaintance of Helen's, will be seated at the same table). Attendance of between 95 and 115 representatives from CAFII Member and Associate companies expected (see Appendix A for further details).

-2:15 to 2:30 p.m.: Break and transition time at Arcadian Loft, following conclusion of *2019 CAFII Annual Members' Luncheon*.

-2:30 to 4:30 p.m.: CAFII Board Confidential Dialogue and Intelligence-Sharing Meeting with Helen Troup, Executive General Manager, Comminsure, Australia. (Attendance at this confidential meeting with Helen Troup is restricted to CAFII Directors (13); Co-Executive Directors Brendan Wycks and Keith Martin; EOC Members (approximately 20) as observers; and CAFII's Communications Consultant David Moorcroft.)

-4:30 p.m. to 4:45 p.m.: Brendan Wycks escorts Helen Troup back to One King West Hotel.

-4:45 to 5:45 p.m.: free time to relax and freshen up for dinner.

-6:00 p.m.: Chris Knight, Senior Vice-President, Life, Health and Creditor Products, TD Insurance, (and CAFII Board member) arrives in lobby of One King West Hotel and meets up with Helen Troup. They walk approximately 10 minutes (mainly indoors) to restaurant for dinner.

-6:15 to 8:15 p.m.: Dinner with Chris Knight and small group from TD Insurance at Reds Wine Tavern, 77 Adelaide St. West, First Canadian Place, Toronto; (416) 862-7337.

-8:15 to 8:30 p.m.: Pete Thorn, Senior Manager, Life & Health Product Operations, TD Insurance (and CAFII EOC member) escorts Helen Troup back to One King West Hotel.

Wednesday, February 20/19

-8:25 a.m.: Peter Thompson, Senior Vice-President, Insurance, National Bank of Canada; and President, National Bank Insurance (and CAFII Board member), arrives at Teller's Bar & Lounge, in lobby of One King West Hotel, for private breakfast meeting with Helen Troup.

-8:30 to 10:00 a.m.: confidential/proprietary meeting with Peter Thompson, President, National Bank Insurance in Teller's Bar & Lounge, One King West Hotel.

-10:00 a.m.: Brendan Wycks arrives at Teller's Bar & Lounge, lobby of One King West Hotel, to pick up Helen Troup and travel with her on the TTC subway to her next appointment in North York.

-10:05 to 10:55 a.m.: Helen Troup and Brendan Wycks take TTC subway northbound Yonge line from King St. station to North York Centre station; and then walk five minutes outdoors to Assurant Canada.

Wednesday, February 20/19 (continued)

-11:00 a.m. to 12 Noon: confidential/proprietary meeting with Paul Cosgrove, Vice-President, Business Partnerships, Assurant Canada (and CAFII Board member); Rob Dobbins, Senior Director, Compliance, Assurant Canada (and CAFII EOC member), and possibly other Assurant Canada executives at Assurant Canada, 5000 Yonge St., Suite 2000, North York.

-12 Noon: Brendan Wycks arrives back at Assurant Canada, to pick up Helen Troup and travel with her on the TTC subway to her next appointment with Scotiabank Financial back in downtown Toronto.

-12:05 to 1:15 p.m.: Helen Troup and Brendan Wycks take TTC subway southbound Yonge line from North York Centre station to King station; and then walk two minutes outdoors to Scotiabank Financial, 44 King St. West, 25th floor, Toronto (take elevator to 24th floor; and then walk up one flight of stairs, in northeast corner, to 25th floor).

-1:15 to 1:50 p.m.: Zack Fuerstenberg, Senior Vice-President, Insurance Canada, Scotiabank Financial (and CAFII Board member), greets/receives Helen Troup; and they have a quick lunch and dialogue prior to short walk next door for meeting with Scotiabank senior executives at Scotia Plaza (adjoining building).

-2:00 to 3:00 p.m.: confidential/proprietary meeting with Zack Fuerstenberg, Senior Vice-President, Insurance Canada, Scotiabank Financial; and Scotiabank senior executives at Scotia Plaza, 40 King St. West, Toronto.

-3:00 to 3:10 p.m.: Zack Fuerstenberg hails a cab or Uber/Lyft for five to 10 minutes drive with Helen Troup to Scotiabank's Digital Factory (innovations lab) at 333 King St. East (between Sherbourne and Parliament Sts.), Toronto, for a tour of that lab.

-3:25 p.m.: Brendan Wycks and Keith Martin meet up with Zack Fuerstenberg and Helen Troup at Scotiabank's Digital Factory at 333 King St. East (between Sherbourne and Parliament Sts.), to be included in the tour.

-3:30 to 5:00 p.m.: tour of Scotiabank's Digital Factory and dialogue/Q&A with its leaders.

-5:00 to 5:10 p.m.: Keith Martin hails a cab or Uber/Lyft and escorts Helen Troup back to One King West Hotel.

-5:10 to 5:50 p.m.: free time to relax and freshen up for dinner.

-5:50 p.m.: Keith Martin returns to lobby of One King West Hotel and meets up with Helen Troup. They walk approximately 10 minutes (mainly outdoors) to restaurant where Helen has a dinner appointment.

-6:00 to 8:00 p.m.: Dinner with Gillian Noble, Chief Operating Officer, BMO Insurance at Jump Restaurant, 18 Wellington St. West, Toronto; (416) 363-3400.

-8:00 to 8:15 p.m.: Gillian Noble, Chief Operating Officer, BMO Insurance escorts Helen Troup back to One King West Hotel.

Thursday, February 21/19

-7:30 a.m.: Brendan Wycks arrives in lobby of One King West Hotel and meets up with Helen Troup. They walk approximately 20 minutes (mainly indoors) to CIBC Insurance location where full-day “Law Firm Bidder Presentations and CAFII Board Decision(s) Meeting Re CAFII Credit Card Balance Protection Insurance (CCBPI) Special Project” will take place from 8:00 a.m. to 4:00 p.m., at which Helen will be a guest observer/advisor.

-8:00 a.m. to 4:00 p.m.: “Law Firm Bidder Presentations and CAFII Board Decision(s) Meeting Re CAFII Credit Card Balance Protection Insurance (CCBPI) Special Project” at CIBC Insurance, 18 York St., 9th floor, Toronto (continental breakfast; lunch; refreshments provided).

-4:00 to 4:20 p.m.: Brendan Wycks escorts Helen Troup back to One King West Hotel.

-4:20 to 6:05 p.m.: free time to relax and freshen up for dinner.

-6:05 p.m.: Keith Martin arrives in lobby of One King West Hotel and meets up with Helen Troup. They walk approximately 10 minutes (mainly outdoors) to restaurant where Helen has a dinner appointment.

-6:15 to 8:15 p.m.: Dinner with Wally Thompson, Vice-President, Sales & Marketing, Partnerships and CoverMe, Insurance, Manulife Financial (and CAFII Board member) and other Manulife Financial executives at Drake One Fifty restaurant, 150 York St., Toronto; (416) 363-6150.

-8:15 to 8:25 p.m.: Wally Thompson and/or Monika Spudas, Director, Account Management, Consumer Markets, Manulife Financial escort(s) Helen Troup back to One King West Hotel.

Friday, February 22/19

-8:35 a.m.: Keith Martin arrives in lobby of One King West Hotel and meets up with Helen Troup. They walk approximately 10 minutes (mainly outdoors) to head office of the Canadian Bankers Association.

-9:00 to 10:00 a.m.: confidential/proprietary meeting for Helen Troup with Darren Hannah, Vice-President, Finance, Risk & Prudential Policy, Canadian Bankers Association (CBA), 199 Bay St., 30th floor, Toronto; (416) 362-6092 (contact: Claudia Landres-Hansen, Darren Hannah’s Executive Assistant: 416-362-6093, ext. 283; chansen@cba.ca; 41) Keith and Helen must obtain a security pass from the concierge on the main floor (pre-arranged) in order to be able to access the elevator up to the 30th floor.

-10:00 a.m.: Keith Martin returns to CBA office at 199 Bay St., 30th floor to pick up Helen Troup and escort her to her next appointment at CIBC Insurance, a 10 to 15 minutes walk away (mainly outdoors); no need to rush as next appointment is not until 10:30 a.m.

-10:30 to 11:30 a.m.: confidential/proprietary meeting with Sandra Rondzik, Vice-President, CIBC Insurance and President & CEO, CIBC Life Insurance Co. Ltd. (and CAFII Board member), with other CIBC Insurance executives possibly in attendance also, at CIBC Insurance, 33 Yonge St., 7th floor, Canada Room, Toronto.

-11:30 a.m.: Keith returns to CIBC Insurance at 33 Yonge St., 7th floor, Canada Room, Toronto to pick up Helen Troup and escort to her lunch appointment; no need to rush as lunch appointment is not until 12 Noon.

Friday, February 22/19 (continued)

-12:00 to 1:30 p.m.: lunch meeting with Chris Lobbezoo, Vice-President, Creditor Product & Sales Distribution, RBC Insurance, with other RBC Insurance executives in attendance also (Brendan Wycks and Keith Martin invited to join/sit in on this lunch meeting) at Stratus Restaurant, 79 Wellington St. West, TD South Tower, 36th floor, Wine Room, Toronto.

-1:30 to 1:35 p.m.: Brendan Wycks escorts Helen Troup to her next appointment at the Canadian Life and Health Insurance Association (CLHIA), which is located in the same office tower as Stratus Restaurant but on the 23^d floor.

-1:35 p.m. to 2:35 p.m.: confidential/proprietary meeting with Erica Hiemstra, Assistant Vice-President, Market Conduct Policy and Regulation, CLHIA, with other CLHIA executives possibly in attendance also, at CLHIA offices, 79 Wellington St. West, Suite 2300, Toronto.

-2:35 p.m.: Brendan Wycks returns to CLHIA office at 79 Wellington St. West, Suite 2300, Toronto, to pick up Helen Troup and take her to her next appointment at Canada Life Assurance, a 10 to 12 minutes walk away (outdoors).

-2:50 to 4:00 p.m.: confidential/proprietary meeting with David Fear, Senior Vice-President, Creditor Insurance, The Canada Life Assurance Company (and a CAFII Board member), with other Canada Life Assurance executives possibly in attendance also, at Canada Life Assurance, 330 University Avenue, Toronto (David Fear to meet Helen and Brendan in the building lobby at 330 University Avenue).

-4:00 p.m.: Brendan Wycks returns to Canada Life Assurance at 330 University Avenue to pick up Helen Troup; and escorts her back to One King West Hotel.

-4:20 p.m.: Helen Troup's itinerary with CAFII is concluded. Free time to be a tourist and enjoy Toronto and vicinity.



FTC Stakeholder In-Person Meeting

Canadian Association of Financial Institutions in Insurance (CAFI)

Wednesday, March 27, 2019 3:30 PM – 5:00 PM ET

Financial Services Commission of Ontario, 5160 Yonge St, 4th Floor Boardroom

Call-in: 416-212-8012/ Toll-free 1-866-633-0848 Participant Code: 2494889#

AGENDA

	ITEM
1.	Welcome
2.	Clarification – Issues Raised by Industry Participants
3.	Implementation Progress by Industry Participants <ul style="list-style-type: none">• Industry actions taken to date
4.	Regulators' Priorities <ul style="list-style-type: none">• Incentives Management
5.	***Insert Stakeholder Suggested Agenda Item(s)***
6.	Next Steps <ul style="list-style-type: none">• Next Quarterly Meeting<ul style="list-style-type: none">○ June 2019

**Highlights Summary For CAFII Verbal Sharing With
CCIR/CISRO Fair Treatment of Customers (FTC) Working Group
In March 27/19 Quarterly Follow-up Meeting Re Industry Implementation of
“Guidance: Conduct of Insurance Business and Fair Treatment of Customers”**

On February 2019 Visit To CAFII By Helen Troup, Executive General Manager, Comminsure, Australia

Background

- The Australian Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry released its final report on 4 February, 2019
- CAFII has been reviewing the Commission’s report and recommendations carefully, particularly those related the Australian bancassurance/creditor insurance industry
- We wanted to understand where the Canadian bancassurance/creditor insurance industry is different from, and where it has similarities to, its Australian counterpart industry, particularly in terms of fair treatment of consumers
- To ensure that the Canadian bancassurance/creditor insurance industry could learn directly from the Australian experience, CAFII invited Helen Troup, Executive General Manager of Comminsure, Australia to travel to Toronto meet with CAFII and its members. Comminsure is the insurance arm of the Commonwealth Bank of Australia (CBA), the largest bank in Australia. Ms. Troup provided testimony to the Australian Royal Commission hearings.
- Ms. Troup spent a week with CAFII and its members in February 2019, speaking candidly to a special purpose meeting of the CAFII Board of Directors, and meeting individually with 11 of CAFII’s 13 members.

Key Learnings From Helen Troup’s Visit To CAFII

- Proper conduct is very much about common sense—make sure your customers have signed up for the products you sell them, want them, and get value from them.
- The Australian Royal Commission issued six underlying principles to guide the industry’s Norms of Conduct—and Ms. Troup, asked, “who could be against those principles?” They are:
 - *Obey the law*
 - *Do not mislead or deceive*
 - *Act fairly*
 - *Provide services that are fit for purpose*
 - *Deliver services with reasonable care and skill*
 - *When acting for another, act in best interest of that other*
- Insurance is about trust and when that trust is lost, it is very hard to get it back.
- There was a culture of complacency in the Australian insurance industry — the industry operated under the expectation premise of “we’ve found a problem, so now we will fix it” — which ultimately proved to be at odds with societal expectations. An airline company cannot say it will fix a problem after a plane crashes and its customers perish; similarly, insurance industry players must seek to prevent and avoid problems in the first instance, not fix them afterwards.
- In Australia, there needs to be a more proactive, customer-centred approach to how the business is conducted, as opposed to a focus solely on business objectives.

***Agenda Item 4(e)(iii)
March 26/19 EOC Meeting***

CAFII Meeting With CCIR/CISRO Fair Treatment of Consumers Working Group: 28 November, 2018
Meeting Summary

Attendees From CCIR/CISRO:

Louise Gauthier, AMF; Chair of CCIR/CISRO Fair Treatment of Consumers Working Group
Nathalie Sirois, AMF
Izabel Scovino, FSCO
Ron Fullan, Insurance Councils of Saskatchewan (ICS); Chair of CISRO
April Stadnek, ICS
Timothy Goff, RIBO
Vivian Lee, RIBO
Tony Toy, CCIR Policy Manager
Joanna Reading, CISRO Policy Manager

Attendees From CAFII:

In-Person

Rob Dobbins, Assurant
Charles MacLean, RBC Insurance
Huma Pubani, TD Insurance
Martin Boyle, BMO Insurance
Brendan Wycks, CAFII
Keith Martin, CAFII

On The Phone

John Lewsen, BMO Insurance
Michelle Costello, CUMIS Services Inc.
Brad Kuiper, ScotiaLife Financial
Sue Manson, CIBC Insurance
Laura Bedford, RBC Insurance
Leena Khan, Manulife Financial
Anita Mukherjee, RBC Insurance
Dallas Ewen, Canada Life Assurance
Dana Easthope, Canadian Premier Life Insurance/Valeyo

The agenda was focused on reviewing CAFII members' progress on implementing CCIR/CISRO's "Guidance: Conduct of Insurance Business and Fair Treatment of Customers," the final version of which was released on September 27/18. However, between the time the original agenda was circulated to Brendan Wycks and Keith Martin on 19 November and the 28 November meeting itself, an additional item on "credit card balance insurance" had been added to the agenda.

Louise Gauthier, Chair of the CCIR/CISRO FTC Working Group, welcomed all in attendance to the meeting and indicated that the CCIR/CISRO FTC Working Group was the "regulators' hub" on FTC and it was continuing to meet biweekly with a recurring agenda item on "the FTC Guidance" at each meeting, with a particular focus on the industry's implementation efforts.

Initially seeming to be reading from a prepared script during the introductory part of the meeting, Ms. Gauthier said that the Working Group wanted an open and collaborative dialogue with the industry on FTC Guidance implementation, and wanted the Working Group to be a “safe environment” for open discussion. She repeatedly said that the Working Group would find it valuable if industry could provide it with data and information about its practices, and share information as openly as possible.

She stated that there is more than one way for regulators to monitor industry implementation of the FTC Guidance; regulators could bring in Regulations. At several points in the meeting, she made reference to “possible future Supervisory action.” On that same subject of monitoring and enforcement options, Ms. Gauthier added that some of the provincial insurance regulators already have a “full enforcement kit” which they are willing to use, if necessary, to compel implementation of and compliance with the FTC Guidance. But she also indicated that another option is for the industry to self-regulate; and good industry practices and adhered-to industry Guidelines are respected by the regulators. She stated that that it was better for the industry to align itself with the FTC Guidance, rather than regulatory authorities having to dictate what the industry must do.

The FTC Working Group’s ultimate goal at this stage is to find and strike the right balance or “the right cocktail of actions” between regulatory enforcement and industry self-regulation, Ms. Gauthier emphasized. (Ms. Gauthier also mentioned that a related initiative being undertaken by the FTC Working Group at this time is a canvas of all provincial/territorial insurance regulators to find out exactly “what is in their enforcement toolkit?”)

It was suggested and agreed that these FTC Guidance implementation monitoring-focused meetings between the CCIR/CISRO FTC Working Group and CAFII should be held quarterly. *(In a phone call on January 8/19, Tony Toy advised that the next quarterly meeting would be held on Wednesday, March 27/19, with CAFII’s slot likely being from 3:30 to 5:00 p.m.)*

Ms. Gauthier asked for feedback and input from CAFII representatives on where additional clarity in the Guidance was needed, and where elements of the FTC Guidance might not be fully understood. In response, Keith Martin advised that because many elements of the FTC Guidance were about corporate culture, it could be challenging to provide hard measures of the adoption and implementation of some elements, as these are softer attributes that can be difficult to measure concretely. Ms. Gauthier replied that she thought that was a valid point.

CAFII representatives then offered preliminary examples of how the FTC Guidance is being implemented within their own businesses:

Huma Pabani, TD Insurance, said that TD Insurance was reviewing many existing TD Insurance documents to ensure their complete consistency with the FTC Guidance.

Rob Dobbins, Assurant, said that his company had given the Guidance a considerable amount of thought, and has developed an FTC Policy; implemented a complaints workshop with the FTC Guidance’s regulatory expectations built-in; and is developing a training module to reflect the Guidance’s expectations.

Charles MacLean, RBC Insurance, said that his company was working with its HR team to bake FTC components into “Executive Mandates” and that everyone in the chain of command was now focused on FTC expectations. There were multiple documents and policies at his company that addressed issues in the Guidance, but they were not centralized in one document. RBC Insurance was therefore examining how to develop one framework that captured everything FTC Guidance-related within one document or policy.

Ms. Gauthier said that one of the current priorities for the FTC Working Group was securing evidence that the industry's FTC Guidance implementation efforts were filtering down to the front line. Evidence of good governance policies among industry players was also a key area of focus. She asked CAFII to provide input at the next quarterly meeting on what priorities the FTC Working Group should focus in the area of governance policies and practices.

She said the FTC Working Group was concerned that there were incentives or sales practices that could trigger "bad behaviour" among employees, and could create conflicts of interest. The FTC Working Group wanted to have a frank and open dialogue with the industry about these issues; that there might be some "difficult discussions" around the ways things have been done in the past; and that we may need to rethink our approach on some of product offerings in the future.

Ms. Gauthier re-emphasized that the FTC Working Group wanted data and information, and asked us to focus on the following issues:

- how we handle credit card balance protection insurance;
- information on our incentive management programs;
- demonstrating some "quick wins" that involve our changing or eliminating certain practices, which CCIR and CISRO could then share on their websites; and
- our recommendations around demonstrating that we have absolutely complied with informed consumer consent, and the need to respond to negative public perceptions and doubts about some of our products.

The subject of the CBC Marketplace 9 November, 2018 story on credit card balance protection insurance was raised, with Ms. Gauthier saying it had publicized certain issues that required a response. She implied that the CBC story put pressure on the regulators, who now needed to demonstrate that they were "doing something" in response, and this led her to ask if there were any actions which CAFII or its members could take which the regulators could publicize as an example that they were responding.

Ms. Gauthier specifically asked "are there incentives embedded in the credit card balance protection insurance business which stimulate bad behaviours, i.e. sales targets?" As an addendum to this question, she again re-iterated that "there may be intense discussions about this that we need to have with you."

Brendan Wycks let the Working Group know that CAFII and its members did not view the story as fair or evidence-based, and invited Keith Martin to elaborate on this point.

Mr. Martin said that the story was one-sided, had many factual inaccuracies, and did not provide an even-handed overview of how these products worked.

Ms. Gauthier and the FTC Working Group did not challenge these comments, but an impression was left that the story had created pressures on them as regulatory authorities to demonstrate that they were regulating effectively and addressing industry bad practices.

In closing, Ms. Gauthier said that while there should be standard agendas for the agreed-upon quarterly FTC Guidance implementation-focused meetings between the FTC Working Group and CAFII, there could also be a special meeting on credit card balance protection insurance alone. It was agreed that there would be quarterly, one-hour meetings for the time being, at which CAFII and its members would be expected to demonstrate how the FTC Guidance was being implemented.

CAFII

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

Statement of Operations As at Feb 28, 2019

	Current Month	Budget Feb-19	Variance to Monthly Budget	Current YTD	Budget '19 YTD	Variance Budget to YTD	Budget 2019
Revenue							
Membership Fees	\$64,482	\$63,159	\$1,323	\$128,964	\$126,317	\$2,647	\$757,904
Luncheon Revenue	\$195	\$0	\$195	\$195	\$0	\$195	\$0
TOTAL REVENUE	\$64,677	\$63,159	\$1,518	\$129,159	\$126,317	\$2,842	\$757,904
Expenses							
Management Fees	\$40,231	\$40,167	(\$64)	\$80,529	\$80,333	(\$196)	\$482,000
CAFII Legal Fees/Corporate Governan	\$0	\$0	\$0	\$0	\$0	\$0	\$1,000
Audit Fees	\$1,217	\$1,217	\$0	\$2,434	\$2,434	\$0	\$14,600
Insurance	\$439	\$458	\$19	\$879	\$916	\$37	\$5,500
Website Ongoing Maintenance	\$41	\$283	\$242	\$41	\$966	\$925	\$5,330
Telephone/Fax/Internet	\$243	\$483	\$240	\$764	\$966	\$202	\$5,800
Postage/Courier	\$33	\$33	\$0	\$62	\$66	\$4	\$400
Office Expenses	\$138	\$166	\$28	\$244	\$332	\$88	\$2,000
Bank Charges	\$0	\$4	\$4	\$0	\$8	\$8	\$50
Miscellaneous Expenses	\$0	\$42	\$42	\$0	\$84	\$84	\$500
Depreciation Computer/Office Equipm	\$95	\$100	\$5	\$189	\$200	\$11	\$1,200
Board/EOC/AGM							
Annual Members Lunch	\$12,089	\$12,000	(\$89)	\$12,089	\$12,000	(\$89)	\$12,000
Board Hosting (External)	\$0	\$0	\$0	\$0	\$0	\$0	\$30,000
Board/EOC/Meeting Expenses	\$15,420	\$2,600	(\$12,820)	\$16,558	\$5,200	(\$11,358)	\$26,000
Industry Events	\$0	\$0	\$0	\$0	\$0	\$0	\$1,300
EOC Annual Appreciation Dinner	\$0	\$0	\$0	\$2,193	\$800	(\$1,393)	\$800
Sub Total Board/EOC/AGM	27,509	14,600	- 12,909	30,840	18,000	- 12,840	70,100
Provincial Regulatory Visits	\$1,057	\$0	(\$1,057)	\$1,112	\$0	(\$1,112)	\$12,000
Research/Studies	\$0	\$5,000	\$5,000	\$1,116	\$10,000	\$8,884	\$60,000
Website SEO and Enhancements	\$0	\$3,333	\$3,333	\$0	\$6,667	\$6,667	\$40,000
Regulatory Model(s)	\$3,389	\$0	(\$3,389)	\$3,389	\$0	(\$3,389)	\$25,000
Federal Financial Reform	\$0	\$0	\$0	\$0	\$0	\$0	\$500
Media Outreach	\$2,909	\$2,917	\$8	\$5,169	\$5,833	\$664	\$35,000
Marketing Collateral	\$427	\$1,000	\$573	\$427	\$1,000	\$573	\$5,000
Speaker fees & travel	\$0	\$0	\$0	\$0	\$0	\$0	\$2,000
Gifts	\$0	\$0	\$0	\$0	\$0	\$0	\$500
Networking Events	\$0	\$0	\$0	\$0	\$0	\$0	\$500
Sub Total Networking & Events	-	-	-	-	-	-	3,000
TOTAL EXPENSE	77,728	69,803	- 7,926	127,195	127,805	610	768,980
NET INCOME	- 13,051	- 6,644	- 6,407	1,964	- 1,488	3,452	- 11,076

Explanatory Notes:

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

CAFII

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

Balance Sheet As at Feb 28, 2019

	28-Feb 2019	31-Jan 2019	31-Dec 2018
ASSETS			
Current Assets			
Bank Balance	\$264,787	\$121,927	\$193,381
Investments	\$0	\$0	\$0
Accounts Receivable	\$206,632	\$408,494	\$0
Interest Receivable	\$0	\$0	\$0
Prepaid Expenses	4,569	6,303	2,197
Computer/Office Equipment	\$8,014	\$8,014	\$8,014
Accumulated Depreciation -Comp/Equip	(\$4,795)	(\$4,700)	(\$4,605)
Intangible Assets-Trademarks	\$0	\$0	\$0
Accumulated Amortization-Trademark	\$0	\$0	\$0
Total Current Assets	\$479,207	\$540,037	\$198,986
TOTAL ASSETS	\$479,207	\$540,037	\$198,986
LIABILITIES			
Current Liabilities			
Accrued Liabilities	\$17,374	\$7,575	\$18,409
Account Payable ^B	\$10,140	\$3,236	\$10,379
Deferred Revenue	\$279,530	\$344,012	\$0
Total Current liabilities	\$307,044	\$354,823	\$28,788
TOTAL LIABILITIES	\$307,044	\$354,823	\$28,788
UNRESTRICTED NET ASSETS			
Unrestricted Net Assets, beginning of year	\$170,198	\$170,198	\$180,447
Excess of revenue over expenses	\$1,964	\$15,016	(\$10,248)
Total Unrestricted Net Assets	\$172,163	\$185,214	\$170,198
Total Unrestricted Net Assets	\$172,163	\$185,214	\$170,198
TOTAL LIABILITIES AND UNRESTRICTED NET ASSETS	\$479,207	\$540,037	\$198,986

Financial Reserves Targets as per 2018 Budget:	
Minimum 3 months (25%) of Annual Operating Expenses=	\$ 192,245
Maximum 6 months (50%) of Annual Operating Expenses=	\$ 384,490
Current Level of Financial Reserves (total unrestricted net assets)	\$172,163
Current Level of Financials Reserve (%) :	22%

CAFII

411 Richmond Street E, Suite 200
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Membership Fees As At Feb 28th, 2019

	<u>Jan-18</u>		<u>Jul-18</u>	
	<u>To be billed</u>	<u>Received</u>	<u>To be billed</u>	<u>Received</u>
BMO Bank of Montreal	\$ 36,719.00	14-Mar-19	\$ 36,719.00	
CIBC Insurance	\$ 36,719.00		\$ 36,719.00	
RBC Insurance	\$ 36,719.00	25-Feb-19	\$ 36,719.00	
ScotiaLife Financial	\$ 36,719.00	11-Feb-19	\$ 36,719.00	
TD Insurance	\$ 36,719.00	11-Feb-19	\$ 36,719.00	
Desjardins Financial Security Life Assurance Company	\$ 36,719.00		\$ 36,719.00	
AMEX Bank of Canada	\$ 18,360.00		\$ 18,359.00	
Assurant Solutions	\$ 18,360.00	12-Feb-19	\$ 18,359.00	
Canadian Premier Life Insurance Company	\$ 18,360.00		\$ 18,359.00	
Cumis Group Ltd/Co-operators Life Insurance Co.	\$ 18,360.00	14-Mar-19	\$ 18,359.00	
National Bank Life Insurance Company	\$ 27,540.00	15-Feb-19	\$ 27,540.00	
Manulife Financial	\$ 22,000.00		\$ 22,000.00	
The Canada Life Assurance Company	\$ 22,000.00	25-Feb-19	\$ 22,000.00	
RSM Canada	\$ 4,800.00	15-Feb-19		
Willis Towers Watson	\$ 4,800.00			
KPMG MSLP	\$ 4,800.00	27-Feb-19		
Munich Reinsurance Company Canada Branch (Life)	\$ 4,800.00	15-Feb-19		
Optima Communications	\$ 4,800.00			
RGA Life Reinsurance Company of Canada	\$ 4,800.00	25-Feb-19		
DGA Careers Inc.	\$ 4,800.00			
AXA Assistance Canada	\$ 4,800.00			
Torys LLP	\$ 4,800.00	13-Feb-19		
Feb Invoices	\$408,494		\$365,290	
July Invoices	\$365,290			
Total Membership Fees	\$773,784			
Total amount to reallocate monthly Jan-Sept	\$ 64,482			
Total amount to reallocate monthly Oct-Dec	\$ 64,482			

DRAFT
March 22, 2019

Financial Statements of

**CANADIAN ASSOCIATION OF
FINANCIAL INSTITUTIONS IN
INSURANCE**

Year ended December 31, 2018

CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE

DRAFT Statement of Financial Position

December 31, 2018, with comparative information for 2017

	2018	2017
Assets		
Current assets:		
Cash	\$ 193,381	\$ 192,706
Prepaid expense	<u>2,197</u>	<u>26,577</u>
Total for Current Assets	195,578	219,283
Capital assets (note 4)	3,408	4,544
	<u>\$ 198,986</u>	<u>\$ 223,827</u>

Liabilities and Unrestricted Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 28,788	\$ 43,380
Unrestricted net assets (note 2)	170,198	180,447
	<u>\$ 198,986</u>	<u>\$ 223,827</u>

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, 2018, with comparative information for 2017

	2018	2017
Revenue:		
Membership Dues	\$ 695,545	\$ 475,425
Interest	0	126
	695,545	475,551
Expenses:		
Association operating	518,693	516,897
Research and education committee	77,345	17,807
Market Conduct Committee	11,230	11,011
Networking and events committee	52,957	70,581
Licensing efficiency issues committee	6,490	15,001
Media and advocacy strategy committee	39,078	44,566
	705,793	675,863
Excess of (expenses over revenues)	(10,248)	(200,312)
Unrestricted net assets, beginning of year (note 2)	180,447	380,759
Unrestricted net assets, end of year	\$ 170,199	\$ 180,447

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, 2018, with comparative information for 2017

	2018	2017
Cash provided by (used in):		
Operating activities:		
Excess of (expenses over revenue)	\$ (10,248)	\$(200,312)
Amortization of capital assets	1,136	1,564
Change in non-cash operating working capital	9,788	20,865
Cash provided by (used in) operating activities	675	(177,883)
Investing activities:		
Purchase of capital assets	0	(5,680)
Cash (used in) investing activities	0	(5,680)
Increase (decrease) in cash position	675	(183,563)
Cash, beginning of year	192,706	376,269
Cash, end of year	\$ 193,381	\$ 192,706

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, 2018

The Canadian Association of Financial Institutions in Insurance ("CAFII") is a not-for-profit association incorporated under the Canada Not-for-profit Corporations Act on August 25, 2014. CAFII was originally incorporated under the Canada Corporations Act 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 regulators 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)(l) 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 Chartered Professional Accountants of Canada Handbook.

(b) Revenue recognition:

CAFII derives its revenue primarily through membership **dues**. **Dues** are recognized as revenue in the membership period (January 1, 2018 to December 31, 2018) to which they relate.

(c) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and 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, 2018

1. Significant accounting policies (continued):

(d) Capital assets:

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

Tangible 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 year, 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, 2018

2. Unrestricted net assets:

CAFI's Board of Directors aims to maintain unrestricted net assets (financial reserves) within a range of between 25% of total annual operating expenses and 50% of total annual operating expenses. Management intends to utilize unrestricted net assets on CAFI-mandated projects, as determined by the Board of Directors.

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. Capital assets:

2018	Cost	Accumulated amortization	Net book value
Computer equipment	\$ 8,013	\$ 4,605	\$ 3,408

2017	Cost	Accumulated amortization	Net book value
Computer equipment	\$ 8,013	\$ 3,469	\$ 4,544

5. Financial risks and concentration of credit risk:

(a) Liquidity risk:

Liquidity risk is the risk that CAFI will be unable to fulfill its obligations on a timely basis or at a reasonable cost. CAFI manages its liquidity risk by monitoring its operating requirements. CAFI 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 2017.

CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2018

5. Financial risks and concentration of credit risk (continued):

(b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations, resulting in a financial loss. CAFII does not have any financial assets subject to credit risk.

6. Research and education committee

Research and education committee focus in 2018:

- Travel Medical Insurance Study – Total cost of study \$34,804.00 paid in 2017 - \$17,500 reallocated from 2017 financials and recognized in early 2018
- Credit Protection Insurance Study – Total cost of study \$57,291 – Recognized in 2018

Regulatory Update – CAFII Executive Operations Committee, March 22, 2019

Prepared By Brendan Wycks, CAFII Co-Executive Director

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Federal/National

Insurance Bureau of Canada (IBC)

IBC Says Regulatory Guidance Should Recognize Broker Independence

When it comes to market conduct in the property and casualty industry, regulations should recognize that brokers are independent, the Insurance Bureau of Canada (IBC) recently asserted in response to the Canadian Council of Insurance Regulators (CCIR) and the Canadian Insurance Services Regulatory Organizations (CISRO)'s September 27/18 release of their "Guidance: Conduct of Insurance Business and Fair Treatment of Customers."

CCIR/CISRO said in the paper that although brokers and agents are often involved in serving customers, it is ultimately the carrier who is responsible for servicing policies and "ensuring that intermediaries have appropriate policies and procedures in place in respect of the policy servicing activities." CCIR and CISRO also state in the document that a carrier should have a duty to report to a regulator any "intermediary with whom they have transacted that may be unsuitable or not duly authorized, which could result in impairing the fair treatment of customers."

Carriers need to "be satisfied that the involved intermediaries are providing information to customers in such a manner that will assist them in making an informed decision," says the Guidance document, which is based on principles rather than hard-and-fast rules.

Ryan Stein, IBC's executive director of auto policy and innovation, said all principles outlined in the document are reasonable but added brokers are independent.

"They want to be independent and we don't think there should be an expectation on insurers to sort of be responsible for the actions of independent brokers," Stein said. "We think for the part of the business that's carrier-based, carriers are primarily responsible for the fair treatment of insureds. But you need to recognize that the brokers have a significant role and they are legally and structurally independent."

Stein said the Guidance paper is significant because of its national scope, and that regulations should be consistent across the country. Most carriers in Canada are national and "they want to see that the regulators are applying their guidance similarly" to one another, Stein said. "When there are different ones in different provinces, it could create confusion on what is expected."

Provincial/Territorial

British Columbia

Insurance Council of British Columbia

Robert Tanaka Departs Insurance Council of BC After 20 Years

In December 2018, Janet Sinclair, Executive Director of the Insurance Council of BC, announced on the Council's website that Robert Tanaka, Deputy Executive Director, had left the Insurance Council's staff executive team after more than 20 years. Mr. Tanaka joined the Insurance Council of BC in 1998 as an investigator, and subsequently assumed progressively more senior positions under then-Executive Director Gerry Matier. Tanaka was well known for his contributions to insurance regulation across Canada; and Ms. Sinclair commented that his knowledge and guidance would be missed.

In early 2019, Ms. Sinclair announced the following changes to her staff executive team at the Insurance Council: Brett Thibault was appointed to the position of Director, Governance and Stakeholder Engagement; and Kandace Hopkins was appointed to the position of Director, Practice and Quality Assurance. Mr. Thibault, a former Chair of the Insurance Council of BC while he worked in the insurance industry, previously held the role of Director, Licensing; and Ms. Hopkins was Council's Manager, Regulatory Services. Both of these roles were created to better support licensees, Ms. Sinclair indicated.

BMO Insurance Representative Appointed To Insurance Council

In December 2018, the Government of BC announced the appointment of 10 new non-voting members to the Insurance Council of BC for a three-year term, including Donna Thorne, a representative from the bancassurance/financial institutions in insurance sector.

Donna Thorne is the Business Development Director for British Columbia of BMO Insurance Company of Canada. In her current role, she provides training advice and marketing support to individual advisors and management teams as well as managing engagement and relationships in multiple distribution channels. Throughout her career she has worked as Sales Director for Transamerica Life Canada; Western Regional Director, Living Benefits for Manulife Financial; and Regional Marketing Consultant for Canada Life. Active in her community, she has served as Institute Chair and Membership Chair for the Vancouver Advocis Chapter. Ms. Thorne holds the Certified Health Insurance Specialist (CHS) and Elder Planning Counselor (EPC) professional designations.

Alberta

Alberta Insurance Council

Warren Martinson Departs Alberta Insurance Council After 16 Years

After 16 years as Director of Legal and Regulatory Affairs at the Alberta Insurance Council (AIC), Warren Martinson left that post in June 2018 to become General Counsel & Corporate Secretary at the Real Estate Council of Alberta (RECA).

Mr. Martinson served in his initial position at RECA for nine months, and then assumed the position of Director of Corporate Services there in February 2019.

Warren's successor as the AIC's Director of Legal and Regulatory Affairs is Zabeda Yaqoob. Ms. Yaqoob was a practising lawyer in the United Kingdom for over 11 years before relocating her practice to Canada in 2016, where she articulated at Foster LLP in Calgary. In the UK, she practised in a number of different areas and subsequently worked for the Government in immigration, family law, and child protection matters. Her focus areas included forced marriages, adult and child trafficking, immigration processes for asylum seekers, and advising child welfare workers on their duties and responsibilities to children and families from abroad. She provided volunteer support to the Afghani community in the United Kingdom to assist them with immigration and asylum matters. Ms. Yaqoob practised immigration and family law with Foster LLP in Calgary from 2016 until early 2019, when she joined the Alberta Insurance staff executive team.

Ontario
Financial Services Regulatory Authority of Ontario (FSRA)

Independent Financial Brokers Implores FSRA To Implement ISI Licensing In Ontario

In its December 2018 submission on Proposed FSRA Rules 2019-001 Assessments and Fees and 2019-001B Fees and Assessments (Interim), the Independent Financial Brokers of Canada (IFB) implores FSRA to introduce some form of licensing for incidental sellers of insurance in Ontario. An excerpt from the IFB submission reads as follows:

We wish to draw attention to Section 6.1, where FSRA identifies “support for regulatory principles” as part of its vision to be an efficient and effective regulator. As FSRA considers its priorities, and potential issues related to the current licensing structure, IFB is restating its position that anyone providing financial advice and/or product recommendations to consumers should be appropriately licensed and regulated. Consumers who purchase any form of insurance should be able to rely on intermediaries who are duly licensed, and subject to similar regulatory oversight. In Ontario, sellers of incidental insurance products, such as credit card disability insurance, mortgage insurance, automobile financing, etc., are not licensed.

Some Canadian jurisdictions have already implemented a licensing regime applicable to the sale of incidental insurance, and we support Ontario doing so, too. Licensure provides consumers with greater protection and recourse in the event of a complaint. Given the large number of consumers who are exposed to the incidental insurance market, we believe this is a gap in the current system in Ontario.

CADRI Implores FSRA To Be Leader In Harmonization of Insurance Licensing

In its January 4/19 submission on Proposed FSRA Rules 2019-001 Assessments and Fees and 2019-001B Fees and Assessments (Interim), the Canadian Association of Direct Relationship Insurers calls upon the Financial Services Regulatory Authority of Ontario (FSRA) to play a leadership role in advancing the harmonization of insurance licensing across Canada. An excerpt from the CADRI submission reads as follows:

Looking exclusively at the qualification criteria of the current licensing regime, CADRI commends Ontario for the simplicity of its approach with one level of licence. We seek to make this a national standard across the country.

Currently each employee or exclusive agent must obtain the appropriate accreditation for each and every jurisdiction they serve. Each province and territory may well have different criteria for accreditation or licensing. Yet, no matter where licensed insurance agents are situated in Canada, their core function is fairly similar.

This current approach to licensing also means that if an agent’s application or renewal for a licence is out of sync among the jurisdictions, an agent may sit idle, unable to answer calls and serve customer inquiries coming from that part of the country.

In our experience, the varying levels of insurance licences among the jurisdictions add administrative layers without necessarily contributing significantly to enhanced consumer protection. CADRI seeks to encourage consistent rules, regulations, processes and administrative practices across the country.

CADRI has in the past called for the harmonization of licensing rules for these agents. Harmonization would mean that regulators across Canada recognize the interjurisdictional licensing regime as one system. Thus, the rules in one jurisdiction would be the same as the next. Consumers and other financial services providers, including the investment industry, have benefited from national practices for some time.

Given that close to 40 percent of Canadians live in Ontario, CADRI calls on FSRA to recognize its leadership role in umbrella organizations such as the Canadian Council of Insurance Regulators (CCIR) and the Canadian Insurance Services Regulatory Organization (CISRO) and to ensure that its commitment to modernization and innovation permeate its contributions to these groups.

Québec

AMF

AMF Announces Appointees To New Consumer Advisory Committee

On January 10/19, following a call for candidates issued in July 2018, the AMF announced the appointees to its new Financial Products and Services Consumer Advisory Committee.

“Strengthening our role as a local regulator close to its markets is one of the orientations in our 2017-2020 Strategic Plan,” said Louis Morisset, AMF President and Chief Executive Officer. “The Committee’s work will also bring the AMF closer to consumer issues and concerns and enable the AMF to give them greater consideration when assisting consumers, providing oversight and administering laws. The structured dialogue within the Committee, combined with our ongoing dialogue with the industry, will enhance the perspective required by the AMF to continue to ensure a well-functioning financial sector.”

The mandate of the Committee is to present the views of financial consumers to the AMF. The Committee members are drawn from various sectors and professions and have a particular interest in defending and promoting the rights of consumers.

The Committee members are tasked with helping to identify and analyze AMF policies, rules, guidelines and other publications where they are likely to affect financial consumers; making any recommendations they deem useful regarding those publications; and presenting the AMF with their observations and recommendations regarding any topic of concern to financial consumers.

The Committee was created as part of the measures that came into effect on July 13, 2018 with the *Act mainly to improve the regulation of the financial sector, the protection of deposits of money and the operation of financial institutions* (S.Q. 2018, c. 23).

The members of the Committee are:

- Francis Barragan. Mtre. Barragan is Corporate Strategy Advisor at Éducaloi
- Brigitte Boutin. Ms. Boutin is a retired lawyer and former Deputy Ombudsman, Banking Services, at the Ombudsman for Banking Services and Investments (OBSI)
- Raymonde Crête. Mtre. Crête is associate professor and Director of the Financial Services Law Research Group (GRDSF) at Laval University’s Faculty of Law
- Willie Gagnon. Mr. Gagnon is Director of the Mouvement d’éducation et de défense des actionnaires (MÉDAC)
- Maryse Guénette. Ms. Guénette is Research and Presentation Director at *Option consommateurs*
- Audrey Létourneau. Mtre. Létourneau is a partner at the law firm LLB Avocats, s.e.n.c.r.l.
- Cynthia Lizotte. Ms. Lizotte is a teacher at Collège de l’Assomption
- Laurence Marget. Ms. Marget is Executive Director of the Groupe de recherche en animation et planification économique (GRAPE) and President of the Coalition des associations de consommateurs du Québec (CACQ)

- Patrick Mignault. Mr. Mignault is associate professor and Vice-Dean of Research and Graduate Studies at Sherbrooke University's Faculty of Law

Nova Scotia

Nova Scotia Superintendent of Insurance

Nova Scotia Endorses CCIR/CISRO's Fair Treatment of Customers Guidance

On December 12/18, Nova Scotia Superintendent of Insurance William Ngu issued Bulletin 04 – 2018 to endorse CCIR/CISRO's "Guidance: Conduct of Insurance Business and Fair Treatment of Customers." Bulletin Insurance 04-2018 reads as follows:

A Fair Treatment of Customers Guidance document was published jointly on September 27, 2018 by the Canadian Council of Insurance Regulators (CCIR) and the Canadian Insurance Services Regulatory Organizations (CISRO). This document is consistent with the International Association of Insurance Supervisors expectations aligning with the Insurance Core Principles, ICP 19. Nova Scotia is an active member of CCIR and CISRO and participated in the development of the guidance.

The Guidance is ensuring a common understanding between Office of the Superintendent of Insurance and its licensees about what it means to treat consumers fairly throughout the life cycle of a financial product. The guidance addresses all insurance activities by marketplace participants which include insurers and intermediaries.

NS Superintendent of Insurance takes its consumer protection mandate seriously, and it believes that treating customers fairly is tantamount to sound business practices. The office expects insurers and intermediaries to adopt the principles and implement policy and procedures in applying the Guidance. We understand that there will be a transitional period for organizations to review the guidance to put additional measures in place. NS is under a memorandum of understanding to participate jointly with CCIR members in collaborative supervision of market conduct. In future, when companies are selected for audit or supervisory review they will be subject to the test of these guidance principles.

New Brunswick

Financial Consumer Services Commission of New Brunswick (FCNB)

FCNB Endorses CCIR/CISRO's Fair Treatment of Customers Guidance

On February 19/19, the Financial Consumer Services Commission of New Brunswick issued its Bulletin Insurance 2019-01 to endorse CCIR/CISRO's "Guidance: Conduct of Insurance Business and Fair Treatment of Customers." Bulletin Insurance 2019-01 reads as follows:

On 27 September 2018, the Canadian Council of Insurance Regulators (CCIR) and the Canadian Insurance Services Regulatory Organizations (CISRO) jointly published Guidance: Conduct of Insurance Business and Fair Treatment of Customers. The full document can be found on the CCIR website: <https://www.ccir-ccrra.org/Documents/View/3450>.

This Guidance was designed to align with the International Association of Insurance Supervisors (IAIS) Insurance Core Principles 19 (ICP 19). The Pensions and Insurance Division of FCNB actively participated in the design of this Guidance.

The IAIS core principles set requirements for the conduct of the business of insurance that ensures customers are treated fairly. The Guidance establishes that the fair treatment of customers is integral to sound market conduct practices and fundamental to the reputation of every financial institution and consumer confidence in the financial system.

It is the expectation of the Pensions and Insurance Division of FCNB that insurance licensees (Insurers and Intermediaries) will adopt the principles as outlined in the Guidance and ensure that measures are in place to abide by them. These expectations involve the licensee's conduct at all stages of the lifecycle of the product (from design, to sales, to claims process, to the end of the lifetime of the policy).

In 2015, FCNB signed the Memorandum of Understanding and Protocol on Cooperation and the Exchange of Information with other CCIR members. The MOU allows FCNB to collaborate and share information with other regulators when conducting Market Conduct Exams of common licensees. The Guidance principles will be the standard used for all future Market Conduct Exams conducted by the Pensions and Insurance Division of FCNB.

International Basel Committee On Banking Supervision (BCBS)

Canadian Carolyn Rogers Named As Next Secretary General Of Basel Committee

On March 22/19, the Basel Committee on Banking Supervision (BCBS) announced that Carolyn Rogers, former CEO and Superintendent of Insurance at BC's Financial Institutions Commission and currently Assistant Superintendent, Regulation Sector at the Office of the Superintendent of Financial Institutions (OSFI), had been chosen as its next Secretary General.

Ms. Rogers, who will be the first Canadian to take on this role, will begin an initial term of three years with BCBS in August 2019.

BCBS is a global standard-setter for banking regulation and provides a forum for co-operation on banking supervisory matters. It has 45 members comprised of central banks and bank supervisors from 28 jurisdictions. The Secretary General of the BCBS plays a crucial role in directing the work of the Secretariat and supporting the Chair in fulfilling the Committee's mandate to strengthen the regulation, supervision and practices of banks worldwide with the purpose of enhancing financial stability.

At OSFI, Rogers is currently responsible for OSFI's policy-related functions, including capital, accounting, and legislation. "I wish Ms. Rogers every success in accepting this new role. She brings with her extensive regulatory and leadership experience that will make her an asset to the BCBS. While this will be a loss for OSFI, it will be a major gain for the BCBS, the international regulatory community, and for Canada," stated Jeremy Rudin, Superintendent of Financial Institutions, in a March 22 announcement.

Australia

Australia Government Promises Sweeping Reform To Address Industry Misconduct

Australia's government is promising action to restore confidence in the financial industry, following a Royal Commission inquiry, which found widespread misconduct by the industry at the expense of customers.

The Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry published its final report in early February, which sets out a series of 76 recommendations for reform to address the pervasive exploitation of the industry's customers.

“Saying sorry and promising not to do it again has not prevented recurrence. The time has come to decide what is to be done in response to what has happened,” the report says, in setting out a series of recommendations that aim to bolster consumer protections; increase accountability and governance standards; enhance the effectiveness of regulators; and improve access to remediation for victims of industry misconduct.

Among other things, the report points to compensation schemes that solely reward sales, the lack of best interest standards, and an absence of accountability for misconduct as some of the core issues identified in the review.

“Rewarding misconduct is wrong. Yet incentive, bonus and commission schemes throughout the financial services industry have measured sales and profit, but not compliance with the law and proper standards,” the report says.

It points out that customers have little to no ability to negotiate the terms of transactions with the industry, due to the huge imbalance in market power and knowledge. The report also highlights the prevalence of conflicts of interest. “The interests of client, intermediary and provider of a product or service are not only different, they are opposed,” it says. “An intermediary who seeks to ‘stand in more than one canoe’ cannot.”

Moreover, it says that efforts to manage those conflicts invariably fail. “Experience shows that conflicts between duty and interest can seldom be managed; self-interest will almost always trump duty,” it says, adding that it heard evidence that conflicts are almost always resolved in favour of the industry, and against clients’ interests.

Additionally, when industry firms violate the law, they are not properly held accountable, the report concludes. “Misconduct will be deterred only if entities believe that misconduct will be detected, denounced and justly punished. Misconduct, especially misconduct that yields profit, is not deterred by requiring those who are found to have done wrong to do no more than pay compensation. And wrongdoing is not denounced by issuing a media release,” it says.

In response to the report, Australia’s treasurer, Josh Frydenberg, pledged that the government will take action on all of the report’s recommendations.

“In outlining the government’s response to the Royal Commission, the government’s principal focus is on restoring trust in our financial system and delivering better consumer outcomes, while maintaining the flow of credit and continuing to promote competition,” he said.

The report follows 68 days of public hearings and more than 10,000 public submissions into financial industry conduct.

“My message to the financial sector is that misconduct must end and the interests of consumers must now come first. From today the sector must change, and change forever,” Frydenberg added.

To test whether that happens, the government also pledged to launch an independent inquiry in three years to assess whether industry practices have changed following the Royal Commission and are producing better consumer outcomes.

Research, Thought Leadership, and Innovation Developments

Open Banking A Negative For Canada's Big Six Banks: Moody's Report

The federal government's ongoing exploration of "open banking" is a negative for Canada's Big Six banks, which currently dominate the retail banking business, says a new report from Moody's Investors Service.

Ottawa published a consultation paper on January 11/19 as part of its effort to examine the idea of "open banking" as a way to stoke competition in the highly concentrated Canadian banking business. Open banking allows banking customers to share their financial information with fintech firms and other upstarts to enable them to more easily develop competing products and services.

"The government initiative is credit negative for the largest Canadian banks' retail operations because it has the potential to incrementally weaken the industry's favourable industry structure of a few concentrated players, and therefore the banks' retail franchise strength and associated high profitability," says the Moody's report.

The government promised to explore the idea of open banking in last year's federal budget, and launched an advisory committee to lead a public consultation this past autumn. Comments to the consultation were due by February 11/19. Following the consultation, the committee will provide its recommendations to the government.

The credit-rating agency says that the big Canadian banks have both the financial resources and the fintech expertise to adapt to innovations in consumer banking. "Nonetheless, technological disruption is likely to erode the incumbents' profitability in certain retail lending products, such as credit cards, and/or payments over the long term as smaller, more agile banks achieve competitive advantages," the report states.

EY Canada Announces New Centre Of Excellence For Insurers

Advisory services firm EY Canada is launching a new Centre of Excellence for insurance companies.

The Centre for Insurance and Actuarial Services will be based in both Toronto and Quebec City, a release said. EY's new centre will guide insurers on regulatory changes, as well as on how to keep up with digital transformation.

"The insurance sector is evolving every day – and we're responding by innovating the support we provide," said EY Canada financial services leader Paul Battista. "Insurers face immense pressure to modernize their businesses while, at the same time, manage increasingly complex actuarial and accounting standards. The centre will work with these companies to identify better ways of working, drive a clearer sense of purpose and adopt more effective use of technology."

According to EY's Insurance Outlook for the year 2019, the insurance sector's growth is projected to remain weak in the near-term. To counter this, insurers need to place greater focus on technology and initiatives that could help in optimizing costs and driving wider distribution, the report concluded.

"Margin pressures are straining the growth potential of many insurers in Canada," commented EY Canada insurance leader Janice Deganis. "Digital transformation is no longer optional, but absolutely necessary to optimize costs and reinvest in future-focused areas of the business that generate results."

Deganis revealed that EY Canada has been recruiting bilingual talent from across the country to help staff the Centre. Experts with backgrounds in strategy and business transformation, accounting standards, actuarial science and information will lend their experience to interested insurers.

Regulator and Policy-Maker Visit Plan 2019-2020

Regulator/Policy-Maker	Last Meeting/Contact	Proposed Meeting	Topics/Purpose	Status
British Columbia				
Insurance Council of BC: Janet Sinclair, Executive Director (Started November 1/17)	Liaison meeting on May 3/18 during CLHIA Conference in Calgary	Liaison meeting during 2019 CLHIA Conference in Niagara Falls, May 8-10/19, where J. Sinclair is on the program	CAFII's views on optimal features of an RIA regime in BC	Pending
		2019 CAFII Western Canada Regulators and Policy-Makers Visits Tour: deferral to Fall 2019 proposed to allow CAFII to have new and substantive research-based insights to share	Representation of alternate distribution/non- resident sellers on Council	Pending
FICOM: Frank Chong, Acting Superintendent of Financial Institutions (effective August 1/16)	Oct.25/17 CAFII Stakeholder Dialogue with CCIR in Toronto	2019 CAFII Western Canada Regulators and Policy-Makers Visits Tour: deferral to Fall 2019 proposed to allow CAFII to have new and substantive research-based insights to share	future of FICOM if proposals made in Ministry of Finance's "Preliminary Recommendations Paper" are brought to fruition	Pending
Michael McTavish, Acting Executive Director, Market Conduct (joined FICOM in Spring 2017)	liaison meeting on October 17/17 in Vancouver as part of CAFII tour of BC/Alberta/Manitoba regulators and policy-makers	Liaison meeting during 2019 CLHIA Conference in Niagara Falls, May 8-10/19, where M. McTavish is on the program	See F. Chong above	Pending
Elizabeth Cole, Executive Director, Strategic Projects & Policy (head of 10-Year Review of FIA) (on personal leave until sometime in mid- to late 2018)	April 20/17 and June 23/16 telephone conversations with B. Wycks re updates on expected release date of Policy Paper and other FIA Review timelines	Q2 or Q3 2018 in-person or teleconference meeting with Ministry of Finance officials, if necessary.	Insurance policy changes to be set out in draft revised Financial Institutions Act, expected in Q2 2019.	Pending
	November 10/15 in Vancouver along with Dan Ashton; and separate meeting along with Brian Dillon and Kari Toovey	2019 CAFII Western Canada Regulators and Policy-Makers Visits Tour: deferral to Fall 2019 proposed to allow CAFII to have new and substantive research-based insights to share		Pending

Regulator and Policy-Maker Visit Plan 2019-2020

Regulator/Policy-Maker	Last Meeting/Contact	Proposed Meeting	Topics/Purpose	Status
Alberta				
Alberta Insurance Council: Joanne Abram, CEO	May 4/18 liaison meeting during CLHIA Conference in Calgary	Q2 2019 teleconference meeting to discuss Alberta Government consultation paper on plans to create a single financial services regulator in the province, once it is released	-Alberta Government consultation paper on plans to create a single financial services regulator in the province	Pending
	liaison meeting on October 18/17 in Edmonton as part of CAFII tour of BC/Alberta/Manitoba regulators and policy-makers		-AIC's implementation of approved definition and process for CI to be sold under existing RIA licence	
	June 2/17 CAFII presentation to CISRO in Saskatoon	Liaison meeting during 2019 CLHIA Conference in Niagara Falls, May 8-10/19, where J. Abram is on the program	-Representation for Restricted Licence Holders on Life Insurance Council	Pending
	May 4/17 liaison lunch in London, Ontario	2019 CAFII Western Canada Regulators and Policy-Makers Visits Tour: deferral to Fall 2019 proposed to allow CAFII to have new and substantive research-based insights to share		Pending
Treasury Board and Ministry of Finance: Darren Hedley, Assistant Deputy Minister, Financial Sector Regulation and Policy; and Superintendent of Insurance (effective January 2019, succeeding Nilam Jetha)	-liaison meeting on October 18/17 in Edmonton as part of CAFII tour of BC/Alberta/Manitoba regulators and policy-makers	Q2 2019 teleconference, if necessary, re Alberta Government consultation on creating a single financial services regulator in the province	-Alberta Government plans to create a single financial services regulator in the province	Pending
		2019 CAFII Western Canada Regulators and Policy-Makers Visits Tour: deferral to Fall 2019 proposed to allow CAFII to have new and substantive research-based insights to share		Pending

Regulator and Policy-Maker Visit Plan 2019-2020

Regulator/Policy-Maker	Last Meeting/Contact	Proposed Meeting	Topics/Purpose	Status
Saskatchewan				
Insurance Councils of Saskatchewan: Ron Fullan, Executive Director, (CISRO Chair)	-October 2018 teleconference meeting between B. Wycks and K. Martin, CAFII, and R. Fullan and A. Stadnek, ICS, re licensing requirements amendments being made to address industry's concerns related to what revised Insurance Act and related Regulations seem to be calling for.	2019 CAFII Western Canada Regulators and Policy-Makers Visits Tour: deferral to Fall 2019 proposed to allow CAFII to have new and substantive research-based insights to share	-establishing and implementing a Restricted Insurance Agents Advisory Committee	Pending
April Stadnek, Director of Compliance	-See R. Fullan above	Liaison meeting during 2019 CLHIA Conference in Niagara Falls, May 8-10/19, where A. Stadnek is on the program	-See R. Fullan above	Pending
Janette Seibel, Lawyer, became lead on Bill 177 and Regulations file effective June 1/15	-October 31/18 telephone discussion with B. Wycks re revised wording for "consumer alert/warning" re online sales of insurance, which FCAA has resolved upon for inclusion in new Regulations	2019 CAFII Western Canada Regulators and Policy-Makers Visits Tour: deferral to Fall 2019 proposed to allow CAFII to have new and substantive research-based insights to share	-timing of "in force" date for new Saskatchewan Insurance Act and related Regulations	Pending
Manitoba				
Ministry of Finance: Scott Moore, Deputy Superintendent of Insurance	-CAFII Stakeholder Meeting with CCIR on October 25/18 in Toronto	2019 CAFII Western Canada Regulators and Policy-Makers Visits Tour: deferral to Fall 2019 proposed to allow CAFII to have new and substantive research-based insights to share	-Maintain and build relationship	Pending
Barbara Palace Churchill, Executive Director, Insurance Council of	-May 3/18 liaison meeting during CLHIA Conference in Calgary	Liaison meeting during 2019 CLHIA Conference in Niagara Falls, May 8-10/19,	-CAFII response letter of March 2018 re Single Premium Insurance Policies	Pending

Regulator and Policy-Maker Visit Plan 2019-2020

Regulator/Policy-Maker	Last Meeting/Contact	Proposed Meeting	Topics/Purpose	Status
	-May 4/17 short get acquainted/liaison meeting in London, Ontario	2019 CAFII Western Canada Regulators and Policy-Makers Visits Tour: deferral to Fall 2019 proposed to allow CAFII to have new and substantive research-based insights to share	-Insurance Council's "ISI items for further review and development"	Pending
Ontario				
Financial Services Regulatory Authority of Ontario (FSRA): Mark White, CEO	February 8, 2019 IAG Meeting #3 with FSRA Board of Directors re FSRA's 2019-20 priorities and budget January 28, 2019 IAG – Life and Health Insurance meeting with FSRA Management re FSRA's 2019-20 priorities and budget November 26/18 meeting of IAG—Life and Health Insurance with FSRA CEO re FSRA's 2019-2020 policies and priorities		-FSRA's start-up; transition from FSCO into FSRA; FSRA's rule-making authority; FSRA's plans for regulating the life and health insurance industrv	Confirmed
Glen Padassery, Executive Vice President of Policy	November 27/18 CAFII Reception (where Mark White was guest speaker on a FSRA policy-related topic) February 8/19 and January 28/19 IAG - Life and Health Insurance meetings with FSRA	Liaison meeting during 2019 CLHIA Conference in Niagara Falls, May 8-10/19 where G. Padassery is on the program		Confirmed
				Pending
New Brunswick				
Financial and Consumer Services Commission (Insurance Division): Angela Mazerolle, Superintendent of Insurance	-May 14/18 liaison meeting in Fredericton	Liaison meeting during 2019 CLHIA Conference in Niagara Falls, May 8-10/19, where A. Mazerolle is on the program	FCNB Multi-year Insurance Act Rewrite project under which FCNB plans to introduce an RIA regime in New Brunswick	Pending

Regulator and Policy-Maker Visit Plan 2019-2020

Regulator/Policy-Maker	Last Meeting/Contact	Proposed Meeting	Topics/Purpose	Status
David Weir, Deputy Superintendent of Insurance	December 5/18 preliminary meeting in Toronto on New Brunswick Insurance Act Rewrite multi-year project	June 11/19 FCNB "Consumer Protection Conference", around which a CAFII liaison meeting in Fredericton could be arranged to discuss FCNB's plans to introduce an RIA regime in the province.	See A. Mazerolle above - timing of final recommendations on reforming licensing framework for other-than-life agents and brokers -CAFII feedback on New Brunswick online insurance licensing system	Pending
FEDERAL/NATIONAL				
CCIR: Tony Toy, Policy Manager	November 28/18 CAFII follow-up meeting with CCIR/CISRO Fair Treatment of Consumers Working Group re industry implementation of "Guidance: Conduct of Insurance Business and Fair Treatment of Customers" -November 1/18 CCIR issues update meeting with CAFII (K. Martin and B. Wycks)	CAFII Quarterly "Fair Treatment of Consumers Guidance Implementation Forum" with CCIR and CISRO, March 27, 2019 3:30-5:00pm CCIR Webinar For the Life and Health Insurance Industry on Year 3 Changes to the Annual Statement on Market Conduct: April 3/19	-CCIR Annual Statement on Market Conduct -Framework for Cooperative Market Conduct Supervision	Pending
Louise Gauthier, Chair of CCIR/CISRO Fair Treatment of Consumers Working Group; (member of CCIR Travel Insurance Working Group)	CAFII "Fair Treatment Of Customers Guidance Implementation Forum" with CCIR And CISRO on November 28/18 C30	CAFII quarterly "Fair Treatment of Customers Guidance Implementation Forum" with CCIR/CISRO FTC Working Group, March 27, 2019, 3.30—5.00pm		Pending
Harry James, Chair, CCIR Travel Insurance Working Group (TIWG)	December 5/18 CCIR Travel Insurance Working Group (TIWG) follow-up meeting in Toronto with CAFII Travel Medical Experts Working Group re regulator's travel health insurance data collection	Follow-up meeting being arranged between CCIR Travel Insurance Working Group (TIWG) and CAFII/CLHIA/THIA re CCIR's travel health insurance data requests, likely to occur in February or March 2019	CCIR Travel Health Insurance Products Position Paper and CAFII/industry response to same	Pending

Regulator and Policy-Maker Visit Plan 2019-2020

Regulator/Policy-Maker	Last Meeting/Contact	Proposed Meeting	Topics/Purpose	Status
CISRO: Ron Fullan, Chair (SK)	-November 28/18 CAFII follow-up meeting with CCIR/CISRO Fair Treatment of Consumers Working Group re industry implementation of "Guidance: Conduct of Insurance Business and Fair Treatment of Customers"	Follow-up meeting being arranged between CCIR Travel Insurance Working Group (TIWG) and CAFII/CLHIA/THIA re CCIR's travel health insurance data requests, likely to occur in February or March 2019	-national, online licensing system for insurance and related harmonization issues	Pending
Financial Consumer Agency of Canada (FCAC): Lucie Tedesco, Commissioner	-June 12/18 informal conversation with B. Wycks and K. Martin following L. Tedesco's luncheon address to Economic Club of Canada	Follow-up meeting at FCAC office in Ottawa in Q2 or Q3 2019 for further information-sharing and education around creditors group insurance, if warranted	-FCAC consultation on its Proposed Supervision Framework and Publishing Principles for FCAC Decisions (released September 29/16 with November 14/16 deadline for submissions) of document expected). CAFII decided not to respond to this consultation, as out-of-scope	Pending
Richard Bilodeau, Acting Deputy Commissioner (interim successor to Brigitte Goulard)	none to this point in time	See L. Tedesco above		Pending

**Agenda Item 6(a)(i)
March 26/19 EOC Meeting**

**Bullet Point Content For
CAFII Submission To The AMF Re
Creditors Demonstrating That They Have A Pecuniary Interest In the Life and/or Health Of An
Other-than-Debtor Spouse In Order To Offer Him/Her Creditor's Group Insurance Coverage
Under Quebec's Distribution Without a Representative Regime
(In Compliance With AMF's Interpretation of Section 76 of Regulation Respecting Insurance)**

As underwriters and distributors of creditors group insurance who offer life, disability, critical illness, and job loss insurance coverage to the spouses of insured debtors in Quebec, CAFII Members are prepared to make the following changes/enhancements to their practices to address the AMF's concern that a creditor must be able to demonstrate that it has a pecuniary interest in the life and/or health of a spouse in order to offer him/her such coverage:

1. For credit card products that include, as part of their embedded features and benefits, automatic insurance coverage for a spouse who is an authorized secondary cardholder (i.e. an additional person authorized to use the credit card, but who is not directly responsible to repay the credit card debt), CAFII and its Members believe that the creditor's pecuniary interest in the life and/or health of the spouse is already demonstrated and self-evident because the spouse has been issued a credit card and is entitled to make purchases/charges to the card account.
2. For credit card products where a cardholder (the debtor) can apply to have his or her spouse who is not an authorized secondary cardholder covered by creditor's group insurance (whether by applying to add coverage for his/her spouse to existing insurance coverage, or by applying for a product that specifically includes automatic coverage for a cardholder spouse), CAFII Members would be prepared to do the following to demonstrate the creditor's pecuniary interest in the life and/or health of the spouse who is to be covered:
 - include a "qualification statement" in the insurance materials which indicates that "You should only apply for this coverage if your spouse is involved in your household or business, such that his/her contribution, monetarily or otherwise, contributes to your ability to make credit card payments."

This qualification statement would be included in the balance protection insurance application.

3. For loan-related insurance coverage where the spouse of a debtor can apply to be covered, such as for creditor insurance on a mortgage, home equity line of credit, other consumer loan, or on a business loan or line of credit, CAFII Members would be prepared – in addition to obtaining the spouse’s signature on the insurance proposal -- to do the following to demonstrate the creditor’s pecuniary interest in the life and/or health of the spouse who is applying for coverage:

- include a “qualification statement” in the insurance materials which indicates that “You should only apply for this coverage if, as the spouse of the borrower, you contribute to the household or business such that your contribution, monetarily or otherwise, contributes to the ability of the borrower to make repayments on the [loan, line of credit, or other debt obligation].”

This qualification statement would be included in the insurance application.

2019 CLHIA Compliance and Consumer Complaints

Mar. 7/19

A N N U A L C O N F E R E N C E

May 8 - 10, 2019
Hilton Niagara Falls
Niagara Falls, Ontario

“Regulatory Influences on Compliance: Lighting the Path Ahead”

Wednesday, May 8, 2019	
Time	Session
ALL PLENARY SESSIONS WILL BE HELD IN	
8:00 am	Registration and Sponsor Exhibit Area Open
8:00 – 8:55 am	Breakfast
8:55 – 9:00 am	Opening Remarks from Your Conference Co-Chairs John Lewsen , Chief Compliance Officer, BMO Life Assurance Company Valerie Howes , AVP Special Investigations and Consumer Complaints Legal, Compliance & SIU Department, Foresters Financial
9:00 – 9:30 am	Tone at The Top, Global L&H Trends - Driving the Right Discussions Hear how a global transformation is happening across the entire spectrum of our industry, and how that impacts upon the purpose of our industry. As Compliance and Complaint professionals, learn what you can do to drive the right discussions, and how to light the path ahead to be future ready. Speaker: Monica Ningen , President and CEO, Swiss Re Canada and English Caribbean
9:30 – 10:15 am	Economic Update How will the Canadian dollar perform and where will interest rates move over the coming year? Come hear from a leading bank economist about the Canadian economic outlook, both federal and provincial. Speaker: Sal Guatieri , Senior Economist and Director, BMO Capital Markets
10:15 – 10:45 am	Update from the Canadian Council of Insurance Regulators Join us for the annual update from our inter-jurisdictional association of insurance regulators on their priorities and current initiatives. Speaker: Brian Mills , Vice-Chair of CCIR and CEO and Superintendent of Financial Services, FSCO
10:45 – 11:00 am	Refreshment Break and Sponsor Exhibit Area Open

11:00 – 12:00 pm	<p>Regulatory Perspectives from Across Canada It's time to hear from our panel of insurance superintendents. Our panelists will discuss their regulatory priorities, perspectives on current issues in life and health insurance and where they see our industry headed in the future.</p> <p>Panelists: Angela Mazerolle, Superintendent of Pensions and Superintendent of Insurance, Financial and Consumer Services Commission, New Brunswick Michael McTavish, Acting Executive Director, Market Conduct, Financial Institutions Commission, British Columbia Julien Reid, Directeur principal de l'encadrement des institutions financières, de la résolution et de l'assurance-dépôts, Autorité des marchés financiers, Quebec Glen Padassery, EVP of Policy, Financial Services Regulatory Authority of Ontario</p> <p>Moderator: Nancy Carroll, Partner, McCarthy Tetrault</p>
12:00 – 1:30 pm	Lunch and Sponsor Exhibit Area Open
1:30 – 2:30 pm	Workshop A
1	<p>How Companies Are Implementing FTC Guidelines (Members only) The fair treatment of consumer guidance underpins the life and health insurance sectors consumer-centric approach to the distribution of insurance. We have recently seen the emergence of new and revised regulatory guidance from the CCIR and in several provinces. This panel will examine how expectations are implemented and evaluated.</p> <p>Speaker: Jodi Ziegler, AVP & Chief Compliance Officer, Retail Markets, Manulife</p> <p>Moderator:</p>
2	<p>Use of Data Analytics in a Company's Market Conduct Program How we are utilizing data analytics to gain a comprehensive view of our advisors and to identify possible areas of misconduct. Escalations of those identified areas of misconduct and how the Compliance team investigates.</p> <p>Panelists: Tim Hartman, Head of Technology Strategy for Compliance, Manulife Cindy L. Bauder, Manager, Market Conduct Compliance, Manulife</p>
3	<p>OLHI Update OLHI will provide an update of their activities. This will include an overview of OLHI's dispute resolution function, some key findings as published in their Annual Report, and a case study to illustrate how complaints would be resolved.</p> <p>Speaker: Yogini Parthasarathy Deputy Ombudsman, OLHI</p>
4	<p>New Challenges in Underwriting Covering topics such as automatic underwriting and electronic applications, genetic testing and gender identity.</p> <p>Speaker: Carla Fehr, Innovation Underwriting Consultant, The Great-West Life Assurance Company, London Life Insurance Company, The Canada Life Assurance Company</p>
2:30 – 2:45 pm	Refreshment Break and Sponsor Exhibit Area Open

2:45 – 3:45 pm	<p>Corporate Governance Guideline, Key Changes to Board Operations</p> <p>In September last year, OSFI finalized its revamped Corporate Governance Guideline to simplify communications between management and the Board and to ensure that the Board's duties were strategic in nature. Find out from our panel whether the changes have achieved their intended purpose, and how companies are managing the new guidance.</p> <p>Panelists: Robert McDowell, Partner, Faskens David Grad, EVP, General Counsel and Corporate Secretary, Chief Compliance Officer and Ombudsman, Primerica Life Insurance Company of Canada Jeremy W. Trickett, SVP, Corporate Secretary and Chief Governance, Great West Lifeco. Inc.</p>
3:45 – 4:30 pm	<p>OmbudService Issues Panel</p> <p>The Panel will discuss current matters in alternative dispute resolution, and other issues that relate to complaints.</p> <p>Panelists: Sherri Langford, Director, Compliance, La Capitale Financial Security Insurance Company Valerie Howes, AVP Special Investigations and Consumer Complaints Legal, Compliance & SIU Department, Foresters Financial Cindy Weber, Manager, Complaints Investigations, Customer Care Team, Manulife</p> <p>Moderator:</p>
4:30 – 5:00 pm	<p>FSRA</p> <p>The recently established Financial Services Regulatory Authority is carving a new regulatory path in Ontario. Hear about how the Authority will operate, its regulatory priorities and vision for the future.</p> <p>Speaker: Glen Padassery, EVP of Policy, Financial Services Regulatory Authority of Ontario</p>
5:30 – 7:00 pm	<p>Welcome Reception</p> <p>Join us for refreshments, networking and a chance to visit with our sponsors.</p>
7:00 – 9:00 pm	<p>Enjoy Your Evening in Niagara Falls</p> <p>See Registration Desk for restaurant suggestions – Please make your own reservation.</p>
Thursday, May 9, 2019	
Time	Session
ALL PLENARY SESSIONS WILL BE HELD IN	
7:30 – 8:30 am	Breakfast
8:30 – 9:15 am	<p>AI & Compliance</p> <p>Panelists: Andrew Fitzpatrick, Assistant Vice President, Public Policy and Industry Affairs, The Great-West Life Assurance Company, London Life Insurance Company, The Canada Life Assurance Company</p>
9:15 – 9:45 am	<p>Update from the Office of the Superintendent of Financial Institutions</p> <p>Come and hear from our federal regulator about the policy areas on its radar for 2019.</p> <p>Speaker: Elspeth Bowler, Managing Director, Insurance Supervision Sector, OSFI</p>

9:45 – 10:30 am	<p>Quebec Update</p> <p>This session will help you stay on top of changes associated with implementation of new insurance and distribution legislation in Quebec. Hear details about: the new regulation respecting alternative distribution methods; documents that will replace the distribution guide; and plans for the public life insurance registry. We'll also discuss the progress of updates to AMF guidelines including the guidelines on risk management for IT, and sound commercial practices. Hear about amendments to the Quebec privacy legislation which are underway.</p> <p>Speaker: Julien Reid, Directeur principal de l'encadrement des institutions financières, de la résolution et de l'assurance-dépôts, Autorité des marchés financiers, Quebec</p>
10:30 – 11:00 am	<p>Privacy Update</p> <p>Hear about the latest developments on the topic of privacy including the federal Innovation Science and Economic Development (ISED) consultation on the digital and data driven economy, the impact of GDPR, mandatory breach reporting and an update on current case law.</p> <p>Office of the Privacy Commissioner of Canada (invited)</p>
11:00 – 11:15 am	Refreshment Break and Sponsor Exhibit Area Open
11:15 – 12:15 pm	Workshop B
1	<p>Issues and Complaints Investigations (Members Only)</p> <p>This panel will explore common issues that are being experienced in complaints investigations. This panel will look at trends, challenges, and how complaints are evolving.</p> <p>Panelists: Valerie Robb, Initiatives Manager & Ombudsman, The Empire Life Insurance Company Jean Lamy, Ombudsman, Manulife</p>
2	<p>Group Insurance</p> <p>The panel will look at the issues impacting group insurance such as: pharmacare, anti-fraud initiatives, and the new G-19 guideline on compensation disclosure.</p> <p>Panelists: Erica Hiemstra, Assistant Vice President, Market Conduct Policy and Regulation, Canadian Life and Health Insurance Association Kate Walker, Senior Counsel, Canadian Life and Health Insurance Association Deanna Remenyi, Director, Public Affairs, Sun Life Financial</p>
3	<p>Anti-Money Laundering and Anti-Terrorist Financing</p> <p>There is no shortage of legislative and regulatory activity in the AML-ATF world. At this workshop you will learn about new requirements expected in the "second" regulatory package. You will also hear about reforms being considered as part of the statutory 5-year review of the AML/ATF legislation, including the government's response to the House Finance Committee recommendations.</p> <p>Panelists: Carrie Hagerman, Relationships and Guidance Manager, Compliance FINTRAC Alexandra Orchard, Manager, AML/ATF Compliance, The Great-West Life Assurance Company, London Life Insurance Company, The Canada Life Assurance Company</p>

4	<p>Current Issues in Alternate Distribution Participate in an open discussion regarding current issues involving the channels, products, and industry oversight standards relating to alternate distribution. Discussion topics will include restricted licensee representation on provincial insurance councils, recent regulatory activities in Ontario, and the possibility of restricted licensing regimes in British Columbia and New Brunswick.</p> <p>Panelists: Azmina Karim-Bondy, Chief Legal Counsel, Dealer Services and Special Markets Solutions, Industrial Alliance Fay Coleman, Manager, TDI Compliance, TD Insurance Diane Quigley, Director, Credit Insurance Product and Pricing, CUMIS Life Insurance</p> <p>Moderator: Sarah Hobbs, Director Policy, Canadian Life and Health Insurance Association</p>
12:15 – 1:30 pm	<p>Lunch and Sponsor Exhibit Area Open Francophone Luncheon Join an open discussion on current issues in life and health insurance in the province of Quebec.</p> <p>Panelists: Michèle Hélie, Director, Quebec Affairs and Market Conduct Policy and Regulation Canadian Life and Health Insurance Association Jean Lamy, Ombudsman, Manulife</p>
1:30 – 2:30 pm	<p>Chief Compliance Officers Panel A panel of senior industry compliance officers will discuss key priorities and challenges.</p> <p>Panelists: Kevin Cloherty, Chief Compliance Officer, Manulife Paul Petrelli, Senior Vice President and Chief Compliance Officer, Sun Life Financial</p> <p>Moderator: Stikeman</p>
2:30 – 3:00 pm	<p>Federal Financial Sector Framework Review This session will cover the 2019 federal financial sector framework review being conducted by the Department of Finance including the topics of infrastructure and insurtech.</p> <p>Speaker:</p>
3:00 – 3:10 pm	Election of Members of the Executive Committees of the Compliance Section and the Consumer Complaints Officers Section
3:10 – 3:30 pm	Refreshment Break
3:30 – 4:30 pm	Workshop C
1	<p>Senior Client Complaints Complaints from senior clients are often unique in nature and responding to these complaints present distinct challenges. For example, complaints may refer to possible issues that occurred many years ago and involve advisors who are now retired. The complainant may have capacity issues. This workshop will explore these issues and others in a panel discussion.</p> <p>Panelists: Laura Tamblyn Watts, Chief Public Policy Officer, Canadian Association of Retired People, (CARP) Sherri Langford, Director, Compliance, La Capitale Financial Security Insurance Company</p> <p>Moderator: Justin Glinski, Director, Market Conduct Policy and Regulation, Canadian Life and Health Insurance Association</p>

2	<p>Decrypting Compliance in the Cryptoverse Blockchain and cryptocurrencies offer compelling innovative solutions for insurance, but in a very unfamiliar landscape. Built on infrastructure we do not control, with transactions processed using digital currency that is not issued by a state, these solutions present novel compliance challenges. In this session, we explore the conundrum at the intersection of blockchain and compliance.</p> <p>Speaker: Jeff Bryan, Lead Investigator, Canadian Division Compliance, Manulife</p>
3	<p>Be Internal Audit Ready! This workshop will examine the audit cycle: how to prepare and how to stay in control of the process. Actual audit scenarios will be discussed that will explore how to reframe audit questions and foster clear understanding. We will look at FINTRAC's new guidance on two-year effectiveness review, the pros and cons of a 24-month long audit.</p> <p>Panelists: Mary Moffett, Chief Compliance Officer, Swiss Reinsurance Company Ltd. John Lewsen, Chief Compliance Officer, BMO Life Assurance Company</p>
4	<p>Travel Update In the context of the continued media and regulatory attention surrounding the availability of hospital beds and the ability of families to repatriate their injured loved ones home to Canada, learn about patient placement processes in Ontario and the Ministry of Health funded initiative, CritiCall. Two years on, learn about how the industry has applied and implemented concepts from CCIR's Travel Health Insurance Products Position Paper in day-to-day business and how its leading to better customer outcomes. We will also discuss the insurer survey CCIR plans to carry out later this year.</p> <p>Panelists: Miranda Hanna, Manager of Case Management, Active Care Management Anthony Lin, Senior Counsel, Insurance, Manulife & Corporate Secretary, First North American Insurance Company, Manulife</p>
6:00 – 9:00 pm	Reception and Dinner at Ravine Winery
Friday, May 10, 2019	
Time	Session
ALL PLENARY SESSIONS WILL BE HELD IN	
7:30 – 8:30 am	Breakfast
8:30 – 9:15 am	<p>Government Relations Join our panel of seasoned Government Relations experts to learn about the hot issues requiring their attention and the techniques they use to influence all levels of government.</p> <p>Panelists: Ali Ghiassi, Vice-President Industry Affairs and Government Relations, The Great-West Life Assurance Company, London Life Insurance Company, The Canada Life Assurance Company Chris Donnelly, Vice-President and Counsel, Regulatory and Public Affairs, Manulife Alanna Boyd, Vice-President, Government Relations, Regulatory Affairs & Sustainability, Sun Life Financial</p>
9:15 – 10:15 am	<p>Provincial Insurance Councils Panel We've put together a panel of the heads of Canada's provincial Insurance Councils to discuss their views on hot topics in the industry, including: continuing education, errors and omissions insurance, restricted licensing and market conduct. Hear what the latest developments are and what to expect looking forward.</p> <p>Panelists: Joanne Abram, Chief Executive Officer, Alberta Insurance Council</p>

	April Stadnek , Director of Strategic Initiatives, Insurance Councils of Saskatchewan Barbara Palace Churchill , Executive Director, Insurance Council of Manitoba Janet Sinclair , Executive Director, Insurance Council of British Columbia
10:15 – 10:30 am	Refreshment Break and Sponsor Exhibit Area Open
10:30 – 11:00 am	CLHIA Priorities CLHIA's President will speak about current industry priorities. Speaker: Stephen Frank , President and Chief Executive Officer, Canadian Life and Health Insurance Association
11:00 – 11:45 pm	Sales Practices and Advisor Oversight Speaker: Jill McCutcheon , Partner, Torys LLP
12:00 pm	Closing Remarks by Co-Chairs

Agenda Item 6(b)(iii)
March 26/19 EOC Meeting

From: Wilson, Sara (FCNB) <sara.wilson@fcnb.ca>

Sent: March-12-19 9:27 AM

Subject: Save the Date! / Notez la date !

L'anglais suit le français

Save the date! 11 June 2019

The Financial and Consumer Services Commission invites you to our
2019 Consumer Protection Conference
Setting High Standards for Consumer and Investor Protection

Wu Conference Centre
6 Duffie Drive,
Fredericton, NB

Visit FCNB.ca/conference
for more information.

 FINANCIAL AND
CONSUMER SERVICES
COMMISSION

This event is for registrants, licensees and members of professional associations



Kristin
Matthews,
BBB Atlantic



Kelley Keehn,
author and
consumer
advocate



Norm Bossé,
Child, Youth and
Senior Advocate

The Financial and Consumer Services Commission invites our registrants, licensees and members of professional associations to our consumer protection conference on Tuesday, 11 June 2019.

During this full day event, hear from speakers on:

- The community's role in preventing, recognizing and reporting senior financial abuse
- Latest trends and how to protect your customers against cybersecurity and fintech risks
- Building customer trust
- **Compliance and enforcement of New Brunswick's insurance, securities and consumer protection laws**
- And more!

Who should attend? Those working or providing professional services to those working in the following industries:

- Real estate
- Mortgage brokers
- Securities
- Credit unions
- Pensions
- **Insurance**
- Pre-arranged funeral services

Cost: Free (breakfast and lunch provided)

Featuring: Keynote speaker Kelley Keehn, media personality, author and consumer advocate with the Financial Planning Standards Council; Kristin Matthews, marketing and communications specialist with Atlantic Canada's Better Business Bureau; and Norm Bossé, child, youth and senior advocate

Limited registration opens in the spring.

Check FCNB.ca/conference for more information coming soon.

Notez la date : 11 juin 2019!

La Commission des services financiers et des services aux consommateurs vous invite à la

Conférence sur la protection des consommateurs 2019

Assurer un niveau élevé de protection des consommateurs et des investisseurs

Centre de conférence Wu
6, promenade Duffie
Fredericton (Nouveau-Brunswick)

Visitez fr.FCNB.ca/conference
pour obtenir plus d'information.



COMMISSION DES SERVICES
FINANCIERS ET DES SERVICES
AUX CONSOMMATEURS



Kristin
Matthews,
conférencière
du BBB Atlantic



Kelley Keehn,
auteure et
attachée à la
défense des
droits des
consommateurs



Norm Bossé,
Défenseur des
enfants, des jeunes
et des aînés

Cette conférence s'adresse aux personnes inscrites, aux titulaires de licences et permis et aux membres d'associations professionnelles

La Commission des services financiers et des services aux consommateurs invite les personnes inscrites, les titulaires de licences et permis ainsi que les membres d'associations professionnelles à assister à la Conférence sur la protection des consommateurs qui se déroulera le 11 juin 2019.

Dans le cadre de cet événement d'une journée, les conférenciers invités aborderont :

- Le rôle de la collectivité dans la prévention et la détection de l'exploitation financière des personnes âgées, et son signalement
- Les tendances les plus récentes dans le domaine de la cybersécurité et des technologies financières, et les moyens d'en atténuer les risques pour le consommateur
- Les relations de confiance avec le client
- La conformité des assurances, des valeurs mobilières et des services à la consommation à la législation régissant ces secteurs d'activité au Nouveau-Brunswick, et l'application de la loi
- Et bien plus encore!

À qui s'adresse cette conférence? À tous les professionnels qui fournissent des conseils ou des services dans les secteurs suivant :

- Immobilier
- Courtage hypothécaire
- Valeurs mobilières
- *Credit unions*
- Pensions
- Assurances
- Services d'arrangements préalables d'obsèques

Coût : gratuit (petit déjeuner et dîner compris)

En vedette : Kelley Keehn, conférencière principale, personnalité médiatique, auteure et attachée à la défense des droits des consommateurs pour le Financial Planning Standards Council; Kristin Matthews, spécialiste du marketing et des communications de l'Atlantic Canada's Better Business Bureau; et Norm Bossé, Défenseur des enfants, des jeunes et des aînés

Nombre de places limité. L'inscription ouvrira ce printemps.

Consultez le site Fr.FCNB.ca/conference pour rester à jour.



Credit Protection Insurance

cafii acifa

The Canadian Association of
Financial Institutions in Insurance

L'association canadienne des
institutions financières en assurance

pollara
strategic insights

February 2019

Study Objectives and Methodology

- The Canadian Association for Financial Institutions in Insurance (CAFII) would like to get a better understanding of Canadian consumers' views of Credit Protection Insurance.
- The specific objectives of this study are to quantitatively test:
 - The general perception of Credit Protection Insurance on a number of factors, including value for money and ability to cover expenses
 - Experience and satisfaction with purchasing Credit Protection Insurance
 - Level of confidence in Credit Protection Insurance in the event of a claim
 - Experience and satisfaction with the claim's process
 - Incidence of making a claim on Credit Protection Insurance
- Survey conducted nationally between **October 3rd and 16th, 2018**, using an online methodology.
- Stratified sample among **1,490* Canadians aged 18 and over, who fit into the following categories :**
 - Who have a mortgage or Home Equity Line of Credit and currently have Credit Protection Insurance: N= 1003
 - Who have a mortgage or Home Equity Line of Credit and do not have Credit Protection Insurance: N = 424
 - Who have made a credit protection insurance claim: N = 286

Key Takeaways

A strong majority of Canadians who own credit protection insurance (CPI) believe that these products are an affordable, convenient and effective way of protecting themselves and their families in case of certain unexpected events

- In addition, most CPI holders do not know what they would do without it should something happen to them and/or their family, further illustrating the importance of these products

CPI holders are highly satisfied with the purchase process overall and are confident in their knowledge of these products (i.e. payout amounts and policy terms)

- High levels of purchase satisfaction and policy knowledge are being driven by sharing of quality information by representatives of financial institutions vs. information outlined in CPI documents

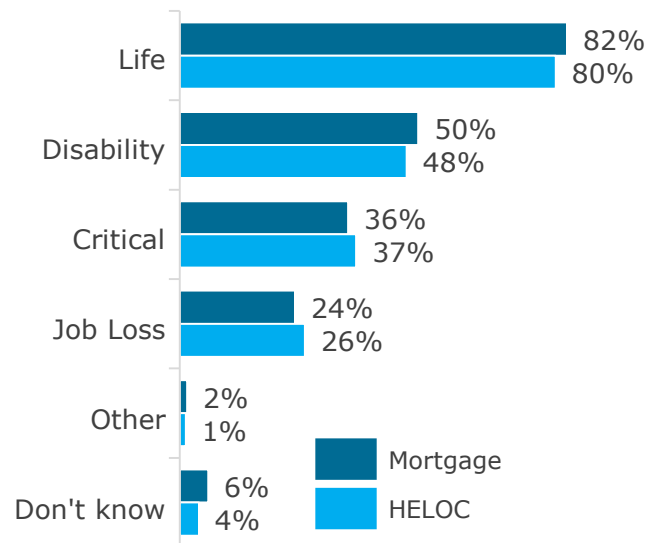
CPI holders' expectations of claim payouts are being met by the industry

- This indicates that the industry is effective at educating its consumers, open and transparent with consumers at the time of purchase, and consistently delivers on its promises

Canadians purchase a range of CPI products today

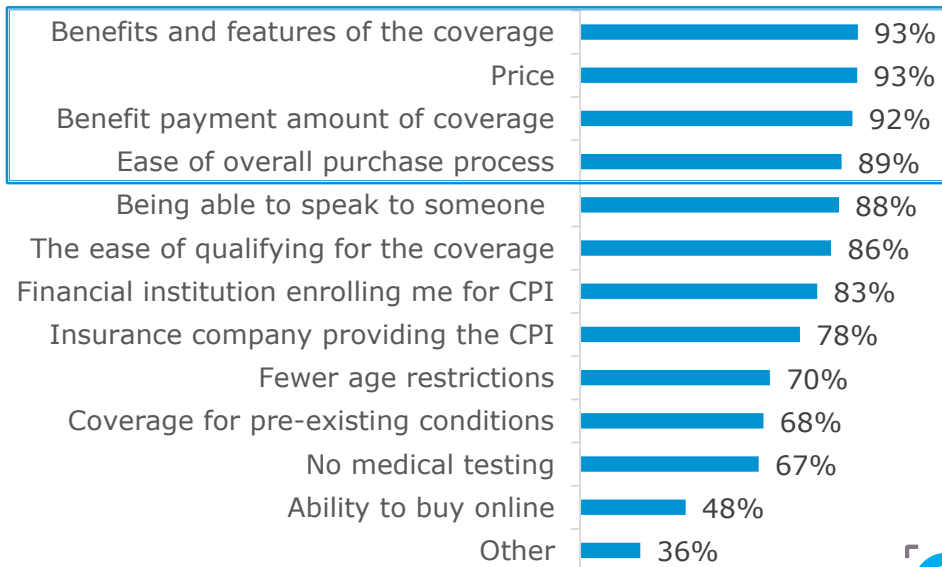
- The most important factors when purchasing CPI are the features and benefits of the coverage, price, coverage amounts, and ease of the purchase process overall

Type of Coverage Purchased



Base: All CPI Holders n=1,003

Importance of Factors when Purchasing CPI (% somewhat / very important)

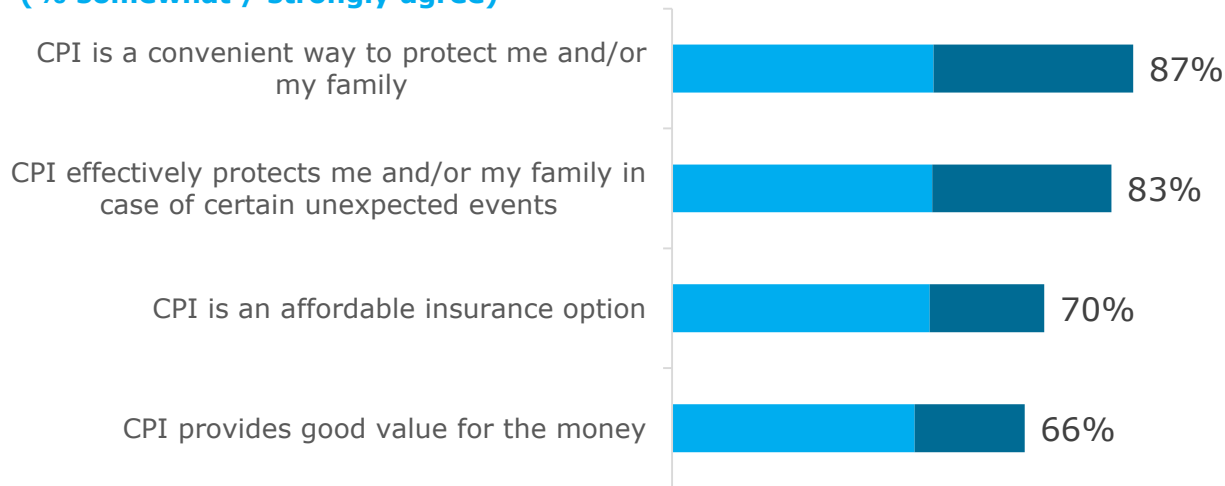


A strong majority of CPI holders have positive impressions of these products

- CPI holders agree that these products are a convenient, effective and affordable way to protect their families in case of certain unexpected events

Agreement with Statements Regarding Credit Protection Insurance among CPI Holders

(% somewhat / strongly agree)



71% do not know what they would do without CPI, should something happen to them and/or their family



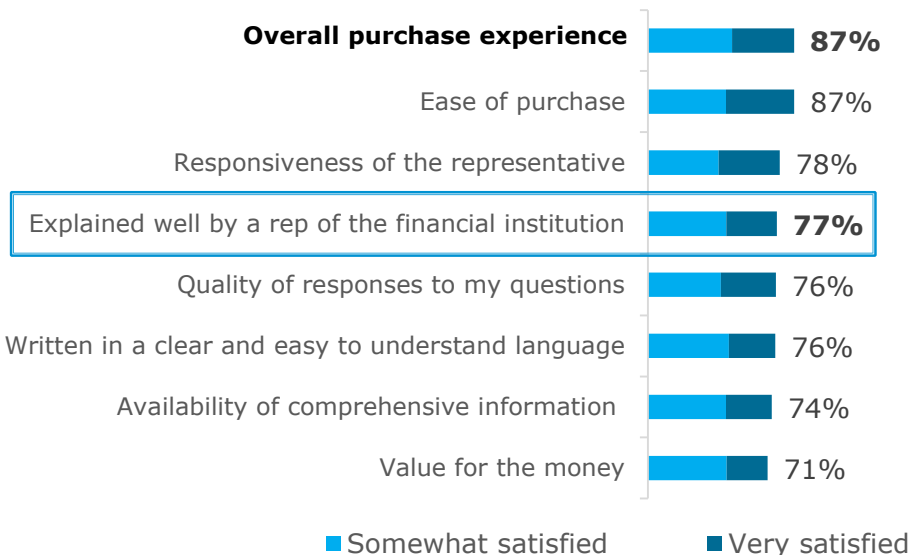
■ Somewhat agree ■ Strongly agree

Base: All CPI Holders n=1,003

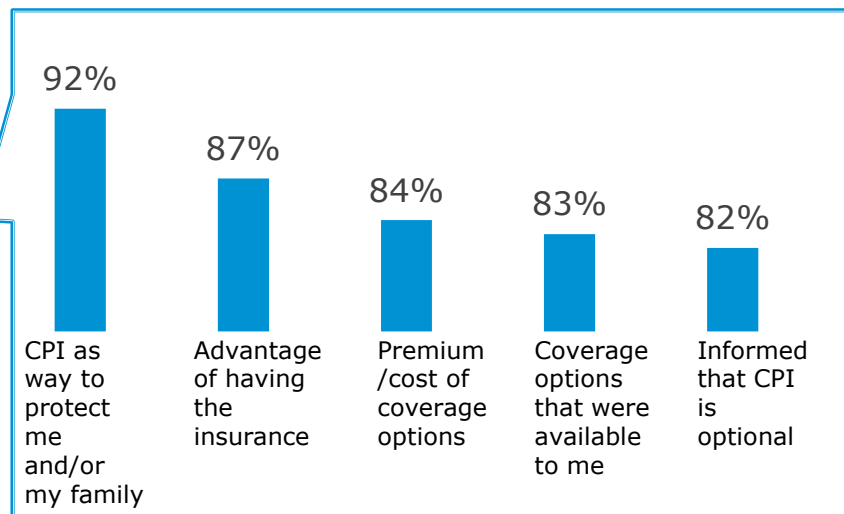
CPI holders are highly satisfied with the purchase experience overall

- CPI holders are satisfied with the information provided by representatives of financial institutions at purchase (e.g., benefits, price, coverage options, etc.).

Satisfaction with Purchase Experience (% somewhat / very satisfied)



Elements of CPI Discussed by Representative

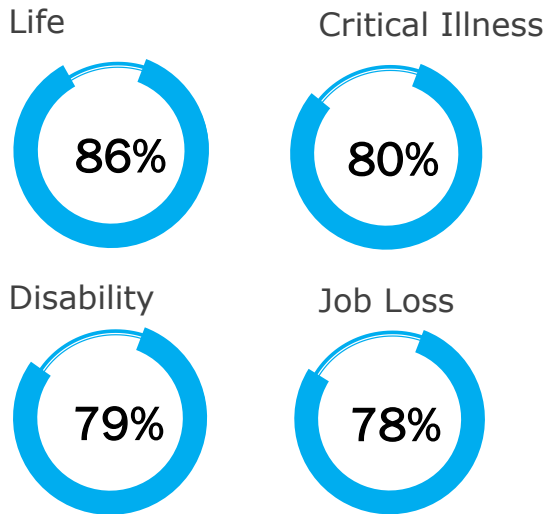


Base: All CPI Holders n=1,003

CPI holders are confident in their knowledge of insurance payout amounts and policy terms

- These high levels of confidence are in contrast to slightly lower levels of agreement that CPI documents are easy to understand

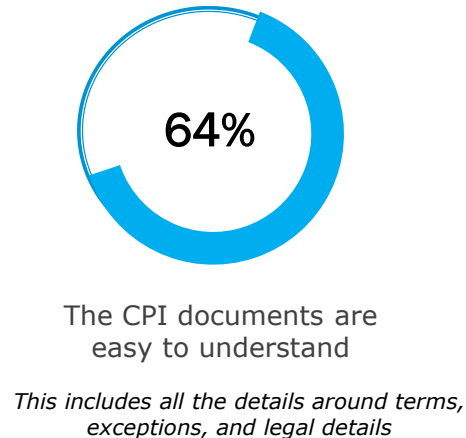
Confidence among CPI Holders in Knowledge of Payment Amount (% somewhat / very confident)



Understanding of Credit Protection Insurance Terms (% understand somewhat / very well)



Comprehension of Documents which Outline CPI (% somewhat / strongly agree)



CPI holders' expectations for claim payout are in-line with actual results of claim submissions

- The high incidence of claim payouts results in high levels of satisfaction with the claims process overall

Confidence in Credit Protection Insurance in event of a claim (% somewhat / very confident)



CPI holders' expectations for claim payout are in-line with actual results of claim submissions

- The high incidence of claim payouts results in high levels of satisfaction with the claims process overall

Results of Claim Submission Among Processed Claims (all products) (% that were paid)



94%
of those whose claims
were paid are satisfied
with the claims process
overall (**80%** for
claimants overall)

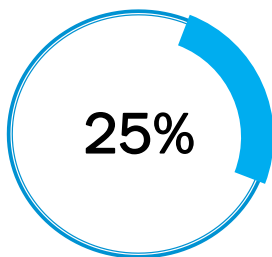
Aggregated self-reported data
provided by CAFII members
validates this finding, with **94%**
of Life claims paid



The few CPI holders who have made a complaint during a claim are generally satisfied with how it was handled

- Complaints most often relate to the timeliness of payout and/or the quality of communication of the provider (e.g., proactiveness, responsiveness, etc.)

% Made A Complaint During Claim process

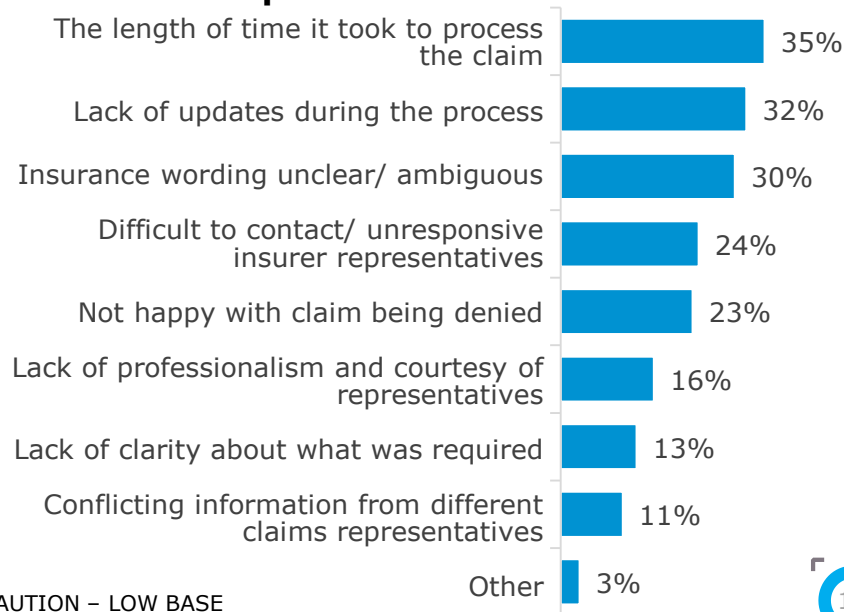


Of the 25% who made a complaint during the claims process, **85%** were satisfied with how the claim was handled



Base: CPI Claim/ Claim Resolved (N=244)

Reason for Complaint*



* CAUTION – LOW BASE

Base: CPI Claim/ Made Complaint (N=53)

VERSION 6, March 21 – FOR DISCUSSION ONLY

**CANADIANS SAY CREDIT PROTECTION INSURANCE IS A CONVENIENT,
EFFECTIVE, AND AFFORDABLE FORM OF FINANCIAL PROTECTION FOR
MORTGAGES AND LOANS**

Consumer expectations for claims payouts are being exceeded by the industry

TORONTO, March XX, 2019 – The experience of Canadians with Credit Protection Insurance (CPI) on their mortgages and Home Equity Lines of Credit (HELOCs) is very positive, with 87% saying it is a convenient way to protect themselves and/or their families against major financial setbacks arising from death, disability, critical illness, or job loss.

Canadians with CPI coverage also report that they are somewhat or highly satisfied with the purchase experience overall (87%), and are confident in their knowledge about CPI products (90% at time of purchase). In addition, CPI holders say their expectations of the claims process are being met by the industry, with 80% reporting satisfaction with their claim experience (94% for those whose claims were paid.).

Those are the key findings of new public opinion research by Pollara Strategic Insights that asked Canadians about their experience with CPI on their mortgage and/or HELOC. This type of insurance, also known as creditor's insurance, is used to pay off or pay down a mortgage or HELOC, or to make debt payments in the event of covered occurrences such as death, disability, critical illness, or job loss.

According to the research, 83% of Canadians with CPI coverage said it is an effective way to protect themselves and their families from unexpected life occurrences. Furthermore, 71% said that without CPI, they do not know how they and/or their family would be able to cope, should an unexpected life occurrence negatively impact them financially – for example, not being able to work and earn a regular income. And 70% said CPI is an affordable insurance option.

With respect to the purchase process experienced by CPI holders, 87% said they were satisfied with the overall purchase process; 77% reported satisfaction with the product explanations provided to them; and 74% said they were satisfied with the information provided to them to make an informed purchase decision.

Canadians with CPI coverage also expressed confidence in the CPI claims process, and that their expectations for claims payouts are being met or exceeded. For example, 89% of survivors/next-of-kin who made a CPI life insurance claim reported that it was paid. (The 89% level of CPI life insurance claims payouts reported by the survivors/next-of-kin of CPI insureds in the survey is close to the level found in aggregated self-reported data from CAFII members, which shows that 94% of CPI life insurance claims were paid in the 2018 fiscal year.)

With respect to the factors which Canadians believe are the most important when purchasing Creditor Protection Insurance:

- 93% said benefits and features of the coverage;
- 93% said price;
- 92% said benefit payment amount of coverage;
- 89% said ease of overall purchase process; and,
- 88% said being able to speak to someone to answer my questions.

Canadians also said they have a reasonable understanding of CPI coverage terms and limitations, and about the amount of coverage. For example, at the time of signing up for their CPI coverage, 90% of insureds said they understood “very well” or understood somewhat their credit protection insurance terms.

The survey also identified some areas which CAFII members and other providers of CPI coverage on mortgages and HELOCs in Canada can look at to improve the consumer’s experience with this insurance.

For example, 25% of CPI claimants said they had made a complaint about the claims process, with the top two complaints being the following:

- 35% complained about the length of time it took to process the claim; and,
- 32% complained about the lack of updates during the process.

However, 85% of claimants who made a complaint said they were satisfied with how their complaint was handled.

Furthermore, some 22% of CPI holder respondents expressed a lack of confidence that a life insurance claim would be paid, without even having made a claim. As this level of confidence is well below the actual claims payout ratio, it is an issue that is concerning to the industry.

“We’re pleased that Canadians feel Credit Protection Insurance is a convenient, effective and affordable type of financial protection for them and their families,” said Keith Martin, Co-Executive Director of the Canadian Association of Financial Institutions in Insurance (CAFII), which commissioned the Pollara research. “However, the survey also shows that there is room for improvement. As an industry, we will continue to look for ways to improve customer satisfaction, and enhance the value to consumers of the Credit Protection Insurance products that our members provide.”

These are the key results from a national online survey of 1,490 adult Canadians who have Credit Protection Insurance on a mortgage and/or home equity line of credit. The survey was conducted from October 3 to 16, 2018.

About CAFII:

The Canadian Association of Financial Institutions in Insurance is a not-for-profit industry Association dedicated to the development of an open and flexible insurance marketplace.

CAFII believes that consumers are best served when they have meaningful choice in the purchase of insurance products and services. CAFII's members include the insurance arms of Canada's major financial institutions – BMO Insurance; CIBC Insurance; Desjardins Financial Security; National Bank Insurance; RBC Insurance; ScotiaLife Financial; and TD Insurance – along with major industry players American Express Bank Canada; Assurant; Canada Life; Canadian Premier Life Insurance Company; CUMIS Services Incorporated; and Manulife (The Manufacturers Life Insurance Company).

About Pollara Strategic Insights:

Founded in 1980, Pollara Strategic Insights is one of Canada's premier full-service research firms – a collaborative team of senior research veterans who are passionate about conducting research through hands-on creativity and customized solutions. Taking full advantage of their comprehensive toolbox of industry-leading quantitative and qualitative methodologies and analytical techniques, Pollara provides research-based strategic advice to a wide array of clients across all sectors on a local, national, and global scale.

Media contact for Cafii:

David Moorcroft, Public Affairs Advisor
Email: david@strategy2communications.com
Tel: 416-727-1858



Credit Protection Insurance



October 2018

Study Objectives and Methodology

- The Canadian Association for Financial Institutions in Insurance (CAFII) would like to get a better understanding of Canadian consumers' views of Credit Protection Insurance.
- The specific objectives of this study are to quantitatively test:
 - The general perception of Credit Protection Insurance among holders and non-holders on number of factors, including value for money and ability to cover expenses
 - Level of confidence in Credit Protection Insurance in the event of a claim
 - Experience and satisfaction with purchasing Credit Protection Insurance
 - Incidence of making a claim on Credit Protection Insurance
 - Experience and satisfaction with the claim's process
- Survey conducted nationally between **October 3th and 16th, 2018**, using an online methodology.
- Stratified sample among **1,490* Canadians aged 18 and over, who fit into the following categories :**
 - Who have a mortgage or Home Equity Line of Credit and currently have Credit Protection Insurance: N= 1003
 - Who have a mortgage or Home Equity Line of Credit and do not have Credit Protection Insurance: N = 424
 - Who have made a credit protection insurance claim: N = 286

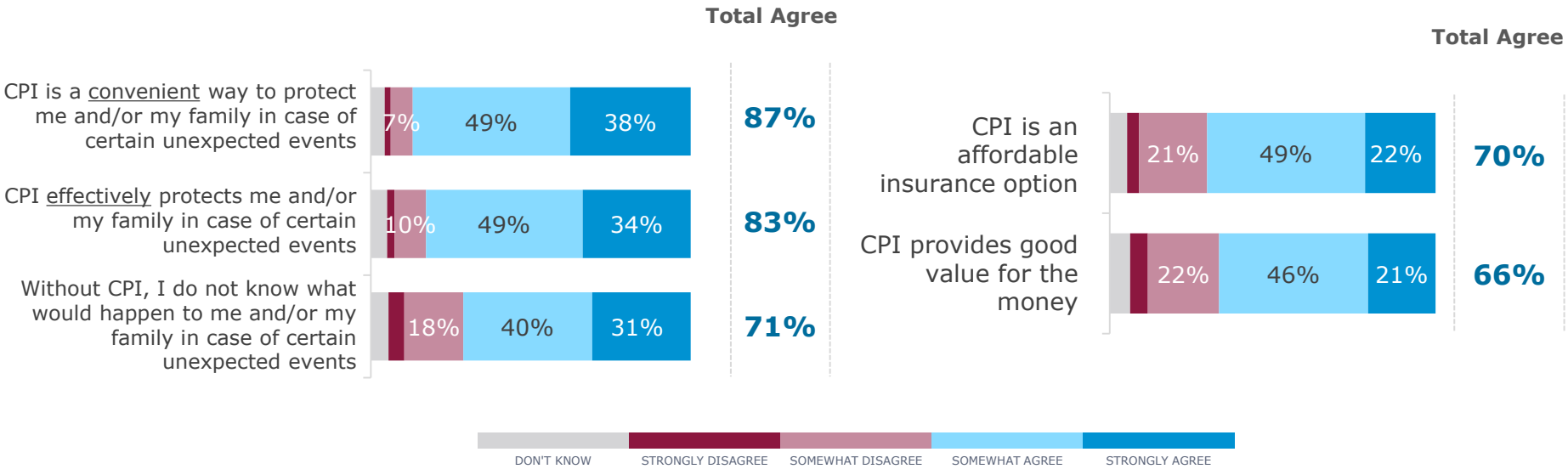


Holders of Credit Protection Insurance Perception of Product



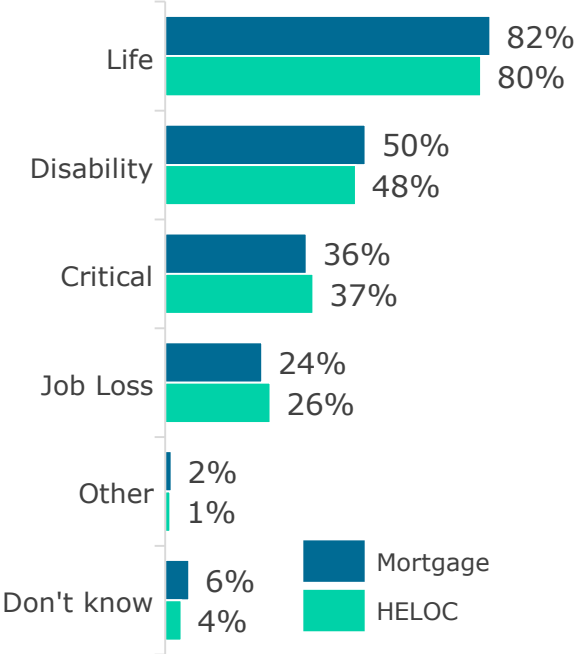
Strong majority feel that CPI is a convenient and effective way to protect them or their family, but fewer feel as strongly about the value

Agreement with Statements Regarding Credit Protection Insurance

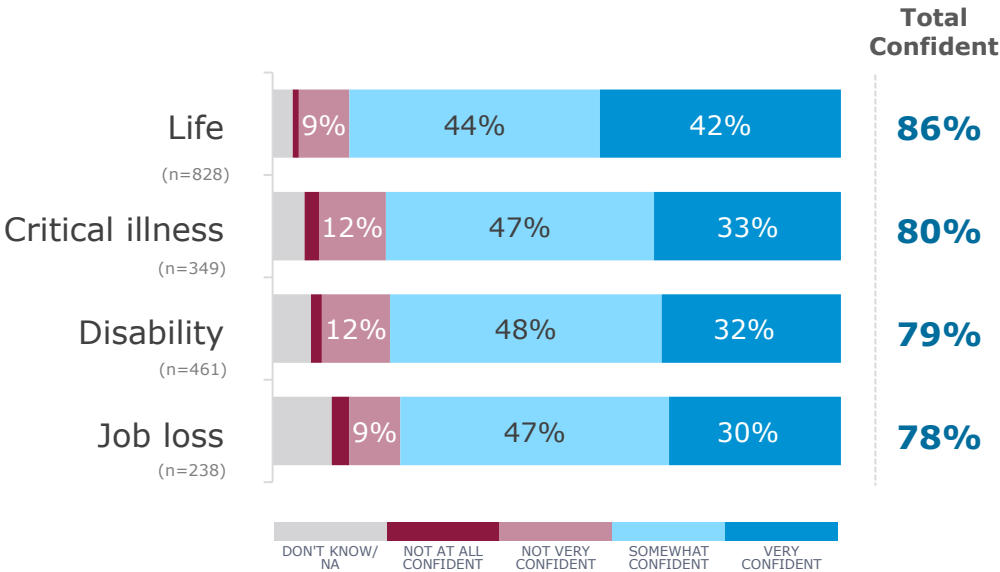


Overall, large majority of holders are confident in the knowledge of what their insurance will pay

Type of Coverage Purchased

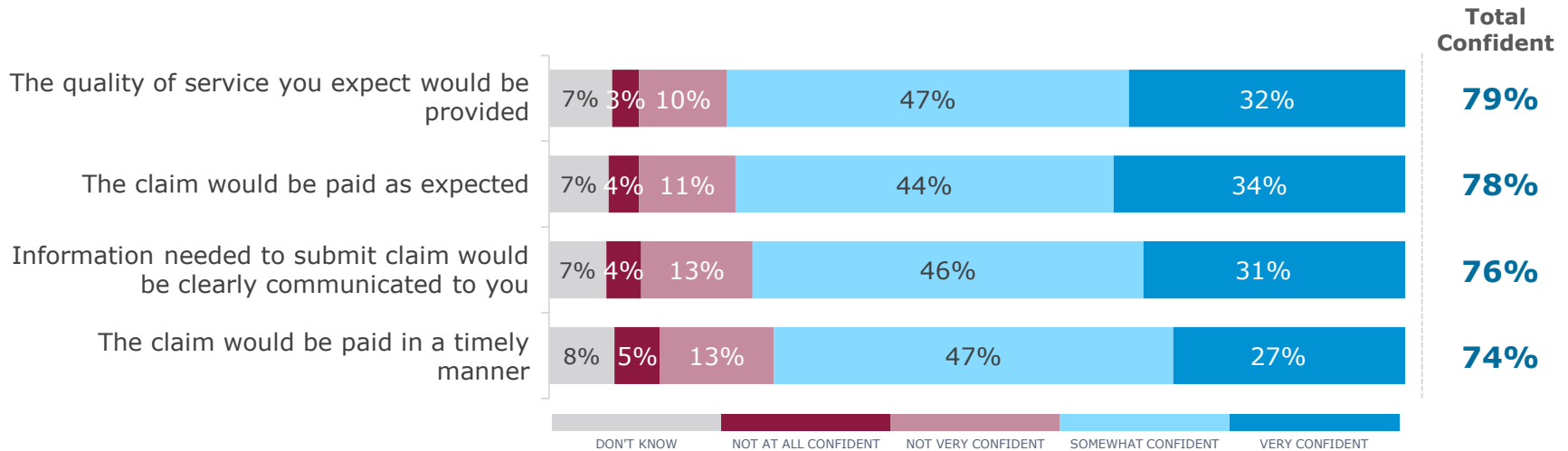


Confidence in Knowledge of Payment Amount



More than three-quarters are at least somewhat confident in their CPI in the event of a claim

Confidence in Credit Protection Insurance



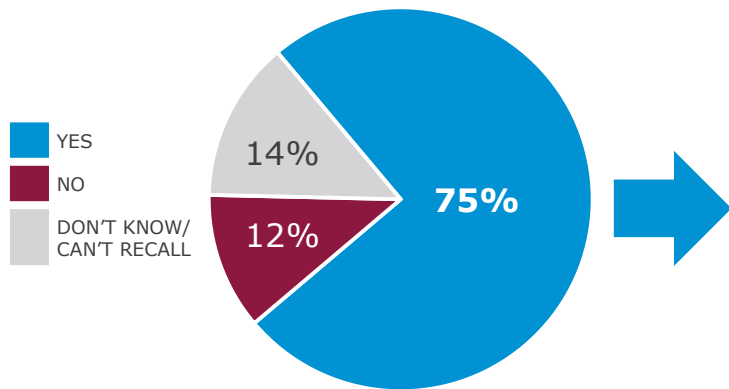


Holders of Credit Protection Insurance Purchase Experience and Satisfaction

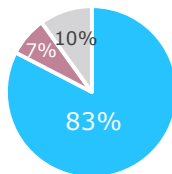
pollara
strategic insights

Most were given information about various factors pertaining to CPI by their financial institution representative

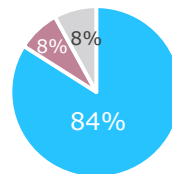
Representative Discussed CPI When Acquiring Mortgage/HELOC



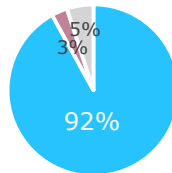
Coverage options that were available to me



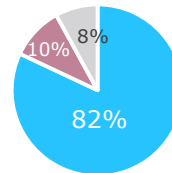
Premiums/costs of coverage options available



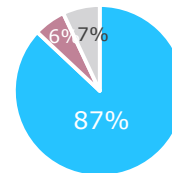
CPI as way to protect me and/or my family



Informed that CPI is optional

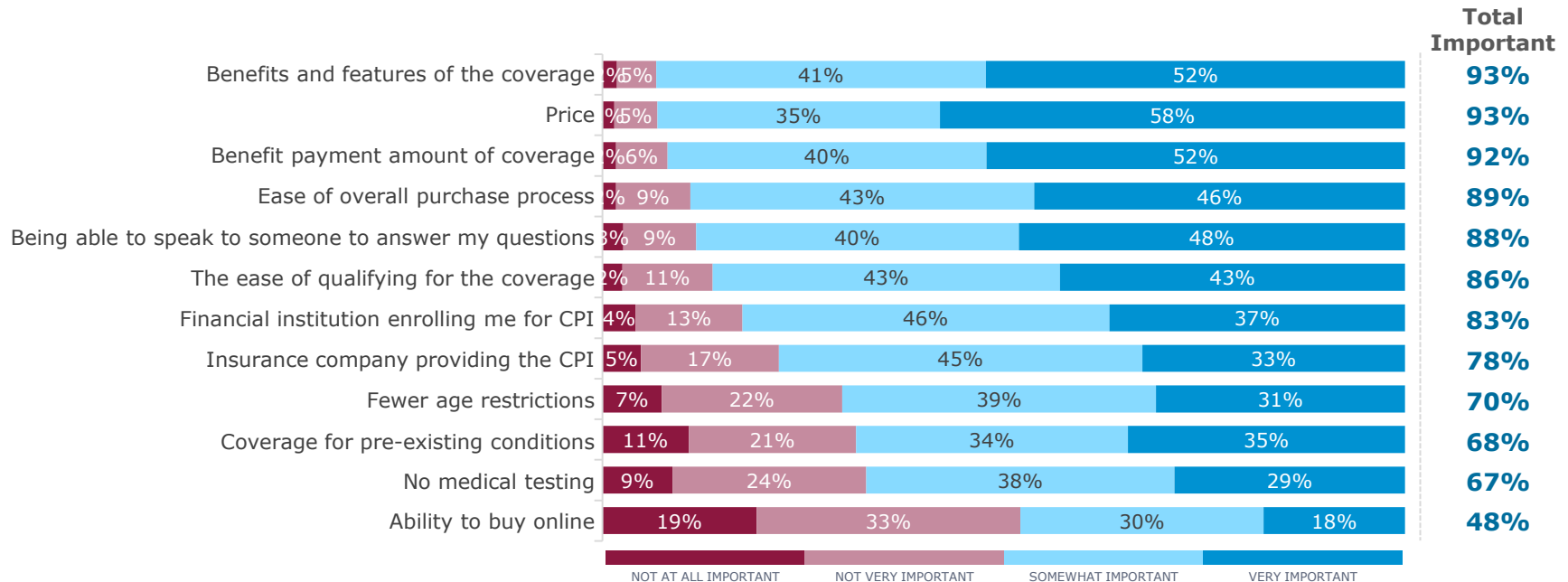


Advantages of having the insurance



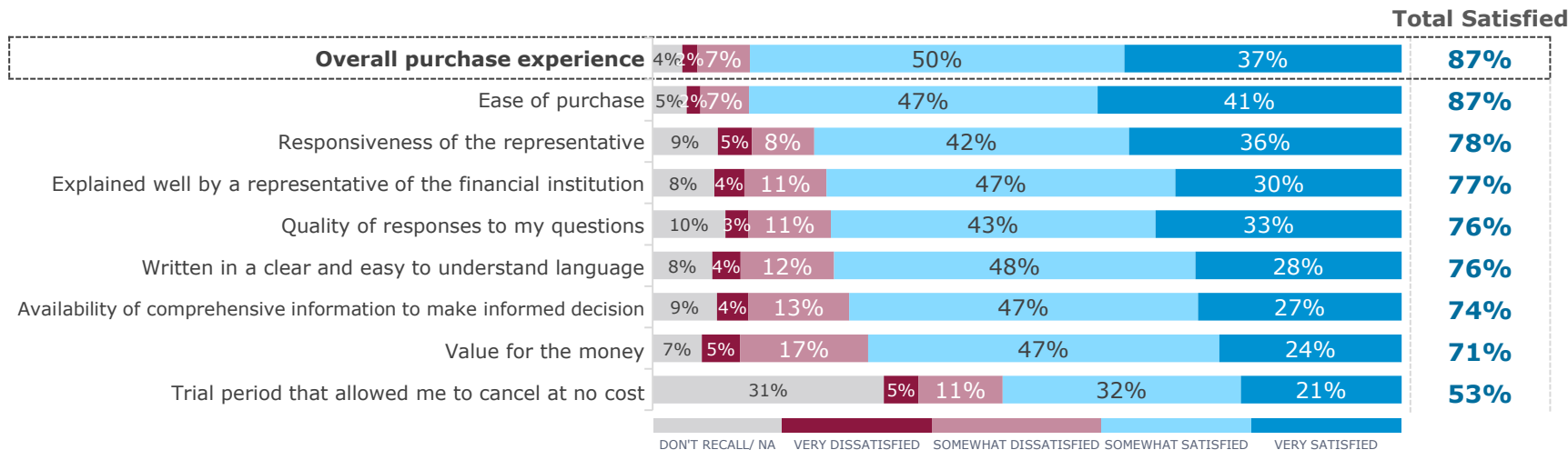
Price, benefits, features and payment amount of coverage are most important considerations for CPI purchase

Importance of Factors when Purchasing Credit Protection Insurance



Satisfaction with overall purchase experience as well as specific elements is high, however, low recall and satisfaction for the trial period

Satisfaction with Purchase Experience



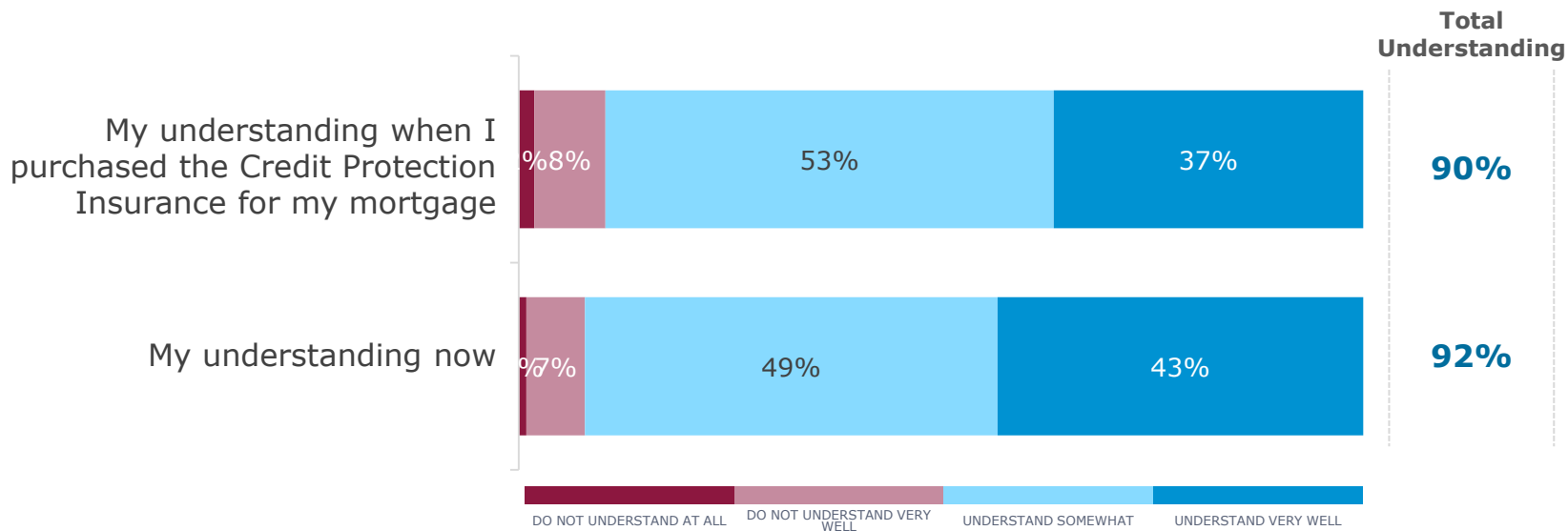


Holders of Credit Protection Insurance Documentation & Information



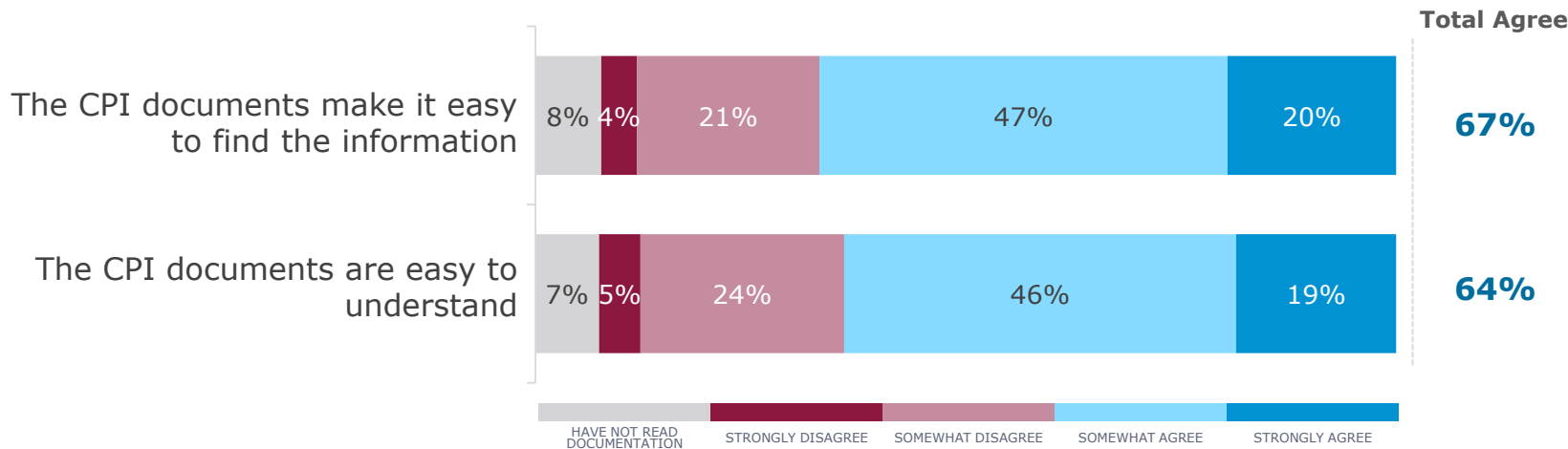
CPI holders understand the terms well enough, with the time passed between purchase and now having little or no impact on level of understanding

Understanding of Credit Protection Insurance Terms



Comprehension of the CPI documentation is moderate

Comprehension of Documentation



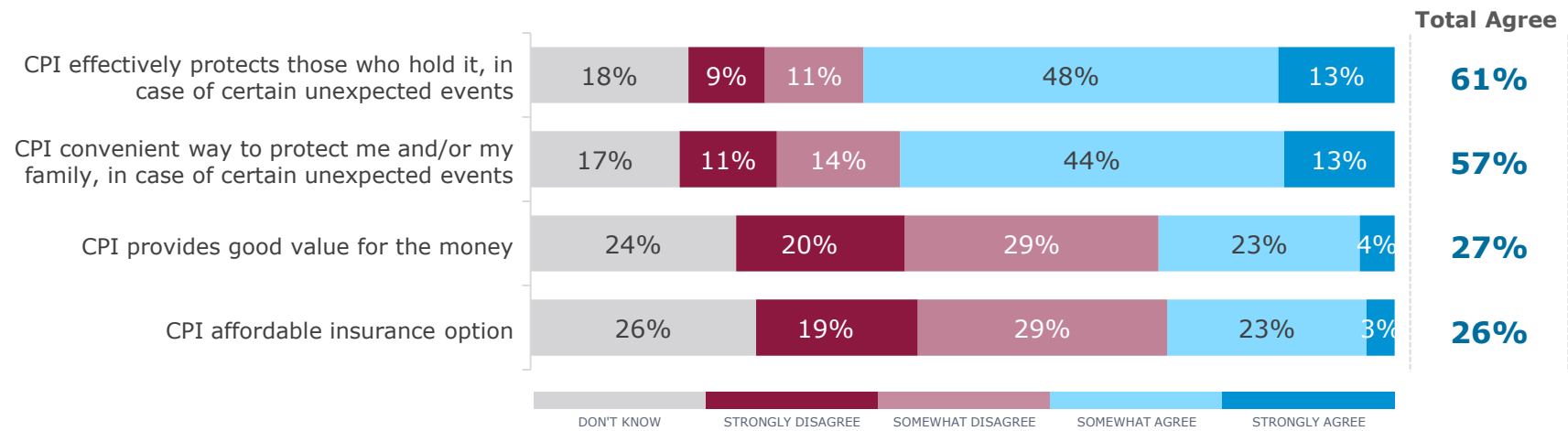


Non-Holders of Credit Protection Insurance

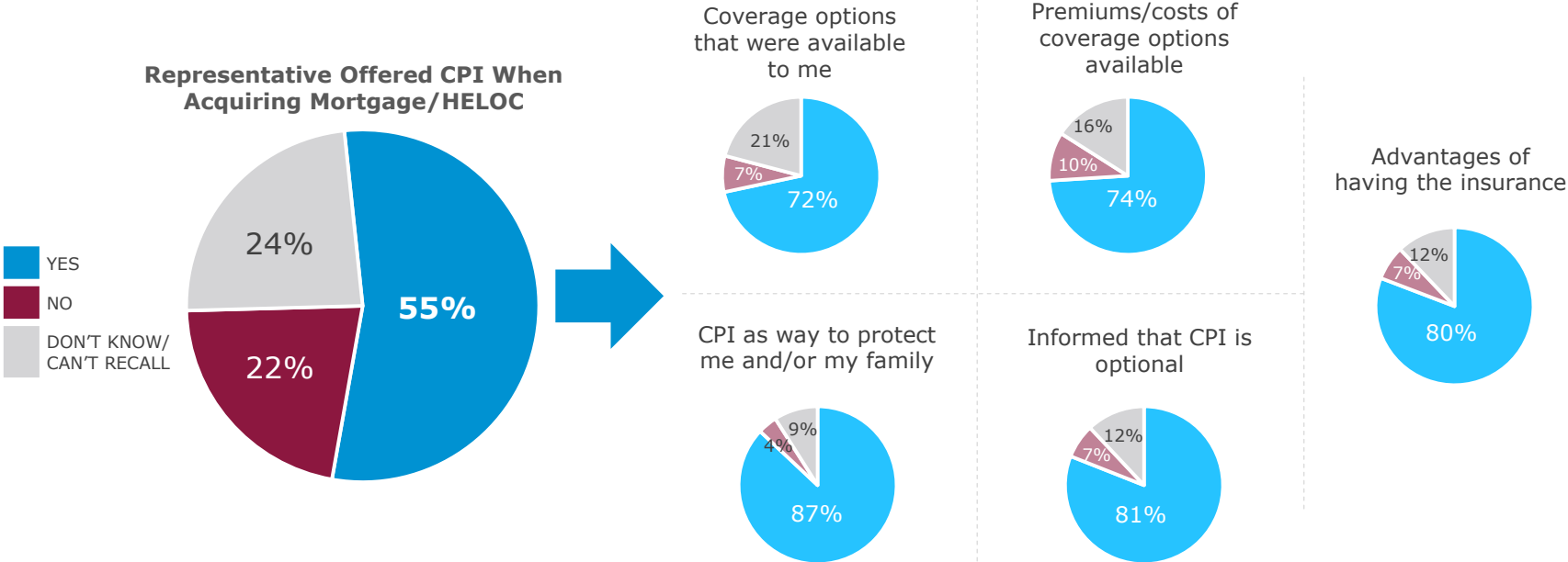
pollara
strategic insights

Despite non-CPI holders somewhat agreeing that CPI is effective and convenient, almost half feel it is not affordable or worth it's value for money

Agreement with Statements Regarding Credit Protection Insurance

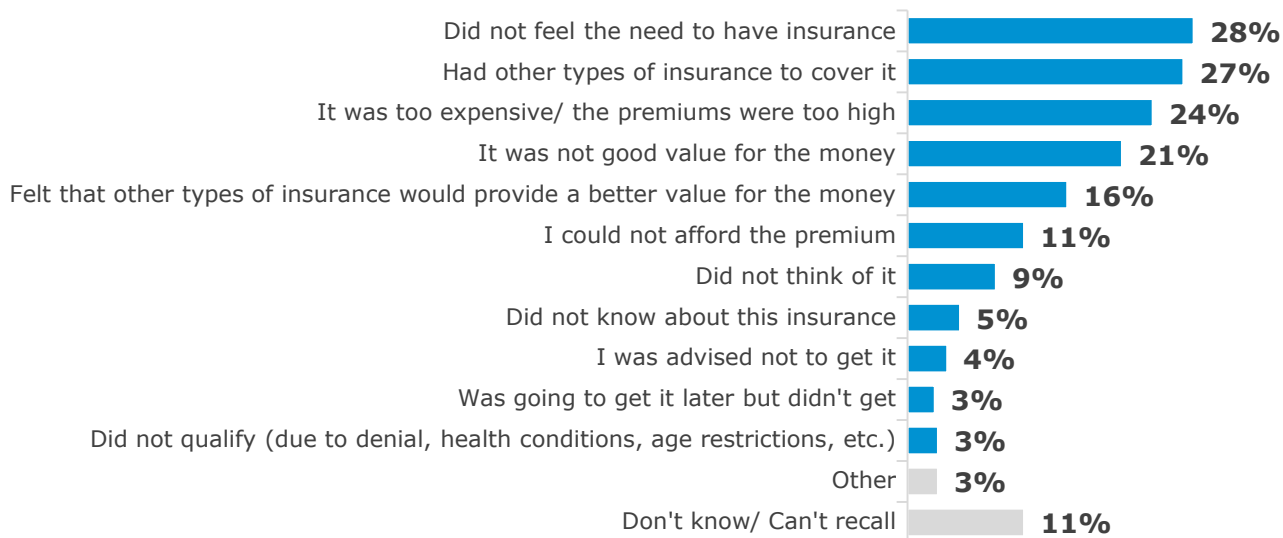


Just over half recall their representative offering them CPI when getting their mortgage or HELOC



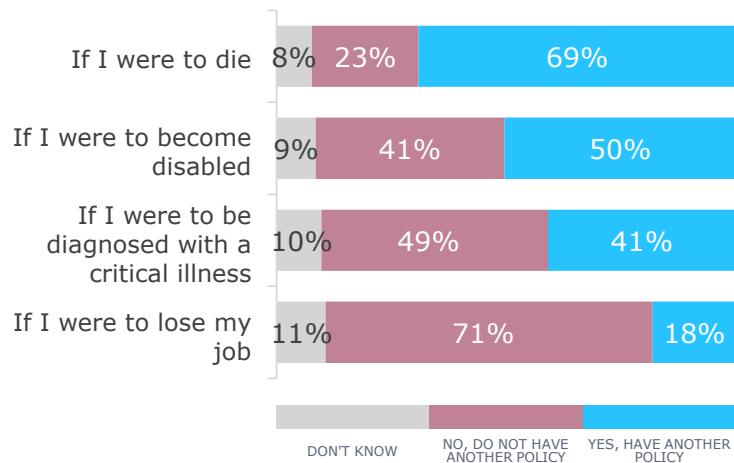
Reasons for not getting CPI are varied – either not having need for it or having another insurance covering their debts

Reasons for Not Buying Credit Protection Insurance

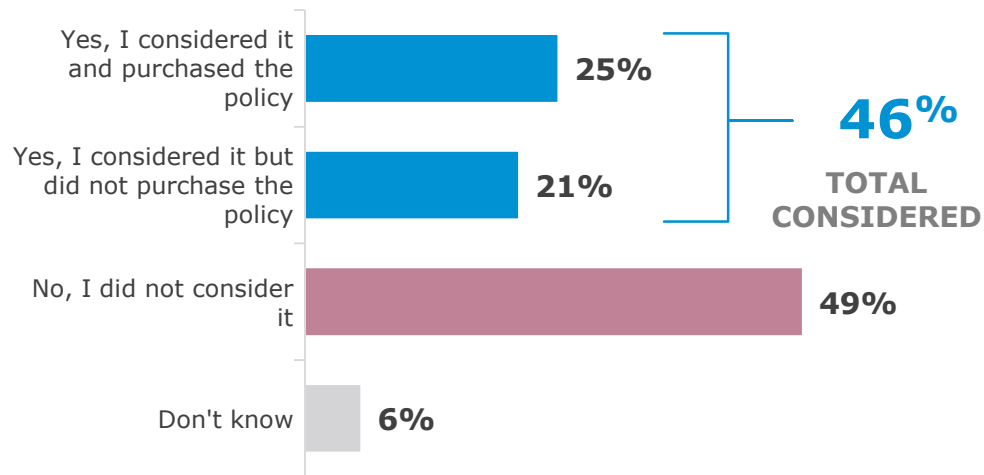


Majority have coverage in case of death or disability, however critical illness and job loss coverage is lacking

Coverage in case of Unexpected Events



Purchasing Term Life instead of Credit Protection Insurance

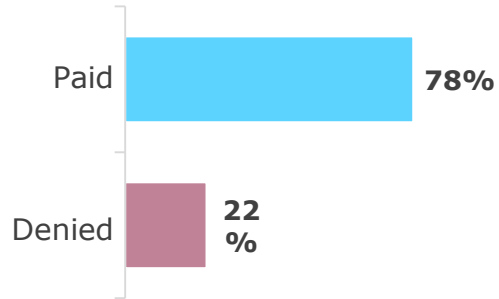




Section 3: Claims – Experience and Satisfaction

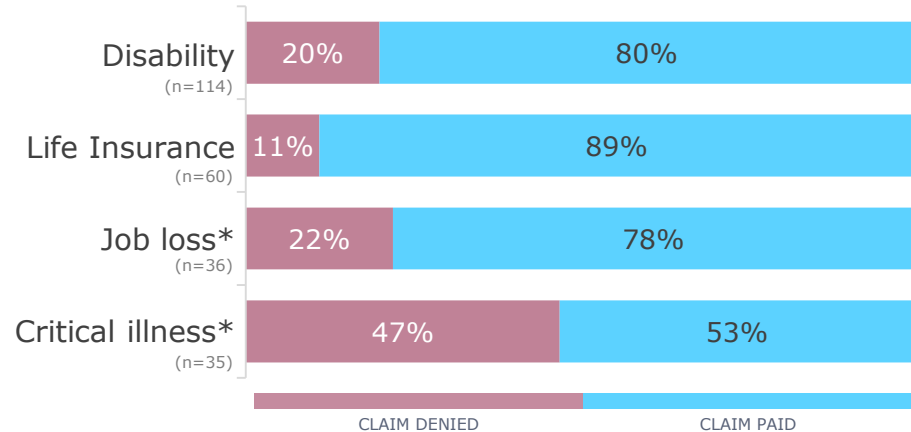
More than three-quarters of processes claims were paid

**Results of claim submission
among Processed Claims**



Claims Still Being Processed: 14%

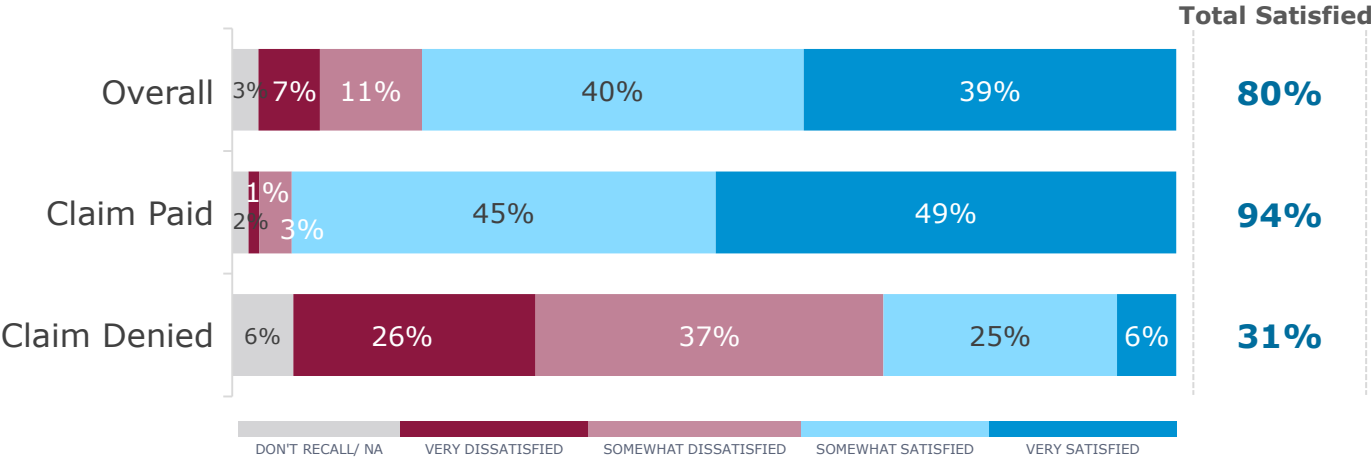
**Results of claim submission
among Type of Claims Processed**



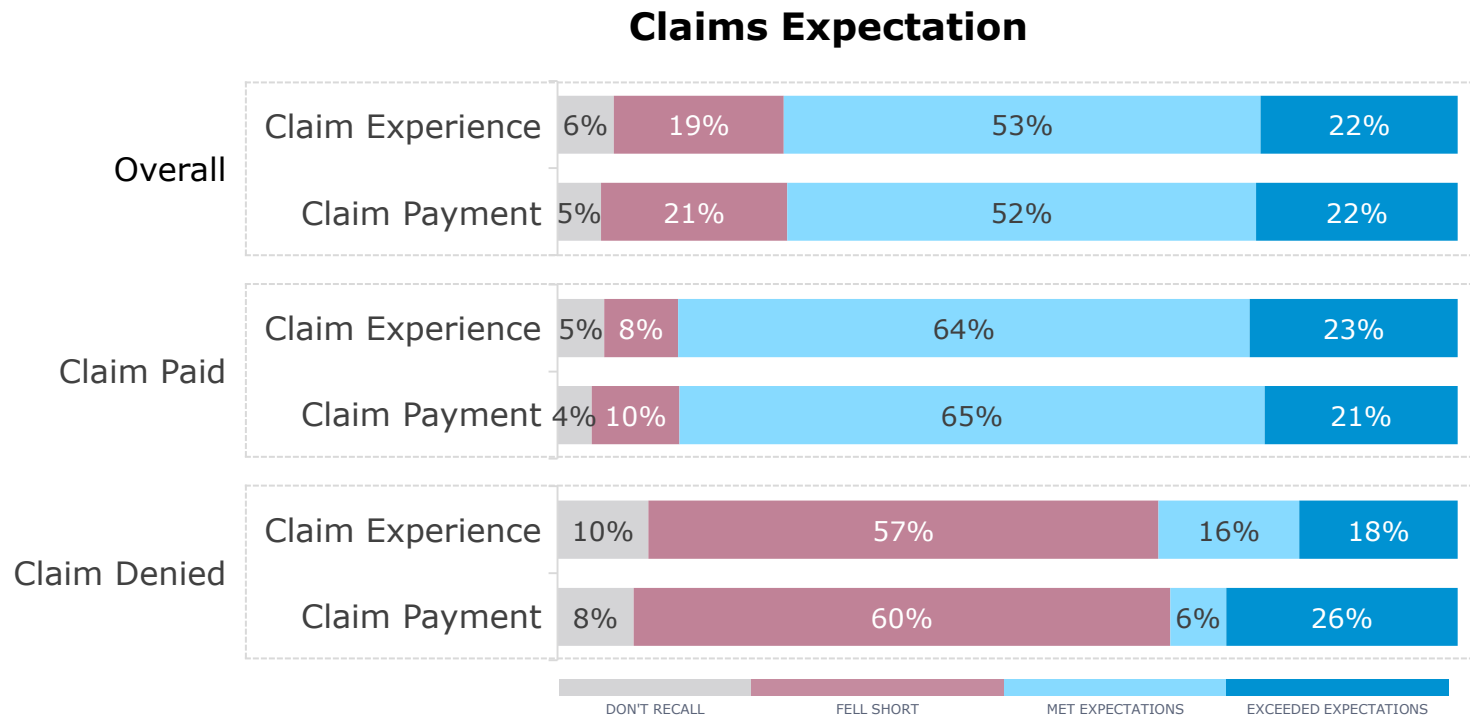
*** CAUTION – LOW BASE**

Eight out of ten are satisfied with their entire claim experience, regardless of type of claim

Satisfaction with Claims Experience



Expectations with claim experience and payment were met amongst those whose claims were paid, while fell short for those whose claims were denied

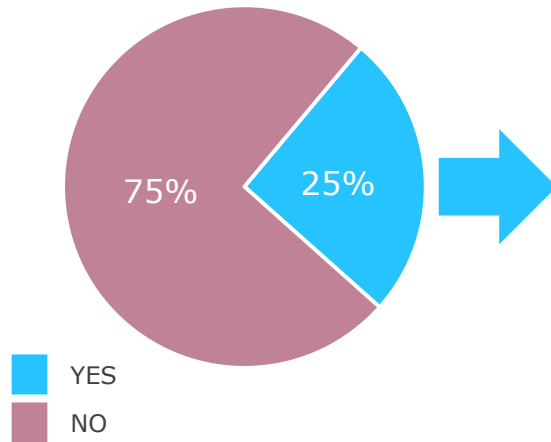




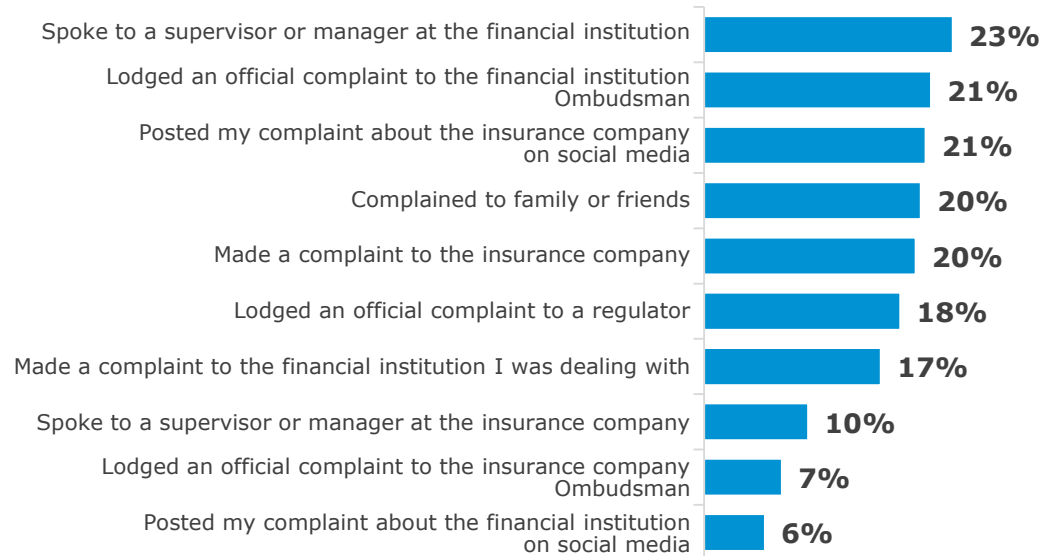
Complaints

One-fourth of claimants complained against the claim process, commonly approaching the financial institution rather than the insurance company

Made A Complaint During Claim process

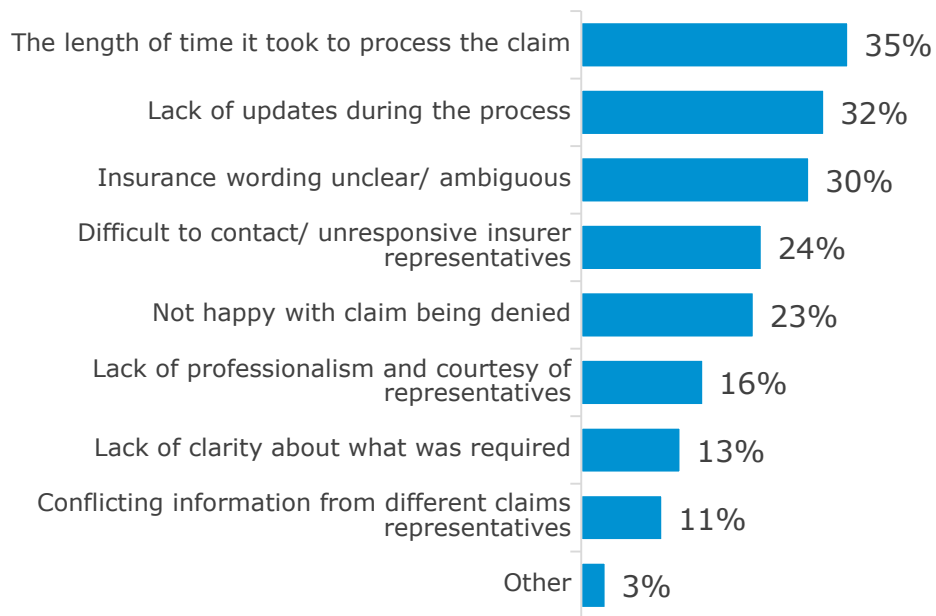


How Complaint was Made

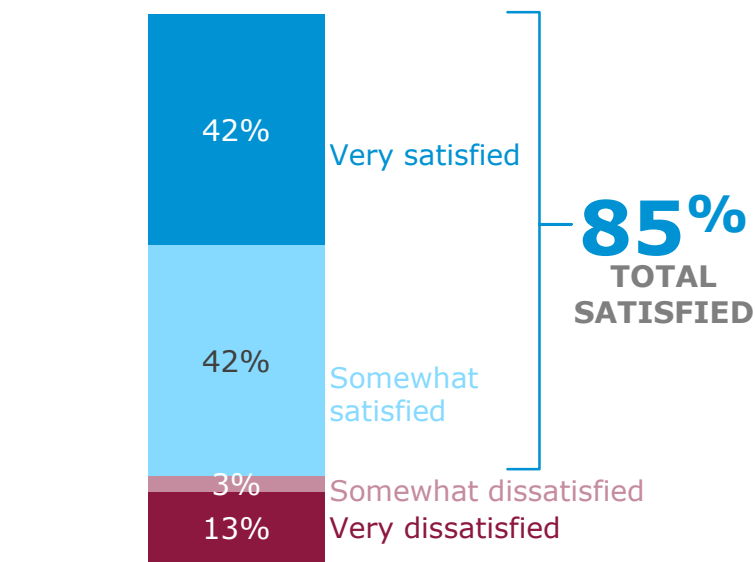


Major reason for complaint was time taken to process and lack of updates; however there is satisfaction with how the complaints were handled

Reason for Complaint



Satisfaction with How Complaint was Handled

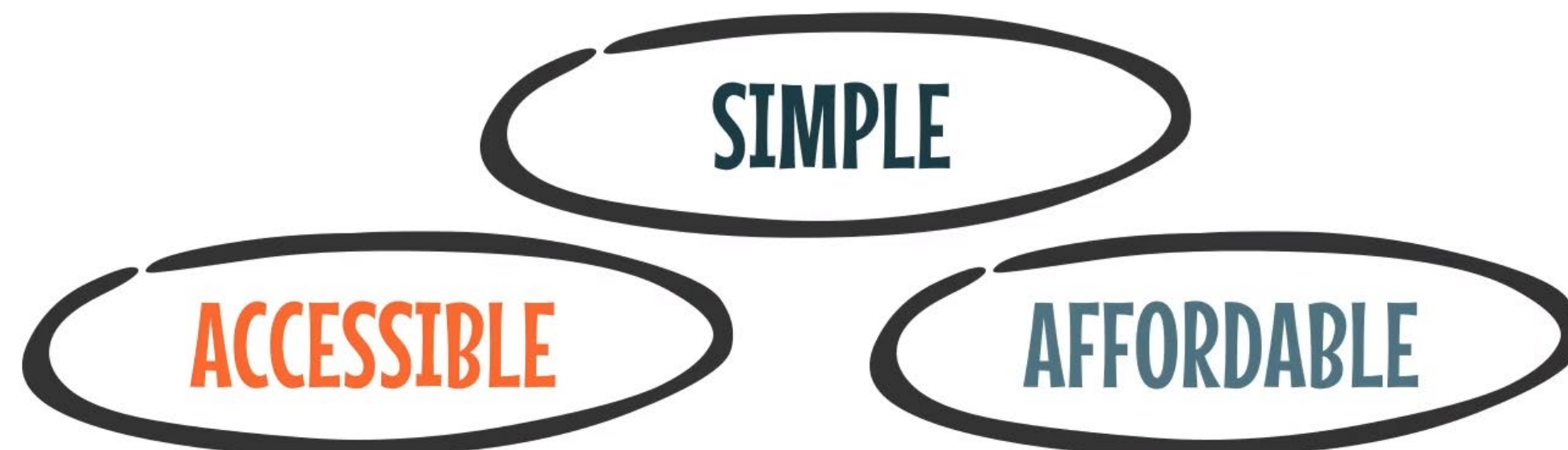




Lesli Martin, Vice President

leslimartin@pollara.com

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www.pollara.com



AGENDA

01 Website Performance

02 Organic Performance


03 2019 Program



*Insights will be highlighted using this icon



01 Website Performance

Summary	03
Annual Summary	04
Behaviour	05
Traffic By Device	06
Canadian Sessions	07
 Insights	08

Summary

September 1 – December 31, 2018
September 1 – December 31, 2017

Total Sessions

8,002

↑ 5,072

2017: 2,930

New Users

↑ 4,516

2018: 6,524

2017: 2,008

Page Views

↑ 8,850

2018: 17,337

2017: 8,487

Conversions

Contact Form (EN): 27

Contact Form (FR): 0

Phone Clicks: 21

Email Clicks: 8

Organic: 81.8%

Direct: 14.6%

Referral: 3.6%



Organic: Traffic from Search Engines

Direct: Traffic from users who typed in your URL exactly

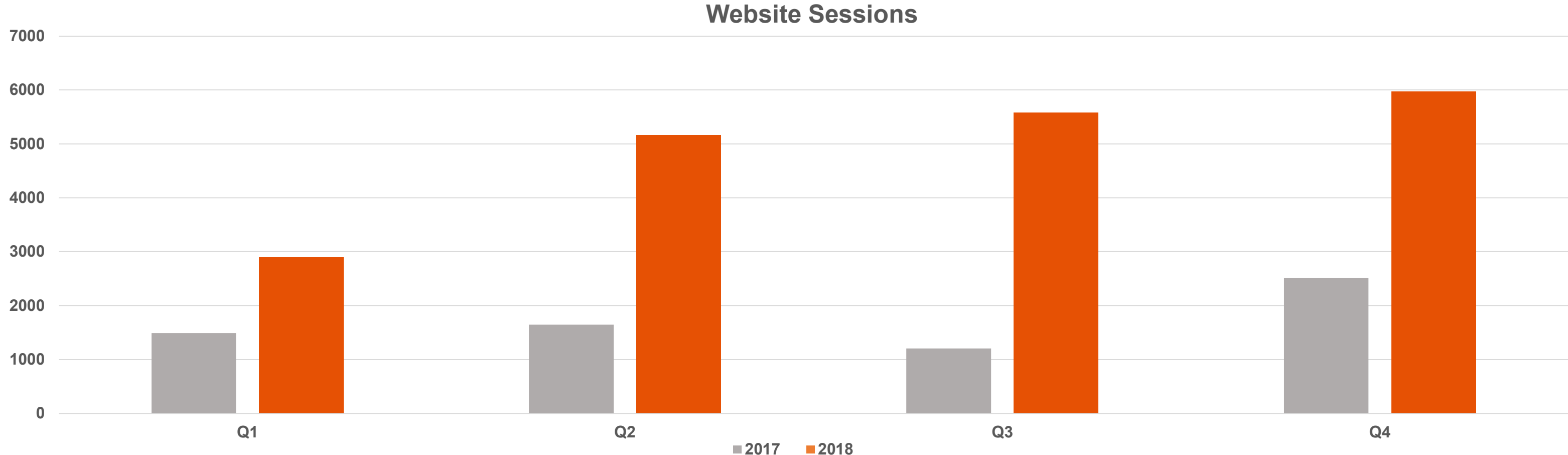
Referral: Traffic that visits your website by clicking on a link (News, Social)

Annual Summary

January 1 – December 31, 2018
January 1 – December 31, 2017

Total Sessions
19,612

 **12,758**
2017: 6,854



New Users
 **10,750**
2018: 15,392
2017: 4,642

Page Views
 **24,180**
2018: 44,917
2017: 20,737

2018
Organic: 80.3%
(↑16.2%)
Direct: 15.4% (↓5.9%)
Referral: 4.1%
(↓9.7%)

Behaviour

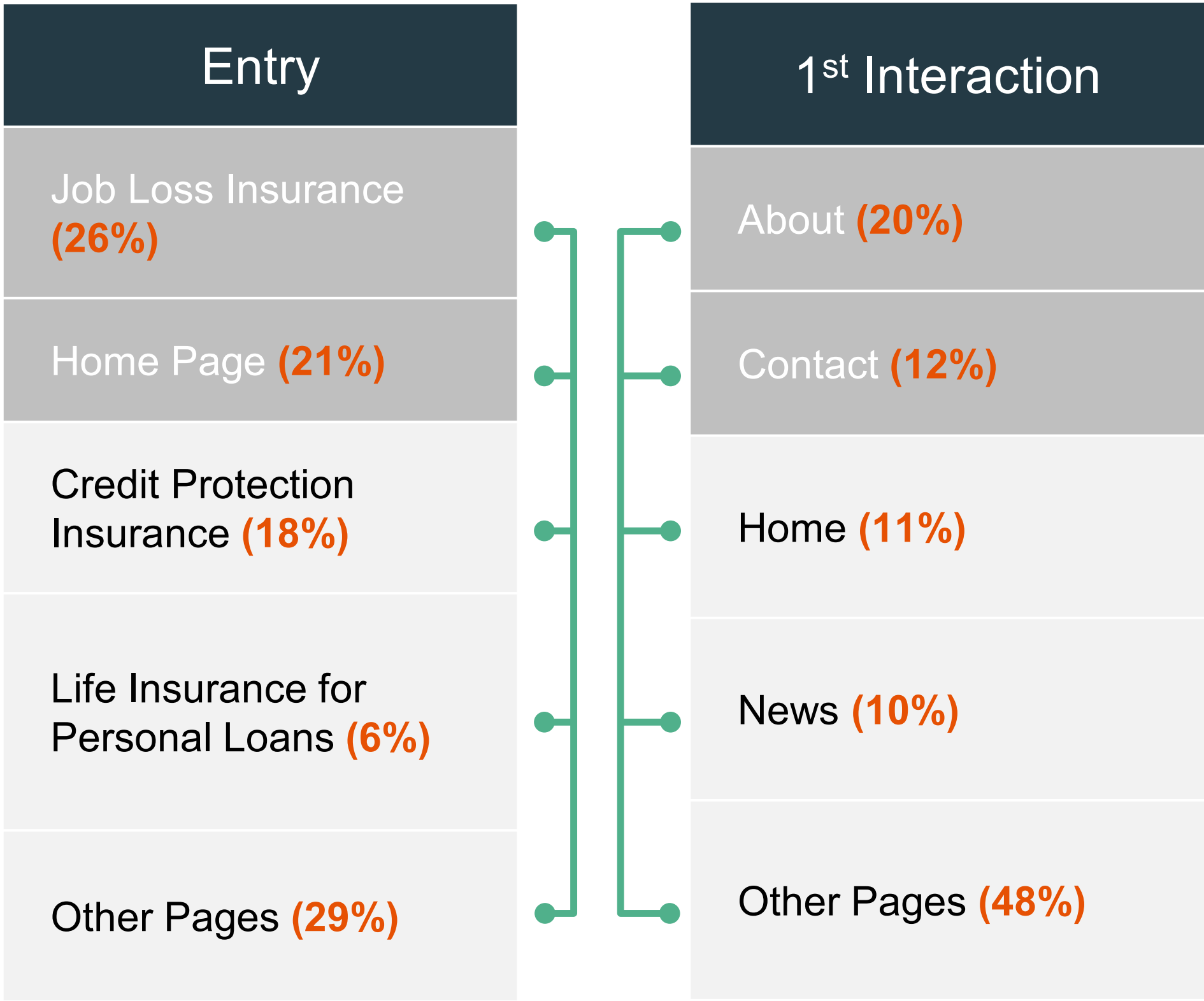
September 1 – December 31, 2018
January 1 – August 31, 2018

2017

2018

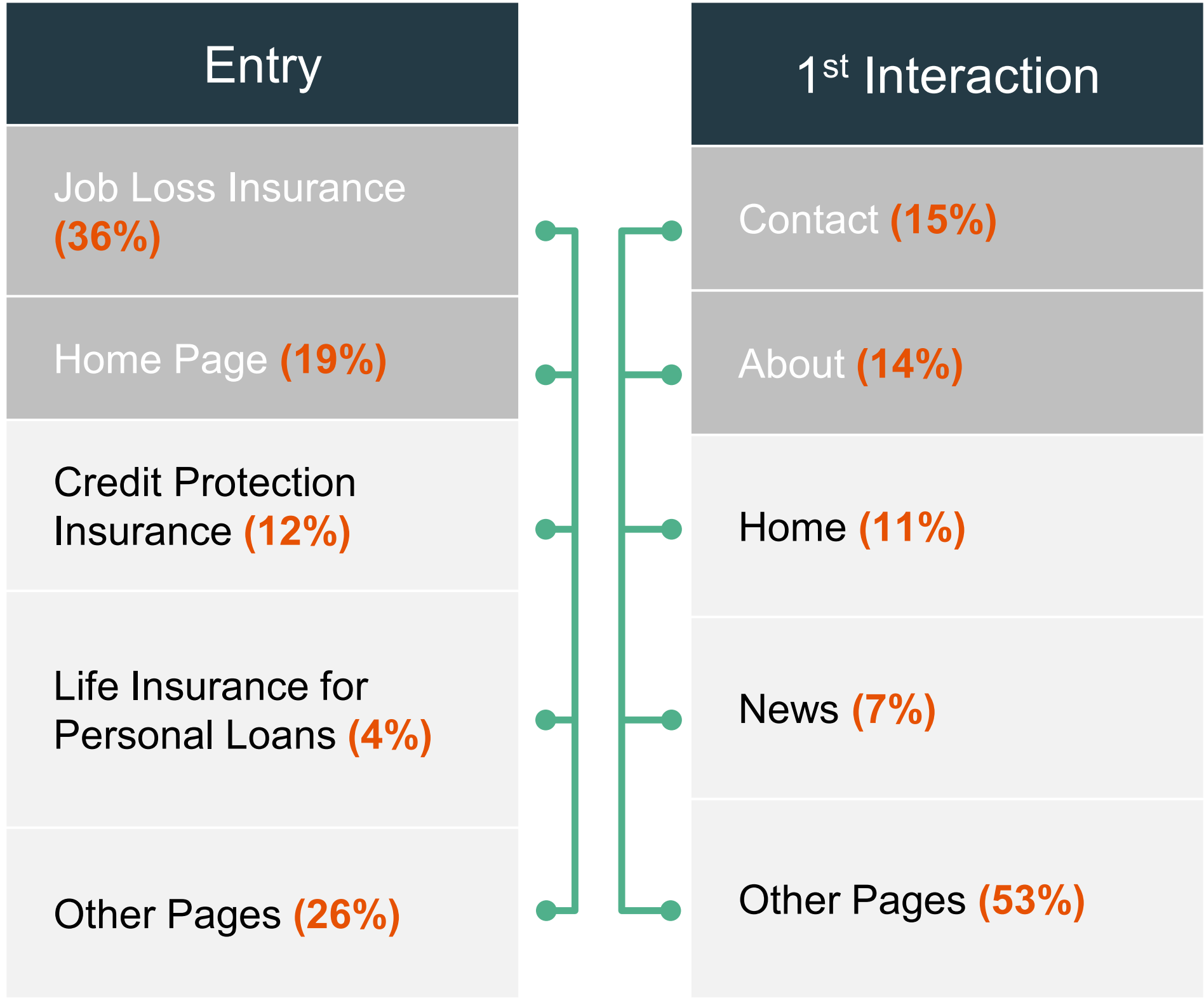
January 1 – August 31

Home Page (100%)



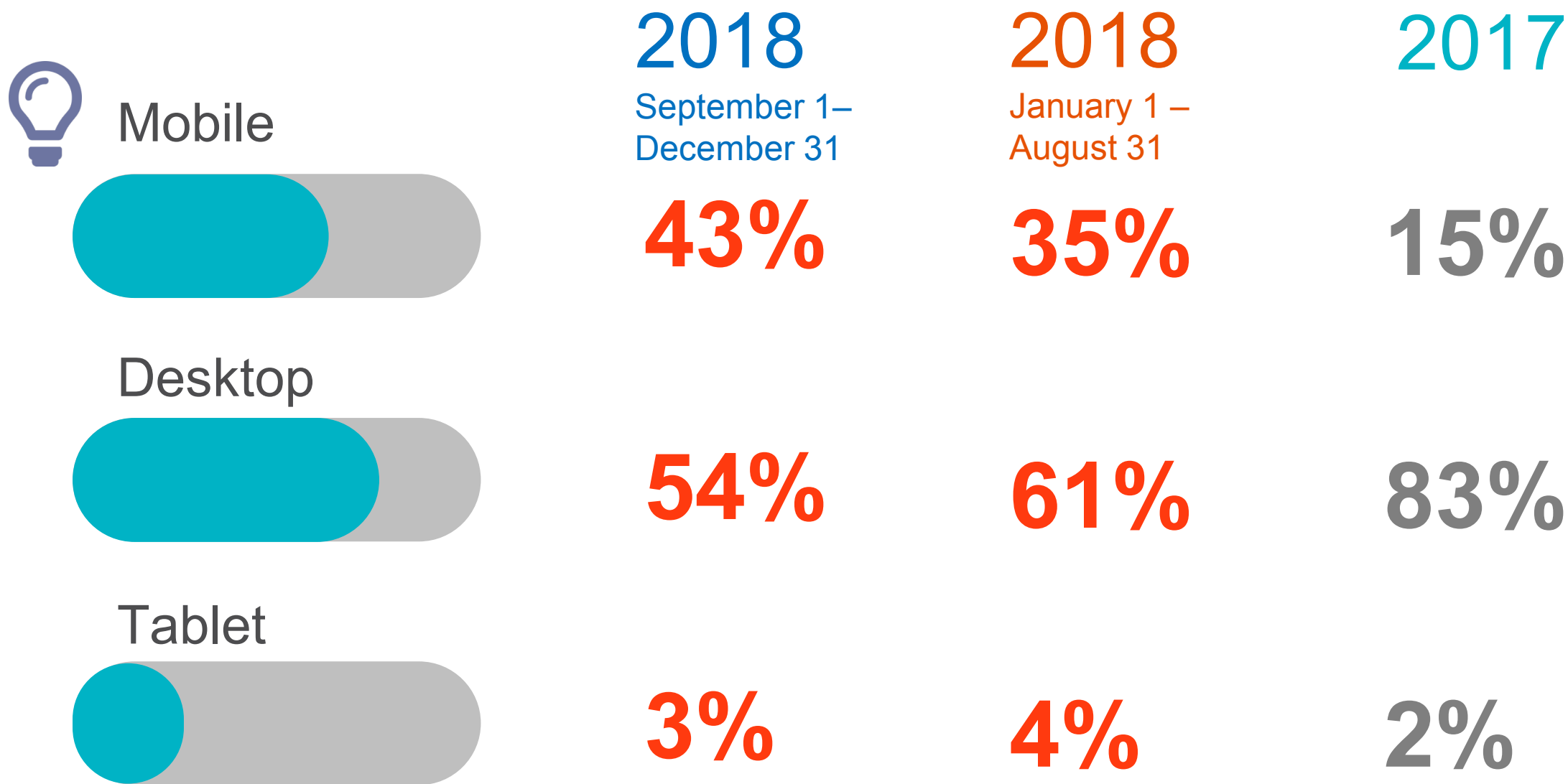
2018

September 1 – December 31



Traffic by Device

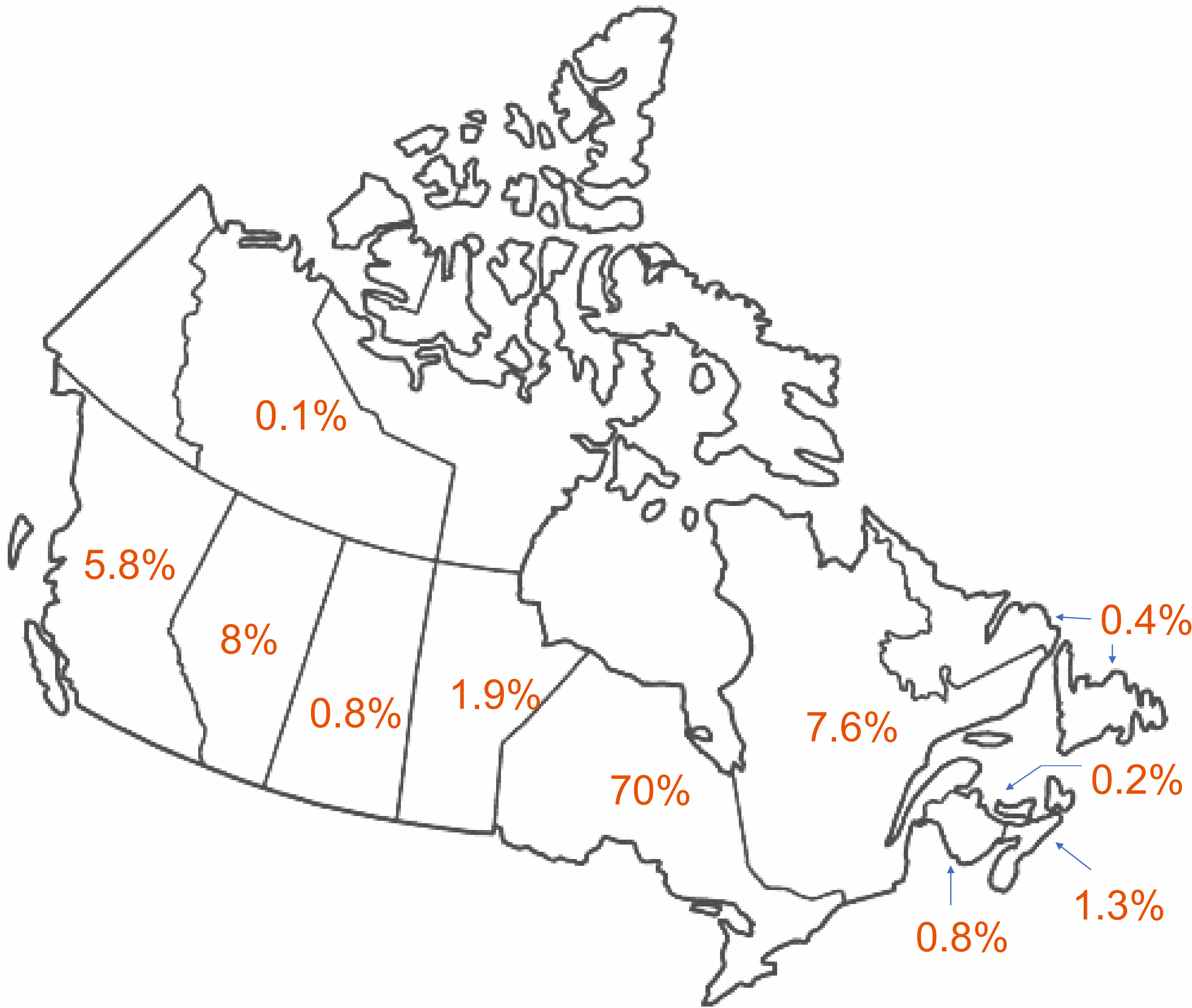
January 1 – August 31, 2018
January 1 – August 31, 2017



Google has officially started prioritizing mobile responsiveness and how users are interacting on websites

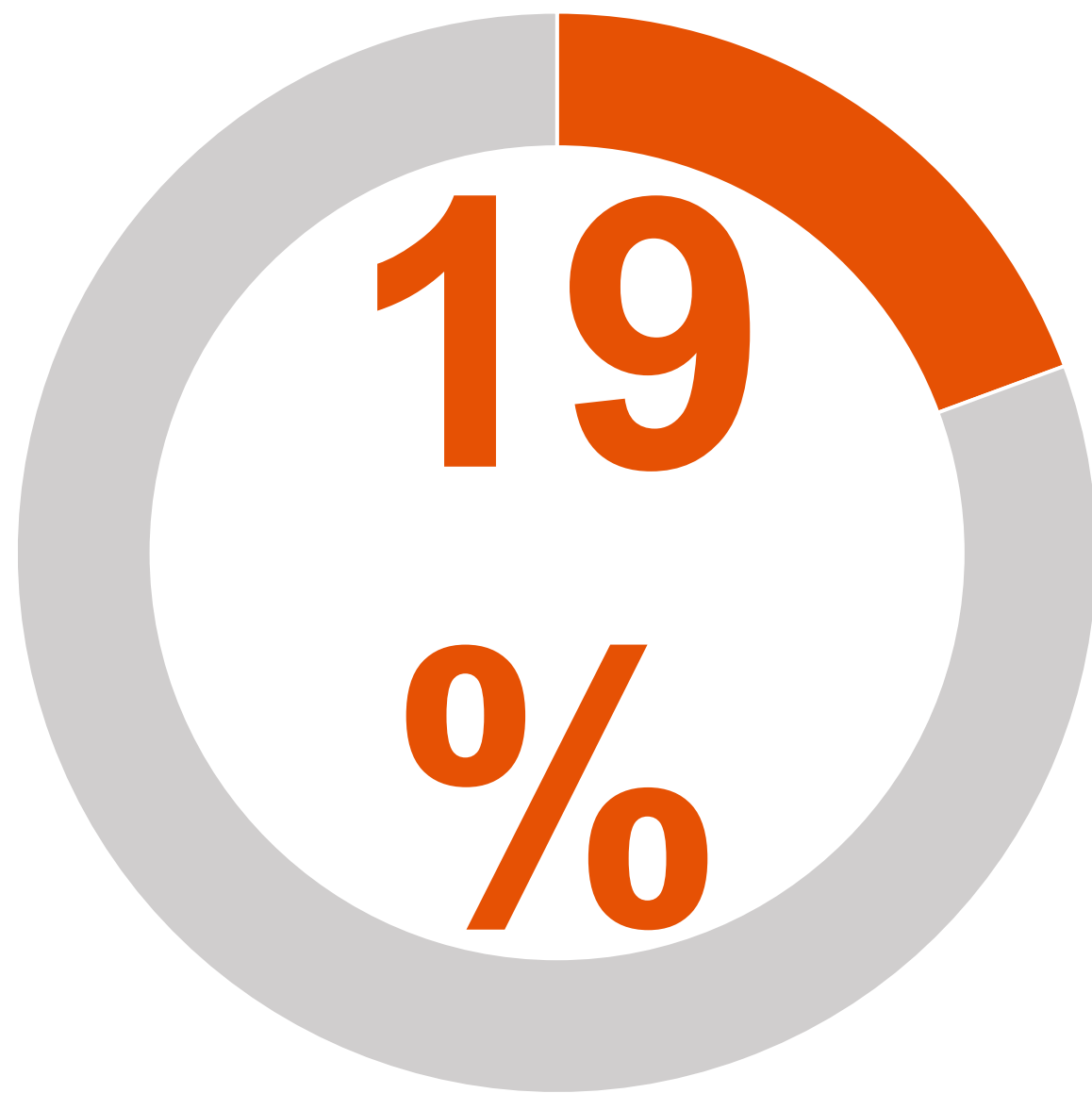
Canadian Sessions

September 1 – December 31, 2018

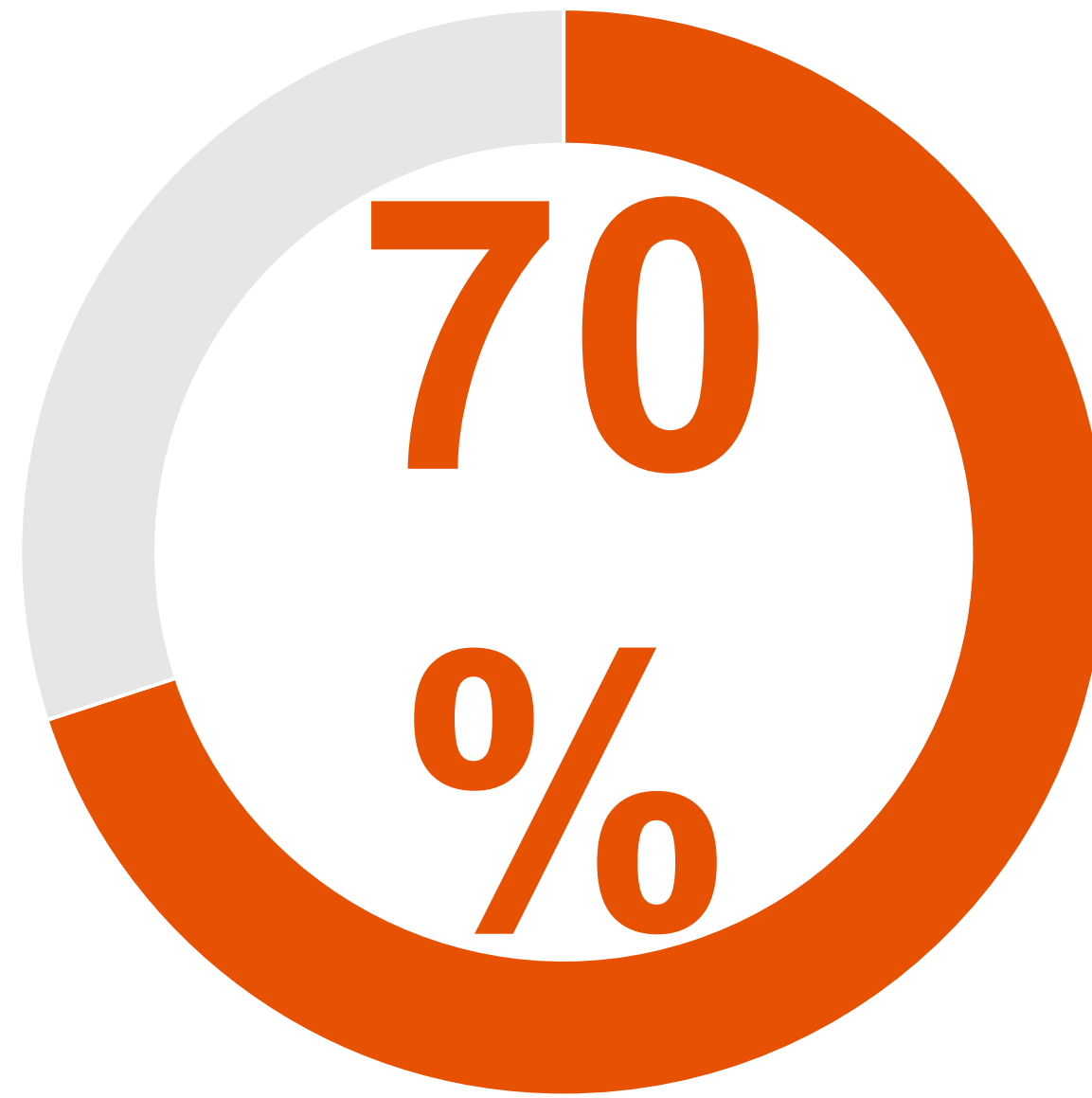


Insights

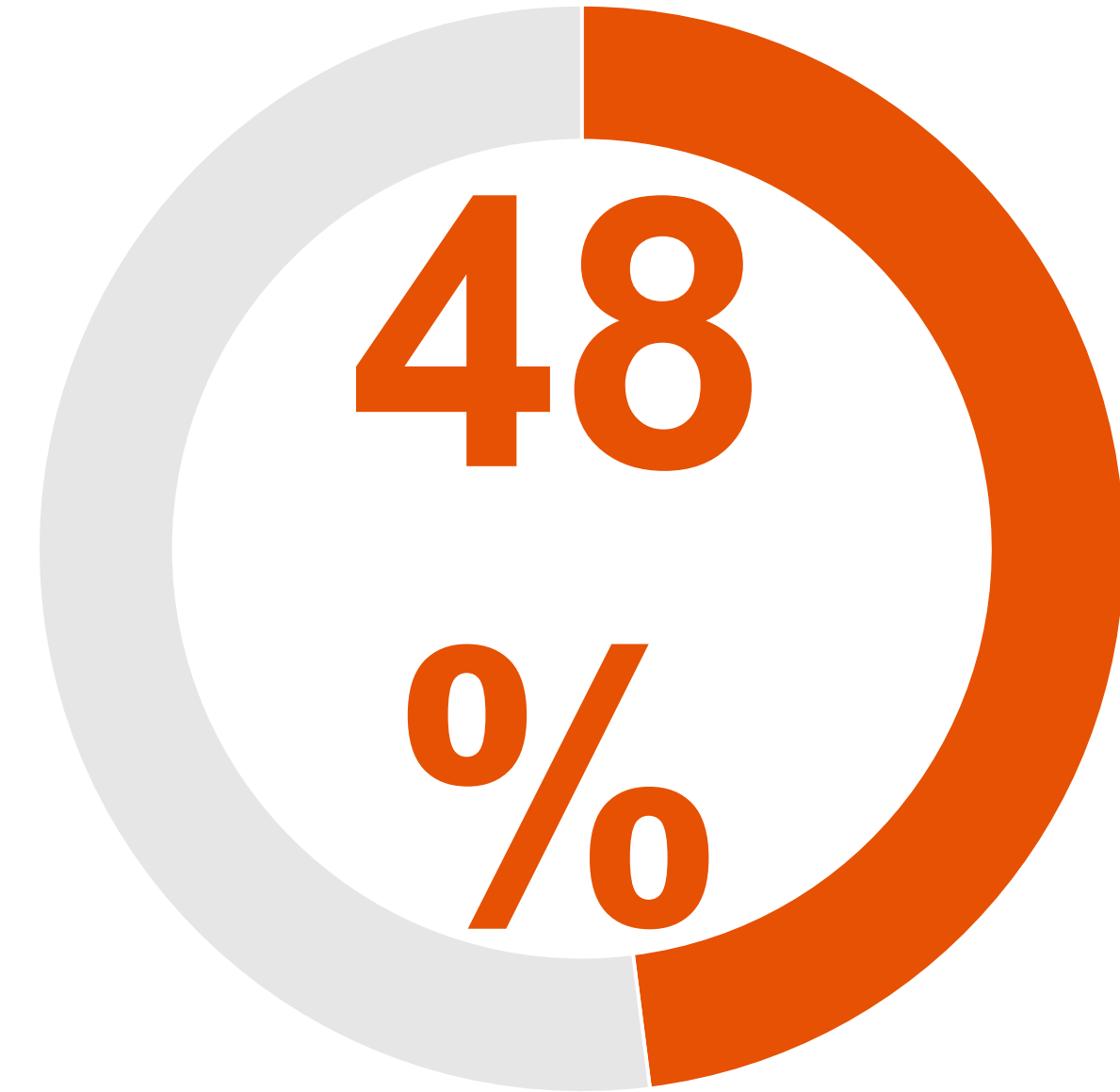
September 1 – December 31, 2018



of visitors view more than
1 product.



of all conversions occurred on a
mobile device.




of all visitors visit your
site during standard
business hours.



CAFII Releases New Pollara Travel
Medical Insurance Research

LEARN MORE 

02 Organic Performance

Keyword Rankings	10
Keyword Ranking Examples	11
 Insights	12

Keyword Rankings

December 31, 2018
September 1, 2018

 Increased Positioning



8  18 “how does credit card insurance work”

15  25 “credit card insurance benefits”

5  11 “what is credit card insurance”

29  62 “credit card insurance”

Insights

September 1 – December 31, 2018

43% of all pageviews are based on an insurance related product

27 Keywords have improved their position on Google or Bing.

11% of all organic sessions come from Toronto

Keyword: “How does Credit Card Insurance Work”

CAFII Position: 8th on Google

In First Position: Creditcards.com

Keyword: “What is Credit Card Insurance”

CAFII Position: 5th on Google

In First Position: Creditcards.com

Keyword: “Credit Card Insurance”

CAFII Position: 29th

In First Position: ratehub.ca



03 2019 Program

Summary

1) Product Awareness

3 Video Vignettes

2) Website Engagement

10 Additional Consumer Examples

3) Improve Search Result

5 Key Areas

- Travel Insurance
- Job Loss Insurance
- Mortgage Disability & Critical Illness Insurance
- Disability Insurance for Loans
- Mortgage Disability Insurance

4) Organization Voice

LinkedIn Profile Optimization & Content Posting

5) Organization Credibility

- Membership Badge
- Wikipedia Profile

6) Actionable Insights

Digital Performance Reports: Maintain Bi-Annual Reporting

Agenda Item 7(f)(i)
March 26/19 EOC Meeting



Dear :

You are cordially invited to attend CAFII's 12th Annual Members' Luncheon which will be held on Tuesday, February 19, 2019 at the Arcadian Loft in Toronto.

CAFII is excited to present a leading-edge panel of four Canadian insurance law experts, who will engage in an interactive discussion - with each other and the audience -- on changes, trends, and issues in the global and domestic insurance policy and regulatory environments, with a particular focus on life and health insurance. Moderated by CAFII Board Chair Nicole Benson, President and CEO of Canadian Premier Life / valeyo, this panel dialogue promises an Annual Members' Luncheon not to be missed.

We are delighted to present this year's topic and panel of speakers:

The Changing Regulatory Environment - Challenges, Risks, and Opportunities



Nicole Benson, Panel Moderator

CEO, Canadian Premier Life / valeyo, Chair, CAFII Board of Directors

Nicole Benson is Chief Executive Officer and President of CRI Canada and Selient, operating as Valeyo. She is responsible for setting the corporate direction and strategy, and leading all facets of the business. With over 15 years in the financial services industry, Nicole is recognized for her knowledge in the insurance, technology and financial fields. She is known for her ability to translate conceptual models into specific growth strategies and planning and executing multi-faceted business development campaigns.



Stuart Carruthers, Panelist

Partner, Stikeman Elliot

Stuart Carruthers is a partner and member of the Insurance & Reinsurance, Financial Products & Services, and Mergers & Acquisitions Groups. He is a leading transactional, commercial, governance and regulatory advisor to insurance and reinsurance companies and brokers in Canada. He also advises on other international private

mergers and acquisitions transactions and commercial matters. Stuart is recognized for his insurance and reinsurance law expertise by numerous directories.



Koker Christensen, *Panelist*
Partner, Fasken

Koker Christensen is Co-Leader of Fasken's Financial Institutions Group. He works with banks, insurers, credit unions, FinTechs and other businesses in the financial services sector. He advises on mergers and acquisitions and other transactions, regulatory matters, corporate governance and risk management. He also advises financial institutions on incorporation and licensing, and anti-money laundering and anti-terrorist financing requirements.



Jill McCutcheon, *Panelist*
Partner, Torys

Jill McCutcheon is co-head of the Financial Services Practice at Torys LLP. She specializes in insurance - corporate, regulatory and transactional matters. She has more than 25 years of experience in providing advice to the life, property and casualty and reinsurance sectors of the insurance industry. She advises on all aspects of the law, whether federal or provincial, and acts as counsel to insurers, reinsurers, banks, credit unions, intermediaries, cover holders and MGAs, third-party administrators, retailers, employers and associations. Jill is noted for her ability to respond to and resolve issues with the numerous regulators who impact on the insurance sector in Canada. Jill has been recognized as a leading lawyer in her field by Chambers Canada, L'expert, Who's Who Legal: Insurance and Reinsurance, and many others.

When: Tuesday, February 19, 2019

Where: Arcadian Loft

Time: 11:45 am - 2:15 pm

401 Bay St., Simpson Tower, 8th Floor
Toronto, ON M5H 2Y4

Please RSVP by 1:00 p.m. on Friday, February 15th by email to Stefanie Pavarin-Tome at stefanie@cafii.com or call 416-494-9224 ext. 240.

RSVP

Sincerely

Brendan Wycks, Co-Executive Director

Keith Martin, Co-Executive Director

Canadian Association of Financial Institutions in Insurance

Visit our new website at www.cafii.com

Making Insurance Simple and Accessible for Canadians

***Vikram Kamath***

Director of LIMRA's Center of Excellence for Analytics

Vikram Kamath has been the Director of LIMRA's Center of Excellence for Analytics since it was founded in 2017. In this role, he leads LIMRA's analytics research efforts, leveraging their extensive data and deep business knowledge to tackle the big questions facing the life and retirement industries. He also promotes analytics literacy and best practices through speaking engagements, and by serving as an instructor for LOMA training courses. Vikram holds a Master of Science degree in Business Analytics from the University of Connecticut School of Business, and an undergraduate degree from Cornell University. Prior to joining LIMRA, he spent 5 years working at Travelers Insurance, most recently as a data scientist in the Bond & Specialty Insurance division.

**Kartik Sakthivel**

Chief Information Officer

LIMRA, LOMA and LL Global

[View Large Image](#)

As chief information officer for LIMRA and LOMA, Kartik Sakthivel is responsible for developing the information technology strategic direction for the enterprise. In this capacity, he directs and manages computing and information technology policies, programs and schedules for business and enterprise systems, and manages information services to meet LIMRA and LOMA's corporate goals and objectives. An industry thought leader, Sakthivel champions the use of technology to improve the revenue, profitability and efficiency of the organization.

Joining LIMRA and LOMA in 2017, Sakthivel has broad industry experience, most recently as director of technology at Liberty Mutual Insurance. He holds a Master of Science in computer information systems / information technology, as well as a Master of Business Administration from Southern New Hampshire University.