

### CAFII Executive Operations Committee Meeting

**Date:** Tuesday, May 24, 2016

**Location:** CIBC Insurance, Commerce Court  
199 Bay Street, 4th Floor, Toronto, ON

*Please collect your security pass from  
Reception to gain access to the elevator  
to the 4<sup>th</sup> Floor.*

**Chair:** G. Grant

**Time:** 2:00 – 4:00 p.m.

**Dial-in:** 416-764-8662 or 1.888-884-4534

Participant code: 4532491#

Moderator code: 582917

### Agenda

Item	Presenter	Action	Document
1. Call to Order	G. Grant	Update	
2. Approval of Agenda and Previous Minutes <ul style="list-style-type: none"> <li>a. Board Minutes of April 12, 2016</li> <li>b. EOC Minutes of April 26, 2016</li> <li>c. Summary of Board and EOC Action Items</li> </ul>	All	Approval Approval Update	✓ ✓ ✓
3. CAFII Financial Management <ul style="list-style-type: none"> <li>a. Financial Statements as at April 30, 2016</li> </ul>	R. Rajaram	Approval	✓
4. Regulatory <ul style="list-style-type: none"> <li>a. Consultations/Submissions Timetable <ul style="list-style-type: none"> <li>i. BC FICOM 10-Year Review of FIA</li> <li>ii. BC "Effecting" of CGI issue</li> <li>iii. Quebec Review of Distribution Act</li> <li>iv. CCIR Annual Statement on Market Conduct</li> <li>v. CCIR Review of Travel Health Insurance</li> <li>vi. Saskatchewan Bill 177 Regulations</li> </ul> </li> <li>b. Regulatory Update <ul style="list-style-type: none"> <li>i. Alberta Decision on CI Sold Under a Restricted Certificate of Authority</li> </ul> </li> <li>c. Regulator and Policy-Maker Visit Plan</li> </ul>	B. Wycks  B. Wycks/G. Grant	Update  Update	✓  ✓
5. EOC Committee Updates <ul style="list-style-type: none"> <li>a. Research &amp; Education</li> <li>b. Media Advocacy <ul style="list-style-type: none"> <li>i. Media Strategy Proposal</li> </ul> </li> <li>c. Market Conduct <ul style="list-style-type: none"> <li>i. Draft CAFII Submission on FSCO Draft 2016 Statement of Priorities</li> </ul> </li> <li>d. Licensing Efficiency Issues</li> </ul>	S. Manson G. Grant  R. Beckford  M. Gill	Update Update  Update  Update	✓
6. Other Business <ul style="list-style-type: none"> <li>a. .INSURANCE Registration</li> <li>b. CAFII EOC Appreciation Gathering</li> </ul>	B. Wycks B. Wycks	Update Update	

**Next Board Meeting (and Annual Meeting):** Tuesday, June 7/16 hosted by Assurant Solutions; location: St. Andrew's Club & Conference Centre, 150 King St. West at University Avenue (Sun Life Tower), L1 Room, 27<sup>th</sup> Floor, Toronto

**Next EOC Meeting:** Tuesday, June 21/16; location: CIBC Insurance, Commerce Court 199 Bay Street, 4th Floor, Toronto

**CAFII Board Meeting Minutes**  
**Tuesday, April 12, 2016**  
**Location: Albany Club**  
**91 King St. East, Toronto**

**DRAFT**

<b>Present:</b>	Chris Knight	TD Insurance	<i>Acting Chair</i>
	Nicole Benson	Canadian Premier Life Insurance	<i>(by teleconference)</i>
	Linda Fiset	Desjardins Financial Security	<i>(by teleconference)</i>
	Bob Grant	ScotiaLife Financial	
	Todd Lawrence	CIBC Insurance	
	Chris Lobbezoo	RBC Insurance	
	Kelly Tryon	The CUMIS Group	
	Robert Zanussi	Assurant Solutions	<i>(by teleconference)</i>
<b>EOC Present:</b>	Rose Beckford	ScotiaLife Financial	
	Charles Blaquiere	Canadian Premier Life Insurance Co.	
	Eleanore Fang	TD Insurance	<i>(by teleconference)</i>
	Moirra Gill	TD Insurance	<i>(by teleconference)</i>
	Greg Grant	CIBC Insurance	<i>Secretary</i>
	Sue Manson	CIBC Insurance	
	Diane Quigley	The CUMIS Group	
	Raja Rajaram	CIBC Insurance	<i>(by teleconference, for part)</i>
<b>Also Present:</b>	Emily Cloutier	T•O Corporate Services	<i>Recording Secretary (for part)</i>
	Leya Duigu	T•O Corporate Services	<i>Recording Secretary</i>
	Brendan Wycks	CAFII	<i>Executive Director</i>
<b>Regrets:</b>	Peter McCarthy	BMO Insurance	
	Joane Bourdeau	National Bank Insurance	
	Carol Allen	Assurant Solutions	
	John Lewsen	BMO Insurance	
	Jodi Skeates	The CUMIS Group	

**1. Call to Order**

The meeting was called to order at 3:07 p.m. C. Knight acted as Chair; G. Grant acted as Secretary; and L. Duigu and E. Cloutier acted as Recording Secretaries.

C. Knight welcomed all in attendance. He advised that CAFII Board Chair P. McCarthy and Vice-Chair J. Bourdeau were unable to attend, so he would be chairing the meeting in their absence.

C. Knight reminded Directors that, during the Approval of Agenda, he would ask if everyone was comfortable with the Consent section of the agenda. If a Director wished to discuss any of the five items placed in the Consent section, it would be moved into the regular section of the agenda and discussed at the appropriate time.

Secretary G. Grant confirmed that Notice of the meeting was sent to all Directors in accordance with the Association's By-Law; and that a quorum of Directors was present in-person or on the phone.

C. Knight declared the meeting duly convened and properly constituted for the transaction of business.

### **1.1. Approval of Agenda**

On a motion duly made, seconded and unanimously carried

#### **IT WAS RESOLVED that:**

The Meeting Agenda be approved as circulated.

### **1.2. Appointment of New Director**

C. Knight advised that he had in-hand an e-mail message from Nick Bilodeau, Head of Insurance (Canada) at Amex Bank of Canada, confirming his willingness to serve as his company's Director on the CAFII Board, if so elected. Mr. Bilodeau was unable to attend this Board meeting. However, as per the CAFII Bylaw, the Board was permitted to proceed with his election to the Board, based upon his written confirmation of his willingness to serve.

On motion duly made, seconded and unanimously carried

#### **IT WAS RESOLVED that:**

Nick Bilodeau be appointed as a Director representing American Express Bank of Canada on the CAFII Board of Directors, effective April 12, 2016 until the next annual Meeting in June 2016.

**Action:** Notify Nick Bilodeau, American Express, of his election to the Board of Directors. *[Brendan; April 18, 2016]*

## **2. Consent Items**

C. Knight advised that documents had been provided for each of the five items listed in the Consent section of the agenda; and it was presumed that Directors had reviewed them in advance of this meeting.

With no requests being made by Directors that any of the five items in the Consent section be moved into the regular section of the agenda, on a motion duly made, seconded and unanimously carried

#### **IT WAS RESOLVED that:**

The following Consent Items be and are approved or received for the record, as indicated in the Action column beside each agenda item:

- Summary of Board & EOC Action Items
- Balanced Scorecard
- Regulatory Update
- Regulator and Policy-Maker Visit Plan

#### **IT WAS FURTHER RESOLVED that:**

The Minutes of the meeting of the Board held on December 8, 2015 be and are adopted in the form presented, and that a copy of these minutes be signed and placed in the Minute Book of the Corporation.

### **3. Financial Update**

#### **3.1 Financial Statements as at February 29, 2016**

Treasurer R. Rajaram reported on the Association's financial statements as at February 29, 2016. The Income Statement shows total revenue at \$72,669 and expenses at \$60,123, leaving a small year-to-date surplus of \$12,546. In addition, the first instalment of 2016 membership dues have been received – or are en route via a wire transfer – from all members. The Balance Sheet shows a bank balance of \$257,002; accounts receivable relating to membership dues not yet collected of \$241,875; and liabilities of \$185,464. Unrestricted net assets are at \$371,537 putting the level of our Financial Reserves at 72%.

On a motion duly made, seconded and unanimously carried

#### **IT WAS RESOLVED that:**

The CAFII financial statements as at February 29, 2016 be and are approved in the form presented.

#### **3.2 Quarterly Financial Reporting – March 2016**

Treasurer R. Rajaram presented a newly developed Quarterly Financial Reporting document, and advised that its purpose was to provide more context to the financial statements. He highlighted that it facilitates more accurate forecasting of the Association's spending throughout the year and how revenue and expenses are tracking against the budget. This report also facilitates a more precise monitoring of the Association's financial reserves against the level budgeted for the end of the fiscal year.

On a motion duly made, seconded and unanimously carried

#### **IT WAS RESOLVED that:**

The CAFII Quarterly Financial Reporting – March 2016 document be and is approved in the form presented.

#### **3.3 2015 Draft Audited Financial Statements**

Treasurer R. Rajaram presented the Association's 2015 Draft Audited Financial Statements, with particular focus on the Statement of Operations and Changes in Unrestricted Net Assets ; the Statement of Financial Position; and the Independent Auditors' Report. He noted that auditors KPMG had rendered a clean, unqualified audit opinion and none of the numbers provided in the draft 2015 year-end statements prepared by the Association's Controller had changed as a result of the audit.

On a motion duly made, seconded and unanimously carried

#### **IT WAS RESOLVED that:**

The 2015 Draft Audited Financial Statements be and are hereby approved in the form presented and will be presented to the membership for approval at the Annual Meeting on June 7, 2016.

#### **4. Regulatory Consultations/Submissions Timetable:**

##### **4.1. BC 10-Year Review of Financial Institutions Act**

B. Wycks reported that on March 24, the BC Ministry of Finance released a high level, summary report on “Input Received from Stakeholders in Response to FIA/CUIA Review Initial Public Consultation Paper” and also published 41 stakeholder submissions on its website.

In the Insurance Sector section, it is evident that there are two opposed camps of stakeholders on the Insurance Retailing and Licensing Exemptions and Regulation of Insurance Intermediaries issues. CAFII, CLHIA, CADRI, CBA, and IBC are well-aligned in favouring the status quo in these areas, while the Insurance Council of BC, Advocis, the Independent Financial Brokers of Canada, the Insurance Brokers Association of BC, and the Canadian Association of Independent Life Brokerage Agencies (CAILBA), a national Association of life-focused Managing General Agents, are aligned in calling for an end to the current system of licensing exemptions for insurance sold incidentally in BC.

G. Grant recalled that CAFII representatives P. McCarthy, K. Tryon, B. Wycks, and himself had met with the key Ministry of Finance policy-makers about this review on November 10/15 in Vancouver. Previously, in November 2014, he had represented CAFII at a pre-consultation roundtable meeting of stakeholders with the Minister of Finance and Ministry officials.

B. Wycks advised that as a follow-up to the November 2015 meeting with the Ministry’s leaders of this review, CAFII would soon be sending a package of follow-up information to them. G. Grant noted that this information should help the Ministry officials to gain a better understanding and appreciation of where creditor’s group insurance fits within the overall insurance landscape.

##### **4.2. BC ‘Effecting’ of CGI Issue**

B. Wycks advised that after CAFII sent a follow-up letter to BC FICOM on March 15, to pose a few follow-up questions in relation to the CGI Information Bulletin which FICOM issued last September. On April 4, Harry James, Senior Regulatory Advisor at FICOM, called to set up a teleconference on April 14 to discuss the questions raised in CAFII’s letter, and FICOM’s likely responses, before responding in writing.

B. Wycks also indicated that prior to this call, he will seek an update from CLHIA on what progress has been made, if any, in its discussions with FICOM on CGI Information Bulletin issues, particularly with respect to the mortgage broker distribution channel.

R. Beckford recalled that in January, the CLHIA had been successful in securing from FICOM a one-year extension in the deadline date for implementation of the Bulletin’s provisions, to March 31, 2017. G. Grant noted that in pursuing resolution of some outstanding questions related to the Bulletin’s scope and application, CLHIA had also been able to have them raised to the level of Carolyn Rogers, CEO of the Commission.

#### **4.3. Quebec Review of Distribution Act**

B. Wycks reported that in response to a CAFII-initiated request to the Quebec Ministry of Finance for a meeting around online distribution of insurance – which had been approved by the EOC and Board Chair P. McCarthy – he received a phone call on February 25 from a Policy Advisor to Minister Carlos Leita. The Policy Advisor provided reassurance that, in due course, the Ministry will be moving ahead in support of online distribution of insurance without the necessity of having a licensed agent or advisor involved.

Confirmation of a meeting date/time was deferred, as Ministry staff were focusing on delivering the provincial budget on March 17. Subsequently, on March 22, the Ministry contacted B. Wycks again to offer a meeting in Montreal on Monday, April 4. However, in consultation with Board Chair P. McCarthy, and in light of the information communicated by the Ministry's Policy Advisor, we decided to diplomatically withdraw the meeting request.

#### **4.4. CCIR Annual Statement on Market Conduct**

R. Beckford advised that in a liaison meeting with CCIR's two Policy Managers earlier today, CAFII was informed that in late April or early May, CCIR intends to circulate another draft of its Harmonized Annual Statement on Market Conduct to industry stakeholders for comment, with a 45 day feedback period. This is good news as it indicates that CCIR is willing to provide CAFII and other stakeholders with an opportunity for further review before the Statement is finalized.

R. Beckford also noted that over the past several months CCIR had been working with industry working groups led by CLHIA (for the life and health insurance sector) and the Insurance Bureau of Canada (for property and casualty insurance) on refining the draft Annual Statement. Martin Boyle, the Policy Manager responsible for this file, advised CAFII today that based on the feedback put forward by CLHIA, the revised version to be circulated for comment will be substantially different from the original version circulated in 2015.

B. Wycks noted that with respect to implementation of the Annual Statement, Mr. Boyle informed CAFII that because CCIR accepts that some insurers either aren't currently tracking at all the information that regulators seek, or they aren't tracking it in the manner that regulators want, a preliminary version of the Annual Statement will be used for the first year in 2017. This will ensure that insurers are able to provide regulators with some of the information requested. A more substantive version of the Statement will be implemented the following year.

B. Wycks also advised that in response to an outreach from CAFII, Laurie Balfour, Chair of CCIR's Insurance Core Principles (ICPs) Implementation Committee (ICPIC), had offered to make a teleconference/webinar presentation to CAFII members on her committee's recent work on the IAIS' ICPs, its Co-operative Framework For Market Conduct Supervision, and the Harmonized Annual Statement on Market Conduct. That presentation will likely take place in May.

#### **4.5. Ontario Review of FSCO Mandate**

B. Wycks advised that Ontario's February 25 provincial budget states that the final report from the Expert Panel on the future mandates of FSCO, DICO, and the FST is expected in the Spring and that the government will identify and pursue necessary legislative or regulatory changes "as early as possible." Previously, the Expert Panel's final report was expected to be released by late Winter 2016.

#### **4.6. CCIR Review of Travel Health Insurance**

B. Wycks advised that in a liaison lunch earlier today with CCIR Policy Managers Martin Boyle and Sean Jacobs, they advised that the Council's Travel Insurance Working Group (TIWG) will be releasing an Issues/Discussion Paper in the early summer, for a 90 day consultation period.

From the summary of the March 16 CAFII/CLHIA joint meeting with the TIWG, B. Wycks highlighted G. Grant's presentation of the results from the CAFII-commissioned research by Pollara Strategic Insights on Canadian consumers' satisfaction with travel health insurance.

G. Grant commented that the Pollara research results present quite a good news story for the industry in terms of very high levels of consumer satisfaction with all aspects of travel health insurance. While there is skepticism on the part of some members of the TIWG about the insights generated by the Pollara study, the group seemed to appreciate the presentation and the fact that CAFII had decided to commission a study by a professional market research firm to obtain quantitative data. They acknowledged the benefits of having nationally representative consumer data to augment the anecdotal data that was previously generated by a travel insurance broker and a CCIR media release.

Subsequent to the March 16 meeting, G. Grant advised, CAFII has shared a copy of the full Pollara results report with CCIR and with the industry, through CLHIA. We are now in a holding pattern awaiting the release of the TIWG's Issues/Discussion Paper, which will have a response deadline in September or October.

### **5. Committee Reports Addressing CAFII Priorities:**

#### **5.1. Research and Education Committee**

##### **5.1.1. Travel Insurance Project**

S. Manson, Chair of the Research and Education Committee, reported that CAFII's recent presentation of the results of its study by Pollara on consumer satisfaction with travel health insurance to CLHIA's travel insurance committee was very well-received. Several members of that committee said they were delighted to have such rigorous, quantitative, nationally representative research data available. The CCIR TIWG members also generally acknowledged the relevance of the Pollara study to their mandate, so that bodes well for its potential to inform their Issues/Discussion Paper.

She also advised that while the consumer satisfaction levels with travel health insurance revealed by the Pollara study are very reassuring, the data also shine a light on certain areas of opportunity for the industry to improve upon. These are mainly policy wording issues such as limitations and exclusions; and a general need to communicate and present information in a more consumer-friendly manner so that people will better understand what they're buying.

A CAFII travel medical insurance working group, a subcommittee of experts in this area, has been focusing on these policy wording and presentation issues in recent months, as a dedicated project. In fact, earlier in the day on April 12, the working group handed-off its recommendations report on limitations and exclusions to the CLHIA travel insurance committee, for it to build upon on behalf of the entire industry.

The working group will now continue working on wording for key terms in travel health policies and a common policy layout.

## **5.2. Media Advocacy Committee**

C. Blaquiere remarked that the committee's goal was to have a media plan for review and discussion at today's meeting. However, a few setbacks were experienced with the firm that was hired to complete the work and, after a few meetings, a decision was made to cut them loose. We then approached a firm recommended by TD Insurance, Fleishman Hillard, but they were not suitable. Fortunately, committee member Brian Smith from BMO recommended David Moorcroft who, before retiring in 2008, was SVP of Corporate Communications at RBC.

C. Blaquiere and G. Grant met with David and Brian yesterday and believe that we have now found an individual with the background and understanding of our industry who will be able to give us what we need. Before we formally engage David, he has agreed to provide an outline of his proposed strategy and deliverables. That said, G. Grant added that he and C. Blaquiere now feel comfortable that they've identified a consultant who understands the committee's direction and are confident that the Media Committee will be in a position to present a plan and strategy to the Board at its next meeting on June 7.

**Action:** Finalize new CAFII Communications Plan for presentation at June 7, 2016 Board meeting.  
*[Charles, Greg, Brendan; June 2, 2016]*

## **5.3. Market Conduct Committee**

R. Beckford, Chair of the Market Conduct Committee, reported that the March 17 Quebec provincial budget highlighted the government's intention to introduce modernizing amendments to both the Insurance Act and the Distribution Act in the near future. The comments in the budget indicated that this would include looking at how the insurance industry functions and the powers that the AMF has under provincial regulations.

In addition, in its March 22 budget, the Government of Canada proposed delaying by two years the next mandatory review of the *Bank Act*, by extending the current statutory sunset date by two years to March 29, 2019.

In Board discussion of the next *Bank Act* review, it was agreed that, as it has done in the past, CAFII will act as a resource to the Canadian Bankers Association in support of its submission.

## **5.4. Licensing Efficiency Issues Committee**

On behalf of M. Gill, Chair of the Licensing Committee, B. Wycks reported that the Licensing Committee recently worked on a CAFII submission in response to the FCNB's position paper on reforming the licensing framework for other-than-life agents and brokers; and also provided feedback directly to FCNB officials on the functionality and effectiveness of Phase 1 of its online insurance licensing system.



B. Wycks also advised that he had spoken with David Weir, New Brunswick's Deputy Superintendent of Insurance, at a CISRO LLQP Stakeholder Information Session the previous day. Mr. Weir advised that due to resource constraints within the FCNB, the Commission's final positions on the licensing framework modernizations were not ready for submission to the government. Mr. Weir also indicated that work is underway to address some of the online licensing system's deficiencies identified by CAFII and other stakeholders but there was no firm date yet for the release of Phase 2.

## **6. Other Business**

### **6.1 CAFII Meetings and Events Calendar**

B. Wycks highlighted for Directors the plans for this evening's Networking and Social Reception, as well as the dates and locations of the three upcoming Board meetings in 2016.

## **7. In Camera Session**

The Board of Directors met *in camera* from 4:25 to 4:55 p.m. Following this, members of the EOC, B. Wycks and L. Duigu were invited back.

## **8. Termination**

There being no further business to discuss, the meeting was terminated at 4:57 p.m. The next CAFII Board of Directors meeting will be held on June 7, 2016, hosted by Assurant Solutions at St. Andrew's Club & Conference Centre, 150 King St. West (Sun Life Tower), 27<sup>th</sup> Floor, Toronto.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Recording Secretary

**CAFII EOC Meeting Minutes**  
**Tuesday, April 26, 2016**  
**Location: CIBC, Imperial Room**  
**199 Bay Street, 4<sup>th</sup> Floor, Toronto**

<b>EOC Present:</b>	Rose Beckford Charles Blaquiere Greg Grant Sue Manson Diane Quigley Raja Rajaram Andrea Stuska	ScotiaLife Financial Canadian Premier Life Insurance Co. CIBC Insurance <i>Chair</i> CIBC Insurance The CUMIS Group <i>(by teleconference)</i> CIBC Insurance <i>(by teleconference, for part)</i> TD Insurance
<b>Also Present:</b>	Emily Cloutier Brendan Wycks	T•O Corporate Services <i>Recording Secretary</i> CAFII <i>Executive Director</i>
<b>Regrets:</b>	Jason Beauchamp Eleanore Fang Moiria Gill John Lewsen Jodi Skeates Isabelle Choquette Carol Allen Ana Vu Jerome Savard	BMO Insurance TD Insurance TD Insurance BMO Insurance The CUMIS Group Desjardins Financial Security Life Assurance Assurant BMO Insurance Desjardins Financial Security Life Assurance

**1. Call to Order**

The meeting was called to order at 2:03 p.m. G. Grant acted as Chair; E. Cloutier acted as Recording Secretary.

Greg welcomed all in attendance, in particular Charles MacLean who was attending his first EOC meeting and succeeding Derek Blake as a representative from RBC Insurance. Greg also advised that Jodi Skeates would be stepping down from the EOC, as she has accepted a new role at Manulife Financial and would be leaving The CUMIS Group in early May.

**2. Approval of Agenda and Previous Minutes**

**a. Approval of Agenda**

Approved as presented.

**b. Approval of EOC Minutes of March 29, 2016**

Approved as presented.

**c. Approval of Board Minutes of April 12, 2016**

EOC members concurred with Greg's suggestion that, as they had only been posted to the CAFII meeting site earlier today, review and approval of these draft Board minutes should be deferred to the May 24, 2016 EOC meeting,

Rose suggested that the following edits be made to the Board minutes before the EOC reviews the next draft:

- delete the direct quote attributed to Yann Nachabe, Policy Advisor to Quebec Minister of Finance Carlos Leitao, in 4.3; and
- revise 5.3 to indicate that the Board's discussion of the next *Bank Act* review, has resolved that, as it has done in the past, CAFII will act as a resource to the Canadian Bankers Association in support of its submission.

**Action:** Draft minutes of the April 12/16 Board meeting to be adjusted to reflect the edits proposed above. [Emily; May 16, 2016]

**d. Summary of Board and EOC Action Items**

- #7. The 2016 CLHIA Conference in Halifax hasn't yet occurred, so Brendan's summary of regulatory discussions there will be provided after the event.
- #11. Brendan and Emily will make a site visit to St. Andrew's Club and Conference Centre to determine if space is available to accommodate a speaker presentation following the CAFII Annual Meeting and Board meeting there on June 7/16.

**3. CAFII Financial Management**

**a. Financial Statements as at March 31, 2016**

Treasurer Raja Rajaram commented on the Statement of Operations, noting that as at the end of the first quarter of the fiscal year, CAFII had a modest surplus year-to-date of just under \$17,000. However, it is expected that significant spending over the remainder of the year in the areas of Research/Studies and Media Outreach, in particular, will move the Association towards our budgeted deficit of \$71,000 for 2016.

With respect to the Balance Sheet, we currently have unrestricted net assets of just under \$376,000, meaning our financial reserves are at 74% of the Association's annual operating expenses. However, with the healthy spending on projects expected over the balance of the year, we anticipate that the reserves will move closer to the 58% of annual operating expenses we've forecasted to the end of the year.

In terms of payments, the first 2016 dues instalment for several members remain outstanding and Emily will be following up regarding payment.

**Action:** Follow-up with members and Associates who haven't yet paid the 2016 CAFII fees now due. [Emily; May 24, 2016]

## 4. Regulatory

### a. Consultations/Submissions Timetable

Brendan presented the highlights of the updated Consultations/Submissions Timetable as at April 2016, and discussion occurred as follows:

- **BC “Effecting” of CGI issue**

CAFII representatives had a useful teleconference with FICOM staff executives on April 14, to discuss CAFII’s follow-up letter of March 15/16 on the CGI Information Bulletin. Brendan has provided detailed notes from that meeting to EOC members, along with the follow-up response letter received from Harry James of FICOM on April 20. Diane Quigley from CUMIS will provide additional information for FICOM regarding the auto dealers being “creditors for a moment-in-time” argument.

**Action:** Conduct further research and provide additional information to support auto dealers being the creditor for a “moment-in-time”. [Diane; May 31, 2016]

- **CCIR Annual Statement on Market Conduct**

In a liaison meeting with CAFII on April 12/16, CCIR Policy Managers Martin Boyle and Sean Jacobs advised that in late April or early May, CCIR will circulate another draft of its Harmonized Annual Statement on Market Conduct to industry stakeholders for comment. The feedback period will likely be 45 days.

- **CCIR Review of Travel Health Insurance**

Sean Jacobs and Martin Boyle have informed CAFII that CCIR will be releasing a Travel Health Insurance Review Issues/Discussion Paper in early summer, for a 90 day consultation period.

- **Saskatchewan Bill 177 Regulations**

Jan Seibel, Legal Counsel with Saskatchewan’s Financial Consumer Affairs Authority, has advised Brendan Wycks that the FCAA now plans to conduct its consultation with the industry on the Regulations in two parts. First, they will ask for comments on some of the more complex issues that arose in the new Act, in particular, viatical regulation, TPAs, and employee benefit plans. The FCAA hopes to provide something on this to the industry later this spring. Thereafter, the FCAA is targeting the actual draft Regulations to be ready for dissemination to the industry for comments by late summer or early fall 2016.

- **FSCO Draft 2016 Statement of Priorities**

Members briefly discussed FSCO’s Draft 2016 Statement of Priorities, with a view to providing preliminary input for the Market Conduct Committee’s development of a CAFII submission. While there are eight priorities set out in the document, FSCO is treating the first four as standard/automatic and asking stakeholders to focus their comments on just priorities 5 through 8. The submission is due May 31.

It was agreed that CAFII’s submission should avail of content in CAFII’s previous submissions on FSCO’s annual statement of priorities, and other recent and relevant regulatory submissions. Based on this, Brendan and Rose will put together a draft submission for review by the Market Conduct Committee, and then provide it to the broader EOC for feedback.

**Action:** Draft CAFII submission on FSCO's 2016 Draft Statement of Priorities, for review by Market Conduct Committee and EOC. [Brendan, Rose; May 20, 2016]

**b. Regulatory Update**

No discussion of this document beyond the items addressed under 4(a).

**c. Regulator and Policy-Maker Visit Plan**

Brendan noted that CAFII has formed a mutually beneficial working relationship with new CCIR Policy Managers Martin Boyle and Sean Jacobs, and our periodic liaison lunch meetings with them have been particularly valuable. At the April 12/16 meeting, Martin suggested that the optimal timing for these meetings is quarterly, shortly after each CCIR meeting. At that meeting, CAFII also learned that Martin and Sean will be attending the 2016 CLHIA Compliance and Consumer Complaints Conference in Halifax, so Brendan has invited them to attend CAFII's liaison lunch with Carolyn Rogers on Wednesday, May 4 where BC regulatory issues and CCIR/national issues will be discussed.

**5. EOC Committee Updates**

**a. Research and Education**

Sue reported that CAFII's travel insurance experts group's report containing proposed language for limitations and exclusions had recently been handed off to CLHIA's travel insurance committee so that they can "hit the ground running." The travel insurance experts group would now turn their attention to related deliverables -- "terms and conditions" and "policy layout." When complete, the recommendations in those key areas would also be handed off to CLHIA to benefit the industry.

For the benefit of new EOC members, Greg summarized the evolution of the travel health insurance review initiative over the past two years, starting with CAFII's impetus in forming the Travel Insurance Pan-Industry Project (TIPIP) group in 2014 which had representation from CAFII, CLHIA, and the Travel Health Insurance Association (THiA). More recently, CLHIA has been carrying the ball for the industry in terms of out-front liaison with the CCIR Travel Insurance Working Group (TIWG) around reforms to the product and its distribution. Nevertheless, CAFII's travel insurance experts have been working diligently behind-the-scenes on key initiatives in support of CLHIA's work. The contributions of CAFII and CLHIA have been very well-co-ordinated, as evidenced by the joint stakeholder meeting that the two Associations had with the TIWG on March 16.

Meanwhile, THiA has been working on an education and certification program for those who sell travel health insurance. Greg, Sue, and Brendan, and Joan Weir from CLHIA attended an update meeting hosted by THiA last week where THiA's progress on this initiative was shared.

In EOC discussion, a consensus was reached around the importance of the three industry Associations remaining in close touch as the travel health insurance review continues to unfold, to ensure that initiatives remain well-co-ordinated and that communications with regulators are consistent.

**b. Media Advocacy**

Charles advised that he and Greg had recently conducted further due diligence on David Moorcroft as a potential communications and media consultant to CAFII. Before retiring in 2008, David was SVP of Corporate Communications at RBC. After meeting with David and challenging him with a number of questions, Charles and Greg were fully satisfied that he understands the consumer education direction that we want CAFII's external communication strategy to go in; and that we want develop a plan and deliver on it. David is now working on preparing a communications plan, which will be ready for the EOC to review at its next meeting prior to going forward to the June 7 Board meeting.

**Action:** Have new CAFII Communications Plan ready for EOC review at its May 24/16 meeting. *[Charles, Greg, Brendan; May 19, 2016]*

**c. Market Conduct**

Rose noted that Quebec's recent budget included an indication that one or both of the province's Insurance Act and Distribution Act will be undergoing a major overhaul when the Ministry of Finance introduces legislation to reform and modernize the province's financial sector, likely later this year. Given that Quebec can pose some unique challenges from the perspective of new legislation and regulations, she suggested that CAFII may want to engage experienced and specialized legal counsel in this area, to be in an optimal position of readiness for a well-informed consultation submission or a legal intervention.

In EOC discussion of this recommendation, it was suggested that Rose should discuss the matter with Isabelle Choquette, who is a lawyer by background and works for a Quebec-based member, and obtain her advice.

**Action:** Consult on the possibility of engaging specialized legal counsel with respect to expected overhaul of Quebec's Insurance Act and/or Distribution Act, before bringing a proposal back to the EOC. *[Rose, Isabelle; June 15, 2016]*

**d. Licensing Efficiency Issues**

No update at this time.

**6. Other Business**

**a. .INSURANCE Registration**

Brendan provided an update on the opportunity for CAFII to register one or more domains under the .insurance registry soon to be opened by the international coalition of insurance companies, banks, and financial services trade Associations that controls both .insurance and .bank.

Because CAFII currently does not have a nationally registered trademark, the first opportunity for us to register a domain will be at 8:00 p.m. Eastern on June 14/16, during the General Availability period. The cost for registering a domain under .insurance is \$1,000 U.S. annually, and there will be additional regulation fees that will push the yearly cost higher than that. In contrast, the cost of CAFII's current .com domain -- which is locked up until 2021 at which point it will have to be renewed -- is approximately \$10 CAD per month. The relatively high fees associated with .insurance domains help ensure that they will never be corrupted or co-opted by spammers, phishing scammers, or other bad actors. Every domain registered with .insurance will have to go through a re-certification process every two years.

In EOC discussion of this opportunity, it was agreed that more information was needed to make a decision on whether CAFII should register a .insurance domain. It was suggested that members should speak to the IT and/or marketing units within their businesses to find out if they have a viewpoint on the value of registering domains under .insurance; and that Brendan should speak to the Canadian Bankers Association to find out if they have registered any .bank domains.

**Action:** Speak to IT and/or marketing units within businesses to find out if they have a viewpoint on the value of registering domains under .insurance. [All members; June 6, 2016]

**Action:** Speak to CBA to find out if they have registered any domains with .bank. [Brendan, May 24, 2016]

**b. CAFII Thank You and Appreciation Gathering**

There was unanimous support for Greg's suggestion that in the near future, the EOC should hold a casual lunch or reception event to thank and convey best wishes to both Leya Duigu, recently departed CAFII Administrative Co-ordinator, and EOC members who had recently stepped down after completing a term of service with the Association.

It was agreed that Emily and Brendan would reach out to Leya and the past EOC members who'll be special guest invitees and poll them in order to establish a date and time for this informal gathering. Then Brendan, Greg, and Emily will secure a venue and food and beverage arrangements.

**Action:** Poll Leya Duigu and the past EOC members who'll be special guest invitees, in order to establish a date and time for an informal thank you and appreciation gathering. [Emily, Brendan; May 10, 2016]

**Action:** Secure a venue and food and beverage arrangements for the CAFII thank you and appreciation gathering [Brendan, Greg, Emily; May 13, 2016]

**6. Meeting Termination**

There being no further business to discuss, the meeting was terminated at 3:21 p.m. The next CAFII EOC meeting will be held on May 24, 2016, hosted by CIBC Insurance at Commerce Court, Imperial Room, 199 Bay Street, 4<sup>th</sup> Floor, Toronto.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Recording Secretary

Summary of CAFII Board and EOC Action Items				
Source	Action Item	Responsible	Deadline	Status 19-May-16
	<b>BC Ministry of Finance &amp; FICOM</b>			
EOC Apr 26, 2016	• Conduct further research and provide additional information on auto dealers are creditors for a moment-in-time argument, to enable further CAFII discussion with FICOM.	Diane	31-May-16	In progress
EOC Mar 29, 2016	• Follow-up with CLHIA on results of its discussions with BC FICOM regarding mortgage brokers issue in CGI Information Bulletin	Brendan	26-Apr-16	Complete
EOC Feb 16, 2016	• Investigate opportunities to engage with BC Ministry of Finance to provide information and find out more about what will be included in the Policy Paper to be released in late 2016.	Brendan	30-Apr-16	In progress
EOC Nov 17, 2015	• Follow-up information to be provided as requested by Brian Dillon including the three standard questions that typically appear on an application for creditor's group life insurance; statistics on CGI claims made and claims paid; and information on CAFII's proposal to Ron Fullan, Executive Director of the Insurance Councils of Saskatchewan, for a Restricted Insurance Agents Advisory Committee.	Brendan	11-Apr-16	Complete
	• Provide BC officials with the data from CAFII's consumer survey on travel insurance.	Sue, Brendan	11-Apr-16	Complete
	<b>Quebec Regulatory Issues</b>			
EOC Apr 26, 2016	• Consult on the possibility of engaging specialized legal counsel with respect to expected overhaul of Quebec's Insurance Act and/or Distribution Act, before bringing a proposal back to EOC.	Rose, Isabelle	15-Jun-16	In progress
	<b>CCIR</b>			
EOC Mar 29, 2016	• Contact Martin Boyle and express importance of including CAFII in any discussions about revisions to draft Harmonized Annual Statement on Market Conduct.	Brendan	11-Apr-16	Complete
	<b>FSCO Mandate Review and Other Regulatory Matters</b>			
EOC Apr 26 2016	• Draft CAFII submission on FSCO's 2016 Draft Statement of Priorities, for review by Market Conduct Committee and EOC	Brendan, Rose	20-May-16	In progress
EOC Mar 29, 2016	• Follow-up with David McLean, Secretary to the Expert Panel reviewing FSCO/DICO/FST mandates, regarding status of Panel's final report and any new information available	Brendan	12-Apr-16	Complete
	<b>Regulator and Policy-Maker Visit Plan</b>			
EOC Feb 16, 2016	• Discussion notes from regulator meetings held in Halifax to be circulated to those who aren't able to attend.	Brendan	13-May-16	Complete
	<b>Media Advocacy</b>			
EOC Apr 26, 2016	• Have new CAFII Communications Plan ready for EOC review at its May 24/16 meeting	Charles, Greg, Brendan	19-May-16	Complete
Board Apr 12, 2016	• Finalize new CAFII Communications Plan for presentation at June 7, 2016 Board Meeting	Charles, Greg, Brendan	02-June-16	Complete
	<b>Association Admin</b>			



Source	Action Item	Responsible	Deadline	Status 19-May-16
EOC Apr 26, 2016	• Adjust draft minutes of April 12/16 Board meeting to reflect edits proposed in April 26/16 EOC meeting.	Emily	16-May-16	Complete
	• Follow-up with members and Associates who haven't yet paid 2016 CAFII fees due	Emily	24-May-16	In progress
	• Speak to IT and/or marketing units within businesses to find out viewpoint on value of registering domains under .insurance	All members	6-Jun-16	In progress
	• Speak to CBA to find out if it has registered any domains with .bank	Brendan	24-May-16	In progress
	• Poll Leya Duigu and past EOC members who'll be special guest invitees, to establish a date and time for informal thank you and appreciation gathering	Emily, Brendan	10-May-16	Complete
	• Secure a venue and food and beverage arrangements for CAFII thank you and appreciation gathering	Brendan, Greg, Emily	13-May-16	Complete
Board Apr 12, 2016	• Notify Nick Bilodeau, American Express, of his election to CAFII Board of Directors.	Brendan	18-Apr-16	Complete
EOC Mar 29, 2016	• Contact auditors KPMG and request that Market Conduct and Research and Education Committee expenses be reported separately on Income Statement	Leya	12-Apr-16	Complete
	• Seek clarification on whether venue booked by Assurant Solutions for June 7, 2016 CAFII meetings can accommodate a speaker presentation.	Emily	26-Apr-16	Complete
	• Circulate list of speakers at past CAFII events to EOC.	Leya	15-Apr-16	Complete
	• Provide additional information about .INSURANCE internet domain registry to determine if CAFII should register a domain.	Jodi	26-Apr-16	Complete
EOC Jan 12, 2016	• All relevant stakeholder submissions and supporting documents to be posted to the CAFII website, i.e. Insurance Council of BC, Advocis, Independent Financial Brokers.	Leya	15-Apr-16	In progress

## CAFII Regulator and Policy-Maker Visit Plan 2016-17

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status May 16/16
<b>British Columbia</b>				
<b>Insurance Council of BC:</b> Gerry Matier, Executive Director	-April 11/16 informal discussion with B. Wycks, at CISRO LLQP Info Session  -Feb. 27/15 meeting in Toronto	None at this time	-repeal of residency requirement to serve on Council, nationally harmonized LLQP implementation, update on Council priorities  - review of BC FIA; representation for banks-in- insurance on Insurance Council; new CE requirements for new licensees; LLQP support; CCIR travel insurance initiative	
<b>FICOM:</b> Carolyn Rogers , CEO, FICOM & Superintendent of Insurance (CCIR Vice-Chair)	<b>-Lunch meeting in Halifax on May 4/16</b>	<b>None. On May 12/16, C. Rogers appointed OSFI's Asst. Supt, Regulation Sector, effective Aug 15/16</b>	<b>-CAFII Chair to send congrats letter on OSFI appt. Monitoring for appt. of interim or permanent FICOM CEO successor</b>	
Doug McLean, Deputy Superintendent of Insurance	-No contact/meeting for at least past two years	None at this time	-FICOM Information Bulletin on CGI ('effecting' of CGI in BC issue) -10 yr. Review of BC Financial Institutions Act (if appropriate)	
Chris Carter, Deputy Superintendent, Real Estate and Deputy Registrar, Mortgage Brokers (lead on CGI Information Bulletin file as advised by H. James on March 16/16)	-April 14/16 teleconference re CAFII follow-up letter - Follow-up letter, seeking clarification on CGI Info Bulletin key issues, sent March 15/16  - Nov 10/15 in Vancouver	If necessary, follow-up teleconference to obtain further clarification on CAFII questions/issues	- FICOM Information Bulletin on 'effecting' of CGI in BC issue (C. Carter has leadership responsibility for this issue)	Pending

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status May 16/16
Lorena Dimma, Director, Market Conduct (assuming Harry James' former policy advisor role re 'effecting' of CGI issue)	-April 14/16 teleconference re CAFII's March 15/16 follow-up letter on CGI Info Bulletin	If necessary, follow-up teleconference to obtain further clarification on CAFII questions/issues	- FICOM Information Bulletin on 'effecting' of CGI in BC issue (C. Carter has leadership responsibility for this issue)	Pending
Harry James, Senior Regulatory Advisor (Chair of CCIR's Travel Insurance Working Group)	-April 14/16 teleconference re CAFII's March 15/16 follow-up letter on CGI Info Bulletin - Nov. 21/14: G. Grant chatted with H. James during FIA Review roundtable discussion	See L. Dimma above	- See L. Dimma above. Although Harry is supposed to have handed this file to L. Dimma and C. Carter, he did most of the talking in our recent call so we will continue to include Harry in the discussions on the "effecting" issue.	N/A
Molly Burns, Analyst, Policy Initiatives	-April 14/16 teleconference re CAFII's March 15/16 follow-up letter on CGI Info Bulletin  -Nov 10/15 in Vancouver	See L. Dimma above	-See L. Dimma above	
<b>Ministry of Finance:</b> Michael de Jong, Minister of Finance	-Nov. 21/14: G. Grant represented CAFII at FIA Review roundtable discussion hosted by Minister	None at this time	TBD until CAFII has a "direct ask" at Ministerial level	
Dan Ashton, Parliamentary Secretary for Finance (elected MLA)	-November 10/15 in Vancouver along with Elizabeth Cole	If necessary, follow-up teleconference in 2016	-Update on 10-year Review of Financial Institutions Act: follow-up on CAFII issues/concerns including recommendations of other stakeholders	Pending
Elizabeth Cole, Executive Director, Strategic Projects & Policy (head of 10-Year Review of FIA)  Brian Dillon, Director, Financial Institutions	-November 10/15 in Vancouver along with Dan Ashton; and separate meeting along with Brian Dillon and Kari Toovey	Possible follow-up meeting in Vancouver when Policy Paper is released  See E. Cole above		Pending
Kari Toovey, Senior Policy Advisor		See E. Cole above		

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status May 16/16
<b>Alberta</b>				
<b>Alberta Insurance Council:</b> Joanne Abram, CEO;	<ul style="list-style-type: none"> <li>- <b>May 9/16 e-mail from J. Abram</b></li> <li>-Feb. 10/16 CAFII letter to J. Abram on same subject</li> <li>- Jan/16 and Oct./15 e-mail exchanges with J. Abram on same subject</li> <li>- Nov 20/14: CLHIA COSS seminar (B. Wycks)</li> </ul>	- Pending results of legal outreach re: CI being sold under RIA	<ul style="list-style-type: none"> <li>-<b>Results of Life Insurance Council's review of products suitable for sale under an RIA</b></li> <li>-Representation for Restricted Licence Holders</li> </ul>	Pending
Anthonet Maramieri, COO (succeeded Tom Hampton at beginning of 2015)	<ul style="list-style-type: none"> <li>- April 11/16 informal discussion with B. Wycks, at CISRO LLQP Info Session</li> <li>- Feb 27/15: Toronto: B. Wycks met A. Maramieri and had get acquainted chat at CISRO LLQP Stakeholder Info Session</li> </ul>	See J. Abram above		
Warren Martinson, Legal Counsel (member of CISRO LLQP Committee)	- Feb 10/14: Toronto, ON	See J. Abram above		
<b>Treasury Board and Ministry of Finance:</b>				
Nilam Jetha, Acting Superintendent of Insurance (one year interim role)	No contact – appointed Jan 11/16 (congratulatory letter sent Feb. 1/16)	None at this time	<ul style="list-style-type: none"> <li>- Update on Superintendent's priorities</li> <li>-Communicate CAFII issues; build and strengthen relationship</li> </ul>	
Mark Prefontaine, Superintendent of Insurance (seconded to Senior Asst. Deputy Minister for one year, effective Jan. 11/16)	-Sep 30/14; Fredericton, NB (informal meeting)	Not applicable at this time		

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status May 16/16
David Sorensen, Deputy Superintendent of Insurance	No face-to-face contact to date - <i>appointed Sep 15/14</i>	None at this time	See N. Jetha above	
Laurie Balfour, Director, Financial Compliance, Insurance Regulation and Market Conduct Branch (Chair of CCIR Insurance Core Principles Implementation Ctte)	-Sep 30/14: Fredericton, NB (informal meeting) -Jul 28/14: call with CAFII reps re: "effecting of CGI"	None at this time	-See N. Jetha above	Pending
Joe Ceci, President of Treasury Board and Minister of Finance	No contact – appointed May 24/15	None	TBD until CAFII has a "direct ask" at Ministerial level	Pending
<b>Saskatchewan</b>				
<b>Insurance Councils of Saskatchewan:</b> Ron Fullan, Executive Director, (CISRO Chair)	- April 11/16 informal conversation with B. Wycks, at CISRO LLQP Info Session  - Oct. 27/15: R. Fullan gave dedicated CISRO LLQP Stakeholder Info presentation for CAFII members	None at this time	-Restricted Insurance Agents Advisory Committee. -Sask. RIA regime and licensure issues	Pending  Pending
April Stadnek, Director of Licensing	- Sept 22/15 CISRO LLQP Stakeholder Info Session in Toronto (B. Wycks) - Sep 30/14; Fredericton, NB (informal meeting) - November/13 in Toronto when April attended CLHIA CCOSS Seminar	None at this time	-See R. Fullan above	

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status May 16/16
<b>Financial Consumer Affairs Authority (FCAA):</b> Roger Sobotkiewicz, former Director of FCAA Legal Branch, became Interim Chairperson and Superintendent of Insurance, effective Feb. 1/15	-no previous contact; congratulatory letter on appointment sent March 4/15	-see J. Seibel below	-introduce CAFII and build relationship -Regulations being developed following passage of <i>Bill 177, The Insurance Act (Saskatchewan)</i> -ISI: Representation for Restricted Licence Holders - Update on Superintendent's priorities	Pending
Ian McIntosh, Deputy Superintendent of Insurance	-Jul 28/14 call with CAFII reps re: "effecting CGI"	-see J. Seibel below	-See R. Sobotkiewicz above	Pending
Janette Seibel, Lawyer, became lead on Bill 177 and Regulations file effective June 1/15	-Regular e-mail exchanges since June 2015 most recently April 18/16 (B. Wycks)	<b>-teleconference meeting in Q3 or Q4 2016, if necessary</b>	<b>- confirm that topics in Part I of industry consultation are not relevant to CAFII</b> <b>- discuss Part II of industry consultation: i.e. draft Regulations developed in support of <i>Bill 177, The Insurance Act (Saskatchewan)</i></b>	<b>Pending</b>
<b>Manitoba</b>				
<b>Ministry of Finance:</b> Ken Lofgren, Acting Superintendent of Insurance  Scott Moore, Deputy Superintendent of Insurance	-Appointed Spring 2015; no previous CAFII contact  -April 15/15 teleconference with three CAFII reps  -April 29/14: Winnipeg, MB	None at this time  None at this time	- concern about amended Insurance Act's apparent residency requirement for employees of Restricted Insurance Agents	
<b>Cameron Friesen, Minister of Finance</b>	<b>No contact – took office May 3/16</b>	None	TBD until CAFII has "direct ask" at Ministerial level	
Erin Pearson, Executive Director, Insurance Council of Manitoba:	-Oct. 8/15 at CLHIA CCOS Fall Seminar (B. Wycks) -Sept. 30/14: dinner in Fredericton, NB re: ISI implementation	None at this time	Same as above; and Insurance Council's "ISI items for further review and development"	

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status May 16/16
<b>Ontario</b>				
<b>FSCO:</b> Brian Mills, appointed Interim CEO and Superintendent on October 18/14	-January 28/15 stakeholder meeting with CCIR	-Awaiting clarification of appointment status, emerging from Ontario review of FSCO mandate	(i)Introduce CAFII and build/maintain relationship (ii) Ontario government review of FSCO's mandate (iii) next steps, if any, in Life Insurance Product Suitability Review (iv)CCIR review of travel insurance (v) LLQP modernization (vi)enhancing the national CRS (vii)Update on Superintendent's priorities (viii)communicate CAFII issues	Pending
Anatol Monid, Interim Executive Director, Licensing and Market Conduct Division	-December 8/15 and June 9/15: Informal update conversations with A. Monid at CAFII Reception events  -January 28/15 stakeholder meeting with CCIR	None at this time	Item (iii) above	
Izabel Scovino, appointed Director, Market Conduct Regulation Branch in Nov/14  <b>Richard Tillman, Senior Manager, Insurance and Deposit Institutions Policy</b>	-Oct. 8/15 at CLHIA CCOS Fall Seminar (B. Wycks) -Nov 21/14 at FSCO Life & Health Insurance Symposium  -heads-up call to B. Wycks on May 12/16	None at this time   <b>None at this time. CAFII has chosen not to respond to seg fund issues, as only some members offer them</b>	Item (vi) above   <b>- imminent release of CCIR's Segregated Funds Working Group's Issues Paper, open for consultation submissions until July 15/16</b>	

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status May 16/16
<b>Ministry of Finance</b>  Three-member Expert Panel advising on Government's review of FSCO's mandate  -David McLean, Policy Advisor	-July 30/15 life & health insurance sector roundtable meeting (P. McCarthy and G. Grant) -May 21/15 informal meeting: insurance sector round table  -April 12/16 informal conversation with B. Wycks at CAFII Reception	None at this time.	-Discuss Expert Panel's final report to Minister on proposed future mandate of FSCO  - Awaiting release of Expert Panel's final report to determine if meeting with Deputy Minister of Assistant Deputy Minister should be pursued	Pending
<b>Quebec</b>				
<b>AMF:</b> Louis Morisset, CEO;  Patrick Dery, Superintendent, Solvency (appointed CCIR Chair effective April 1/15)	-Apr 8/14: Montreal, QC  -Liaison lunch and industry issues dialogue on October 6/15 in Levis, Quebec	-Oct. 4/16 in Montreal: CAFII liaison meeting with AMF.  -CAFII proposed early May meeting in Halifax, during CLHIA Conference - Oct. 4/16 in Montreal: CAFII annual liaison meeting with AMF	-(i)AMF final paper on electronic commerce in insurance, setting out Orientations/expectations -(ii)Distribution Guide template and implementation timelines -LLQP modernization -enhancing the national CRS -Update on AMF priorities -Communicate CAFII issues -Maintain and strengthen relationship	<b>Confirmed</b>  Invitation declined  <b>Confirmed</b>
Eric Stevenson, Superintendent, Client Services and Distribution Oversight	-Liaison lunch and industry issues dialogue on October 6/15 in Levis, Quebec	-Oct. 4/16 in Montreal: CAFII annual liaison meeting with AMF	-See above	<b>Confirmed</b>



Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status May 16/16
Ministry of Finance  Carlos Leitao, Minister  Richard Boivin, Assistant Deputy Minister, Financial Institution Policy and Corporate Law  Guillaume Caudron, Chief of Staff  Yann Nachabé, Policy Advisor	-Feb. 25/16 phone call between B. Wycks and Yann Nachabé, Policy Advisor, Ministry of Finance	<b>-in-person or teleconference meeting with Ministry officials coincident with consultation period on draft omnibus Bill, if necessary</b>  - CAFII request for April 2016 in-person follow-up meeting with Richard Boivin and Guillaume Caudron	<b>- draft omnibus Bill may be tabled to reform/modernize financial sector, incl. the Distribution Act (Minister Leitao in response to question at legislative committee meeting on April 28/16)</b> -Ministry's direction on online distribution of insurance without involvement of an advisor -CAFII submission in response to Report on the Application of the Act respecting the distribution of financial products and service	<b>-Pending</b>         -request politely withdrawn, based on reassuring information from Y. Nachabé
<b>New Brunswick</b>				
<b>Financial and Consumer Services Commission (Insurance Division):</b> Angela Mazerolle, Superintendent of Insurance	<b>-May 4/16 dinner meeting with Atlantic Canada regulators in Halifax</b> -Oct 1/14: Fredericton, NB	<b>None at this time</b>	-implementation of further phases of online licensing system -legislative/regulatory change to support electronic beneficiary designations -other New Brunswick licensing issues	
David Weir, Deputy Superintendent of Insurance	<b>-May 4/16 dinner meeting with Atlantic Canada regulators in Halifax</b> - April 11/16 informal discussion with B. Wycks, at CISRO LLQP Info Session - Feb. 19/16 re CAFII feedback on online insurance licensing system - Sept. 22/15 CISRO LLQP Info Session in Toronto (B. Wycks) -Oct 1/14: Fredericton, NB	<b>None at this time</b>	- timing of final recommendations on reforming licensing framework for other-than-life agents and brokers -teleconference re CAFII feedback on New Brunswick online insurance licensing system	

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status May 16/16
<b>Opportunities New Brunswick:</b> Jay Reid, Investment Attraction Officer	-Jun 3/14: Toronto, with Adam Mitton of predecessor organization Invest New Brunswick	None at this time	- CAFII submission re: Insurance Act and regulatory process changes necessary to support business efficiency and further inbound investment and additional jobs in New Brunswick -Introduce CAFII and build relationship -Position CAFII as an information resource	
<b>Consumer Advocate for Insurance:</b> Ronald Godin, Consumer Advocate	No contact	None at this time		
<b>Nova Scotia</b>				
<b>Superintendent of Insurance:</b> William Ngu, Acting Superintendent of Insurance	<b>-May 4/16 dinner meeting with Atlantic Canada regulators in Halifax</b> -Appointed June 2015; no previous CAFII contact	<b>None at this time</b>	-Review of life and accident & sickness provisions of Insurance Act -legislative/regulatory change to support electronic beneficiary designations -Update on Superintendent's priorities -Communicate CAFII issues; build and strengthen relationship	
Jennifer Calder, Deputy Superintendent of Insurance	<b>-May 4/16 dinner meeting with Atlantic Canada regulators in Halifax</b> -Oct 1/14: Fredericton, NB (participated by teleconference)	<b>None at this time</b>		

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status May 16/16
<b>PEI</b>				
<b>Superintendent of Insurance:</b> Robert Bradley, Superintendent	-Oct 1/14: Fredericton, NB	<b>None at this time</b>	-Review of life and accident & sickness provisions of Insurance Act (on April 23/15, R. Bradley advised that this may get underway in late 2015) -legislative/regulatory change to support electronic beneficiary designations -Update on Superintendent's priorities -Communicate CAFII issues -Maintain and strengthen relationship	
<b>Newfoundland</b>				
<b>Superintendent of Insurance:</b> John O'Neill, Superintendent	-N/A; appointed in October 2015	<b>None at this time</b>	-legislative/regulatory change to support electronic beneficiary designations -Update on Superintendent's priorities -Communicate CAFII issues; build and strengthen relationship	
Craig Whalen, Deputy Superintendent of Insurance	-Oct 1/14: Fredericton, NB	-Same as John O'Neill		
<b>FEDERAL/NATIONAL</b>				
<b>CCIR:</b>  Martin Boyle, Policy Manager	- <b>May 4/16 lunch meeting in Halifax (with C. Rogers and S. Jacobs)</b> - April 12/16 CAFII Reception -April 12/16 liaison lunch meeting between CAFII and M. Boyle and S. Jacobs -January and March 2016 phone calls and e-mail exchanges (B. Wycks) -Nov. 20/15 relationship transition lunch meeting with three CCIR Policy Managers (C. Shevlin, S. Jacobs and M. Boyle)	- <b>May 19/16 CCIR ICPiC teleconference/webinar meeting with CAFII members (L. Balfour and M. Boyle)</b> -liaison lunch in October 2016 following CCIR Fall Meeting - <b>CCIR Annual Stakeholder Meetings to be held on Nov 3-4/16 or Nov 17-18/16 in Toronto</b>	-Annual Statement on Market Conduct (Martin) -Framework for Cooperative Market Conduct Supervision (Martin) -Possible CCIR speakers/panelists at CAFII events -Update on CCIR 2014-17 Strategic Plan and related priorities -Communicate CAFII issues; and maintain and strengthen relationship -possible CAFII webinar(s) for CCIR audience updates on Annual Statement on Market Conduct	<b>Confirmed</b>  <b>Pending</b>  <b>Pending</b>

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status May 16/16
Sean Jacobs, Policy Manager	<b>- May 4/16 lunch meeting in Halifax (with C. Rogers and M. Boyle)</b> - April 12/16 liaison lunch meeting between CAFII and M. Boyle and S. Jacobs -March 16/16 CAFII/CLHIA joint stakeholder meeting with CCIR Travel Insurance Working Group	<b>-liaison lunch in October 2016 following CCIR Fall Meeting</b> <b>-CCIR Annual Stakeholder Meetings to be held on Nov 3-4/16 or Nov 17-18/16 in Toronto</b>	-Review of Travel Health Insurance (Sean)	<b>Pending</b>  <b>Pending</b>
Patrick Déry, Chair (Superintendent, Solvency, AMF)          Carolyn Rogers, CCIR Past-Chair and current Vice-Chair (also Chair of CCIR OmbudServices Oversight Committee)	<b>-Liaison lunch and industry issues dialogue on October 6/15 in Levis, Quebec</b> <b>-April 29/15 meeting in Quebec City, along with CCIR Vice-Chair Carolyn Rogers</b>  <b>-May 4/16 lunch meeting in Halifax (with M. Boyle and S. Jacobs)</b> -April 29/15 in Quebec City, along with CCIR Chair Patrick Dery	<b>-Oct. 4/16 in Montreal: CAFII liaison meeting with AMF</b> <b>-CCIR Annual Stakeholder Meetings to be held on Nov 3-4/16 or Nov 17-18/16 in Toronto</b>  <b>None. On May 12/16, C. Rogers appointed OSFI's Asst. Supt, Regulation Sector, effective Aug 15/16</b>	<b>- opportunity to discuss some CCIR issues</b> -CCIR review of travel health insurance -Update on CCIR 2014-17 Strategic Plan and related priorities -Communicate CAFII issues; maintain and strengthen relationship  <b>- Monitoring for appt. of successor CCIR Vice-Chair</b>	<b>Confirmed</b>       <b>Pending</b>
Harry James, Chair, CCIR Travel Insurance Working Group (TIWG)	-March 16/16 CAFII/CLHIA joint meeting with CCIR Travel Insurance Working Group  -March 24/15 meeting with CAFII EOC re	-June or Sept 2016 meeting with Harry and other TIWG members, following release of Issues/Discussion Paper	-issues/questions set out in Issues/Discussion Paper for industry consultation  draft industry survey of travel insurance underwriters	Pending

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status May 16/16
Laurie Balfour, Chair, CCIR Insurance Core Principles Implementation Committee (ICPiC)	No previous contact in her role as Chair of ICPiC	-May 19/16 CCIR ICPiC presentation teleconference/webinar meeting with CAFII members (L. Balfour and M. Boyle)	-ICPiC work on IAIS' Insurance Core Principles -Framework for Co-operative Market Conduct Supervision in Canada -Harmonized Annual Statement on Market Conduct	Confirmed
<b>CISRO:</b> Ron Fullan, Chair (SK); G. Matier (BC); J. Abram (AB), W. Martinson (AB); D. Weir (NB)	- April 11/16 CISRO LLQP Stakeholder Info Session -March 16/16 CAFII/CLHIA joint stakeholder meeting with CCIR Travel Insurance Working Group -Oct. 27/15: R. Fullan gave dedicated CISRO LLQP Stakeholder Info presentation for CAFII members	-June 2016 CISRO LLQP Stakeholder Info Session in Toronto	-implementation of new, nationally harmonized LLQP -possible CISRO Strategic Plan	Pending
<b>Financial Consumer Agency of Canada (FCAC):</b> Lucie Tedesco, Commissioner	-May 1/15: B. Wycks made self- introduction and chatted with L. Tedesco, following her speech at CLHIA Conference	None at this time		
Brigitte Goulard, Deputy Commissioner	-Jun 10/14: B. Goulard was speaker at CAFII event	-Q2 or Q3 teleconference meeting, if necessary.	- FCAC consultation on its supervisory/compliance framework (Spring 2016 release of document expected) re questions/issues raised in consultation document	Pending
Jane Rooney, Financial Literacy Leader	-Feb 10/15 (presentation at CAFII Annual Luncheon)			
Jeremie Ryan, Director, Financial Literacy and Consumer Education	-Feb. 10/15			
Karen Morgan, Marketing Officer	-Jan 9/14			

**Regulatory Update – CAFII Executive Operations Committee, May 16, 2016**

Prepared By Brendan Wycks, CAFII Executive Director

**Table of Contents**

**Federal/National**

- **CCIR:**
  - Industry-Proposed Reforms Prompt Revision Of Paper On Travel Insurance **(page 2)**
  - CCIR Elaborates On Practical Application Of Co-operative Framework And Annual Statement **(page 2)**
  - CCIR To Hold Annual Stakeholder Meetings In Toronto In November **(page 2)**
  - CCIR Strategic Plan Renewal To Begin This Fall **(page 3)**
  - CCIR Publishes Segregated Funds/IVICs Issues Paper **(page 3)**
- **OSFI:**
  - OSFI Appoints Carolyn Rogers As Assistant Superintendent, Regulation **(page 3)**
- **FCAC:**
  - FCAC To Renew Its National Financial Literacy Steering Committee **(page 3)**

**Provincial**

- **British Columbia:**
  - Carolyn Rogers Expects FIA/CUIA Review Policy Paper To Be Delayed **(page 4)**
  - FICOM Concerned About Incentive Schemes Being Used To Drive CGI Sales **(page 4)**
  - Recent Insurance Complaints Coming Disproportionately From ISI Channels **(page 4)**
  - FICOM Views CGI Info Bulletin As Now Squarely In “Enforcement” Realm **(page 4)**
  - Insurance Council Of BC Relying On MGAs To Help Monitor Agent Conduct **(page 5)**
- **Alberta:**
  - Alberta Communicates Decision On CI Insurance Sold Under An RIA Licence **(page 5)**
- **Saskatchewan:**
  - FCAA Targeting June Release Of Materials For Regulations Consultation, Part I **(page 6)**
- **Manitoba:**
  - Insurance Council Publishes Self-Help Manual For Renewing An RIA Licence **(page 6)**
- **Ontario:**
  - FSCO Excited By Expert Panel’s Recommendation On Future Mandate **(page 6)**
  - FSCO To Increase Onus On Insurers For Agent Monitoring **(page 6)**
- **Quebec:**
  - Omnibus Bill This Fall Is Next Step In Financial Sector Modernization **(page 7)**
  - AMF To Publish New Insurance Industry Guidelines This Year **(page 7)**
- **New Brunswick:**
  - Reviews Of Travel Insurance And ISI Are Near-Term Priorities **(page 8)**
  - Final Report On “Other-than-Life” Licensing Framework Delayed **(page 8)**
- **Nova Scotia and Prince Edward Island:**
  - Nova Scotia And PEI Considering Joint Review Of Insurance Acts **(page 8)**

## Federal/National

### Canadian Council of Insurance Regulators

Except as noted, the following information was obtained in CAFII's May 4/16 lunch meeting with CCIR representatives Carolyn Rogers, Vice-Chair; and Martin Boyle and Sean Jacobs, Policy Managers.

#### Industry-Proposed Reforms Prompt Revision Of Paper On Travel Insurance

C. Rogers confirmed that the Council's Discussion Paper on Travel Health Insurance was currently being revised for an early summer release for a 90 day consultation period.

Rogers indicated that because the industry had demonstrated significant movement in terms of the reforms, at its April 7-8/16 meeting the Council decided that the Paper (which was slated for release in the spring) would be revised to reflect the latest industry input and released in the summer instead.

#### CCIR Elaborates On Practical Application Of Co-operative Framework And Annual Statement

M. Boyle indicated that, based on input from the CLHIA industry working group, the Harmonized Annual Statement on Market Conduct has been significantly revised as compared with the first draft that was circulated in late 2015; and a new draft will be circulated to CAFII and other stakeholders for comment by the end of May.

C. Rogers went on to say *"the whole idea behind the Harmonized Annual Statement is to create a tool and a process to help regulators increase their understanding of what's going on in the marketplace without imposing an undue burden on industry participants. It's essentially OSFI's "risk model" transferred to market conduct, through which regulators will look at (i) inherent risks; (ii) control environment factors; and (iii) support factors."*

C. Rogers added that the benefit for industry is that *each regulator will bring its supervisory priorities for the year to the table and any common issues will be incorporated within the Co-operative Framework. The harmonized annual return is expected to create more opportunities for companies to dialogue with regulators, not less.*

C. Rogers indicated that *with respect to self-evaluative privilege, the Industry will need to help regulators get out from under their exposure to Freedom-of-Information (FOI) Requests by lobbying provincial policy-makers and elected officials for legislative change in this area.*

M. Boyle noted that *Ontario legislation provides somewhat of a safeguard in this area as the regulator cannot provide information in response to an FOI request that has already been shared with other provinces.*

#### CCIR To Hold Annual Stakeholder Meetings In Toronto In November

CAFII was advised that the Council will hold Annual Stakeholder Meetings with the industry in Toronto on either Thursday and Friday, November 3/4, 2016 or two weeks later on November 17/18, 2016. CCIR will communicate firm dates and the meeting location as soon as possible.

### CCIR Strategic Plan Renewal To Begin This Fall

C. Rogers advised that renewal of the Council's three-year Strategic Plan will begin this Fall, likely immediately following its meeting in October. Industry stakeholders will be invited to provide input for development of the new plan.

### CCIR Publishes Segregated Funds/IVICs Issues Paper

On May 12/16, Richard Tillman, Senior Manager, Deposit and Institutions Policy at FSCO and a member of CCIR's Segregated Funds Working Group, called Brendan Wycks to provide a heads-up that the Working Group's Issues Paper would be released on May 16. He advised that the Paper's focus is a comparison of the regulatory frameworks for seg funds/IVICs and mutual funds, and July 15 is the deadline for written submissions.

In April 2015, Patrick Déry, CCIR Chair asked CAFII to comment on new disclosure requirements for seg funds/IVIC's; and during our October 4, 2015 liaison meeting with the AMF, Board Chair Peter McCarthy informed Patrick that only some CAFII members offer seg funds so our Association would not be taking a position on this issue.

### **Office of the Superintendent of Financial Institutions**

#### OSFI Appoints Carolyn Rogers As Assistant Superintendent, Regulation

On May 12/16 budget, Jeremy Rudin, Superintendent, announced that the Office of the Superintendent of Financial Institutions had appointed Carolyn Rogers as Assistant Superintendent, Regulation, effective August 15. Carolyn has been CEO of BC's Financial Institutions Commission (FICOM) since 2010. In that capacity, she has served as Chair of the Canadian Council of Insurance Regulators (CCIR) and the Canadian Credit Union Prudential Supervisors Association (CUPSA).

In a simultaneous announcement published on FICOM's web site, Carolyn said "it has been my great pleasure to serve the Government of British Columbia and its citizens for the past six years. While it was a difficult decision to leave, I am also excited to be taking on a new challenge and to be joining an organization as well-regarded as OSFI." She will complete her duties as CEO of FICOM on July 29, including finishing off her assignment as Chair of the province's Independent Advisory Group (IAG) on real estate regulation. The IAG is due to deliver its final report in mid-June.

At OSFI, she will join the executive committee, which includes Superintendent Rudin and three other assistant superintendents who oversee deposit-taking supervision, insurance supervisions, and the corporate services sector. She succeeds Mark Zelmer, OSFI's current deputy superintendent of the regulation sector who is stepping down this summer.

### **Financial Consumer Agency of Canada (FCAC)**

#### FCAC To Renew Its National Financial Literacy Steering Committee

In a financial literacy e-newsletter released May 9/16, Jane Rooney, Canada's National Financial Literacy Leader, announced that the FCAC will soon be renewing her National Steering Committee on Financial Literacy, following completion of the founding members' two-year term.



The entire 15-member committee will be turned over. The newsletter invites people from across Canada who have significant expertise in financial literacy to apply to become a member of the National Steering Committee. Those who provide their e-mail address to the FCAC as an expression of interest will be notified when the nomination process opens.

## **Provincial**

### **British Columbia**

Except as noted, the following information was obtained in CAFII's May 4/16 lunch meeting with Carolyn Rogers, CEO of BC's Financial Institutions Commission and Superintendent of Insurance.

#### Carolyn Rogers Expects FIA/CUIA Review Policy Paper To Be Delayed

C. Rogers indicated that she expects that the BC Ministry of Finance's Policy Paper, the next step in its 10-Year Review of the Financial Institutions Act (FIA) and the Credit Union Incorporation Act (CUIA), will not be published until after the next provincial election on May 9, 2017. She also does not believe that any policy positions with respect to the FIA Review issues have been formed yet in the minds of Ministry staff or the Government officials.

She explained that because there are major issues to be overhauled on the CUIA side of the Review (and not so much the FIA side) if the new Act is going to last another 10 years, she will be very surprised if the Ministry is able to keep to its stated timeline and publish a Policy Paper before the end of 2016.

#### FICOM Concerned About Incentive Schemes Being Used To Drive CGI Sales

C. Rogers advised that FICOM has recently become very concerned about "incentive schemes" that are being used to drive CGI sales within the credit union sector. These are bonus schemes based on a required 100% closure of sales to CGI life, critical illness, and disability insurance prospects; and they lead to unfair, predatory practices, she said.

#### Recent Insurance Complaints Coming Disproportionately From ISI Channels

In a regulator panel at the 2016 CLHIA Compliance and Consumer Complaints Conference, C. Rogers stated that recent insurance-related complaints coming into FICOM seem to be coming disproportionately from incidental sales channels, to the point that her team is looking at this as an early warning indicator.

In a meeting with CAFII representatives later that day, she elaborated that these complaints typically don't relate to CAFII member companies but arise in distribution channels that aren't regulated, e.g. car dealers and mortgage brokers, and are caused by poor training and oversight of sales staff. She added that consumers are not being told that the insurance is optional, no suitability assessment is being completed, and the sales personnel are giving insurance advice when they're not licensed to do so.

"Mortgage brokers are selling CGI with lots of advice, as they think they're financial advisors. Mortgages have become completely commoditized, so mortgage brokers are feeling the pressure to add on an incidental sale of insurance to pad their profit margin."

#### FICOM Views CGI Info Bulletin As Now Squarely In "Enforcement" Realm

C. Rogers advised that FICOM views its CGI Information Bulletin as having now moved fully from the realm of "Policy" into the realm of "Enforcement."

Her message underlying this statement seemed to be that FICOM is not sympathetic toward nor interested in the industry's arguments about the impact of the Bulletin upon auto dealers and mortgage brokers who distribute CGI; and that it will now be forging ahead to enforce the Bulletin's provisions, as they currently stand, by the March 31, 2017 implementation deadline.

She explained that based on the number and types of questions that FICOM was getting from industry stakeholders when it released its CGI Information Bulletin in September 2015, it decided to "back up the bus" into the Policy area and take the time to ensure that the industry fully understood what FICOM wants with respect to compliance. But now that sufficient follow-up dialogue has occurred and FICOM has provided explanations and clarifications, the bus has been driven ahead and is now fully in the Enforcement area under the responsibility of FICOM staff executives Chris Carter and Lorena Dimma.

#### Insurance Council Of BC Relying On MGAs To Help Monitor Agent Conduct

A recent Investment Executive article reported that the Insurance Council of BC has set up a quasi "help line" and is calling on Managing General Agents (MGAs) to use it to inform the Council in cases where they identify a potential problem with an agent's conduct.

Speaking at a Canadian Association of Independent Life Brokerage Agencies' (CAILBA) conference in late March, Gerry Matier, Executive Director of the Council, said that as MGAs play an increasingly important role in the distribution of life insurance, they have a responsibility to monitor their agents closely and watch for potential misconduct. "MGAs play a very good role for the regulator. They see a lot of the things that we don't get to see and, at the same time, they have the same interests that we have. They no more want to be dealing with problem agents than we want to be dealing with problem agents and, often, we find that they are in a great position to see potential clues that would help to identify problems down the road," Gerry said.

The help line has already been effective, Gerry indicated. "A number of MGAs have come forward to us. We have been able to identify problems and deal with them, in probably a much quicker manner."

The article pointed out that regulators in other provinces are also acknowledging the increasingly prominent role that MGAs play in the industry. The Saskatchewan Financial Consumer Affairs Authority is moving forward with establishing a new licensing category for MGAs to reflect the role they play in the distribution process. Speaking at the same conference, Patrick Déry, the AMF's Superintendent, Solvency, advised that the AMF is also exploring the possibility of creating a new licensing class for MGAs in Quebec.

Warren Martinson, director of legal and regulatory affairs at the Insurance Council of Alberta said "nothing is being considered right at this moment, but we are certainly looking and learning from our colleagues. We can learn from each other to see what that kind of licensing can accomplish and how to do it right."

#### **Alberta**

##### Alberta Communicates Decision On CI Insurance Sold Under An RIA Licence

On May 9/16, Joanne Abram, CEO of the Alberta Insurance Council, communicated the information below to CAFII and other industry stakeholders, outlining the decision reached by her Life Insurance Council (LIC) after reviewing the types of insurance products that may be appropriately sold under a Restricted Certificate:

*During the course of the review, we found numerous instances where Critical Illness Insurance was being sold under a Certificate authorizing "Credit Related Insurance." Credit Related Insurance, as approved by the LIC, includes creditors' group life insurance, creditors' group disability insurance, and creditors' loss of employment insurance. Critical illness insurance was not approved to be sold under a Restricted Certificate of Authority.*

*If your member companies wish to distribute this product through RCHs, a request would need to be made to the Life Insurance Council. Any request should include full product details, copies of application forms, copies of all information and disclosures provided to consumers on purchase, as well as information on the claims processes in place. Further information on this issue will be provided as it becomes available.*

## **Saskatchewan**

### FCAA Targeting June Release Of Materials For Regulations Consultation, Part I

On May 16/16, Jan Seibel, Legal Counsel with Saskatchewan's Financial Consumer Affairs Authority and lead on the province's Insurance Act rewrite file, advised Brendan Wycks that the Authority is a little behind schedule compared to where she had hoped to be with respect to sending out materials to the industry related to Part I of its planned two-part consultation on draft Regulations in support of *Bill 177, The Insurance Act (Saskatchewan)*. The release of Part I materials on "some of the more complex issues that arose in the new Act, in particular viatical regulation, TPAs, and employee benefit plans" now likely won't occur until sometime in June. Previously, she was targeting a May release.

After Part I is completed, the FCAA is targeting having actual draft Regulations ready for dissemination to the industry for comments, as Part II of the consultation, by late summer or early fall.

## **Manitoba**

### Insurance Council Publishes Self-Help Manual For Renewing An RIA Licence

The Insurance Council of Manitoba has published a self-help manual on its web site titled "Instructions To Assist A Restricted Insurance Agent (RIA) To Renew Their Licence." The renewal deadline is May 31/16.

## **Ontario**

### FSCO Excited By Expert Panel's Recommendation On Future Mandate

In a regulator panel presentation at the 2016 CLHIA Compliance and Consumer Complaints Conference, Brian Mills, FSCO's interim CEO, said that the Commission's management team was excited by the three-member Expert Panel's recommendation that FSCO be transformed into a Financial Services Regulatory Authority (FSRA). FSCO is pleased with this recommendation because it would become an independent regulator no longer bound by government control and a cap on full-time equivalent staff (FTEs).

### FSCO To Increase Onus On Insurers For Agent Monitoring

In a panel presentation at the 2016 CLHIA Compliance and Consumer Complaints Conference, Anatol Monid, Executive Director of FSCO's Licensing and Market Conduct Division, advised that FSCO is currently introducing the concept of "primary insurer" to its regulatory model for non-sponsored life insurance agent monitoring and will be consulting with the industry on it in the summer of 2016.

(This in contrast to the focus on MGAs for insurance agent monitoring and compliance being pursued by BC and some other provinces. See “Insurance Council Of BC Relying On MGAs To Help Monitor Agent Conduct” above.)

Under its new approach, FSCO will be requiring a non-sponsored agent to declare a “primary insurer” and that insurer would be FSCO’s main compliance contact. “At the end of the day, the statutory obligation for agent monitoring in Ontario rests with insurers,” Anatol said, and FSCO can leverage insurers’ obligation for agent oversight to achieve compliance with agent requirements such as maintaining a current e-mail address and up-to-date errors and omissions insurance information in FSCO’s agent database.

To illustrate the efficacy of this approach, Anatol noted that at the end of Phase 1 of FSCO’s 2014-15 Life Insurance Agent Compliance Examination process, 6% of life agents in the province had not updated their errors and omissions insurance information in FSCO’s system. This translates to 2,400 agents and FSCO simply does not have the resources to pursue them all individually. But because there are only 100 licensed life insurance companies in Ontario, FSCO can use insurers’ responsibility for agent monitoring to help secure compliance more efficiently and effectively.

Anatol also advised that as part of Phase 2 of its Life Insurance Agent Compliance Examination process between April 1, 2016 and March 31, 2017 FSCO will:

- continue to conduct on-site reviews of life agents on both random and target bases;
- conduct on-site reviews of insurers, to assess their oversight and compliance controls with respect to life agents; and to test CCIR’s new Framework for Co-operative Market Conduct Supervision; and
- start to take enforcement action against insurers that pay commissions to unlicensed agents.

## Quebec

### Omnibus Bill This Fall Is Next Step In Financial Sector Modernization

In an April 28/16 appearance before Quebec's Committee on Public Finance, when pressed by the opposition's finance and revenue critic to make a commitment and reveal when the government intends to table a Bill that will reform the province's financial sector, including the *Act respecting the distribution of financial products and services*, Minister of Finance Carlos Leitão said "Maybe in the fall, we'll see. There will be a financial omnibus bill that will address this situation and others, including the AFSC [*Act respecting financial services cooperatives*]. We are going to modernize it, we will adapt it to new realities, and it will happen in this Bill that will, I hope, still come this year." The Minister also promised to hold consultations around the omnibus Bill.

### AMF To Publish New Insurance Industry Guidelines This Year

In a presentation at CLHIA’s 2016 Compliance and Consumer Complaints Conference, Julien Reid, Senior Director, Financial Institutions Oversight and Deposit Insurance at the AMF, advised that emanating from the AMF’s significant involvement with the International Association of Insurance Supervisors (IAIS) Marketing Conduct and Governance Working Groups since 2008, the Quebec regulator will publish in the coming months a new “Compliance Guideline” (in line with revised Insurance Core Principle 8 re Risk Management and Internal Controls) and a new “Guideline Governing Integrity and Competency Criteria” (in line with revised Insurance Core Principle 5 re Suitability).

In a panel presentation at the same conference, Patrick Déry, the AMF's Superintendent, Solvency, advised that the Quebec regulator would also be undertaking a review in 2016 of "incentives," arising from its 2014 self-assessment survey of insurer compliance with its Sound Commercial Practices Guideline.

## **New Brunswick**

### Reviews Of Travel Insurance and ISI Are Near-Term Priorities

In a panel presentation at the 2016 CLHIA Compliance and Consumer Complaints Conference, Angela Mazerolle, New Brunswick's Superintendent of Insurance, advised that the Insurance Division plans to conduct reviews of the following in the near future:

- travel health insurance and how sellers of this product are licensed in the province. This review will come after completion of the CCIR's current national review of the same product; and
- incidental sales of insurance (e.g. creditor's group insurance, particularly as sold by auto dealers) and whether the province's current licensing regime is sufficient. She has identified that ISI is essentially unregulated in New Brunswick.

### Final Report On "Other-than-Life" Licensing Framework Delayed

In a liaison meeting with CAFII representatives on May 4/16, David Weir, New Brunswick's Deputy Superintendent of Insurance, advised that a final report containing recommendations to the government on "Opportunities for Reforming the New Brunswick Licensing Framework for Other-than-Life Insurance Agents and Brokers" had been delayed. Although two rounds of industry consultation on this matter have been completed, due to competing priorities and resource constraints within the FCNB, the Insurance Division's final positions on the licensing framework modernizations were not ready for submission at this time and there was no target date for their release.

## **Nova Scotia and Prince Edward Island**

### Nova Scotia And PEI Considering Joint Review Of Insurance Acts

In a May 4/16 e-mail to Brendan Wycks, Robert Bradley, PEI Superintendent of Insurance, indicated that PEI is not in a position to undertake a review of the life and accident and sickness provisions of its Insurance Act on its own in 2016. "The Department of Justice and Public Safety's resources are currently reduced from their usual level in past years. Accordingly, it would be very difficult for us to complete a revision of the parts on our own," he indicated.

However, Robert has had preliminary discussions with William Ngu, Nova Scotia Superintendent of Insurance, who indicated that his province may make a review of the life and accident and sickness provisions of its Insurance Act a near future priority. If that materializes, PEI would likely be able to find the resources to participate in a joint review of the relevant sections of both provinces' Acts, as a "non-lead" province.



# **Media Strategy & Implementation Plan**

for

# **CAFII**

May 18, 2016

# CAFI Media Strategy - Background

## Background

- **CAFI would like to implement a media strategy which builds on its 2014 External Communications Strategy & its proprietary research**
- **The strategy should help position CAFI with media and consumers as a credible source of information about Creditor's Group Insurance and Alternate Distribution Channels**
- **The strategy should be low risk, focusing on consumer education, media relationship development, and reactive media relations**

## Potential Challenges

- A media relations strategy focused on CAFI promoting its members' products may result in unintended consequences (e.g. more critical articles by misinformed reporters)
- There is little benefit for CAFI in getting involved through media in individual claims disputes between a member FI and its client (e.g. media may try to put CAFI in a position where it publicly contradicts a member FI)
- It is difficult to change the mind of a consumer reporter with respect to creditor insurance when they are already working on a story (e.g. they have already developed a theory and no longer have the time or patience to change it)
- The FI members have their own media relations capability, but some have less insight into creditor insurance & alternative distribution
- CAFI needs to build its media relations capacity and its ability to respond to enquiries from PR people at member firms over time

***So what should our strategy be?***



# A Media Strategy Focused on Consumer Education

## Current State:

Biased reporting based on myths

Difficult to change entrenched views

Media relations not a core skill

Regulators expect industry to explain its products & practices

## Desired State:

Source of easy to find information on product choice, channels & benefits

More informed media & consumers

Overall tone of reporting improved

## Solution:

Focus on consumer education

Build a consumer-friendly section of website & promote through SEO

Populate website with value-added product info & tips

Engage media with timely tips, research & helpful info

Respond to media in a timely manner

CAFI's media strategy will be built around training designated staff to excel in the communication aspects of their mandates, and on these core initiatives

Build a popular repository of helpful consumer information



Educate media & engage them before they become too negative



Collaborate with member firm PR teams to build a coordinated approach

# CAFI Media Strategy – Role of S2C

## How S2C can help

- **Recommend and manage design changes to make the CAFI website more appealing for consumer and media, and to increase traffic to it**
- **Generate content for the website that will address the needs of reporters, consumers and FI member PR teams**
- **Review existing CAFI research & content on consumer education & make it suitable for use with media & consumers**
- **Recommend seasonal themes and create content to support them that will be attractive to reporters and consumers**
- **Recommend research-based topics of use to the public**
- **Serve as media spokesperson & provide advice and counsel on how to handle media issues**
- **Develop and deliver the necessary protocols and training to help designated CAFI staff excel in the communication aspects of their mandates**
- **Write and edit news releases**
- **Recommend and help implement an outreach program to FI member PR teams**

# CAFI Media Strategy - Deliverables

## Key Deliverables

### **Key Deliverable # 1:** *Make CAFI's website more appealing to consumers and media, and increase traffic to it*

- a) Assess the current website, recommend design changes, & provide costing so a public section can be created for consumer & media education & manage its implementation
- b) Create content, utilizing existing research, that should be placed on the website to meet external communication objectives with consumers & media
- c) Provide recommendations & costing that will improve the SEO capability of the website, & manage its implementation

### **Key Deliverable # 2:** *Enhance the external communications capability of CAFI*

- a) Serve as media spokesperson for CAFI as required & until in-house capability is ready
- b) Develop key messages for use with media & consumers
- c) Draft press releases & articles as needed, including consumer tips related to seasonal themes
- d) Recommend & manage research based surveys for media & consumer consumption
- e) Help in the preparation of presentations

# CAFI media strategy - Deliverables

## Key Deliverables

**Key Deliverable # 3:** *Develop and deliver the necessary protocols and training to help designated CAFI staff excel in the communication aspects of their mandates.*

- a) Provide advice & counsel on media issues management
- b) Provide media relations training to a designated staff member (s) so they understand how to deliver a rapid response media capability in a prudent manner
- c) Create protocols for staff to follow on how to deal with media






**Key Deliverable # 4:** *Implement an outreach program to FI member PR teams to increase their awareness of CAFI and its new website capabilities*

- a) Send an email letter to selected FI member PR team members introducing CAFI
- b) Meet with interested FI member PR team members to discuss mutually beneficially activities
- c) Organize a reception for selected FI PR team members

# CAFI – Current Website Rating







*As the original CAFI website was designed for member use, it has a number of issues that must be addressed before it can serve as an effective media & consumer education site.*

Critical issue =  Needs improvement = 

CRITICAL	SCORE
Responsive Design	
Mobile Site Speed Test	
Desktop Site Speed Test	
Telephone Optimization	
Rel = Publisher	
Google My Business	

# CAFII – Current Website Rating

Critical issue =  Needs improvement = 

CRITICAL	SCORE
Google Social	
Online Reputation	
Bing Places	
Title Tag + Meta Tag	
Optimized Content	
Internal Linking	

# CAFI – Website Design

## Project elements of redesign

<b>Digital Marketing Analysis</b>	<ul style="list-style-type: none"><li>• An in-depth dive into the data needed to make the most effective public website possible. Including: language, intent, search volume, trend data, geographic data and competitive analysis. Culminating in an in-person presentation of the insights and opportunities as well as collaboration on mock-ups, site navigation mapping and content creation strategy.</li></ul>
<b>Responsively Designed Public Facing Website</b>	<ul style="list-style-type: none"><li>• This website will be created based on the data obtained in the Digital Marketing Analysis and will incorporate all best practices for search engine optimization. This will ensure the best possible launching point for the continuation of an online marketing program as we move ahead.</li></ul>
<b>Rel = Publisher</b>	<ul style="list-style-type: none"><li>• Is a “snapshot” of your business that should appear on the top right of the screen in a Google search for your business.</li><li>• We will create this for you which will increase: on page visibility, search rankings and user experience for a potential prospect.</li></ul>

# CAFI – Website Design

## Project elements of redesign

<b>Google My Business</b>	<ul style="list-style-type: none"><li>• On mobile devices, Google prefers to show Google My Business search results first.</li><li>• We will claim, verify and optimize your Google My Business Account.</li><li>• This is critical as it would allow you to win on Google for both your website as well as your Google My Business account giving you two chances to secure leads while knocking a rival further down the search results.</li></ul>
<b>Strategic Title, Meta, H and Image Tags</b>	<ul style="list-style-type: none"><li>• Tags are foundational in search engine optimization as they are one of the many ways a search engine knows to index your site. They also act as information sources for the end user.</li></ul>



# CAFI media strategy – Website Design

## Project elements of redesign

<b>Strategically Optimized Content</b>	<ul style="list-style-type: none"><li>• We will align your content with what potential prospects are looking for, before creating optimized content on up to 12 new pages of your website.</li></ul>
<b>Strategic Internal Linking</b>	<ul style="list-style-type: none"><li>• We will link non-branded keyword terms within the body of optimized content on your web pages helps to move Google Trust through your site in the preferred manner for search engines.</li></ul>
<b>Training and Support</b>	<ul style="list-style-type: none"><li>• Upon launch, we will train you on your new website. You will be empowered to update images, blogs and add and delete elements from your page.</li></ul>

## What will it cost?

**There are 3 components of the budget:**

- 1) Cost of redesigning the landing page and consumer components of the CAFI website to make it more attractive to consumers & media -- \$9,510**
- 2) Cost of establishing & running a successful SEO initiative to drive more traffic to the CAFI website -- \$185 per month (\$2,200 p/y)**
- 3) Cost of implementing the media relations and consumer education strategy -- \$40,000**

**Total investment for one year: \$51,730**

# Your Consultant - David Moorcroft

**David Moorcroft** is the founder and president of Strategy2Communications Inc., a boutique public relations firm that specializes in translating corporate strategy into meaningful communication for multiple stakeholder groups including investors, employees, communities, government and media.

He is also a senior associate of The Lanes, a global association of leading public affairs practitioners. S2C can utilize people and resources from The Lanes on behalf of its clients when needed.

Born in Montreal, David attended Concordia University where he graduated with honours. After college, he joined a small public relations firm and then worked as a business writer and magazine editor.

In 1979, he joined the Royal Bank of Canada where he worked his way up from Manager of Employee Communications to become Vice-President of Corporate Communications in 1993, and Senior Vice-President in 2000. During his leadership, RBC was selected Canada's Most Respected Corporation five times in a row, its President was chosen as Canada's CEO of the Year, and RBC's communications team was honoured with 50 national and international awards for excellence in communications. David served as RBC's chief public spokesperson with the media.

Since retiring from RBC in 2008, David has been consulting with companies across North America in a variety of industries including financial services (RBC), Private Equity (Legacy Partners Wealth Strategies) energy (Direct Energy), travel (EF Educational Tours) and not-for-profits.

David is a member of the International Association of Business Communicators and the North American Travel Journalists Association.