

## CAFII Executive Operations Committee Teleconference Meeting Agenda

**Date:** Tuesday, May 26, 2020  
**Chair:** M. Boyle  
**Location:** Teleconference-Only

**Time:** 2:00 – 4:30 p.m. EST  
**Dial-in:** 416-477-0921/514-447-8925/1-888-543-2249  
**Pin #:** 1500

1. Item	2:00 p.m.	Presenter	Action	Page #	Document
Call to Order		M. Boyle			
2. Consent Items	2:05 p.m.	Presenter	Action	Page #	Document
a. Regulatory Update				3	✓
b. Consultations/Submissions Timetable				5	✓
c. Regulator and Policy-Maker Visit Plan				20	✓
d. Summary of Board and EOC Action Items				22	✓
3. Financial Management Matters	2:07 p.m.	Presenter	Action	Page #	Document
a. CAFII Financial Statements as at April 30/20		T. Pergola	Update	23	✓
b. Forecast For CAFII 2020 Fiscal Year		T. Pergola	Update	27	✓
4. Committee Updates	2:15 p.m.	Presenter	Action	Page #	Document
a. Research & Education		A. Stuska	Update		
i. 2020 CAFII Research Options, Including Proposed Engagement of Melissa Carruthers, Deloitte Canada For CAFII-Commissioned Thought Leadership/Perspectives Paper On “The Future of Credit Protection Insurance in Canada”		A. Stuska/K. Martin	Update/ Discussion	30	✓
b. Market Conduct & Licensing		B. Kuiper	Update	37	
c. Media Advocacy		C. Blaquiere	Update		
i. Proposed CAFII Motion Graphic Website Video On Credit Protection Job Loss Insurance: Proceed At This Time Or Defer?		K. Martin	Discussion	38	✓
ii. Media Consultant Report On CAFII’s 2019 Media Relations and Website Communications Achievements		C. Blaquiere/ K. Martin	Update	41	✓
d. Travel Medical Insurance Experts		A. Baig	Update	43	
e. Networking & Events		S. Kirby/J. Lewsen	Update		
i. June 9/20 CAFII Emerging Issues Webinar On “The Looming Impact Of Climate Change Upon The Life and Health Insurance Industry,” With Guest Presenters From Deloitte Canada		K. Martin		45	✓
5. Recent and Upcoming Strategic and Regulatory Initiatives	2:40 p.m.	Presenter	Action	Page #	Document
a. Impact Of COVID-19 On CAFII Members, Credit Protection Insurance and Travel Insurance					
i. Highlights of May 7/20 and May 21/20 Meetings CAFII Directors and Designates COVID-19 Information-Sharing Group		K. Martin/B. Wycks	Update	46	
ii. Insights Gained From Weekly CAFII/CLHIA/THIA Calls Re Impact Of COVID-19 On Travel Insurance Industry		B. Wycks/K. Martin	Update	47	
iii. Possible CAFII Requests For Further Regulatory Forbearance Deadline Extensions To CCIR And AMF		K. Martin/B. Wycks	Update/ Discussion	48	
iv. Options For CAFII Around Media Proactivity and Website Enhancements Arising From COVID-19		K. Martin	Update/ Discussion	50	✓
b. Draft CAFII “Creative Solutions” Submission To AMF On How Industry Can Comply With Expectation That RADM Applies To Credit Card-Embedded Insurance Benefits		B. Wycks/ K. Martin/S. Kirby	Update	53	✓
c. CAFII Quarterly CPI Benchmarking Study With RSM Canada: Vetting By Stikeman Elliott Competition Lawyer; and Distribution of First Report		K. Martin	Update	59	✓
d. Proposed CAFII Response To CCIR/CISRO FTC Working Group Request That CAFII Undertake A Third Party-Conducted Survey And Provide A Report On CAFII Member-Utilized Incentives and Compensation Models		B. Wycks/K. Martin	Discussion	62	
e. Launch of Saskatchewan RIA Advisory Committee		B. Wycks/K. Martin	Update	63	

f.	Launch of CAFII EOC Working Group on Refining Dog and Pony Studios-Developed "CPI Industry Highlights" Slides (Produced From Willis Towers Watson Key Data Point Slides) For Future Use By CAFII and Its Members	K. Martin	Update	64	
g.	Recommendation That Launch/Work of CAFII EOC Working Group On Proposed Lower Dues Category Of CAFII Membership Be Deferred Until "New Normal" Emerges, Post-COVID-19	K. Martin/B. Wycks	Update/ Discussion	65	
h.	Postponement of Planned CAFII 2020 Atlantic Canada Visits To 2021 Due To COVID-19: Communication of CAFII's Plans To Insurance Regulators and Policy-Makers in NB, NS, PEI, and NF	B. Wycks	Update	66	✓
i.	Appointment Of Frank Lofranco As Deputy Commissioner, Supervision and Enforcement, Financial Consumer Agency of Canada	B. Wycks/K. Martin	Update/ Discussion	70	✓ (2)

6.	Governance Matters	3:40 p.m.	Presenter	Action	Page #	Document
a.	Departure of Natalie Hill For New Position Outside Managing Matters		B. Wycks	Update	76	
b.	Draft Minutes of April 28/20 EOC Teleconference Meeting		B. Wycks	Approval	77	✓
c.	EOC-Recommended Cancellation Of CAFII Annual Members' Luncheon For 2020		B. Wycks	Update	89	
d.	Rescheduling of October 6/20 CAFII Board Meeting; and Liaison Lunch and Industry Issues Dialogue With AMF Staff Executives To Thursday, October 8/20 or Thursday, October 15/20		B. Wycks	Update	90	
e.	CAFII 2020 Annual Meeting of Members On June 9/20		B. Wycks	Update	91	✓
i.	CAFII Board Chair and Vice-Chair Succession		B. Wycks/K. Martin		97	
ii.	Distribution of CAFII 2019-20 Annual Report In Conjunction With June 9/20 Annual Meeting		B. Wycks/K. Martin		98	
f.	Proposed New Approach For "CAFII Alerts"		M. Boyle		99	

7.	Other Business	4:00 p.m.	Presenter	Action	Page #	Document
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8.	In Camera Session	4:10 p.m.	Presenter	Action	Page #	Document
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9.	Tracking Issues	Presenter	Action	Page #	Document
a.	FCNB Insurance Act Rewrite (Including Linked Plan to Introduce an RIA Regime)				
b.	AMF Consultation on Updating Sound Commercial Practices Guideline				
c.	BC Drafting of Regulations To Implement Financial Institutions Amendment Act, 2019				
d.	FCAC: Phase 2 of Domestic Bank Retail Sales Practices Review				

**Next Board Meeting:** Tuesday June 9/20, 2:15 to 4:30 p.m., Teleconference-Only Meeting (Immediately Following CAFII 2020 Annual Meeting Of Members)

**Next EOC Meeting:** Tuesday, June 23/20, 2:00 to 4:30 p.m., Teleconference-Only Meeting

## **Briefing Note**

**CAFII EOC Meeting, 26 May, 2020—Agenda Item 1.**

**Call to Order**

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### **Purpose of this Agenda Item**

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Start of meeting.

### **Background Information**

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

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Update only.

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

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No Attachments.

## **Briefing Note**

### **CAFII EOC Meeting, 26 May, 2020—Agenda Item 2. Consent Items**

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#### **Purpose of this Agenda Item**

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

#### **Background Information**

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

- Regulatory Update
- Consultations/Submissions Timetable
- Regulator and Policy-Maker Visit Plan
- Summary of Board and EOC Action Items

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

No action required.

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

4 Attachments.



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**Regulatory Update – CAFII Executive Operations Committee, 19 May, 2020**

Prepared by Keith Martin, CAFII Co-Executive Director

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## Federal/National

### FSRA

*Huston Loke, Executive Vice President, Market Conduct, FSRA; Vice-Chair, CCIR; and Chair of the CCIR / CISRO Working Group on COVID-19, Comments on Market Forbearance.*

CAFII Co-Executive Director Keith Martin had a telephone conversation with Huston Loke of FSRA in his capacity as Chair of the CCIR / CISRO Working Group on COVID-19 on 13 May, 2020. The call was to explore the possibility of a further extension of the filing date for the CCIR Annual Statement on Market Conduct (ASMC).

Mr. Loke was extremely cordial and engaged, said that he was very sympathetic and aligned with industry's request, but that there were "more than one regulatory jurisdiction" in the CCIR that were reticent to offer any extensions, and that he felt that such a request for a further extension would not be well-received: "there are some around the table who will not agree to this, I would not want CAFII to waste its time asking." He added that some of the life insurers who participate in the ASMC had already submitted their responses, so some in the CCIR would ask why they can meet the already extended 1 July 2020 deadline while others say they cannot.

Mr. Loke said that he found the conversation valuable and that it would help him to understand current trends, and how FSRA can be supportive, in the current environment; and, as such, he requested a further telephone session with CAFII's Co-Executive Directors, himself, and 4-5 of his colleagues at FSRA. CAFII agreed to the request and we will be setting up a 45-minute meeting in the near future.

### Federal Consumer Agency of Canada (FCAC)

*FCAC Appoints Frank Lofranco as Deputy Commissioner*

In a 11 May, 2020 press release the Financial Consumer Agency of Canada (FCAC) announced the appointment of Frank Lofranco as Deputy Commissioner, Supervision and Enforcement. Reporting to the Commissioner, Mr. Lofranco will be responsible for providing strategic leadership and operational oversight for FCAC's supervision and enforcement activities.

The statement said that "Mr. Lofranco arrives at an important point in FCAC's evolution, as the Agency implements a new Financial Consumer Protection Framework set out in the Bank Act. The Agency also has new powers that strengthen its ability to protect financial consumers, including the power to direct a bank to comply with their legal obligations. Having recently come into force, these powers align the Agency with other regulators in Canada and abroad."

The release added that "Mr. Lofranco's proven track record and leadership in financial sector regulation will be invaluable in enabling FCAC to perform its newly expanded and strengthened supervisory role."

The biographical notes on the appointment state that Frank Lofranco is a seasoned leader with significant expertise and experience in regulatory compliance and enforcement, strategic policy, program operations, project management, and business transformation.

Before joining FCAC, Mr. Lofranco was the Deputy Superintendent, Operations and Corporate Services, at the Office of the Superintendent of Bankruptcy, and prior to that he was Vice President of Scotiabank's Global Anti-Money Laundering Operations.

Mr. Lofranco also has held executive positions at the Treasury Board Secretariat, Human Resource and Skills Development Canada, FedDev Ontario, and the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC). During his 10 years with FINTRAC, he served in multiple roles including Deputy Chief Compliance Officer.

Mr. Lofranco holds a Master of Public Administration (MPA) from the University of Guelph, and a Bachelor of Public Policy and Administration (PPA) from York University.

## Competition Bureau of Canada

### *Competition Bureau Provides Guidance on Competitors Collaborating During the COVID-19 Pandemic*

Blakes law firm has issued an interpretation of the guidance from the Competition Bureau on competitors' collaborating. The interpretation notes that "the Competition Bureau (Bureau) has issued a statement directed at businesses that are considering collaborating with competitors during the COVID-19 pandemic, providing additional enforcement guidance and a process for obtaining collaboration-specific guidance from the Bureau." Blakes states that the key takeaways are that:

- *The Bureau will generally refrain from scrutinizing competitor collaborations aimed at responding to COVID-19 issues provided they are limited in duration and scope, undertaken in good faith and do not go beyond what is needed.*
- *The Bureau has set up a team to assess proposed competitor collaborations and assist the Commissioner of Competition (Commissioner) in providing parties with "informal guidance."*
- *Parties seeking the Bureau's informal guidance will be required to submit certain information, and any guidance will be time limited and need to be revisited after an initial period.*

The interpretation further noted that "in an April 8, 2020, statement, the Bureau recognized the exceptionally challenging circumstances that Canadian businesses are facing and acknowledged that collaborations among competitors may help businesses ensure Canadians are able to access products and services that are "critical" to them, such as the "necessities of life." " Blakes notes that in light of these challenging circumstances, the Bureau stated it will generally refrain from scrutinizing competitor collaborations of a limited duration and scope during the COVID-19 crisis, "where there is a clear imperative for companies to be collaborating in the short-term to respond to the crisis, where those collaborations are undertaken and executed in good faith and do not go further than what is needed."

## Provincial/Territorial

### British Columbia

#### BC Financial Services Authority

*BCFSA Issues Notice that it was Applying Temporary Easing Measures to BC Insurance Companies as Announced by the Office of the Superintendent of Financial Institutions (OSFI)*

In a 30 April, 2020 notice BC FSA said that “the BC Financial Services Authority (BCFSA) is applying temporary easing measures to capital adequacy requirements announced on April 9, 2020, by the Office of the Superintendent of Financial Institutions (OSFI).” Among those measures, BC FSA noted that

*In situations where payment deferrals for mortgage loans, leases or other loans (for example, private debt, small business loans, and mid-market commercial loans) are granted by insurers because of the impact of COVID-19, these loans and leases will continue to be treated as performing assets under the LICAT guideline. This means that these assets will not fall into the impaired and restructured category and, therefore, will not be subject to a higher credit risk factor as a result of these payment deferrals. Insurers should continue to assess the credit quality of these borrowers and follow sound credit risk management practices.*

### Quebec

#### Autorité des marchés financiers

*CLHIA Receives Notification of Consultations, Delayed Filing Date for Survey on Trip Cancellation Insurance*

Fourteen insurance companies received a very detailed survey on trip cancellation insurance from the Autorité des marchés financiers (AMF) in early May, 2020, with instructions to return the survey by 22 May, 2020. The CLHIA intervened, noting many confusing elements to the survey, components that the insurers cannot complete, an unrealistic timeline for completion, and the lack of consultations with industry prior to issuing the survey. CAFII has learned from the CLHIA that the AMF has acknowledged many of these points, has suspended the survey temporarily, and will be consulting with industry on the survey prior to issuing another request for it to be filled out.

On Friday, 15 May, 2020, CAFII learned from the Travel Health Insurance Association (THIA) and CLHIA that the AMF had just reissued its trip cancellation survey of insurers, after just a three day pause, with the following deadlines for submission of the data it requests: 30 June, 2020 for **Sections 1 and 2** (revised sections of the questionnaire); and 29 May, 2020 for **Sections 3 and 4** (unaltered sections of the original questionnaire).

## New Brunswick

### Financial and Consumer Services Commission of New Brunswick

*Financial and Consumer Services Commission of New Brunswick Tells Insurers Not to Hold In-Person AGMs in New Brunswick, and Suspends LLQP Exam Sessions*

The New Brunswick Financial and Consumer Services Commission (FCNB) has announced that

*Any New Brunswick incorporated insurers planning to hold annual general meetings (AGMs) in the near future should either postpone or hold the meeting virtually. In-person AGMs at this time could result in large public meetings, which would be contrary to current public health advice.*

The FCNB also announced that

*Given recommendations related to COVID-19 pandemic with respect to social distancing and limiting gatherings in large groups, FCNB has suspended the LLQP exam sessions until further notice. For those impacted by these cancellations, certification for LLQP candidates has been extended to 31 December 2020.*

## International Developments, Research, and Thought Leadership

### Prosper Canada

*Prosper Canada Launches a New Website Hub To Provide Canadians with Information in One Place on Financial Resources and Government Programs Related to COVID-19*

Prosper Canada, an organization dedicated to providing Canadians with financial empowerment and whose financial supporters include Canada's banks, has launched a new portal that provides information in one place to Canadians on the various programs and supports that are available. The intention is to enhance the content in the coming weeks, and to launch a bilingual version in the next few weeks as well. The portal can be found here:

<https://learninghub.prospercanada.org/knowledge/managing-financial-well-being-during-tough-times/>

Liz Mulholland, the CEO of Prosper Canada who has attended several CAFII events in the past, has invited CAFII Co-Executive Director Keith Martin to join an Advisory Group that was originally intended to provide advice on a new capital campaign, but which will now pivot to a new role in the current circumstances, as described in this snippet from a recent email from Liz Mulholland sent to Advisory Group members:

***We see this moment as an opportunity for Prosper Canada to shine a light on the need to address the growing financial vulnerability of Canadian households – connecting people to relief in the short term, helping them build a plan for the recovery, and putting in place longer term policies and supports that will help Canadians build their financial resilience against future shocks. We are working with our KCI fundraising consultants to write and publish media articles to share this story.***

## Accenture

### *Accenture Study Finds that COVID-19 Will Reinforce Employee Expectations for Workplace Flexibility*

Teleworking and working from home will reinforce expectations for more workplace flexibility from insurance employees, especially younger workers who are comfortable with technology, and want flexibility in their work environment, according to a new Accenture study. According to the study, 88% of employees want flexible work schedules, 82% say technology plays an integral part in where they decide to work, and 66% of employees want a compressed work week.

Remote work was already becoming well-established prior to the pandemic, with 9% of the U.S. workforce already working remotely before the pandemic. Insurers are now finding this trend is accelerating. Among the lessons learned is that:

- Freelancers and contractors bring flexibility and the ability to scale the workforce up and down when needed.
- Tapping into the rising number of on-demand workforce marketplaces and crowdsourcing sites can significantly enhance an organization's agility.
- HR leaders must focus their strategies on ensuring that people have the right skills for the new jobs that technology enables. Skills associated with data science, machine learning and deep learning are among those in high demand. Additional new roles will emerge as humans and machines collaborate in a new environment.
- There is a valuable potential pool of experienced senior talent for insurers to tap into, with more workers delaying retirement out of financial necessity and to stay active.

## RSM

### *RSM Researcher Says that the Use of Term "Business Interruption Insurance" Will Create a Public Relations Disaster for the Insurance Industry*

Robert Muir-Wood, Chief Research Officer at RSM, feels that the insurance industry set itself up for a public relations disaster when it comes to business interruption claims, and it should be prepared to be called out more often on the name given to the coverage. Calling it "business interruption" when the product wouldn't actually cover some business interruption events was a mistake, he says. "In retrospect, it was not smart PR for insurers to provide a product called 'business interruption,' but with a clause in the small print explaining why it would not pay out in a pandemic."



In most instances, business interruption is more likely to occur because of a natural catastrophe, not a pandemic. “The coverage should have been clearly labelled ‘Fire and NatCat BI,” he said during RMS’s conference Exceedance 2020. Partly as a result of the misnomer, groups such as business owners, lawyers, and political leaders in the United States are now calling on insurers to recognize the pandemic as a business interruption loss and allow claims to be processed, Muir-Wood explained.

A number of American states drew up proposals to legislate U.S. property and casualty insurers to pay retroactively for BI claims due to the pandemic. The American Property Casualty Insurance Association responded that such a move would cost P&C insurers between \$220 billion and \$383 billion per month. The U.S. insurers’ association noted that U.S. carriers handled three million claims during the 2005 hurricane season and the current pandemic could push through 30 million claims.

Muir-Wood called the reaction to lock horns with insurers a classic case of “coverage expansion post-event loss amplification,” adding that this won’t shine a bright light on the industry. “In the time of the greatest national disaster, it does not look good for insurers to be avoiding their share of the economic pain.”

In Canada, the P&C industry has been public about the fact that pandemic coverage is generally not offered in basic commercial insurance packages. That said, Insurance Bureau of Canada (IBC), the country’s trade association for insurers, has advised clients to check with their brokers and insurers to confirm whether or not they have coverage, since each commercial policy is tailored to the specific client.

Intact reported that only a small number (0.5%) of its clients would be eligible for such protection thanks to a specialized program. For the rest, they’re seemingly out of luck unless they suffer physical damage to the property by an insured peril.

“Beyond this first line of defence, we have exclusions in our policy language that make it very clear that the inability to use or access a property – even in times such as this, in a lock-down – does not qualify for coverage,” Darren Godfrey, senior vice president of commercial lines for Intact, said during a conference call where it was also noted that the insurer has set aside more than \$80 million to account for possible commercial claims specifically due to COVID-19.

With the insurance industry taking punches from all comers, Muir-Wood expects the “post-event loss amplification” to pick up beyond the lockdown. He cited data that showed a possibly elevated level of hurricane activity for this year (Canadian scientists, meanwhile, are predicting an above-average wildfire season in Western Canada as well). Any spot where policy language would exclude a claim could come under attack, he suggested.

As far as pandemics are concerned, Muir-Wood said that even setting up some sort of relief fund to provide coverage would be fraught with challenges. “Pandemic risk pooling proposals are appearing,” he observed. “But this is a risk that cannot be diversified across countries or from the wider economy. If an insurer promises to pay for lost business in a pandemic, in what uncorrelated assets do they reserve?”



## Global Risk Institute (GRI)

### *Global Risk Institute (GRI) Makes Recommendations on Long-Term Policies Post-Pandemic, Including for Regulatory Authorities*

The Global Risk Institute is a Toronto-based organization that is a “preeminent source of ideas on the management of emerging risks and trends for financial services organizations.” The GRI website says that “the GRI was founded in 2011 as a result of an idea conceived by Mark Carney, Governor of the Bank of England, and Jim Flaherty, former Canadian Minister of Finance. There were 16 founding financial institutions, with the Governments of Canada, Ontario, TD Bank Group, and Manulife Financial acting as the core architects.” Former GRI President and CEO Richard Nesbitt has been a keynote speaker at CAFII’s Annual Members’ Luncheon.

James K. Stewart, Executive in Residence, Global Risk Institute, and Hugh O'Reilly, Executive in Residence, Global Risk Institute have produced a commentary in which they

*... propose guidelines based upon three phases to assist policy-makers and regulators in making balanced choices during the crisis, including assessing the tradeoffs and issues for the recovery and expansion after the crisis. In doing so, we recognize that the nature, magnitude and timing of both the economic recovery and future expansion are highly uncertain. The post-crisis phases may vary significantly among industries, regions and countries. Major risks include the potential for renewed outbreaks, and the length of time until most nations achieve comprehensive COVID-19 “test and trace” capabilities. There is also the critical uncertainty surrounding when a vaccine will be developed, produced, and made widely available to meet Canadian and global needs. Accordingly, the uncertainty around these risks as of mid-April and the likely substantial variation in timing of and boundaries among our three phases bear emphasis.*

The authors then go on to recommend the following guidelines for policy-makers:

- 1. Pandemic phase where urgency, magnitude and, often, coordination aspects of choices and responses focus on short-term needs and dominate decision-making.*
- 2. Transition phase centred upon an exit strategy to ease back emergency initiatives with a prudent, viable approach that facilitates post-crisis success.*
- 3. Sustainable path phase after the transition that addresses (i) longer-term issues and opportunities existing before the pandemic that were temporarily de-emphasized during the crisis, and (ii) transformative trends resulting from the pandemic.*

The authors then state that “using this approach, we consider several risk management elements for policy and regulatory decision-making. While assessing the full range of policy and regulatory issues is far beyond the scope of this commentary, we hope to spark conversation and analysis so that these and other risks can be better identified, assessed and managed.” The authors also conclude that

*Governments and regulators are under pressure to respond quickly and meaningfully with effective emergency policies to save those afflicted with significant liquidity issues. Yet, care needs to be exercised to avoid providing undue aid to structurally over-leveraged businesses and consumers. These and other policies to provide temporary relief to businesses and individuals risk unintended consequences, perverse incentive effects and moral hazard.*

The full report can be found here:

[GRI "Long Term Thinking in Extraordinary Times"](#)

*Global Risk Institute Report on Regulatory Forbearance in the Age of COVID-19*

Michael Stramaglia, Executive in Residence, Global Risk Institute writes in a commentary that

*... financial regulators have begun to implement a wide range of special policy actions. These include a number of forbearance measures, whereby regulated financial institutions have been granted various forms of explicit “relief” relative to established regulatory requirements. The fundamental economic and public policy intents underlying this regulatory relief are laudable, and these measures are well-positioned to play a decisive role in maintaining financial system resiliency.*

*However, it is important to recognize that any forbearance of established enterprise risk management (ERM) systems introduces the associated potential for unintended consequences. For example, these actions can create the erroneous perception that risk standards are being unduly “relaxed”, precisely at the time when they are needed the most. Dynamic risk limits may also inadvertently mask the extent to which inherent risk positions have migrated through the course of the crisis. Any resulting stakeholder misstep could undermine the overall effectiveness of these relief actions and generate collateral impacts that may be felt far beyond the course of the immediate crisis.*

The author states that four key principles should be used by regulators should be used by regulators in offering forbearance. These principles have direct applicability to some of the forbearance requests and responses in the insurance industry. The first recommended principle is the “fit-for-purpose” principle: “The fit-for-purpose” principle embodies this fundamental linkage between risk actions and objectives, reflecting the tenet that ERM is a means to an end, not an end in itself.” The second is proportionality:

*Proportionality is a fundamental ERM principle and has applicability at all levels of risk portfolio consolidation. Simply put, this principle prescribes that risk management resources should be focused on the most significant risks and opportunities. It also implies that a “one size fits all” approach is generally not appropriate for managing risks within a broader portfolio or system.*

The third principle is a progressive approach: “This often demands a progressive approach to development of risk responses, which embodies a number of interdependent attributes.” The final principle is practicality:

*Risk responses must be feasible to apply in practice and the implementation costs should not be disproportionately large relative to the expected risk mitigation benefits. This requires an intimate understanding of the operating environment in which they are being applied and a pragmatic approach to balancing the inevitable trade-offs between ideals and expediency. A raging crisis is never a good time to let perfection be the enemy of good.*

The full report can be found here:

[Regulatory Forbearance in the Age of COVID-19](#)

## Appendix A

### CAFII Alerts 18 March 2020 – 19 May 2020

<b>Date of Email Alert</b>	<b>Topic of CAFII Alert</b>
14 May 2020	Life Insurance Sales Look Great: American Council of Life Insurers (ACLI) President
14 May 2020	Customers Were Ready For A New Insurance Experience Even Before Coronavirus
14 May 2020	LIMRA Survey: Insurance Companies Making Changes to New Business in Light of COVID-19
14 May 2020	Opinion: Is Insurance A Commodity?
13 May 2020	COVID-19 Hits Life Insurance Application Activity In The U.S.
13 May 2020	Crisis-Driven Adaptations Are Good For Insurers' Future
13 May 2020	Opinion: How Has Online Shopping Affected Insurance?
12 May 2020	FCAC Appoints Frank Lofranco As New Deputy Commissioner, Supervision and Enforcement
11 May 2020	COVID-19 Promotes Acceleration of Everything Digital: Sun Life Exec
11 May 2020	Some Americans Are Being Turned Away Trying to Buy Life Insurance
8 May 2020	BCFSA Allows BC Charities To Accept Donated Life Insurance Policies
8 May 2020	Flood of COVID-19-related lawsuits expected to hit courts
8 May 2020	CCIR/CISRO Launch "Fintech/Insurtech Advisory Hub"
7 May 2020	Manulife CEO Urges Countries To Move Slowly On Re-Opening To Avoid A Second Wave Of Coronavirus
7 May 2020	Coronavirus Business Interruption Battle Pits Business Lobby Against Itself
7 May 2020	Underwriting Among Early Effects Of COVID-19 On Life Insurance
7 May 2020	Disability Insurance Awareness Months Slips In (In The US)
7 May 2020	Special Spring 2020 Communique Newsletter From Canadian Council of Insurance Regulators (CCIR)
6 May 2020	Sun Life Profit Falls As CEO Says Coronavirus Will Impact Insurers For Rest Of The Year
5 May 2020	US Insurance Market Trends During The Pandemic: McKinsey Interview With Jennifer Fitzgerald, CEO of Policygenius
5 May 2020	The Pandemic's Impact on North American Life Insurance Business and IT Plans
5 May 2020	Swiss Re COVID-19 Consumer Survey: Financial anxiety, demand for insurance products accelerates across Asia Pacific Region
5 May 2020	FSRA Extends Deadline For Insurance Agent Licence Renewals By 60 Days
4 May 2020	Insurance Scenario Planning For The Day After Coronavirus
4 May 2020	COVID-19 Crisis Sparks Greater Interest In Life Insurance
4 May 2020	Canadian Life and Health Insurers Adjust Products and Procedures In Response To COVID-19 Pandemic
1 May 2020	Coronavirus Spurring Big Claims Volume In Life Insurance
30 April 2020	Stories Of Helpful Things Done By Banks In The Pandemic
30 April 2020	NGOs Call For Insurers To Champion A 'Green Recovery' From Pandemic
30 April 2020	Mandatory Naming, Greater Penalties And Clarified Objectives: The New FCAC Provisions

<b><u>Date of Email Alert</u></b>	<b><u>Topic of CAFII Alert</u></b>
30 April 2020	CBC Marketplace Story on Credit Card Balance Protection Insurance Refunds
29 April 2020	Recovery of the Canadian Life Insurance Market (LIMRA MarketFacts, Number 2, 2020)
28 April 2020	FSRA Details Licensing, CE Extension For Life Agents
24 April 2020	Why Canada's Big Banks Can't Afford To Screw Up Their Response To The Coronavirus Crisis
24 April 2020	COVID-19 Is A Digital Reality Check For Financial Institutions And Insurers
23 April 2020	FSRA Appoints Former Canadian Life Insurer CEO To Its Board of Directors; and Government Of Ontario Extends The Terms Of Three Current FSRA Directors
23 April 2020	CCIR Publishes Its 2020-23 Strategic Plan, Without Meaningful Industry Consultation
21 April 2020	"CCIR Communique #2: Covid-19" Focusing On Fair Treatment Of Customers During The Pandemic
20 April 2020	FCNB and BCFSR Responses To CAFII's COVID-19 Regulatory Forbearance Request Letter
17 April 2020	Canada Life Cuts Premiums For Group Health Insurance Plans
17 April 2020	Ontario Makes Regulatory Changes For Easier Auto Insurance Rebates
16 April 2020	Fasken Financial Services Bulletin On "COVID-19 Response: Measures Affecting Insurers, Agents and Brokers"
16 April 2020	Ontario Changes Law To Allow Auto Insurers To Provide Rebates During Pandemic
16 April 2020	Highlights of April 15/20 Willis Towers Watson Webinar On COVID-19's Impact On The Life Insurance Industry
14 April 2020	LIMRA Survey Reveals Impact Of COVID-19 On Canada and US Life Insurance
13 April 2020	Life Insurance Industry Responds To COVID-19 (An Interview With CLHIA President Stephen Frank)
13 April 2020	Willis Towers Watson Webinar On "Impacts On Life Insurers From COVID-19": Wednesday, April 15/10, 1:00 to 2:30 p.m. EDT
13 April 2020	"OSFI Relaxes Capital Rules For Banks, Insurers"; and "Canadian Securities Administrators (CSA) Pauses Policy Work"
13 April 2020	Competition Bureau Relaxes Collusion Enforcement For Companies Working Together On Pandemic Response
8 April 2020	McMillan Litigation Bulletin: Heading Towards an Epidemic of Class Actions
8 April 2020	McMillan Competition Law Bulletin: Cartels In A Time Of COVID
6 April 2020	Global Federation of Insurance Associations (GFIA) Issues Warning About Forced Coronavirus Payouts; and National Class Action Lawsuit Launched Against Canadian Indemnity Insurers Refusing To Pay Coronavirus-Related Claims
3 April 2020	Deloitte Canada's View On "COVID-19: The Impact On The L&H Insurance Industry In Canada"
3 April 2020	Credit Insurance Sector In The U.S. Could Face A Massive Coronavirus Hit
3 April 2020	Asian Insurer Enjoys Surprise Surge From Coronavirus Coverage
2 April 2020	CCIR Responds Directly To CAFII's Postponement/Deferral Request: Industry Filing Deadline Date For 2020 CCIR Annual Statement on Market Conduct (ASMC)
2 April 2020	CCIR Extends Filing Deadline For 2020 Annual Statement On Market Conduct By 60 Days To July 1, 2020
1 April 2020	COVID-19: North American life insurers' risks are escalating

<b><u>Date of Email Alert</u></b>	<b><u>Topic of CAFII Alert</u></b>
1 April 2020	COVID-19: OSFI Announces Regulatory Flexibility
30 March 2020	For Insurers, Coronavirus Provides A Lesson In Not To Fail Customers
30 March 2020	Ontario's FSRA Announces Regulatory Changes In Light Of COVID-1
25 March 2020	Insurance Faces A Crossroads In Post-Coronavirus World
23 March 2020	Quebec and Ontario Blue Cross Suspend Sales Of Travel Insurance
21 March 2020	Insurance Companies Are Failing The Vulnerable In Vulnerable Times
19 March 2020	Why some Canadians abroad aren't rushing home, despite Trudeau's plea--Some travellers say they're safer from COVID-19 where they are, but their medical insurance could run out
19 March 2020	Banks, Insurers Seek Court Approval to Hold Online Annual Meetings Amid Coronavirus Outbreak
18 March 2020	Ontario To Waive Three-Month OHIP Waiting Period For Returning Canadians
18 March 2020	Canadians Seek Insurance Clarity Amid Continuing Uncertainty



## CAFII Consultations/Submissions Timetable 2020-21

Regulatory Issue	Deliverable	Deadline	Accountable
BC Ministry of Finance 10-Year Review of FIA (Initial Public Consultation Paper released June 2, 2015)	<ul style="list-style-type: none"> <li>FICOM-led Consultation on Industry Funding of BCFSa (successor regulator)</li> <li>CAFII submission on Industry Funding of BCFSa</li> <li>Revised Financial Institutions Act (FIA) tabled in the legislature</li> <li><b>CAFII submissions on draft Regulations in support of Revised FIA</b></li> <li>CAFII Meeting with Ministry of Finance staff executives</li> <li><i>CAFII Follow-up Meeting with Ministry officials Re Credit Protection Insurance Sales Practices and Related Fair Treatment of Consumers Considerations</i></li> </ul>	<ul style="list-style-type: none"> <li>Released June 10, 2019</li> <li>July 24/19</li> <li>October 21/19</li> <li><b>Q3 2020 through Q4 2021</b></li> <li>October 25/19</li> <li>Q2 or Q3 2020</li> </ul>	<ul style="list-style-type: none"> <li>Mkt Conduct &amp; Licensing Committee; Co-EDs to monitor</li> </ul>
AMF Sound Commercial Practices Guideline Update	<ul style="list-style-type: none"> <li>AMF releases consultation document</li> <li><b>CAFII submission on updated Sound Commercial Practices Guideline</b></li> </ul>	<ul style="list-style-type: none"> <li>Q2 or Q3 2020 (expected)</li> <li><b>Q2 or Q3 2020</b></li> </ul>	<ul style="list-style-type: none"> <li>Mkt Conduct &amp; Licensing Cttee; Co-EDs to monitor</li> </ul>
Quebec Bill 141 and Related Regulations (including Regulation Respecting Alternative Distribution Methods, RADM)	<ul style="list-style-type: none"> <li>National Assembly passes Bill 141 (certain Bill 150 provisions included)</li> <li>AMF releases Regulation Respecting Alternative Distribution Methods (RADM)</li> <li>CAFII submission on Regulations Supporting Bill 141</li> <li>AMF Response to Feedback on RADM</li> <li>Implementation/In-Force Period for RADM (varies by Article/Chapter)</li> </ul>	<ul style="list-style-type: none"> <li>June 2018</li> <li>October 10, 2018</li> <li>December 10, 2018</li> <li>April 17/19</li> <li>June 13/19: Chapter 2; June 13/20: Chapter 3</li> </ul>	<ul style="list-style-type: none"> <li>Mkt Conduct &amp; Licensing Committee; Co-EDs to monitor</li> </ul>
CCIR/CISRO Guidance: Conduct of Insurance Business and Fair Treatment of Customers	<ul style="list-style-type: none"> <li>CCIR issues final version of FTC Guidance document</li> <li>Meeting with CCIR/CISRO Working Group re Guidance implementation</li> <li>Meeting with CCIR/CISRO Working Group re Guidance implementation</li> <li>Meeting with CCIR/CISRO Working Group re Guidance implementation</li> <li><i>Meeting with CCIR/CISRO Working Group with expectation of CAFII submission re incentives and compensation models used by CAFII members in-market</i></li> </ul>	<ul style="list-style-type: none"> <li>September 27, 2018</li> <li>November 28, 2018</li> <li>March 27, 2019</li> <li>March 5/20</li> <li><u>June/20 meeting postponed: COVID-19</u></li> </ul>	<ul style="list-style-type: none"> <li>Mkt Conduct &amp; Licensing Cttee; Co-EDs to monitor</li> </ul>
CCIR 2020-2023 Strategic Plan	<ul style="list-style-type: none"> <li>CCIR releases preliminary consultation draft of 2020-23 Strategic Plan</li> <li>CAFII 2019 Stakeholder Meeting With CCIR Focused On Strategic Plan</li> <li><u>CCIR publishes final version of 2020-23 Strategic Plan, without meaningful industry consultation</u></li> </ul>	<ul style="list-style-type: none"> <li>September 30, 2019</li> <li>November 5, 2019</li> <li><u>April 2020</u></li> </ul>	<ul style="list-style-type: none"> <li>Mkt Conduct &amp; Licensing Committee; EOC; Co-EDs to monitor</li> </ul>
SK Bill 177	<ul style="list-style-type: none"> <li>FCAA delays implementation of new Act and Regulations to Jan 1/20</li> <li>FCAA releases transition-related Guidance and Interpretation Bulletin</li> <li>FCAA releases further transition-related Guidance/Interpretation Bulletin(s)</li> </ul>	<ul style="list-style-type: none"> <li>November 26, 2018</li> <li>May 17, 2019</li> <li><u>Q2 or Q3 2020 (expected)</u></li> </ul>	<ul style="list-style-type: none"> <li>Mkt Conduct &amp; Licensing Cttee; Co-EDs to monitor</li> </ul>
FCNB Insurance Act Rewrite and Introduction of RIA Regime	<ul style="list-style-type: none"> <li>CAFII Meeting with David Weir and Jennifer Sutherland Green, FCNB in Fredericton</li> <li>CAFII submission on FCNB Licensing of Insurance Adjusters and Damage Appraisers Consultation</li> <li>FCNB launches industry consultation on RIA licensing regime model</li> <li>CAFII submissions on FCNB's Insurance Act Rewrite and RIA Regime</li> <li><i>CAFII meeting with FCNB re its proposed RIA licensing regime model</i></li> </ul>	<ul style="list-style-type: none"> <li>June 11, 2019</li> <li>July 2/19</li> <li>November 29, 2019</li> <li>January 31, 2020</li> <li>Q2 or Q3 2020 (post-COVID-19 outbreak)</li> </ul>	<ul style="list-style-type: none"> <li>Mkt Conduct &amp; Licensing Cttee; Co-EDs to monitor</li> </ul>

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

**Agenda Item 2(c)**  
**May 26/20 EOC Teleconference Meeting**

**CAFII Insurance Regulator and Policy-Maker Meetings From April 22, 2020 To May 21, 2020**

<b><u>Date</u></b>	<b><u>Event/Occasion</u></b>	<b><u>Who</u></b>
13 May 2020	CAFII teleconference meeting (K. Martin) with Huston Loke, FSRA re whether it would make sense for CAFII (possibly in conjunction with THIA) to make an official request to CCIR for a further extension, due to COVID-19, of the filing deadline for the 2020 Annual Statement on Market Conduct, beyond the 60 day extension already granted to July 1/20. Conversation resulted in an H. Loke request for a further small group teleconference meeting between CAFII and FSRA Market Conduct representatives around what is happening with consumers and insureds and their life and health insurance providers in the marketplace at present, due to COVID-19. That meeting now scheduled to occur on May 25/20.	<b><u>From FSRA</u></b> -Huston Loke, Executive Vice-President, Market Conduct, FSRA, who is also Vice-Chair of CCIR and Chair of the CCIR/CISRO Covid-19 Group
21 May 2020	B. Wycks sends CAFII email to insurance regulators in four Atlantic Canada provinces with the following Subject line: "CAFII Is Thinking Of You In These Unprecedented, Stressful COVID-19 Times; And Hopes To Visit You In _____ In 2021" <b>(See sample provided in Appendix A)</b>	<b><u>Atlantic Canada Insurance Regulator Recipients</u></b> New Brunswick: Angela Mazerolle, Jennifer Sutherland-Green, David Weir; Nova Scotia: Paula Boyd, Jennifer Calder ; Newfoundland: Renee Dyer PEI: Robert Bradley



## Appendix A

May 21, 2020

Ms. Angela Mazerolle

Vice-President, Regulatory Operations and Superintendent of Insurance  
Financial and Consumer Services Commission of New Brunswick

Hi, Angela.

As you know, building and maintaining mutually beneficial relationships with insurance regulators and policy-makers across Canada is of vital importance to CAFII. It is central to our Association's mission, in the interests of working with regulators and policy-makers in support of consumer choice and fair treatment of customers in the life and health insurance marketplace while also finding the "right regulatory balance" which serves to foster industry innovation and stimulate investment in new product offerings and better consumer experiences.

In that connection, a key component of CAFII's strategic plan is to meet in-person with regulators and policy-makers in their own offices in their own provinces at least once every two years.

We were planning to reach out to you in March of this year, in order to arrange a Spring 2020 (May or June) visit to you in Fredericton, in follow-up to our previous visit in May 2018.

But then the COVID-19 pandemic struck and the current societal lock-down and related physical/social distancing directives resulted.

Back in March, we initially thought that we might be able to defer our planned visits to Atlantic Canada to the Fall of this year, and possibly arrange a visit to you in September or October.

However – given the current uncertainty about whether relatively "normal" domestic air travel will be possible in the Fall; about whether in-person meetings of more than five people will be permitted by that time; and about whether the borders of certain provinces will be open to "non-essential" visitors from other parts of Canada by September or October – we have now decided that a longer term deferral of our Atlantic Canada visit plans makes best sense.

We now intend to take a fresh look at our planned visits to the four Atlantic Canada provinces in very early 2021, with a view to possibly arranging a visit to you in your Fredericton office next May or June.

We trust that you are comfortable with CAFII's thinking and decisions on these matters. We wanted to write and share our thinking and amended plans with you at this time; and, in part, to reassure you that our relationship with you as New Brunswick's Superintendent of Insurance remains vitally important.

We are thinking of you, and regret having to defer our planned 2020 visit with you until next year.

Kind regards and stay safe,

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

Co-Executive Director

Canadian Association of Financial Institutions in Insurance

Summary of CAFII Board and EOC Action Items					
	Source	Action Item	Responsible	Deadline	Status April 21, 2020
<b>Association Strategy and Governance</b>					
1	EOC: April 28, 2020	Send out an email invitation to EOC members inviting them to join a "Summer 2020 CAFII Working Group on Refining Dog and Pony Studios-Developed 'CPI Industry Highlights' Slides (Produced From Willis Towers Watson Key Data Point Slides) For Future Use By CAFII and Its Members	K. Martin	25-May-20	Completed
2	Board: April 7, 2020	Ensure that an item re "CAFII's Two-Pronged Strategy Re AMF's View That RADM Applies To Credit Card-Embedded Insurance Benefits" is included on agenda for June 9/20 Board meeting for review and decision-making at that time.	K. Martin/B. Wycks	2-Jun-20	In progress
3	Board: April 7, 2020	Ensure that an item re "CAFII 2020 Research Recommendations From the Research & Education Committee" is included on agenda for June 9/20 Board meeting for review and decision-making at that time.	K. Martin/B. Wycks	2-Jun-20	In progress
4	EOC and Board: October 2019	Launch CAFII EOC Working Group to Explore a New Lower Dues Category of CAFII Membership, via a first meeting and a draft Terms of Reference for this Working Group.	B. Wycks/K. Martin	31-Mar-20	Deferred Due to COVID-19
5	EOC May 29, 2018	Develop a summary job description for the CAFII EOC Chair role and circulate it to EOC Members.	B. Wycks/K. Martin	30-Jun-20	In progress
6	EOC February 27, 2018	Document in writing the process for reviewing, approving, and admitting applicants for CAFII Members and Associate status	B. Wycks	25-Oct-19	In progress
<b>Insurance Regulator and Policy-Maker Visits</b>					
1	EOC: April 28, 2020	Communicate with insurance regulators and policy-makers in the four Atlantic Canada provinces to advise them of CAFII's COVID-19-driven decision to defer its planned 2020 visits to them to the Spring of 2021	B. Wycks	25-May-20	Completed
<b>Regulatory Initiatives</b>					
1	EOC: April 28, 2020	Produce an all-in-one summary document which captures the responses received from insurance regulators and policy-makers across Canada to CAFII's regulatory forbearance request letters	B. Wycks	10-May-20	Completed
2	EOC: April 28, 2020	Circulate to EOC members, for comments and feedback, the latest draft of CAFII's submission to the AMF on creative solutions to meet its expectations around the RADM's applicability to credit card-embedded insurance benefits	K. Martin	25-May-20	Completed
<b>Website and Media Initiatives</b>					
1	EOC: April 28, 2020	Re-circulate the current draft of the storyboard for the website video on credit protection job loss insurance to EOC members, to solicit their feedback on both the content of the storyboard and the more strategic question of whether this is the right time for the Association to produce a website video on this product	K. Martin	25-May-20	Completed
2	EOC: April 28, 2020	Bring forward RankHigher's recommendation that CAFII discontinue ownership of the CAFII.Insurance domain name to the CAFII Board for approval at its 9 June, 2020 meeting	B. Wycks	2-Jun-20	In progress
<b>Research and Education</b>					
1	EOC: April 28, 2020	Connect with Melissa Carruthers of Deloitte Canada to get more information on commissioning her to prepare a white/perspectives paper on the Future of CPI in Canada, so that more detail on this 2020 research option can be provided to the CAFII Board for the 9 June, 2020 Board meeting	K. Martin/B. Wycks	25-May-20	Completed
<b>Events</b>					
1	EOC: April 28, 2020	Secure a guest speaker for a CAFII webinar/virtual Reception on 9 June, 2020	K. Martin/B. Wycks	25-May-20	Completed

## **Briefing Note**

### **CAFII EOC Meeting, 26 May, 2020—Agenda Item 3a. Financial Statements as at 30 April 2020**

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#### **Purpose of this Agenda Item**

To update the EOC on the Association's finances.

#### **Background Information**

Treasurer Tony Pergola will provide an update on the CAFII Financial Statements as at 30 April, 2020.

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

No action required.

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

1 Attachment.

# CAFII

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

## Statement of Operations As at April 30, 2020

	Current Month	Budget Apr-20	Variance to Monthly Budget	Current YTD	Budget '20 YTD	Variance Budget to YTD	Budget 2020
<b>Revenue</b>							
Membership Dues	\$73,727	\$75,727	(\$2,000)	\$294,907	\$302,907	(\$8,000)	\$908,720
Luncheon Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Revenue	\$25	\$17	\$8	\$218	\$67	\$151	\$200
<b>TOTAL REVENUE</b>	<b>\$73,751</b>	<b>\$75,743</b>	<b>(\$1,992)</b>	<b>\$295,125</b>	<b>\$302,973</b>	<b>(\$7,849)</b>	<b>\$908,920</b>
<b>Expenses</b>							
Management Fees	\$40,718	\$39,582	(\$1,136)	\$164,570	\$158,330	(\$6,240)	\$474,989
CAFII Legal Fees/Corporate Governan	\$0	\$5,000	\$5,000	\$5,528	\$10,000	\$4,472	\$20,000
Audit Fees	\$1,271	\$1,271	(\$0)	\$6,575	\$5,082	(\$1,493)	\$15,247
Insurance	\$449	\$458	\$9	\$1,795	\$1,832	\$37	\$5,500
Website Ongoing Maintenance	\$298	\$458	\$160	\$1,349	\$1,833	\$485	\$5,500
Telephone/Fax/Internet	\$617	\$483	(\$133)	\$2,103	\$1,933	(\$170)	\$5,800
Postage/Courier	\$0	\$21	\$21	\$0	\$83	\$83	\$250
Office Expenses	\$621	\$167	(\$454)	\$1,176	\$667	(\$510)	\$2,000
Bank Charges	\$0	\$16	\$16	\$87	\$63	(\$24)	\$190
Miscellaneous Expenses	\$0	\$42	\$42	\$0	\$168	\$168	\$500
Depreciation Computer/Office Equipm	\$95	\$100	\$5	\$379	\$400	\$21	\$1,200
<b>Board/EOC/AGM</b>							
Annual Members Lunch	\$0	\$0	\$0	\$0	\$12,400	\$12,400	\$12,400
Board Hosting (External)	\$0	\$7,500	\$7,500	\$0	\$7,500	\$7,500	\$22,500
Board/EOC/Meeting Expenses	\$1,765	\$3,292	\$1,526	\$4,999	\$7,500	\$2,501	\$39,500
Industry Events	\$0	\$0	\$0	\$0	\$0	\$0	\$1,300
EOC Annual Appreciation Dinner	\$0	\$0	\$0	\$4,244	\$4,244	\$0	\$4,244
<b>Sub Total Board/EOC/AGM</b>	<b>1,765</b>	<b>10,792</b>	<b>9,026</b>	<b>9,243</b>	<b>31,644</b>	<b>22,401</b>	<b>79,944</b>
Provincial Regulatory Visits	\$63	\$0	(\$63)	\$983	\$0	(\$983)	\$12,875
Research/Studies	\$0	\$5,000	\$5,000	\$0	\$20,000	\$20,000	\$60,000
Website SEO and Enhancements	\$0	\$3,496	\$3,496	\$812	\$13,983	\$13,171	\$41,950
Regulatory Model(s)	\$0	\$0	\$0	\$0	\$5,000	\$5,000	\$15,000
Federal Financial Reform	\$0	\$625	\$625	\$540	\$2,500	\$1,960	\$7,500
CAFII Benchmarking Study/RSM Canada	\$0	\$5,650	\$5,650	\$0	\$22,600	\$22,600	\$67,800
FCAC Presentation	\$0	\$1,883	\$1,883	\$0	\$7,533	\$7,533	\$22,600
Media Outreach	\$2,260	\$3,008	\$748	\$9,040	\$12,033	\$2,993	\$36,100
Marketing Collateral	\$0	\$0	\$0	\$9,800	\$2,000	(\$7,800)	\$5,000
CAFII Reception Events	\$0	\$250	\$250	\$0	\$250	\$250	\$900
Speaker fees & travel	\$0	\$0	\$0	\$0	\$700	\$700	\$2,000
Gifts	\$0	\$0	\$0	\$0	\$150	\$150	\$500
Networking Events	\$0	\$150	\$150	\$0	\$150	\$150	\$500
<b>Sub Total Networking &amp; Events</b>	<b>-</b>	<b>150</b>	<b>150</b>	<b>-</b>	<b>-</b>	<b>1,000</b>	<b>3,000</b>
<b>TOTAL EXPENSE</b>	<b>48,157</b>	<b>78,452</b>	<b>30,296</b>	<b>213,979</b>	<b>298,936</b>	<b>84,957</b>	<b>883,845</b>
<b>NET INCOME</b>	<b>25,595</b>	<b>- 2,709</b>	<b>28,304</b>	<b>81,146</b>	<b>4,037</b>	<b>77,109</b>	<b>25,075</b>

### Explanatory Notes:

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

# CAFII

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Gifts	\$0	\$0	\$0	\$0	\$150	\$150	\$500
Networking Events	\$0	\$150	\$150	\$0	\$150	\$150	\$500
<b>Sub Total Networking &amp; Events</b>	<b>-</b>	<b>150</b>	<b>150</b>	<b>-</b>	<b>-</b>	<b>1,000</b>	<b>3,000</b>
<b>TOTAL EXPENSE</b>	<b>48,157</b>	<b>78,452</b>	<b>30,296</b>	<b>213,979</b>	<b>298,936</b>	<b>84,957</b>	<b>883,845</b>
<b>NET INCOME</b>	<b>25,595</b>	<b>- 2,709</b>	<b>28,304</b>	<b>81,146</b>	<b>4,037</b>	<b>77,109</b>	<b>25,075</b>

### Explanatory Notes:

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

# CAFII

411 Richmond Street E, Suite 200

Toronto, ON M5A 3S5

## Membership Fees

		<u>Feb-20</u>		<u>Feb-20</u>	
		<u>To be billed</u>	<u>Received</u>	<u>To be billed</u>	<u>Received</u>
BMO Bank of Montreal	2020 Upper Tier Member	\$ 38,555	6-Apr-20	\$ 38,555	
CIBC Insurance	2020 Upper Tier Member	\$ 38,555	18-Mar-20	\$ 38,555	
RBC Insurance	2020 Upper Tier Member	\$ 38,555	20-Mar-20	\$ 38,555	
ScotiaLife Financial	2020 Upper Tier Member	\$ 38,555	2-Mar-20	\$ 38,555	
TD Insurance	2020 Upper Tier Member	\$ 38,555	12-Mar-20	\$ 38,555	
Desjardins Financial Security Life Assurance Company	2020 Upper Tier Member	\$ 38,555	10-Apr-20	\$ 38,555	
National Bank Life Insurance Company	2020 Upper Tier Member	\$ 38,555	2-Mar-20	\$ 38,555	
Manulife Financial	2020 Upper Tier Member	\$ 38,555	6-Mar-20	\$ 38,555	
The Canada Life Assurance Company	2020 Upper Tier Member	\$ 38,555	30-Apr-20	\$ 38,555	
Assurant Solutions	2020 Lower Tier Member	\$ 19,277	2-Mar-20	\$ 19,277	
Canadian Premier Life Insurance Company	2020 Lower Tier Member	\$ 19,277	2-Mar-20	\$ 19,277	
Cumis Group Ltd/Co-operators Life Insurance Co.	2020 Lower Tier Member	\$ 19,277	3-Apr-20	\$ 19,277	
Sun Life Financial	2020 Initiation Members (Upper Tier)	\$ 23,133	23-Mar-20	\$ 23,133	
RSM Canada	Associate	\$ 4,800	24-Mar-20		
Willis Towers Watson	Associate	\$ 4,800	16-Apr-20		
KPMG MSLP	Associate	\$ 4,800			
Munich Reinsurance Company Canada Branch (Life)	Associate	\$ -	Not Renewing		
Optima Communications	Associate	\$ 4,800	3-Mar-20		
RGA Life Reinsurance Company of Canada	Associate	\$ 4,800	3-Mar-20		
Torys LLP	Associate	\$ 4,800	6-Mar-20		
PWC	Associate	\$ -	Not Renewing		
RankHigher.ca	Associate	\$ -	Not Renewing		
TBC	Associate	\$ -			
TBC	Associate	\$ -			
<b>Feb Invoices</b>		<b>\$456,760</b>		<b>\$427,960</b>	
<b>July Invoices</b>		<b>\$427,960</b>			
<b>Total Membership Fees</b>		<b>\$884,720</b>			
Total amount to reallocate monthly Jan-Sept		<b>\$73,727</b>			
Total amount to reallocate monthly Oct-Dec		<b>\$73,727</b>			

## **Briefing Note**

### **CAFII EOC Meeting, 26 May, 2020—Agenda Item 3b. Forecast for CAFII 2020 Fiscal Year**

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#### **Purpose of this Agenda Item**

To update the EOC on the Association's financial forecast through to the end of the 2020 fiscal year.

#### **Background Information**

Treasurer Tony Pergola will provide an update on the Association's financial forecast through to the end of the 2020 fiscal year, as at 30 April, 2020.

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

No action required.

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

1 Attachment.

**2020 CAFII Budget**

	2016 Actual	2017 Actuals	2018 Actuals	2019 Actuals	2020 Budget	2020 YTD April -2020	2020 Revised Forecast	Comment/Rationale
<b>Revenue</b>								
Membership Dues	\$435,750	\$475,425	\$695,545	\$734,664	\$908,720	\$294,907	\$884,720	See breakdown in Member Dues Revenue Tab
Luncheon 2019	\$231	\$126	\$0	\$195	\$0	\$0	\$0	Additional Attendees at Luncheon
Interest	\$231	\$126	\$0	\$982	\$200	\$218	\$410	Interest from the Savings Account
<b>TOTAL REVENUE</b>	<b>\$ 436,212</b>	<b>\$ 475,677</b>	<b>\$ 695,545</b>	<b>\$ 735,841</b>	<b>\$ 908,920</b>	<b>\$ 295,125</b>	<b>\$ 885,130</b>	
<b>EXPENSE</b>								
Management Fees	\$279,042	\$442,012	\$460,299	\$465,134	\$474,989	\$164,570	\$484,027	Includes MM Fees (2.5% contractual increase) and two Co-Eds (2.5% increase each)
CAFII Legal Fees/Corporate Governance	\$10,565	\$2,954	\$563	\$0	\$20,000	\$5,528	\$20,000	Legal Fees increased from \$10K to \$20K to reflect the estimated spend of \$10K in February 2020 for Norton Rose to offer a legal opinion around imbedded credit card coverages re: the AMF; Legal Fees contingency for provincial and/or federal regulatory matters (see note 3).
Audit Fees	\$13,560	\$14,271	\$14,432	\$14,799	\$15,247	\$6,575	\$15,247	3% increase over 2019 Revised Forecast
Insurance	\$5,238	\$5,238	\$5,258	\$5,338	\$5,500	\$1,795	\$5,500	Same as 2019 Budget
Website Ongoing Maintenance	\$13,060	\$42,575	\$6,461	\$10,022	\$5,500	\$1,349	\$5,500	Includes CG Technology (\$250 per month), Translation (\$400), Domain (\$30) & CAFII Insurance Domain Name Renewal (\$999 USD)
Telephone/Fax/Internet	\$3,538	\$6,119	\$5,939	\$6,494	\$5,800	\$2,103	\$5,800	Same as 2019 Budget
Postage/Courier	\$180	\$380	\$458	\$159	\$250	\$0	\$200	2019 Revised Forecast plus \$50 contingency
Office Expenses	\$5,257	\$1,312	\$2,423	\$2,025	\$2,000	\$1,176	\$2,000	Same as 2019 Budget
Bank Charges	\$25	\$38	\$23	\$112	\$190	\$87	\$190	Same as 2019 Actual plus Annual Fee for CAFII TD Visa credit card
Depreciation Computer/Office Equipment	\$467	\$1,564	\$1,136	\$1,136	\$1,200	\$379	\$1,200	Same as 2019 Budget
Miscellaneous Expense		\$433	\$0	\$0	\$500	\$0	\$500	Same as 2019 Budget
<b>Board/EOC/AGM</b>								
Annual Members Luncheon	\$12,044	\$10,247	\$10,503	\$12,052	\$12,400	\$0	\$0	3% increase over 2019 Revised Forecast - <b>Move to 2021 (TBC)</b>
Board Hosting (External)	\$19,407	\$7,500	\$19,515	\$14,001	\$22,500	\$0	\$15,000	Two Board Meetings/Receptions at \$7,500 each
Board/EOC Meeting Expenses	\$8,145	\$25,493	\$20,715	\$35,419	\$39,500	\$4,999	\$29,995	3% increase over 2019 Revised Forecast
Industry Events		\$36	\$1,270	\$0	\$1,300	\$0	\$1,300	CAFII Purchase of full table of 11 seats at one Economic Club of Canada Luncheon
EOC Annual Appreciation Dinner	\$2,079	\$8	\$763	\$2,193	\$4,244	\$4,244	\$4,244	3% increase over 2019 Revised Forecast
<b>Total Board/EOC/AGM</b>	<b>\$41,675</b>	<b>\$43,284</b>	<b>\$52,766</b>	<b>\$63,665</b>	<b>\$79,944</b>	<b>\$9,243</b>	<b>\$50,539</b>	
Provincial Regulatory Visits and Relationship-Building	\$10,395	\$11,011	\$11,230	\$16,833	\$12,875	\$983	\$8,875	3% increase over 2019 Revised Forecast - <b>Move to 2021 (TBC)</b>
Research/Studies	\$1,356	\$17,807	\$77,345	\$5,368	\$60,000	\$0	\$60,000	Same amount as originally budgeted for 2019 before decision to scale back Research due to loss of Amex Bank of Canada as a Member
Website SEO and Enhancements			\$21,702	\$40,914	\$41,950	\$812	\$41,950	3% increase over 2019 Revised Forecast
Regulatory Model(s)	\$0	\$15,001	\$6,490	\$7,555	\$15,000	\$0	\$15,000	Same as 2019 Revised Forecast plus \$5,000 Contingency
Federal Regulatory Visits and Relationship-Building	\$0	\$0	\$0	\$442	\$7,500	\$540	\$7,500	Significant increase due to anticipated increased interaction with FCAC in 2020
CAFII Benchmarking Study/RSM Canada	\$0	\$0	\$0	\$0	\$67,800	\$0	\$67,800	New Line - CAFII Benchmarking Study/RSM Canada estimated at \$60K plus HST. The expense related to CAFII Benchmarking Study/RSM Canada could be found from this line item in the first year, or this \$60K research fund could be reduced to offset the cost of the benchmarking study.
FCAC Presentation	\$0	\$0	\$0	\$0	\$22,600	\$0	\$22,600	New Line - FCAC Presentation estimated at \$20k plus HST - \$10K plus HST for Dog and Pony; \$10K plus HST for WTW Benchmarking Data.
Media Outreach	\$27,408	\$44,023	\$38,522	\$32,803	\$36,100	\$9,040	\$36,100	3% increase over 2019 Budget
Marketing Collateral	\$1,781	\$0	\$557	\$1,629	\$5,000	\$9,800	\$9,605	Same as 2019 Budget
Tactical Communications Strategy	\$446	\$379	\$0	\$0	\$0	\$0	\$0	covered under Media Outreach
CAFII Reception Events	\$0	\$500	\$0	\$0	\$900	\$0	\$500	Incidental expenses related to hosting of three CAFII Receptions in Toronto
Media Relations	\$0	\$164	\$0	\$0	\$0	\$0	\$0	covered under Media Outreach
Speaker fees & travel	\$0	\$0	\$191	\$1,189	\$2,000	\$0	\$2,000	Same as 2019 Budget
Gifts	\$221	\$452	\$0	\$200	\$500	\$0	\$500	Same as 2019 Budget
CAFII 25th Anniversary Celebration	\$0	\$26,495	\$0	\$0	\$0	\$0	\$0	Deferred to 2022
Networking Events	\$0	\$350	\$0	\$0	\$500	\$0	\$500	Same as 2019 Budget
<b>TOTAL EXPENSE</b>	<b>\$ 414,214</b>	<b>\$ 675,862</b>	<b>\$ 705,793</b>	<b>\$ 675,816</b>	<b>\$ 883,845</b>	<b>\$ 213,979</b>	<b>\$ 863,633</b>	
<b>Excess of Revenue over Expenses</b>	<b>\$21,998</b>	<b>(\$200,185)</b>	<b>(\$10,248)</b>	<b>\$60,025</b>	<b>\$25,075</b>	<b>\$81,146</b>	<b>\$21,497</b>	
Unrestricted Net Assets (beginning of year)	<b>\$358,991</b>	<b>\$380,758</b>	<b>\$180,447</b>	<b>\$170,198</b>	<b>\$230,223</b>	<b>\$230,223</b>	<b>\$230,223</b>	
Unrestricted Net Assets (end of year)	<b>\$380,989</b>	<b>\$180,573</b>	<b>\$170,198</b>	<b>\$230,223</b>	<b>\$255,298</b>	<b>\$311,368</b>	<b>\$251,720</b>	

**Explanatory Notes:**

- (1) Assumes Two Co-Executive Directors, one @ 5 days per week; one @ 4.5 days per week; plus Managing Matters Admin support
- (2) Amortization of office equipment based on 4 year straight line depreciation
- (3) \$45,000 Legal Expense for Marc Dequette/Norton Rose Fulbright to complete legal opinion re: AMF Spousal Coverage Issue. Alternative for paying for legal opinion is to use the remaining funds from the CCPBI Special Project Fund

Actual/Forecasted Financial Reserves	2016 Actual	2017 Actuals	2018 Actuals	2019 Actuals	2020 Budget	2020 Revised Forecast
Minimum 3 months (25%) of Annual Operating Expenses =	\$103,554	\$168,965	\$176,448	\$168,954	\$220,961	\$215,908
Maximum 6 months (50%) of Annual Operating Expenses =	\$207,107	\$337,931	\$352,897	\$337,908	\$441,923	\$431,817
Actual/Forecasted Level of Financial Reserves:	\$380,758	\$180,573	\$170,198	\$230,223	\$255,298	\$251,720
Actual/Forecasted Level of Financial Reserves %:	92%	27%	24%	34%	29%	29%



### 2019 Operational Budget - Member Dues Breakdown

#### 2018 Member Dues Breakdown

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

#### 2019 (Base) Member Dues Breakdown

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

### 2019 Operational Budget - Member Dues Breakdown - Revised

#### 2019 Member Dues Breakdown

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

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

#### 2020 Member Dues Breakdown

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

#### 2020 Upper Tier Member

- 1 BMO Bank of Montreal
- 2 CIBC Insurance
- 3 RBC Insurance
- 4 ScotiaLife Financial
- 5 TD Insurance
- 6 Desjardins Financial Security Life Assurance Company
- 7 National Bank Life Insurance Company
- 8 Manulife Financial
- 9 The Canada Life Assurance Company

#### 2020 Lower Tier Member

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

#### 2020 Initiation Members (Upper Tier)

- 1 Sun Life Financial

#### 2020 Associate

- 1 RSM Canada
- 2 Willis Towers Watson
- 3 KPMG MSLP
- 4 Munich Reinsurance Company Canada Branch (Life)
- 5 Optima Communications
- 6 RGA Life Reinsurance Company of Canada
- 7 Torys LLP
- 8 PWC
- 9 RankHigher.ca
- 10 \*TBC
- 11 \*TBC

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

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

#### 2020 Member Dues Breakdown

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

#### 2020 Upper Tier Member

- 1 BMO Bank of Montreal
- 2 CIBC Insurance
- 3 RBC Insurance
- 4 ScotiaLife Financial
- 5 TD Insurance
- 6 Desjardins Financial Security Life Assurance Company
- 7 National Bank Life Insurance Company
- 8 Manulife Financial
- 9 The Canada Life Assurance Company

#### 2020 Lower Tier Member

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

#### 2020 Initiation Members (Upper Tier)

- 1 Sun Life Financial

#### 2020 Associate

- 1 RSM Canada
- 2 Willis Towers Watson
- 3 KPMG MSLP
- 4 Optima Communications
- 5 RGA Life Reinsurance Company of Canada
- 6 Torys LLP
- 7 \*TBC
- 8 \*TBC

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

Did not renew in 2020

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

## **Briefing Note**

**CAFII EOC Meeting, 26 May, 2020—Agenda Item 4a(i).**

**Research & Education— 2020 CAFII Research Options, Including Proposed Engagement of Melissa Carruthers, Deloitte Canada For CAFII-Commissioned Thought Leadership/Perspectives Paper On “The Future of Credit Protection Insurance in Canada”**

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### **Purpose of this Agenda Item – Discussion and Recommendation**

To seek the EOC’s support for a recommendation to the CAFII Board that the proposal received from Melissa Carruthers, Deloitte Canada for a CAFII-commissioned thought leadership/perspectives paper on “The Future of Credit Protection Insurance in Canada” be approved.

### **Background Information**

Under the current COVID-19 situation, the Research & Education Committee is recommending that, as an initial 2020 research initiative, CAFII engage Melissa Carruthers of Deloitte Canada to write a CAFII-commissioned thought leadership/perspectives paper on “The Future of Credit Protection Insurance in Canada.”

Some of the paper’s themes could include the accelerated adoption by customers of digital means of communicating with their insurance company. This has been a trend for a while, but it has been greatly accelerated by the COVID-19 situation.

While the paper will not be about industry changes due to COVID-19 per se, but it will touch on how the pandemic may have accelerated or modified trends that were already underway.

Included in the methodology proposed by Deloitte Canada are short executive interviews with all CAFII Directors to get their perspectives on the future of credit protection insurance.

### **Recommendation / Direction Sought – Recommendation to the Board**

This agenda item is intended to include an EOC discussion on the merits and cost of the proposal from Deloitte Canada, with the intention being that the EOC would then recommend to the Board at its 9 June, 2020 meeting that this proposal be approved.

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

1 Attachment.



MAY 20, 2020

# The Canadian Association of Financial Institutions in Insurance

Future of CPI in Canada – Deloitte Proposal



# Our Understanding

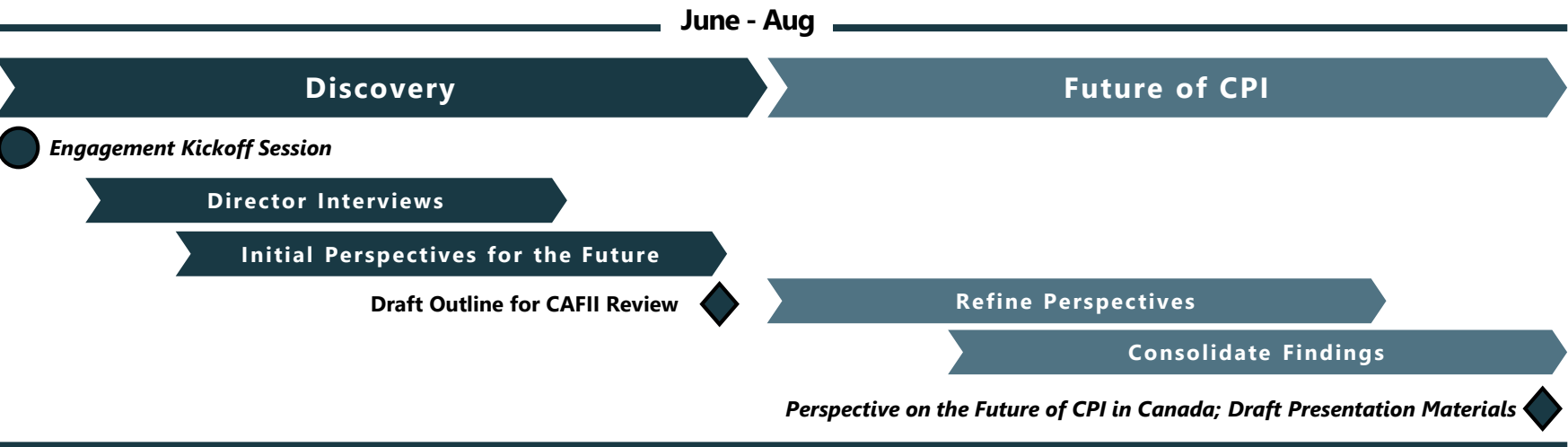
The Canadian Association of Financial Institutions in Insurance is seeking a reputable and credible partner to develop an independent perspective on the future outlook of the CPI market in Canada

<b>Background &amp; Context</b>	<p><b>The Canadian Association of Financial Institutions in Insurance</b> ("CAFII") is a not-for-profit industry association dedicated to the development of an open and flexible marketplace in the Canadian insurance industry. CAFII <b>represents a group of member institutions</b> consisting of financial institutions involved in selling insurance in Canada through various distribution channels. Its members typically offer a <b>wide range of authorized bank-distributed insurance products</b>, including travel, life and health, property and casualty, and CPI.</p> <p>CAFII is looking to <b>engage a partner to develop an independent perspective outlining how the outlook for credit protection insurance (CPI) may evolve in the future</b> driven by external factors, including but not limited to advancements in digital tools and technology, demographic and social factors, and evolving consumer preferences. The objective is for CAFII to share the paper &amp; insights with the <b>CAFII Board, regulators and its member companies</b></p>
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Focus Area	What is the future outlook for the Canadian CPI market?
<b>Engagement Outcomes</b>	<ol style="list-style-type: none"> <li data-bbox="392 882 2339 975"> <b>1</b> Develop an initial perspective on the <b>challenges, opportunities and future outlook</b> for the Canadian CPI industry, through a combination of stakeholder interviews with members, regulators and Deloitte industry expertise (Global &amp; Canadian)         </li> <li data-bbox="392 1053 2295 1139"> <b>2</b> Develop a perspective on the <b>future outlook for CPI in Canada and how its supporting business model may need to evolve</b> in light of emerging trends (i.e., demographics, consumer preferences, technology, data and analytics etc.)         </li> <li data-bbox="392 1218 2333 1303"> <b>3</b> Summarize insights into an <b>independent perspective paper and presentation</b> to be shared with the <b>CAFII Board, member companies and insurance industry regulators</b> </li> </ol>

# Our Approach, Deliverables, and Timeline

The purpose of this engagement is to provide an independent perspective on how the Canadian CPI market may need to evolve as a result of technology, cultural, and consumer trends to be shared with CAFII, its members and industry regulators



## Key Activities

- **Conduct Kick-Off:** Facilitate kick-off session with key CAFII stakeholders in order to align on scope, timelines and initial view on perspective paper outline
- **Conduct Executive Interviews:** Conduct interviews with CAFII member directors to understand current challenges, opportunities and initial perspectives on the future outlook of the industry
- **Conduct External Research:** Augment Deloitte industry expertise with secondary research and interviews with regulators (i.e., FSRA, AMF, FCAC and select CCIR and CISRO members) to develop an initial perspective on the future of CPI in Canada
- **Develop Outline for the Paper:** Develop outline for the paper based on initial perspectives for the future, and test with the Research and Education Committee; refine as necessary
- **Engage Subject Matter Experts:** Engage relevant subject matter experts (i.e., Global Insurance, Risk, Technology, Data & Analytics), including Global insights on the key trends impacting insurance and the implications to the Canadian market & CPI business model to test / refine future perspectives identified in the 'Discovery' phase
- **Develop Perspective Paper:** Consolidate output from executive interviews conducted and Deloitte's independent perspective into a perspective paper on *The Future of CPI in Canada*
- **Align on Marketing Plan:** Work with CAFII to align on a plan for distributing the paper to key stakeholders including aspects of branding, sequence of releases and audience
- **Present Findings:** Upon completion of the paper, present key findings from *The Future of CPI* paper to CAFII Board of Directors, its members, and insurance industry regulators

## Key Deliverables

### Perspective on the Future of CPI in Canada

*Independent perspective paper on the Future of CPI in Canada, outlining how operations and business models may need to evolve as a result of technology, cultural, and consumer trends*

### Summary of Marketing Plan

*Summary of the plan for distribution of the perspective paper to key stakeholders, including branding, audience, release dates, and alignment on media presence*

### Presentation Materials

*Materials for Deloitte presentations to regulators, members, and the CAFII Board with key insights from the paper*

# Guiding Principles

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We appreciate the opportunity to partner with CAFII on this important thought piece and have outlined below some key guiding principles that we believe will enable us to provide the CAFII members, Board and Regulators with a comprehensive & independent perspective on the outlook for the CPI market in Canada

- 1 The paper will be an **objective, fact-based** and **independent report** that encompasses **input from a variety of key stakeholders** including CAFII members, Canadian consumers, regulators and Deloitte subject matter advisors with varying perspectives (i.e., technology, operations, risk, industry, etc.)
- 2 Deloitte will include **lessons learned from other global jurisdictions** to help inform recommendations and insights for the Canadian marketplace
- 3 Deloitte and CAFII will together **align on a plan for sharing the paper** with CAFII members and insurance industry regulators (to be confirmed by CAFII once the paper is produced); and, if desired, will discuss and align on how the paper will be shared with industry trade press/ media and the general public.

# Our Team & Fees

Our fees based on the proposed approach and scope outlined within this document are provided below



## James Colaço

**National Insurance Sector Leader, Partner, Monitor Deloitte**

**James Colaço** is the Canadian National leader for Deloitte's Insurance practice and a Partner in the Monitor Deloitte practice. Based in Toronto, James has over 16 years' global experience. His areas of focus are corporate and business unit strategy, business case development, and business transformation, primarily in the Insurance sector. James is an industry expert in the insurance space, having led numerous strategic, operational, and transformational engagements with Canadian and global insurers. On one such case, James spent 18 months with a global insurer leading the business transformation of their pricing program. James received a B.A.Sc. in Engineering Science and a Master of Business Administration (MBA) from the University of Toronto.



## Melissa Carruthers

**Life & Health Strategy and Transformation Leader, Senior Manager, Monitor Deloitte**

**Melissa Carruthers** is a Senior Manager within Monitor Deloitte's Strategy Consulting practice where she is the National Life and Health Insurance Strategy and Transformation Leader in Canada. Her industry focus spans individual insurance, group benefits and group retirement. Melissa joined Deloitte after working a number of years as an actuary in both the direct insurance as well as reinsurance industries. In her current role as a strategy and transformation advisor she works with a number of the leading Canadian Life & Health insurance carriers and financial institutions as they define and execute on various strategic priorities across the organization.

She is a Fellow of the Society of Actuaries and a Fellow of the Canadian Institute of Actuaries.



## Jordan Borenstein

**Manager, Monitor Deloitte**

**Jordan Borenstein** is a Manager in the Canadian Monitor Deloitte practice. He joined Monitor Deloitte with over three years of audit experience working primarily in the Individual Life Insurance and Asset Management industries. Since his transition to Monitor Deloitte, he has focused primarily on Insurance strategy, with a broad array of project experiences across Life & Health Insurance, P&C Insurance, and Individual Savings & Retirement. On one such case, he supported a Leading Caribbean Financial Institution looking to penetrate the individual life insurance market in the Caribbean by establishing an end-to-end digital life insurance company. Through this process, he identified the business capabilities required to successfully stand up the life insurance entity, including the development of a comprehensive business case for Board and regulatory approval.

He holds a Chartered Professional Accountant (CPA, CA) designation and a Bachelors of Management and Organizational Studies from Western University.

## Professional Fees

**\$20,000 + applicable taxes**

The fees for the scope outlined in the proposal are **\$20,000**. The pricing and scope of this proposal reflects the following assumptions:

- Fees are offered on a **fixed-fee basis** and are exclusive of out-of-pocket expenses and applicable taxes
- Out-of-pocket expenses (e.g., travel) are **not expected for this particular engagement**
- The proposed approach does not include any **in-depth customer research** and will be based on **insights provided by members, regulators and Global Deloitte industry subject matter advisors**



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## **Briefing Note**

### **CAFII EOC Meeting, 26 May, 2020—Agenda Item 4b. Market Conduct & Licensing Committee Update**

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#### **Purpose of this Agenda Item**

To provide an update on recent Market Conduct & Licensing Committee initiatives.

#### **Background Information**

No new developments at this time.

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

This is an update only.

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

No Attachment.

## **Briefing Note**

### **CAFII EOC Meeting, 26 May, 2020—Agenda Item 4c(i)**

#### **Media Advocacy— CAFII Motion Graphic Video On Credit Protection Job Loss Insurance**

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#### **Purpose of this Agenda Item**

To secure EOC feedback on whether producing a CAFII website video on credit protection job loss insurance is the right direction to take at this time; and, if there is support for doing so, to seek an EOC recommendation to the Board to proceed with the proposed website video.

#### **Background Information**

The Board has previously approved the EOC's recommendation on the 2020 website investment plan (budget of \$35K), which includes two new motion graphic videos, more vignettes, and more FAQs.

The first proposed website video for 2020 is on job loss insurance. This was viewed as a good video to invest in because it is one of the highest search terms on Google around credit protection insurance, and because due to the COVID-19 pandemic, it is highly topical.

However, there may be a risk if some credit protection job loss insurance claims are being denied by CAFII members under the current COVID-19 pandemic situation, and negative media coverage results from that. There may also be some CAFII members who may choose to exit this product line.

The latest version of the proposed storyboard for a video on job loss credit protection insurance is being provided for EOC member review. It has been updated to more accurately reflect how this product works, based on feedback from several EOC members.

#### **Recommendation / Direction Sought – Discussion and Direction; Recommendation**

EOC member views around whether this is the right topic for a video right now are being sought; and, if there is agreement to proceed, feedback on the draft storyboard. If there is support for this initiative, the EOC will be asked to support a recommendation to the CAFII Board of Directors that the Association proceed to produce a website video on credit protection job loss insurance.

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

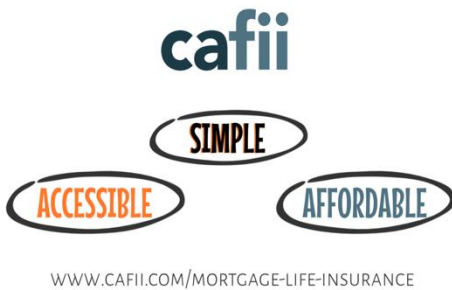
1 Attachment.

## CAFII WEBSITE VIDEO – JOB LOSS INSURANCE

**“What is job loss credit protection insurance?”**

**Draft 3, May 20, 2020**

<b>Audio</b>	<b>Story Board Description</b>	<b>Time</b>	
This is Dave, along with his wife Susan and their son, Todd. Dave is the family’s main income earner.		5 sec	Put family names on storyboard graphic: <i><b>Dave, Susan and Todd</b></i>
Like many families, Dave and Susan have debt obligations and a number of payments to make each month. These include a mortgage, a car loan, a home equity line of credit, and a credit card.		12 sec	
Dave is worried that should he lose his job, he and his family won’t be able to make their monthly debt payments. So he asks his financial institution about Job Loss Credit Protection Insurance.		11 sec	
Dave discovers that this type of insurance is included with balance protection coverage, which he can purchase for his credit card. He also learns that while the availability of job loss insurance varies from institution to institution, some banks and credit unions also offer this protection as an “add on” to life, disability and critical illness insurance on mortgages and personal loans.		18 sec	
Job loss insurance can help families such as Dave’s, on a temporary basis, to make certain debt payments should he involuntarily lose his employment.		9 sec	

Fortunately, Dave's financial institution offers job loss insurance on nearly all types of credit, so he enrolls in balance protection coverage, including job loss protection, on his credit card, and for add-on job loss coverage on his mortgage, car loan and home equity line of credit.		9 sec	
This means that should Dave involuntarily lose his employment, his job loss insurance will cover some or all of the monthly payments on his insured debt obligations. These payments will continue for a specific period of time, or until Dave returns to work – whichever comes first.		16 sec	
Knowing that they have Job Loss Credit Protection Insurance in place gives Dave and Susan peace of mind.		6 sec	
CAFII: Making insurance simple, accessible and affordable.		5 sec	
Total:		1.31 min	

## **Briefing Note**

**CAFII EOC Meeting, 26 May, 2020—Agenda Item 4c(ii)**

**Media Advocacy— Media Consultant Report On CAFII's 2019 Media Relations and Website  
Communications Achievements**

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### **Purpose of this Agenda Item**

To provide information on CAFII's achievements in 2019 with respect to media relations and the Association's consumer-focused website.

### **Background Information**

Media Consultant David Moorcroft has produced a summary of the website and media achievements in 2019.

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

This is solely an update.

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

1 Attachment.

***Agenda Item 4(c)(ii)***  
***May 26/20 EOC Teleconference Meeting***

**CAFII Media Consultant's Report On CAFII's 2019 Media Relations and  
Website Communications Achievements**

***Media Successes in 2019***

- CAFII enjoyed its most successful year ever for positive media coverage, with a total of 12 stories in the mainstream and trade media during 2019.
- Mainstream media outlets with prominent mentions of CAFII included The Toronto Star, Hamilton Spectator, and Waterloo Region Record, while trade publications mentioning CAFII included Retail Banker International, Insurance Business Canada, and the Insurance and Investment Journal.
- This coverage resulted from two news releases issued by CAFII: one about Ontario ending out-of-country medical coverage too quickly, and a second release announcing results from CAFII-sponsored research about Credit Protection Insurance.
- CAFII also handled a number of incoming media enquiries, and was successful in preventing a negative story being contemplated by Robert McLister, the Mortgage Columnist for The Globe and Mail, and founder of Rate Spy.

***Communications Strategy/Media Opportunities for 2020***

- Continue "low-risk" strategy of safe and selective media engagement; do not give added oxygen to high-profile attack stories such as those pursued by CBC Marketplace
- Use survey data and market research as key drivers of media outreach via news releases and opinion pieces
- Continue to expand consumer education content on the CAFII website as a direct way to reach the public
- Be alert and ready to respond to negative newspaper articles and columns with Letters to the Editor, where appropriate.
- We've done well with this strategy to date, so let's continue to be careful and selective going forward.

## **Briefing Note**

### **CAFII EOC Meeting, 26 May, 2020—Agenda Item 4d. Travel Medical Insurance Experts Update**

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#### **Purpose of this Agenda Item**

To share an update on recent travel medical insurance issues.

#### **Background Information**

This is an update only.

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

Update only.

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

No Attachment.

## **Briefing Note**

**CAFII EOC Meeting, 26 May, 2020—Agenda Item 4e(i).**

**June 9/20 CAFII Emerging Issues Webinar On “The Looming Impact Of Climate Change Upon The Life and Health Insurance Industry,” With Guest Presenters From Deloitte Canada**

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### **Purpose of this Agenda Item**

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Update only.

### **Background Information**

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CAFII is proposing to hold a one-hour webinar with guest speakers from Deloitte on “The Looming Impact of Climate Change Upon the Life and Health Insurance Industry.” CAFII Co-Executive Directors Keith Martin and Brendan Wycks along with Scott Kirby, of the Networking and Events Committee, held a Zoom meeting on 11 May, 2020 with Deloitte partner Joe Solly, and his colleague Carolyn Murnaghan, and were impressed by the strong presentation ideas they had.

This webinar will be on Zoom. We are aware that some of CAFII’s members have prohibitions on using Zoom. We did a survey of all our members and what platforms they were allowed/not allowed to use, and the results varied widely: the members all have different platforms they are allowed/not allowed to use. So no solution seemed to work for everyone.

We chose Zoom as the platform based on research we conducted and our own experience with different platforms, with Zoom the most intuitive and easy-to-use.

It is important to note that this is not a Zoom meeting—where participants are on video and can talk—but rather is a Zoom webinar, which means that the participants are completely muted, are not on video, and are just viewing/listening to the host (Keith Martin) and the guest presenters/panelists from Deloitte Canada. In addition, this webinar will require advance registration by participants; and will require them to enter a password that will be emailed to them after they register.

If participation is still prohibited for some of our members, it might still be possible for those members to join the webinar via a personal computer, tablet, or i-phone.

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

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Update only.

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

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1 Attachment.



**Agenda Item 4(e)(i)**  
**M1y 26/20 EOC Teleconference Meeting**

Dear \_\_\_\_\_,

We hope that you and your family/household members are in good health, and you are keeping well under the COVID-19 global pandemic situation and the physical distancing imperative it has imposed upon us all.

On CAFII's part, we have adapted and pivoted to new ways of delivering benefits and results for the Association's Members and Associates; and to new ways of communicating and interacting with them, industry partners and stakeholders, and consumers.

In that connection, we are transforming the June 2020 CAFII Reception into a

*CAFII Emerging Issues Guest Speaker Webinar on*  
**"The Looming Impact Of Climate Change Upon  
The Life and Health Insurance Industry"**

You are cordially invited to attend this virtual event on

**Tuesday, June 9, 2020**  
**from 4:45 to 5:45 pm EDT**  
via Zoom Webinar

**Please save the date and time!**

Confirmation details about the June 9, 2020 *CAFII Emerging Issues Guest Speaker Webinar* - including the name(s) and credentials of the presenter(s) and the exact title of the presentation - will be provided shortly via a follow-up invitation e-blast.

Should you wish to RSVP ahead of time, please email Martha Feenstra at [events@cafii.com](mailto:events@cafii.com) or call 416-494-9224 ext. 239.

## **Briefing Note**

**CAFII EOC Meeting, 26 May, 2020—Agenda Item 5a(i)**

**Impact Of COVID-19 On CAFII Members, Credit Protection Insurance and Travel Insurance-- Highlights of May 7/20 and May 21/20 Meetings CAFII Directors and Designates COVID-19 Information-Sharing Group**

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### **Purpose of this Agenda Item**

To share an update on highlights of the two most recent meetings of the CAFII Directors and Designates COVID-19 Information-Sharing Group.

### **Background Information**

CAFII Directors and one designate from each CAFII member company hold an un-minuted meeting every second week on COVID-19 issues.

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

Update only.

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

No Attachment.

## **Briefing Note**

**CAFII EOC Meeting, 26 May, 2020—Agenda Item 5a(ii)**

**Impact Of COVID-19 On CAFII Members, Credit Protection Insurance and Travel Insurance-- Insights Gained From Weekly CAFII/CLHIA/THIA Calls Re Impact Of COVID-19 On Travel Insurance Industry**

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### **Purpose of this Agenda Item**

To share an update on matters discussed in the most recent weekly meetings of CAFII, CLHIA, and THIA on the impact of COVID-19 on travel medical insurance.

### **Background Information**

CAFII attends these meetings with participation by CAFII Co-Executive Directors Keith Martin and Brendan Wycks, as well as Afzal Baig and Martin Boyle.

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

Update only.

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

No Attachment.

## **Briefing Note**

### **CAFII EOC Meeting, 26 May, 2020—Agenda Item 5a(iii)**

#### **Impact Of COVID-19 On CAFII Members, Credit Protection Insurance and Travel Insurance-- Possible CAFII Requests For Further Regulatory Forbearance Deadline Extensions To CCIR And AMF**

---

### **Purpose of this Agenda Item**

To update the EOC on a recent phone conversation between Keith Martin and Huston Loke, Executive Vice-President, Market Conduct at the Financial Services Regulatory Authority of Ontario (FSRA); CCIR Vice-Chair; and Chair of the CCIR Covid-19 Information-Sharing Group.

### **Background Information**

Two regulatory filing deadline extensions were granted based on CAFII's regulatory forbearance request letters: the AMF has extended the 1 May, 2020 deadline for filing the Annual Disclosure related to the Regulation respecting Alternative Distribution Methods (RADM) to 1 July, 2020; and CCIR has extended the 1 May, 2020 deadline for filing the data required for the 2020 Annual Statement on Market Conduct to 1 July, 2020.

Members of the CAFII COVID-19 Information-Sharing Group recommended that CAFII reach out to these regulatory bodies to seek a further extension, on the basis that the situation that caused the request to be made in the first place (employees working at home, difficulty accessing back-end systems, stretched IT resources) were still in place. Furthermore, it was recommended that we seek to make this a multi-Association request and ask CLHIA and THIA to join in on the ask.

Brendan Wycks and Keith Martin had a conference call recently with CLHIA (Lyne Duhaime and Michele Helie) on this matter, and they said that they needed to ask their members about it. They have subsequently come back to us and told us that their members did **not** express a need for a further extension, and as such CLHIA would not be participating in this request.

The response to CAFII's initial request for an extension to the Annual Statement on Market Conduct, made in a 27 March, 2020 letter to CCIR Chair Patrick Déry, was communicated via a letter from FSRA executive Huston Loke (FSRA Executive Vice President, Market Conduct), in his capacity as Vice-Chair, CCIR and Chair, CCIR COVID-19 Working Group.

Therefore, prior to making a formal request to the CCIR, Keith Martin asked Huston Loke if he could speak to him on the phone, and Mr. Loke readily agreed. They had a 15 minute conversation on the morning of 13 May, 2020 during which K. Martin gave Mr. Loke some context on the CAFII COVID-19 Information-Sharing Group, noted some of the efforts the industry was making to support customers, and explained the reasons why members were interested in a further extension in the filing deadline for the 2020 CCIR Annual Statement on Market Conduct.

Mr. Loke was extremely cordial and engaged, said that he was very sympathetic and aligned with industry's request, but that there was "more than one regulatory jurisdiction" in the CCIR that was reticent to offer any extensions, and that he felt that such a request for a further extension would not be well-received: "there are some around the table who will not agree to this; I would not want CAFII to waste its time asking," he advised. He added that some of the life insurers that are required to participate in the 2020 ASMC, Life and Health had already submitted their data via the secure portal. Therefore, some in the CCIR would ask why they were able to meet the extended 1 July 2020 deadline, while others say they cannot.

Mr. Loke said that he found the conversation valuable and that it would be helpful to understand current trends, and how FSRA can be supportive in the current environment. As such, he requested a further teleconference meeting between CAFII management, himself, and several of his FSRA Market Conduct colleagues. CAFII agreed to the request and we have set up a 45-minute meeting for 25 May, 2020.

The issue of a further extension for filings, and our recommendation that we not make a formal request at this time given this feedback from Huston Loke, will also be an update item on the Agenda of the 21 May, 2020 CAFII COVID-19 Information-Sharing Group.

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**Recommendation / Direction Sought – Update**

Update only.

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**Attachments Included with this Agenda Item**

No Attachment.

## **Briefing Note**

**CAFII EOC Meeting, 26 May, 2020—Agenda Item 5a(iii)**

**Impact Of COVID-19 On CAFII Members, Credit Protection Insurance and Travel Insurance-- Options For CAFII Around Media Proactivity and Website Enhancements Arising From COVID-19**

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### **Purpose of this Agenda Item**

Update to the EOC on some website and media ideas emerging from the CAFII COVID-19 Information-Sharing Group.

### **Background Information**

The CAFII COVID-19 Information-Sharing Group has proposed some ideas, which are captured in the attached document. These are to publish good news stories from customers about how our members are supporting them during the pandemic; to publish statistics on the escalated level of claims and payouts due to the pandemic; and to include information on the CAFII website on how to make a claim.

These ideas will also be on the Agenda for the 9 June, 2020 CAFII Board meeting.

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

Update only.

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

1 Attachment.

*Agenda Item 5(a)(iv)*  
*May 26/20 EOC Teleconference Meeting*

**Options for CAFII Members around Media Proactivity and Posting COVID-19 Related Information on the CAFII Website**

**Background:** CAFII is having regular teleconference meetings of a Directors and Designates COVID-19 Information-Sharing Group. During these discussions, it was suggested that the Association and its members may benefit at this time from particular proactive media communications initiatives, including collecting information that could be used if a negative media column/story about credit protection insurance or travel insurance appears, along with the potential for posting material on our website that positions the industry in a positive light. It is important to note that these options are not mutually exclusive. For example, CAFII Media Consultant David Moorcroft feels that if we share positive client stories, media will ask us for data on claims levels and whether our percentage of claims approved has changed.

**Option 1: Positive customer stories.** CAFII Media Consultant David Moorcroft has recommended that CAFII collect from members “positive stories” about how they are supporting their customers during COVID-19. These would not be customer testimonials and therefore would not require customers’ permission to be used — rather, these would be examples of new, more flexible approaches to customer service and claims adjudication/payout. Examples are reducing the requirements for customers to submit a job loss insurance claim, such as not requiring an employer letter to support a job loss insurance claim; paying claims quickly, before the supporting documentation file is complete, and then verifying the claim thereafter; and not requiring a doctor’s note for certain travel medical insurance claims. We should also consider how job loss claims from customers receiving CERB are treated. There could be a very positive message to tell here if those individuals are eligible to make claims and benefit from job loss coverage while temporarily not getting a full salary.

There may also be high-level examples of happy customers who were provided excellent support and service, the summary details of which could be reported on an anonymized basis, without naming the customers.

**Next Steps:** If CAFII members agree with this approach, members would need to send examples of such positive stories to CAFII management. These could be kept for use in the event of a need to respond to a media story, and/or they could be posted on the CAFII website.

**Option 2: Statistics on CAFII Members’ Actions During the Pandemic.** CAFII members have reported a heightened level of claims, especially for travel medical insurance and job loss insurance. If CAFII collected “time period comparative statistics” on this heightened activity, it could be shared on our website and provide evidence of the industry going the extra mile, and also be positive information to share with the media and regulators.

**Next Steps:** If CAFII members agree with this approach, there would be a need to collect statistics and review them with the Board, before publishing them on the website. These statistics could be collected by CAFII management and aggregated in anonymous form, or a third-party supplier (such as RSM Canada or Willis Towers Watson) could collect these statistics, aggregate them in anonymous form, and share them with CAFII.

Two examples of the type statistics that could be collected are provided below:

Q1 November-December-January 2019-2020 <u>Pre-Pandemic</u>			Q2 February-March-April 2020 <u>During Pandemic</u>		
Job Loss Insurance Claims—Number of Claims Submitted	Job Loss Insurance Claims—Total Dollar Amount of Claims Paid Out	Job Loss Insurance Claims—Percentage of Claims Paid Out	Job Loss Insurance Claims—Number of Claims Submitted	Job Loss Insurance—Total Dollar Amount of Claims Paid Out	Job Loss Insurance—Percentage of Claims Paid Out
#	\$	%	#	\$	%

Q1 November-December-January 2019-2020 <u>Pre-Pandemic</u>			Q2 February-March-April 2020 <u>During Pandemic</u>		
Travel Medical Insurance Claims—Number of Claims Submitted	Travel Medical Insurance Claims—Total Dollar Amount of Claims Paid Out	Travel Medical Insurance Claims—Percentage of Claims Paid Out	Travel Medical Insurance Claims—Number of Claims Submitted	Travel Medical Insurance—Total Dollar Amount of Claims Paid Out	Travel Medical Insurance—Percentage of Claims Paid Out
#	\$	%	#	\$	%

*\*For the two examples above, it may also be appropriate to gather and report Pre-Pandemic data for the period February-March-April 2019, particularly if there is a known “seasonality variation” in claims experience for these two types of insurance.\**

**Option 3: Providing Claims Support Information to Customers on the CAFII Website.** A CAFII Board member has suggested that CAFII could provide claims support to customers on the CAFII website.

The first step would be a short explanation of the types of credit protection insurance coverage that customers might have in place and which they might be able to claim against arising from COVID-19, such as travel medical insurance, trip cancellation insurance, job loss insurance, and disability insurance.

Next would be a simple explanation of the eligibility requirements for making a claim against these types of insurance, and the process for submitting a claim. The website could then have links to the areas of CAFII members’ websites where the necessary claims forms are found.

It was felt that this was a customer-friendly initiative that would also be positively viewed by regulators.

**Next Steps:** Discussion at the CAFII Directors and Designates COVID-19 Information-Sharing Group about whether there is support for this proposal. If there is, draft website copy would be developed, reviewed, and approved, and CAFII members would have to send CAFII management the links to their websites that would be posted on the CAFII website.



## **Briefing Note**

**CAFII EOC Meeting, 28 April, 2020—Agenda Item 5b.**

**Draft CAFII “Creative Solutions” Submission To AMF On How Industry Can Comply With Expectation That RADM Applies To Credit Card-Embedded Insurance Benefits**

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### **Purpose of this Agenda Item**

The most recent letter which CAFII received from the AMF on this issue appears to be softer in tone than earlier AMF correspondence on the matter, which suggests that trying to demonstrate our effort to meet at least some of the AMF’s expectations around the applicability of the Regulation respecting Alternative Distribution Methods (RADM) to credit card-embedded insurance benefits might be worth pursuing.

### **Background Information**

CAFII has a two-pronged approach to the AMF’s expectation that the RADM applies to credit card-embedded insurance benefits. One prong is the development of legal options; the other prong is to determine what components of the Regulation CAFII members could meet the AMF’s expectations on, and which components would be problematic to meet the AMF’s expectations on. Both prongs are well-advanced.

However, the softer tone in the latest letter from the AMF raises the prospect that the second prong on “creative solutions” to meet the AMF’s expectations might be promising as a first step. With the delay of the deadline to respond to 15 July, 2020, there is the opportunity to review this issue at the 9 June, 2020 CAFII Board meeting.

Scott Kirby, the Chair of the Working Group on meeting the expectations of the AMF, notes that the approach taken is along the lines of “we understand what the AMF is looking for and here is how we can help” as opposed to focusing on the provisions CAFII members cannot meet.

CAFII has produced, with EOC feedback and input, a new version of the Association’s draft submission to the AMF on this issue. We are seeking EOC support for the submission, and a corresponding recommendation to the Board that the letter be sent to the AMF.

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

Update and discussion, and approval of a recommendation to the Board at its 9 June, 2020 meeting that the letter be sent to the AMF.

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

1 Attachment.

XX July, 2020

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

c.c. Mr. Frédéric Pérodeau, Superintendent, Client Services and Distribution Oversight  
Mr. Patrick Déry, Superintendent, Solvency  
Ms. Nathalie Sirois, Senior Director, Supervision of Insurers and Control of Right to Practise  
Ms. Louise Gauthier, Senior Director, Distribution Policies

**WITHOUT PREJUDICE**

Dear Mr. Beaudoin:

***Re: Applicability of the Regulation respecting Alternative Distribution Methods (RADM) to Credit Card-Embedded Insurance Benefits***

During our Association's 11 February, 2020 meeting with you and AMF colleagues at the Autorité's office in Quebec City, CAFII communicated its strongly held view that the RADM – as drafted, finalized, and published -- does not apply to credit card-embedded insurance benefits. Credit card-embedded insurance benefits are not directly purchased or offered, but rather are included with some credit cards as part of the ancillary benefits the card provides to the customer. If a customer wants a particular credit card, the embedded insurance benefits cannot be refused. If the embedded insurance benefits are not wanted, the customer can choose to decline that particular credit card or simply opt not to use those included benefits.

Despite our firm view that the RADM does not apply to this product line, CAFII has endeavoured, through the proposals outlined below, to provide customer outcomes for this product line which align with those that are actual offers of insurance, as per the AMF's interpretation of the RADM and related expectations.

The purpose of this letter is to outline the creative solutions we have identified in response to the AMF's request of our Association and its expressed view that the RADM applies to credit card-embedded insurance benefits. We thank the AMF for granting a deadline extension, to 15 July, 2020, for this submission, in response our request due to the COVID-19 pandemic.

**Filings and Disclosures to the AMF**

With respect to credit card-embedded insurance benefits, CAFII members would be able to meet the following mandated disclosures to the AMF:

- the name and contact information of the distributor; and
- the contact information of the insurer's assistance service.

However, some of the other RADM-mandated disclosures do not fit with the credit card-embedded insurance benefits product line. Specifically, the following:

1) The number of rescissions or cancellations. The customer cannot cancel credit card-embedded insurance benefits as a component part of the overall credit card package; rather, he/she must cancel the credit card in its entirety. Customers most often choose to cancel a credit card because they do not like the annual fee, the interest rate, the rewards program, or to reduce the overall amount of credit they are carrying. Having the industry report on credit card cancellations would provide the AMF with no market conduct or consumer protection-related indicators or red flags relevant to the embedded insurance benefits.

2) Remuneration paid to all distributors. For credit card-embedded insurance benefits, there is no remuneration paid to distributors.

Given the realities outlined above and to ensure that the AMF still receives relevant data to fulfill its industry oversight responsibilities, CAFII recommends that instead of the industry addressing the requirements set out in Clause 21 of the RADM, the AMF should align its reporting requirements with those in the CCIR's Annual Statement on Market Conduct (ASMC). The ASMC calls for relevant credit card-embedded insurance benefits data and insurers could provide similar Quebec-specific data to the AMF rather than being required to implement different and/or additional reporting.

### **Customer Disclosures**

Given that credit cards can have over 10 different embedded insurance benefits, and each issuer has a portfolio of unique credit cards, each issuer may have dozens of different embedded insurance benefits. It would be impractical to expect that, at the point of sale, the credit card issuer would provide the consumer with 10-plus summaries of the embedded insurance benefits when the primary information the consumer is seeking relates to the card's annual fee, its interest rate, payment grace period, and its rewards program. Furthermore, this would likely confuse rather than provide clarity to the consumer.

Given the AMF's request, CAFII members are prepared to produce summaries for consumers of credit card-embedded insurance benefits, which would be made available to all consumers on the insurer's website.

The summaries of embedded insurance benefits will

- be concise;
- be written in clear, consumer-friendly language;
- present accurate information;
- not contain any advertising or any promotional offers; and
- not be the Certificate of Insurance.

The summaries of embedded insurance benefits will include

- the insurer's name and contact information;
- the client number of the insurer registered in the Authority's register of insurers and the Authority's website address;
- the name and type of insurance product embedded;
- the eligibility criteria;
- the name and contact information of the distributor that offers the product;
- the product coverage, exclusions and limitations;
- any other specific clauses which may affect the insurance;
- the insurer's website address providing access to the information on where the client can file a complaint with the insurer and a summary of the complaint processing policy; and
- the manner in which the Certificate of Insurance can be accessed on the website.

## **Fact Sheet**

It is CAFII's intent to try to find creative solutions to the AMF's expectations which will lead to positive consumer outcomes. The Fact Sheet, as prescribed by the RADM, is not aligned with credit card-embedded insurance benefits and would be a "forced fit."

Therefore, CAFII recommends that, in the case of credit card-embedded insurance benefits, the AMF should authorize credit card distributors to use the "*Reserved for use by the insurer*" section of the Fact Sheet to clarify important details about the embedded benefits.

The "*It's your choice*" and "*How to choose*" sections are not well suited to credit card-embedded insurance benefits, but the Fact Sheet section that is of particular concern is "*Right to Cancel*." As stated previously, credit card-embedded insurance benefits cannot be cancelled without cancelling the credit card itself. This is due to the fact that the coverages embedded in a credit card are issued under a group master policy to the policyholder (i.e. a bank or credit union) for the benefit of individual cardholders, who are provided with insurance certificates as participants under the group policy. Therefore, an individual cardholder under the group master policy cannot choose to cancel coverage under the certificate, as only the policyholder can terminate a group policy which would have the effect of cancelling coverage for all cardholders.

Therefore, CAFII recommends that, in the case of credit card-embedded insurance benefits, the AMF should authorize credit card distributors to use the "*Reserved for use by the insurer*" section of the Fact Sheet to clarify important details, such as under what circumstances – when an account is not in good standing, for example -- termination of coverage would be effected.

## **Other comments:**

### ***Information collected from consumers***

With respect to the RADM Clause 25, no information is collected upfront from consumers relative to credit card-embedded insurance benefits. Any information collected from the credit card applicant is compliant with all applicable privacy requirements, including the federal PIPEDA. The insurer does not see any of the details about a specific enrollee in the group plan underlying a credit card-embedded insurance benefit until there actually is a claim.

Similarly, under RADM Clause 30, insurers would not be in a position to provide an applicant with the summary of the information collected from the client, as it is not collected for insurance purposes. However, the Certificates of Insurance would be provided, per normal fulfillment procedures.

### ***Insurer Assistance service***

CAFII members would be able to meet the expectations regarding the insurer having an Insurer Assistance Service, to answer questions from the distributor regarding each benefit offered, as referenced in RADM Clause 27.

### ***Distributor training***

With respect to RADM Clause 34, training of distributor staff already exists. Staff are provided with the necessary knowledge to ensure that customers' questions are addressed and that the appropriate information is being provided about the credit card-embedded insurance benefits. A common practice is for the distributor's staff to provide high level product information (e.g. *this credit card includes \$X Million in travel medical insurance for up to Y days*) and to direct more detailed questions around eligibility, pre-existing conditions, etc. to a licensed insurance agent who works for the insurer.

However, with respect to RADM Clause 33 related to the insurer “monitoring and supervising the offering of insurance products,” CAFII emphasizes that this provision is not applicable to credit card-embedded insurance benefits because for this product line, there is no “offering of insurance,” as there is, for example, in the case of credit card balance protection insurance, which is offered as a stand-alone product.

**Conclusion**

We thank you, in advance, for considering the creative solutions and related recommendations put forward by our Association in this letter. We look forward to dialoguing with the AMF on the proposals we have made. In that connection, please contact Keith Martin, Co-Executive Director, at [keith.martin@cafii.com](mailto:keith.martin@cafii.com) or 647-460-7725 at your earliest convenience, to set up an in-person or teleconference meeting for that purpose.

Sincerely,

Martin Boyle  
Board Secretary and Chair, Executive Operations Committee

### **About CAFII**

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

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

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

CAFII is currently the only Canadian Association with members involved in all major lines of personal insurance. Our members are the insurance arms of Canada's major financial institutions – BMO Insurance; CIBC Insurance; Desjardins Financial Security; National Bank Insurance; RBC Insurance; ScotiaLife Financial; and TD Insurance – along with major industry players Assurant, Canadian Premier Life Insurance Company, CUMIS Services Incorporated, Manulife (The Manufacturers Life Insurance Company), Sun Life Financial, and The Canada Life Assurance Company.

## **Briefing Note**

**CAFII EOC Meeting, 26 May, 2020—Agenda Item 5c.**

**CAFII Quarterly CPI Benchmarking Study With RSM Canada: Vetting By Stikeman Elliott Competition Lawyer; and Distribution of First Report**

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### **Purpose of this Agenda Item**

To update the EOC on the status of the CAFII quarterly benchmarking study on CPI, including a review by Stikeman Elliott.

### **Background Information**

The first CAFII Quarterly Benchmarking Study is ready for release. Stikeman Elliott's competition lawyer Mike Kilby has done a review and is comfortable with the report and its content. A note was shared with the eight CAFII members sharing data to confirm that they understand and are comfortable with the report also being shared with the five insurer members of CAFII who do not participate in the sharing of data.

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

Update only.

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

1 Attachment.

## **Toronto Memorandum**

**To:** Canadian Association of Financial Institutions in Insurance (“**CAFI**”)  
**From:** Michael Kilby / 416.869.5282  
**Re:** Quarterly Benchmarking Reports – Competition Law  
**Date:** May 19, 2020

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This memo summarizes our competition law assessment of the proposed quarterly benchmarking reports to be prepared and distributed by RSM Canada to CAFI members.

### **Background**

- For many years, the Canadian Bankers Association (the “**CBA**”) prepared and distributed to its membership periodic reports summarizing certain metrics regarding the uptake of creditor insurance products in Canada (and regions thereof) based on data collected from its membership.
- While the CBA has ceased collecting the relevant data and distributing the relevant reports, CAFI’s membership has shown an interest in re-starting the practice that was in place at the CBA for many years, and the membership has asked CAFI whether it could assume this function.
- In contrast to the CBA, CAFI determined that it would be best to retain an expert actuarial firm, RSM Canada, to gather the data from each individual financial institution (FI) member (of whom there are eight) and then to prepare and distribute the reports in question to the banking members and the insurer members (of whom there are five).
- CAFI has provided Stikeman Elliott LLP (“**Stikeman**”) with templates of the proposed quarterly reports (the “**Reports**”) and has also made available RSM Canada to provide further context and to respond to questions from Stikeman, in order that Stikeman may provide a view to CAFI that the preparation and distribution of the Reports is unlikely to raise competition law concerns.

### **Assessment**

- The sharing of competitively sensitive information between competitors gives rise to risk under the Competition Act. As such, and while benchmarking studies are reasonably common in a variety of industries, it is important that such studies be carried out with appropriate protocols in place so as to address such risks. This is important in substance and also in perception; the sharing of information between competitors cannot in substance violate the Competition Act nor should it give rise to a plausible perception or allegation of same.
- In relation to the Reports:



- RSM Canada is a highly reputable firm with experience in benchmarking studies. It is always preferable to rely upon such firms to implement / manage such studies, with competition law oversight, rather than seek to fulfil this function in-house.
- None of the CAFII FI members provide any of their information directly to each other or even to the CAFII executive. Rather, each CAFII FI member provides its individual information to RSM Canada only.
- The information in question relates only to uptake / penetration rates of creditor insurance in various channels and aggregated regions. No absolute numbers are provided to RSM Canada or in the quarterly reports which it produces and distributes.
- No pricing information is provided.
- No market share information is provided.
- The Reports prepared by RSM Canada anonymize the data received. This is to say that while an FI member is itself identified in the version of the Reports that it individually receives, every other FI member is assigned a random number (1 through 7) in such version of the Reports. In this manner, each FI member receives a different version of the Reports, anonymizing all other members.
- The anonymization performed by RSM Canada, together with the fact that there are eight contributors in total, means that while each individual FI member is able to compare its relative performance in creditor insurance penetration as against its peer group, it does not know the same in respect of any individual competitor (as they are not identified by name) and gains no insight at all into pricing practices. It may be possible to make certain inferences or educated guesses based on overall competitor characteristics but such information is not contained within the Reports.
- The CAFII insurer members will also receive a version of the Reports, with all eight FI members being anonymized in such version of the Reports. Much of the underlying data ultimately originates from such insurer members (in the sense that their products are being distributed by FI members)
- The Reports will be prepared on quarterly basis.

## **Conclusion**

In our view, and based on our experience in relation to such matters, the protocols described above and that have been put in place in relation to the Reports may be characterized as industry-leading best practices. Competition law risks have been appropriately identified and addressed to minimize the prospect of it being alleged that the Reports raise competition law issues, and we consider that they do not. We would be pleased to consider any proposed changes to the Reports going forward.

## **Briefing Note**

### **CAFII EOC Meeting, 26 May, 2020—Agenda Item 5d.**

Proposed CAFII Response To CCIR/CISRO FTC Working Group Request That CAFII Undertake A Third Party-Conducted Survey And Provide A Report On CAFII Member-Utilized Incentives and Compensation Models

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### **Purpose of this Agenda Item**

CAFII needs to determine how to respond to the CCIR/CISRO FTC Working Group expectation that CAFII will share information about members' incentives and compensation models at the June 2020 meeting.

### **Background Information**

The CCIR/CISRO FTC Working Group has requested that CAFII members share compensation and incentive models with the Working Group. CAFII requested a legal opinion from Stikeman Elliott on this matter, and they indicated that sharing this information in an open meeting was problematic as it entailed sharing competitively sensitive information with the CCIR/CISRO in the presence of competitors. However, Stikeman Elliott advised that if the information was collected by a third party, and then presented in anonymous, aggregated fashion, this would not be a concern from the perspective of Competition Law. The CCIR/CISRO FTC Working Group indicated that such a survey would be acceptable to the Working Group, and requested that CAFII proceed with such a survey.

Several CAFII Board members expressed significant reservations about providing such information to the CCIR/CISRO FTC Working Group, noting that it is competitively sensitive, and that it is outside the mandate of the CCIR/CISRO FTC Working Group. It was agreed that further discussion of this agenda item would occur during the in-camera session of the 7 April 2020 Board meeting.

We have learned that in that in-camera session, it was suggested that CAFII suggest that the Working Group ask the CBA for information on this issue.

An additional wrinkle is that CCIR Policy Manager Tony Toy has recently communicated that there will be a delay in the next round of industry stakeholder meetings with the CCIR/CISRO FTC Working Group due to COVID-19 considerations, such that it will not occur in June 2020.

**The specific proposal at this stage is to tell the Working Group that they should seek the information on incentives and compensation models directly from member companies, as opposed to through the Association.**

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

Request direction from the EOC on how best to approach this file.

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

No Attachment.

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## **Briefing Note**

### **CAFII EOC Meeting, 26 May, 2020—Agenda Item 5e. Launch of Saskatchewan RIA Advisory Committee**

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#### **Purpose of this Agenda Item**

To update the EOC on the status of the Saskatchewan RIA Advisory Committee.

#### **Background Information**

At the conclusion of the March 5, 2020 CCIR/CISRO FTC Working Group, Keith Martin and Brendan Wycks had a conversation with Insurance Councils of Saskatchewan (ICS) executive April Stadnek at which she mentioned that she had met with CLHIA members, including CAFII EOC member Moira Gill, on the launch of the Saskatchewan RIA Advisory Committee, and that the initiative was moving forward.

CAFII has subsequently followed up with CLHIA to agree on next steps and timelines.

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

Update only.

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

No Attachment.

## **Briefing Note**

**CAFII EOC Meeting, 26 May, 2020—Agenda Item 5f.**

**Launch of CAFII EOC Working Group on Refining Dog and Pony Studios-Developed "CPI Industry Highlights" Slides (Produced From Willis Towers Watson Key Data Point Slides) For Future Use By CAFII and Its Members**

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### **Purpose of this Agenda Item**

To update the EOC on a call for volunteers to join a CAFII Working Group to review slides based on CPI benchmarking data provided to CAFII by Willis Towers Watson.

### **Background Information**

The presentation deck for the FCAC was put together by storytelling firm Dog and Pony, and that included a series of slides based on benchmarking data assembled by actuarial firm Willis Towers Watson. Those slides were not used in the presentation to the FCAC because CAFII management felt that they required validation.

Volunteers will participate in a Working Group that will:

1. Review the data from Willis Towers Watson;
2. Review the slides that Willis Towers Watson produced out of the data;
3. Review the 30 plus slides produced by Dog and Pony based on the material they reviewed from Willis Towers Watson;
4. Review comments on the slides including from a member, and from Willis Towers Watson;
5. Determine which slides should be changed, which should be used in future presentations to regulators and policy-makers, and which should be used internally only.

It is anticipated that the Working Group will need to have two or three one-hour teleconference meetings to complete its mandate.

### **Recommendation / Direction Sought – *Request for Volunteers***

Update on a request for volunteers to join a Working Group.

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

No attachments.

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## **Briefing Note**

**CAFII EOC Meeting, 26 May, 2020—Agenda Item 5g.**

**Recommendation That Launch/Work of CAFII EOC Working Group On Proposed Lower Dues Category Of CAFII Membership Be Deferred Until “New Normal” Emerges, Post-COVID-19**

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### **Purpose of this Agenda Item**

To share with the EOC a proposal that this initiative on a lower dues category of CAFII membership be postponed at this time.

### **Background Information**

Some companies have expressed an interest in joining CAFII but would have liked a separate, lower dues category of membership.

While there is still a need to explore this option, it is unclear how the economic situation will look after the pandemic. At this juncture, it appears that it would be better to wait for things to settle down before striking a Working Group to review a lower dues category of membership.

### **Recommendation / Direction Sought – Discussion; recommendation.**

Proposal to delay the striking of this EOC Working Group for the time being.

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

No attachments.

## **Briefing Note**

**CAFII EOC Meeting, 26 May, 2020—Agenda Item 5h.**

**Postponement of Planned CAFII 2020 Atlantic Canada Visits To 2021 Due To COVID-19: Communication of CAFII's Plans To Insurance Regulators and Policy-Makers in NB, NS, PEI, and NF**

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### **Purpose of this Agenda Item**

To update the EOC on the status of 2020 Atlantic Canada insurance regulators and policy-makers visits.

### **Background Information**

The EOC has suggested that it will be difficult to fit all delayed activities into the Fall of 2020; that internal meetings of CAFII member companies may need to take priority in the Fall of 2020; and that it is not clear what travel and meeting restrictions will be in place in the Fall of 2020 due to the COVID-19 pandemic.

As such, it was recommended that the Atlantic Canada tour not occur in the Fall of 2020, but instead be delayed to the Spring of 2021.

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

Update only.

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

1 Attachment.

***Agenda Item 5(h)***  
***May 26/20 EOC Teleconference Meeting***

**From:** Mazerolle, Angela (FCNB) <angela.mazerolle@fcnb.ca>  
**Sent:** May-21-20 2:12 PM  
**To:** Brendan Wycks <brendan.wycks@cafii.com>  
**Cc:** Sutherland Green, Jennifer (FCNB) <jennifer.SutherlandGreen@fcnb.ca>; Weir, David (FCNB) <david.weir@fcnb.ca>; Keith Martin <Keith.Martin@cafii.com>  
**Subject:** RE: CAFII Is Thinking Of You In These Unprecedented, Stressful COVID-19 Times; And Hopes To Visit You In Fredericton In 2021

Brendan,

Thank you for reaching out. Your planned approach makes sense to us. We'll look forward to seeing you in spring 2021.

Sincerely,

**Angela Mazerolle**

Vice President, Regulatory Operations / Vice-présidente, Activités de réglementation  
Superintendent of Pensions / Surintendante des pensions  
Superintendent of Insurance / Surintendante des assurances

Financial and Consumer Services Commission  
Commission des services financiers et des services aux consommateurs



**From:** Dyer, Renee <ReneeDyer@gov.nl.ca>  
**Sent:** May-21-20 3:11 PM  
**To:** Brendan Wycks <brendan.wycks@cafii.com>  
**Subject:** RE: CAFII Is Thinking Of You In These Unprecedented, Stressful COVID-19 Times; And Hopes To Visit You In St. John's In 2021

Brendan Wycks,

Thank-you for the follow-up and I look forward to scheduling a meeting in 2021.

Thanks,

**Renee Dyer, B. Comm, MBA, CMC**  
Director, Financial Services Regulation Division  
Superintendent of Insurance  
Superintendent of Securities  
Superintendent of Real Estate Salespersons & Agents  
Registrar of Prepaid Funeral Services  
Registrar of Mortgage Broker Services  
Tel: 709-729-4909

**From:** Brendan Wycks <[brendan.wycks@cafii.com](mailto:brendan.wycks@cafii.com)>  
**Sent:** Thursday, May 21, 2020 1:56 PM  
**To:** Mazerolle, Angela (FCNB) <[angela.mazerolle@fcnb.ca](mailto:angela.mazerolle@fcnb.ca)>  
**Cc:** Sutherland Green, Jennifer (FCNB) <[jennifer.SutherlandGreen@fcnb.ca](mailto:jennifer.SutherlandGreen@fcnb.ca)>; Weir, David (FCNB) <[david.weir@fcnb.ca](mailto:david.weir@fcnb.ca)>; Keith Martin <[Keith.Martin@cafii.com](mailto:Keith.Martin@cafii.com)>  
**Subject:** CAFII Is Thinking Of You In These Unprecedented, Stressful COVID-19 Times; And Hopes To Visit You In Fredericton In 2021

May 21, 2020

Ms. Angela Mazerolle  
Vice-President, Regulatory Operations and Superintendent of Insurance  
Financial and Consumer Services Commission of New Brunswick

Hi, Angela.

As you know, building and maintaining mutually beneficial relationships with insurance regulators and policy-makers across Canada is of vital importance to CAFII. It is central to our Association's mission, in the interests of working with regulators and policy-makers in support of consumer choice and fair treatment of customers in the life and health insurance marketplace while also finding the "right regulatory balance" which serves to foster industry innovation and stimulate investment in new product offerings and better consumer experiences.



In that connection, a key component of CAFII's strategic plan is to meet in-person with regulators and policy-makers in their own offices in their own provinces at least once every two years.

We were planning to reach out to you in March of this year, in order to arrange a Spring 2020 (May or June) visit to you in Fredericton, in follow-up to our previous visit in May 2018.

But then the COVID-19 pandemic struck and the current societal lock-down and related physical/social distancing directives resulted.

Back in March, we initially thought that we might be able to defer our planned visits to Atlantic Canada to the Fall of this year, and possibly arrange a visit to you in September or October.

However – given the current uncertainty about whether relatively “normal” domestic air travel will be possible in the Fall; about whether in-person meetings of more than five people will be permitted by that time; and about whether the borders of certain provinces will be open to “non-essential” visitors from other parts of Canada by September or October – we have now decided that a longer term deferral of our Atlantic Canada visit plans makes best sense.

We now intend to take a fresh look at our planned visits to the four Atlantic Canada provinces in very early 2021, with a view to possibly arranging a visit to you in your Fredericton office next May or June.

We trust that you are comfortable with CAFII's thinking and decisions on these matters. We wanted to write and share our thinking and amended plans with you at this time; and, in part, to reassure you that our relationship with you as New Brunswick's Superintendent of Insurance remains vitally important.

We are thinking of you, and regret having to defer our planned 2020 visit with you until next year.

Kind regards and stay safe,

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

Co-Executive Director

Canadian Association of Financial Institutions in Insurance

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

T: 647.218.8243

Alternate T: 647.361.9465

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

## **Briefing Note**

**CAFII EOC Meeting, 26 May, 2020—Agenda Item 5i.**

**Appointment Of Frank Lofranco As Deputy Commissioner, Supervision and Enforcement, Financial Consumer Agency of Canada**

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### **Purpose of this Agenda Item**

Information only.

### **Background Information**

Frank Lofranco has been appointed Deputy Commissioner, Supervision and Enforcement at the FCAC.

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

Information-sharing only, including the fact that CAFII Co-Executive Directors Brendan Wycks and Keith Martin intend to send Mr. Lofranco a congratulatory letter on his appointment and to arrange a Get Acquainted and Dialogue Meeting with him, likely during the summer 2020 months, via teleconference or a virtual meeting platform.

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

Two attachments.

**Agenda Item 5(i)(1)**  
**M1y 26/20 EOC Teleconference Meeting**

**FCAC Commissioner announces appointment of Deputy Commissioner**

From: [Financial Consumer Agency of Canada](#)

**News release**

May 11, 2020  
Ottawa, Ontario

Today, the Financial Consumer Agency of Canada (FCAC), announced the appointment of Frank Lofranco as Deputy Commissioner, Supervision and Enforcement. Reporting to the Commissioner, Mr. Lofranco will be responsible for providing strategic leadership and operational oversight for FCAC's supervision and enforcement activities.

FCAC's role is to protect financial consumers by strengthening the financial literacy of Canadians and ensuring that regulated entities comply with their legislative obligations, voluntary codes of conduct and public commitments.

Mr. Lofranco arrives at an important point in FCAC's evolution, as the Agency implements a new Financial Consumer Protection Framework set out in the Bank Act. The Agency also has new powers that strengthen its ability to protect financial consumers, including the power to direct a bank to comply with their legal obligations. Having recently come into force, these powers align the Agency with other regulators in Canada and abroad.

Mr. Lofranco's proven track record and leadership in financial sector regulation will be invaluable in enabling FCAC to perform its newly expanded and strengthened supervisory role.

**Biographical notes**

Frank Lofranco is a seasoned leader with significant expertise and experience in regulatory compliance and enforcement, strategic policy, program operations, project management, and business transformation.

Before joining FCAC, Mr. Lofranco was the Deputy Superintendent, Operations and Corporate Services, at the Office of the Superintendent of Bankruptcy, and prior to that he was Vice President of Scotiabank's Global Anti-Money Laundering Operations.

Mr. Lofranco also has held executive positions at the Treasury Board Secretariat, Human Resource and Skills Development Canada, FedDev Ontario, and the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC). During his 10 years with FINTRAC, he served in multiple roles including Deputy Chief Compliance Officer.

Mr. Lofranco holds a Master of Public Administration (MPA) from the University of Guelph, and a Bachelor of Public Policy and Administration (PPA) from York University.

### Quick facts

- The Financial Consumer Agency of Canada (FCAC) is an independent federal government agency mandated to protect Canadian financial consumers. It supervises federally regulated financial entities, ensuring that they comply with consumer protection measures set out in legislation, and promotes financial education to strengthen the knowledge, skills and confidence of Canadians and raise awareness of consumer rights and responsibilities.
- In 2018, the Parliament of Canada adopted government legislation that amends the Bank Act to strengthen provisions related to the protection of customers and the public with respect to corporate governance, responsible business conduct, disclosure and transparency, and redress.
- The legislation also amended the Financial Consumer Agency of Canada Act to strengthen the mandate of the Agency and grant it additional powers, including the power to direct banks to comply with their legal obligations and impose higher administrative monetary penalties. The new powers came into force on April 30, 2020.

***Agenda Item 5(i)(2)***  
***May 26/20 EOC Teleconference Meeting***

**DRAFT ONLY**  
**Not For Distribution Beyond CAFII EOC Members**

May 27, 2019

Mr. Frank Lofranco  
Deputy Commissioner, Supervision and Enforcement  
Financial Consumer Agency of Canada (FCAC)  
427 Laurier Avenue West, 6th Floor  
Ottawa ON K1R 5C7  
[frank.lofranco@fcac-acfc.gc.ca](mailto:frank.lofranco@fcac-acfc.gc.ca)

Dear Mr. Lofranco:

The Canadian Association of Financial Institutions in Insurance (CAFII) extends congratulations on your recent appointment as the FCAC's Deputy Commissioner, Supervision and Enforcement and best wishes for much success in that critically important role at the Agency.

We believe that your extensive experience and expertise in regulatory compliance and enforcement, strategic policy development, program operations, project management, and business transformation, in both the public and private sectors, constitute an ideal background for leading the FCAC's supervision and enforcement branch during the next phase in the Agency's mandate as regulator of federally regulated financial institutions (FRFIs).

The FCAC is a key regulator for CAFII because many of our members are distributors of creditor's group insurance and travel insurance as "Authorized Insurance Products" – through banks and federally incorporated credit unions – under the federal Bank Act and the related Insurance Business (Banks and Bank Holding Companies) Regulations (IBBRs).

Our Association has therefore had regular liaison and dialogue with the FCAC over the years, including those meetings set out in Appendix A to this letter for your information.

As you may be aware, Commissioner Judith Robertson had accepted CAFII's invitation to be the guest speaker at our Association's 2020 Annual Members' Luncheon in Toronto. However, due to the COVID-19 pandemic, that event had to be postponed; and we are now looking at possible Fall 2020 dates for rescheduling it, likely as a virtual webinar-style event.

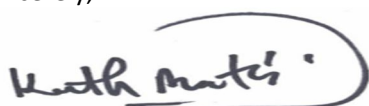
In that connection, a secondary purpose of this letter is to advise that CAFII would like to arrange an initial get-acquainted and dialogue meeting with you in June or during the summer months, after you have had time to settle into your new role as Deputy Commissioner, which will likely need to occur over a virtual meeting platform.

We will follow-up with your office in mid-June, with a view to arranging the requested get-acquainted and dialogue meeting. We would like to secure an initial meeting of 60 to 90 minutes duration. In that meeting,


in addition to getting more fully acquainted and having a dialogue with you on regulatory matters of mutual interest, CAFII would like to make a brief overview presentation on the Authorized Insurance Products which our members offer to consumers and share the results of recent research conducted by Pollara Strategic Insights on consumers' experiences and satisfaction with credit protection insurance and travel health insurance.

We look forward to meeting with you in your new leadership role as the FCAC's Deputy Commissioner, Supervision and Enforcement.

Sincerely,



Keith Martin, Co-Executive Director, CAFII  
647.460.7725



Brendan Wycks, Co-Executive Director, CAFII  
647.218.8243

## **Appendix A**

### **Recent CAFII Meetings and Interactions With Financial Consumer Agency of Canada (FCAC)**

#### **As At May 2020**

- January 2011: CAFII presentation to FCAC staff on "Fundamentals of Creditor's Group Insurance" at FCAC office in Ottawa.
- January 9, 2014: Get re-acquainted/refresh meeting between FCAC Consumer Education Officers Michael Olson and Karen Morgan and CAFII representatives Brendan Wycks, Executive Director, and Moira Gill, Executive Operations Committee member from TD Insurance, at FCAC office in Ottawa
- February 28, 2014: CAFII makes response submission on FCAC consultation on proposed development and implementation of a comprehensive financial consumer code
- June 10, 2014: CAFII Reception event with Brigitte Goulard, FCAC Deputy Commissioner, as guest speaker, at One King West Hotel, Toronto
- February 10, 2015: CAFII Annual Members' Luncheon with Jane Rooney, Canada's National Financial Literacy Leader at FCAC, as guest speaker, at Arcadian Loft, Toronto
- May 1, 2015: CAFII Executive Director Brendan Wycks introduces himself to FCAC Commissioner Lucie Tedesco, and they have a get acquainted chat following her FCAC Update presentation at CLHIA Compliance and Consumer Complaints Conference in Quebec City
- June 12, 2018: CAFII purchases a table for Economic Club of Canada luncheon with Lucie Tedesco, FCAC Commissioner, as guest speaker, at Royal York Hotel, Toronto. CAFII Co-Executive Directors Brendan Wycks and Keith Martin chat with Lucie Tedesco and Brigitte Goulard, Deputy Commissioner, following Ms. Tedesco's presentation focused on the May 2018 FCAC "Domestic Bank Retail Sales Practices Review" Report

- September 14, 2018: *FCAC Presentation and Dialogue Meeting* (focused on CAFII-relevant insights arising from the May 2018 FCAC “Domestic Bank Retail Sales Practices Review” Report) between Brigitte Goulard, Deputy Commissioner, and CAFII Board of Directors and Executive Operations Committee members, at CIBC Insurance, Toronto
- March/April 2019: CAFII makes response submissions on FCAC’s proposed “Credit or Loan Insurance” and “Credit Card Balance Insurance” consumer education materials (website content)
- October 28, 2019: *CAFII Get-Acquainted and Dialogue Meeting* with new FCAC Commissioner Judith Robertson and three FCAC staff executives (Teresa Frick, Jeremie Ryan, Maria Vranas) at FCAC office in Ottawa
- March 9, 2020: *CAFII Presentation and Dialogue Meeting on Credit Protection Insurance Sales Practices and Fair Treatment of Customers Considerations* with FCAC staff executives (Teresa Frick, Acting Managing Director: Supervision & Promotion Branch; Stephen Wild, Senior Research & Policy Officer; Laury Johnson, Senior Supervisor; Vincent Gadbois, Supervision Officer; Ruth Stephen, Director: Research, Policy & Education; Véronique Milot, Manager: Consumer Education; Dave Hayes, Research & Policy Officer; and Thierry Plante, Senior Consumer Education Officer)

## **Appendix B**

### **About CAFII**

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

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

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

CAFII is currently the only Canadian Association with members involved in all major lines of personal insurance. Our members are the insurance arms of Canada’s major financial institutions – BMO Insurance; CIBC Insurance; Desjardins Financial Security; National Bank Insurance; RBC Insurance; ScotiaLife Financial; and TD Insurance – along with major industry players Assurant, Canadian Premier Life Insurance Company, CUMIS Services Incorporated, Manulife (The Manufacturers Life Insurance Company), Sun Life Financial, and The Canada Life Assurance Company.

## **Briefing Note**

**CAFII EOC Meeting, 26 May, 2020—Agenda Item 6a.**

**Departure of Natalie Hill For New Position Outside Managing Matters**

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### **Purpose of this Agenda Item**

To update the EOC on a change in personnel at Managing Matters, our Association Management Company (AMC).

### **Background Information**

Natalie Hill has moved to the Region of Toronto Board of Trade in the position of Manager, Member Engagement. Albert Lin will now step into the role of CAFII's account administrator, supporting the Association on administrative matters. Martha Feenstra has also taken over the role of events coordination for CAFII at Managing Matters, replacing Felicia Tavares in that capacity.

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

Update only.

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

No Attachment.



## **Briefing Note**

**CAFII EOC Meeting, 26 May, 2020—Agenda Item 6b.**  
**Draft Minutes of April 28/20 EOC Teleconference Meeting**

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### **Purpose of this Agenda Item**

Request for EOC to approve the draft minutes of the 28 April, 2020 EOC Teleconference-only meeting.

### **Background Information**

Approval of minutes.

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

Approval sought.

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

One attachment.

**CAFII Executive Operations Committee Teleconference-Only Meeting**

**Tuesday, 28 April, 2020**

**Minutes**

**EOC Present:**

Martin Boyle, BMO Insurance, *Chair*  
Afzal Baig, TD Insurance  
Anita Mukherjee, RBC Insurance  
Brad Kuiper, ScotiaLife Financial  
Casandra Litniansky, CUMIS Services Inc.  
Charles MacLean, RBC Insurance  
Dallas Ewen, Canada Life Assurance  
Dana Easthope, Canadian Premier Life  
Dominique Julien, CIBC Insurance  
Emily Brown, Sun Life Financial  
Joanna Onia, CIBC Insurance  
John Lewsen, BMO Insurance  
Kamana Tripathi, TD Insurance  
Karyn Kasperski, RBC Insurance  
Marie Nadeau, National Bank Insurance  
Michelle Costello, CUMIS Services Inc.  
Moirra Gill, TD Insurance  
Monika Spudas, Manulife Financial  
Penny Cordogiannis, RBC Insurance  
Pete Thorn, TD Insurance  
Rob Dobbins, Assurant  
Scott Kirby, TD Insurance  
Sharon Apt, Canada Life Assurance  
Shawna Sykes, The Co-operators Group Limited/CUMIS Services Inc.  
Vikram Malik, Sun Life Financial  
Vivek Sahni, RBC Insurance

**Also Present:**

Brendan Wycks, CAFII *Co-Executive Director*  
Keith Martin, CAFII *Co-Executive Director*  
Natalie Hill, Managing Matters  
Albert Lin, Managing Matters

**1.Call to Order**

Chair Martin Boyle called the meeting to order. Natalie Hill introduced new Managing Matters employee Albert Hill, who will be the new Account Co-ordinator for CAFII.

**2. Consent Items**

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

- Regulatory Update
- Consultations/Submissions Timetable
- Regulator and Policy-Maker Visit Plan
- Summary of Board and EOC Action Items

### **3a. Transition To A New Approach To CAFII Board Meeting Materials, Based On Board Feedback**

B. Wycks reported that EOC Chair M. Boyle had shared with him and K. Martin that during the in camera portion of its 7 April, 2020 meeting, the CAFII Board provided feedback on the materials package for that meeting; and requested that for future Board meetings, the materials package be made more concise and strategic. It was also recommended that the Briefing Notes for each agenda item be made the driver for each item, and that the purpose and action required for each agenda item be more clearly spelled out in the Briefing Notes.

CAFII management has attempted to implement the changes sought by the Board for this EOC meeting, and was seeking feedback from EOC members on whether it was an improvement on the former approach.

EOC Chair M. Boyle advised that this matter would be discussed further in the EOC's in camera discussion at the conclusion of this meeting, and feedback then shared with Co-Executive Directors B. Wycks and K. Martin.

### **3b. Possibility of Using Zoom Meeting Software For Future CAFII EOC, Board, and Committee Meetings That Are Not In-Person Meetings**

K. Martin advised that with CAFII members largely working from home during the COVID-19 pandemic lock-down and physical distancing situation, new ways of collaborating were necessary. CAFII management has used the different virtual meeting platforms available (Google Handout, Webex, Zoom, Skype) and has concluded that Zoom is the most intuitive and easy-to-use.

However, some CAFII members have indicated that their IT security departments do not permit the use of Zoom.

CAFII management presented the idea that over time, it might become possible to use Zoom for CAFII meetings, recognizing that CAFII EOC members must comply with global IT department protocols.

Managing Matters has been asked to produce a short summary of some of the security issues and features of Zoom. There have been media accounts of "Zoom-bombings," but CAFII would take the following steps to ensure that only invited persons would be able to access the meetings set up by CAFII:

1. Require registration before the meeting to confirm the attendee's identity;
2. Require a password to join the meeting;
3. All participants are placed in a waiting room at the time of the meeting, and the host only allows identified individuals to enter the meeting room;
4. Host would monitor the attendees to ensure that only invited attendees are participating in the meeting.

In EOC discussion, it was agreed that there would be continued discussion of this item.

### **3b(i) Possibility of Having A CAFII "Virtual Reception With A Guest Speaker," Over Zoom, Immediately Following June 9/20 CAFII Board Meeting**

K. Martin advised that with restrictions on public meetings, CAFII cannot currently hold its usual in-person Receptions with a guest speaker following Board meetings. But there could be the possibility of holding a webinar with a guest speaker to which CAFII members would be invited.

This idea received positive EOC support and CAFII management was encouraged to investigate this idea further.

***[Action Item: Secure a guest speaker for a CAFII webinar/virtual Reception on 9 June, 2020; K. Martin and B. Wycks, May 25/20.]***

### **3c. Draft Minutes of April 7/20 CAFII Board Teleconference Meeting**

The draft minutes of the 7 April, 2020 CAFII Board teleconference meeting were endorsed by the EOC, for presentation to the Board for approval at its next meeting.

### **3d. Draft Minutes of March 24/20 EOC Teleconference Meeting**

The draft minutes of the 24 March, 2020 EOC teleconference meeting were approved.

### **3e. Postponement of 2020 CAFII Annual Members' Luncheon To Fall 2020**

B. Wycks recalled that CAFII had previously advised FCAC Commissioner Judith Robertson that due to the COVID-19 pandemic, the Association's 2020 Annual Members' Luncheon, at which she was booked to be the guest speaker, has been postponed from 26 March, 2020 to the Fall of 2020.

In EOC discussion of the desired Fall 2020 period for rescheduling the 2020 CAFII Annual Members' Luncheon, with Ms. Robertson as the guest speaker, it was observed that there were already multiple CAFII member company and industry events that had been moved to the Fall of 2020. It was also not certain that social gatherings with a large number of attendees would be permitted by the Fall of 2020. It was noted that large events would likely be conducted differently, with fewer people eating at the same table, and physical distancing rules still in place. This could impact upon the economics of holding such events.

Based on these observations, the EOC asked CAFII management to not seek to reschedule the 2020 CAFII Annual Members' Luncheon for the Fall of 2020, forego this event in 2020, and instead look to hold the Annual Members' Luncheon again in the usual February or March timeframe in 2021.

### **3f. Rescheduling of October 6/20 CAFII Board Meeting; and Liaison Lunch and Industry Issues Dialogue With AMF Staff Executives**

B. Wycks advised that 6 October, 2020, the currently scheduled date for a CAFII Board meeting along with an informal liaison lunch and Industry Issues Dialogue session with AMF staff executives, does not work for CAFII member host Desjardins Insurance. Therefore, CAFII management was in the process of polling CAFII Board members to identify a suitable alternate date in the month of October 2020.

### **3g. Communications and Timelines Re CAFII 2020 Annual Meeting of Members On June 9/20**

B. Wycks advised EOC members of the key action milestones and timelines associated with the CAFII 2020 Annual Meeting of Members on 9 June, 2020, which the Board had approved to be held as a teleconference-only meeting.

### **3h. CAFII Initiation Member and Associate Prospects**

CAFII management provided an update on CAFII Initiation Member and Associate prospects, noting that due to the COVID-19 pandemic's impact upon businesses and the economy generally, our original projections about new Initiation Member and Associate prospects had not panned out. It was particularly difficult to secure new Associates at the present time, given that the networking/business development through CAFII events attendance benefits of CAFII Associate status had been compromised for 2020 due to the pandemic.

### **4a. Financial Statements as at March 31/20**

B. Wycks provided an update on CAFII's financial statements as at 31 March, 2020, on behalf of Treasurer T. Pergola who was unable to attend, noting that at the end of the first quarter of the fiscal year, the Association's financial results were tracking well against the budget-year-to-date. CAFII's financial reserves, which the Association seeks to maintain at between 25% and 50% of annual operating expenses, currently stand at 32%.

### **4b. 2020 Budget Forecast**

B. Wycks provided an update on CAFII's financial forecast through to the end of the 2020 fiscal year, on behalf of Treasurer T. Pergola who was unable to attend, noting that with one quarter of the year completed the Association was tracking close to the forecast's expectations, save and except for some modest deviations that were mainly due to timing differences. He highlighted that the budgeted expenses for the postponed 2020 CAFII Annual Members' Luncheon had not been incurred to date and that fact had reduced the overall year-to-date expenses.

### **5a(i) Research & Education Committee—Recommendations on 2020 CAFII Research**

K. Martin advised that the Research & Education Committee recently met on 10 March, 2020 and made two recommendations for 2020 research. The first was to produce a CLHIA-type "fact pack" study on the size and impact of credit protection insurance (CPI), nationally and provincially. This could be published and shared broadly, including via our CAFII website, could be the subject of a media release, and could be included in our presentations to insurance regulators and policy-makers. The Committee was also hopeful that the full \$60K R&E budget would not be needed to produce such a study, and that there could also be funding of a white paper by Melissa Carruthers of Deloitte Canada on "The Future of Credit Protection Insurance in Canada."

Since that recommendation was made, however, much had changed due to the COVID-19 pandemic. The fact-pack will require some time from members to produce the required data, including access to IT resources. As such, it was felt that the sequencing of the two proposed research options should be flipped, with the white paper research initiative being completed first, and the fact-pack work only being done after the pandemic situation has stabilized.

The EOC had endorsed those R&E Committee recommendations at its 24 March, 2020 meeting and they were recommended to the CAFII Board at its 7 April, 2020 meeting.

However, at the 7 April, 2020 CAFII Board meeting, some Directors expressed concerns about the value of a fact pack, while others were concerned that the white paper might be by-passed by events as so much is changing due to the COVID-19 issue. There was a desire to have a more fulsome discussion of research options at the Board level. It was agreed that further discussion on the research options was required, and the Board decided to defer a decision on 2020 research to its 9 June, 2020 meeting.

K. Martin further advised that the intention of the proposed fact pack research on CPI in Canada is to provide indications of the market size of CPI, and the impact it has in protecting Canadians. When CAFII meets with insurance regulators and policy-makers, we currently cannot tell them how many policies are in-force, how many mortgages are protected, the number of Canadians who have peace of mind because of CPI, the number of employees we employ in their province due to these products being offered, etc.

The inspiration for the collection of this data is the CLHIA annual “fact pack” along the same lines, which we have consistently heard people say is impactful and demonstrates the maturity and importance of the industry—something that for CAFII and CPI we currently cannot report on because we don’t collect that information.

The fact pack research results could be used in multiple ways, including as an introductory “setting the stage” section for all of our regulatory presentations; and for citing relevant statistics whenever we put out a media release or publish an op-ed article.

In discussion, the EOC reiterated its support for the 2020 research initiatives recommended by the R&E Committee, and supported CAFII reaching out to Melissa Carruthers of Deloitte Canada to get more information on commissioning her to prepare a white/perspectives paper on the Future of CPI in Canada, so that we can provide more detail to the Board on this research option.

***[Action Item: Connect with Melissa Carruthers of Deloitte Canada to get more information on commissioning her to prepare a white/perspectives paper on the Future of CPI in Canada, so that more detail on this 2020 research option can be provided to the CAFII Board for the 9 June, 2020 Board meeting; K. Martin and B. Wycks, May 25/20.]***

## **5b. Market Conduct & Licensing Committee**

No further updates beyond those provided elsewhere in the agenda.

## **5c Media Advocacy Committee**

### **5c(i) Updating of CAFII Website and Google My Business Listing To Reflect COVID-19 Status**

K. Martin advised that RankHigher has indicated that an update on the CAFII website explaining how CAFII is responding to the COVID-19 situation is a best practice, and also will increase the website’s legitimacy in Google. RankHigher therefore proposed several CAFII website and Google My Business Listing enhancements, which had a \$750 cost that was provided for in the Association’s Board-approved 2020 budget. CAFII Media Advocacy Chair Charles Blaquiére supported this initiative, and RankHigher is currently executing the proposed enhancements.

### **5c(ii) CAFII Motion Graphic Video On Credit Protection Job Loss Insurance**

K. Martin recalled that the CAFII Board approved the EOC's recommendation on the 2020 website investment plan (budget of \$35K), which includes two new motion graphic videos, more vignettes, and more FAQs.

The first proposed motion graphic video is on credit protection job loss insurance. This was viewed as a good video to invest in because it is one of the highest search terms on Google around credit protection insurance, and because with the COVID-19 pandemic it is highly topical. However, there may be a risk if some job loss claims are denied, and there is negative media coverage as a result. There may also be some CAFII members who may choose to stop offering this particular CPI coverage.

The proposed storyboard for a video on job loss insurance was included in the materials package for this meeting, for EOC members' review.

In EOC discussion of this matter, it was requested that the storyboard be re-circulated to EOC member separately, to solicit their feedback on both the content of the storyboard and the more strategic question of whether this was the right time for the Association to produce a website video on credit protection job loss insurance.

***[Action Item: Re-circulate the current draft of the storyboard for the website video on credit protection job loss insurance to EOC members, to solicit their feedback on both the content of the storyboard and the more strategic question of whether this is the right time for the Association to produce a website video on this product; K. Martin, May 25/20.]***

### **5c(iii) Feedback/Direction Received In April 21/20 Meeting of Media Advocacy Committee**

K. Martin reported that the Media Advocacy Committee met via teleconference on 21 April, 2020 and discussed a variety of items. There was general support for the direction CAFII was taking on website development and media relations.

### **5c(iv) RankHigher Recommendation on CAFII.Insurance Domain Name**

B. Wycks reported that CAFII pays \$1,000 US annually to Encirca, a US internet domain name registrar, to own and protect the CAFII.Insurance domain. CAFII has owned this domain since 2016, the year that .Insurance domains first became available for purchase, and it renews on July 1 each year.

In that connection, RankHigher has recently advised that for several compelling reasons – based mainly on how secondary domains such as .Insurance and .Bank have received a low level of adoption/use and not earned any “trust” in the algorithms of Google, Bing, etc. – owning CAFII.Insurance is not a worthwhile investment for the Association, and strongly recommended that it be discontinued.

In EOC discussion of this matter, there was strong support for RankHigher's recommendation that CAFII discontinue its ownership of the CAFII.Insurance domain name.

***[Action Item: Bring forward RankHigher's recommendation that CAFII discontinue ownership of the CAFII.Insurance domain name to the CAFII Board for approval at its 9 June, 2020 meeting; B. Wycks, June 2/20.]***



#### **5d. Travel Medical Insurance Experts Working Group**

No report at this time.

#### **5e. Networking & Events**

S. Kirby reported that the Association was planning a guest presenter(s) webinar presentation on 9 June, 2020, immediately following the Annual Meeting of Members and the CAFII Board meeting that afternoon, with the subject matter being the looming impact of climate change upon the life and health insurance industry.

#### **6a Impact Of COVID-19 On CAFII Members, Credit Protection Insurance and Travel Insurance**

##### **6a(i) Highlights of April 16/20 and 23/20 Meetings CAFII Directors and Designates COVID-19 Information-Sharing Group**

K. Martin reported that the CAFII Board passed the following motion at its 7 April, 2020 meeting:

*On a motion duly made, seconded and unanimously carried*

*IT WAS RESOLVED that a CAFII COVID-19 Information-Sharing Group be convened, with the following elements: 1. Membership comprise of a CAFII Board member, and a designate nominated by the CAFII Board member; 2. Designates meet prior to the first full meeting to develop agenda topics; 3. Two meetings be held with the second meeting including discussion of whether further meetings are needed; 4. The meetings would be unminuted with the CAFII Co-Executive Directors to participate, and capture action items.*

K. Martin and B. Wycks then provided an update on the highlights of this Information-Sharing Group's discussions to date.

##### **6a(ii) Summary of Insurance Regulator/Policy-Maker Responses Received To CAFII Forbearance Request Letters: Recommendation Re Follow-Up Forbearance Request Letters**

K. Martin reported that, in general, regulators have been supportive of CAFII's requests for regulatory forbearance, but the regulatory extensions have been shorter than what we asked for.

He also advised that at the CAFII COVID-19 Information-Sharing Group meeting on 16 April, 2020, members of the group felt that the regulatory extensions offered by the CCIR for its Annual Statement on Market Conduct (to 1 July, 2020) and by the AMF for its Annual Filing with respect to the Regulation respecting Alternative Distribution Methods (to 1 July, 2020) would still be problematic, and they suggested that CAFII consider asking for a further extension. If the social restrictions members face currently are still in place over the next month, CAFII will consider asking for further extensions, probably around 1 June 2020.

J. Lewsen requested that CAFII management produced an all-in-one summary document which captures the responses received from insurance regulators and policy-makers across Canada to CAFII's regulatory forbearance request letters. B. Wycks agreed to compile that summary document and circulate it to EOC members.



***[Action Item: Produce an all-in-one summary document which captures the responses received from insurance regulators and policy-makers across Canada to CAFII's regulatory forbearance request letters; B. Wycks, May 10/20.]***

#### **6a(iii) Insights Gained From Weekly CAFII/CLHIA/THIA Calls Re Impact Of COVID-19 On Travel Insurance Industry**

CAFII Co-Executive Directors Brendan Wycks and Keith Martin, Travel Medical Insurance Experts Chair Afzal Baig, and EOC Chair Martin Boyle, participate in a weekly call with CLHIA and THIA on travel medical issues in relation to COVID-19. An update was provided on some of the learnings, including the repatriation of Canadians efforts of the Canadian government, and its decision not to prohibit airlines from issuing vouchers instead of refunds for cancelled flights.

#### **6b. Status of CAFII Liaison/Interaction With AMF On Credit Card-Embedded Insurance Benefits Issue**

K. Martin recalled that CAFII has a two-pronged approach to the AMF's expectation that the Regulation Respecting Alternative Distribution Methods (RADM) applies to credit card-embedded insurance benefits. One prong is the development of legal options; the other prong is to determine what components of the Regulation CAFII members could meet the AMF's expectations on, and which components would be problematic to meet the AMF's expectations on. Both prongs are well-advanced.

However, the latest letter from the AMF on this matter is softer in tone than its previous communications, and this raises the prospect that the second prong on "creative solutions" to meet the AMF's expectations might be promising as a first step. With the response deadline extension granted to 15 July, 2020, there is an opportunity to review an advanced draft of CAFII's proposed submission to the AMF on this issue at the 9 June, 2020 Board meeting.

The EOC was supportive of continuing the work on the draft submission to the AMF, and it was agreed that the latest draft would be circulated to EOC members for comments and feedback.

***[Action Item: Circulate to EOC members, for comments and feedback, the latest draft of CAFII's submission to the AMF on creative solutions to meet its expectations around the RADM's applicability to credit card-embedded insurance benefits; K. Martin, May 25/20.]***

#### **6c. CAFII Approach To CCIR/CISRO FTC Working Group Request That CAFII Undertake A Third Party-Conducted Survey And Provide A Report On CAFII Member-Utilized Incentives and Compensation Models For June 2020 Quarterly Meeting**

K. Martin recalled that the CCIR/CISRO FTC Working Group had requested that CAFII members share information on the compensation and incentive models that their companies use in-market with the Working Group.

CAFII requested legal advice from Stikeman Elliott on this matter, and its competition law expert indicated that sharing this information in an open meeting was problematic as it entailed sharing competitively sensitive information with the CCIR/CISRO in the presence of competitors. However, Stikeman Elliott advised that if the information was collected by a third party, and then presented in anonymous, aggregated fashion, this would not be a concern from the perspective of competition law.

The CCIR/CISRO FTC Working Group indicated that such a survey would be acceptable to the Working Group, and requested that CAFII proceed with such a survey.

However, several CAFII Board members subsequently expressed significant reservations, during the Board's 7 April, 2020 teleconference meeting, about providing such information to the CCIR/CISRO FTC Working Group, noting that it is competitively sensitive, and that it is outside the mandate of the CCIR/CISRO FTC Working Group.

In addition, further discussion of this matter occurred during the in camera session of the 7 April 2020 CAFII Board meeting. M. Boyle, EOC Chair and Board Secretary, informed the EOC that in that Board in camera session, it was recommended that CAFII suggest to the CCIR/CISRO FTC Working Group that it ask the Canadian Bankers Association (CBA) for information on this issue.

CAFII will be therefore be reaching out to CBA, CLHIA, and the Insurance Bureau of Canada on whether they have materials we could use in response to the request from the CCIR/CISRO FTC Working Group, K. Martin concluded.

#### **6d. Launch of Saskatchewan RIA Advisory Committee**

B. Wycks advised that at the conclusion of CAFII's 5 March, 2020 meeting with the CCIR/CISRO FTC Working Group, K. Martin and B. Wycks had a conversation with Insurance Councils of Saskatchewan (ICS) staff executive April Stadnek, in which she mentioned that she had met earlier that week with CLHIA members on the launch of the Saskatchewan RIA Advisory Committee, and that the initiative was moving forward. CAFII will follow up with the CLHIA and with ICS to determine next steps and timelines.

#### **6e. CAFII Quarterly CPI Benchmarking Study: Relaunch and Production of First Report**

K. Martin recalled that at the 24 March, 2020 EOC meeting there was a recommendation that the CAFII Quarterly CPI Benchmarking study be postponed, noting that the same issues that caused CAFII to request delays in regulatory and filing requirements (difficulties in accessing IT backends when employees are working from home, challenges in accessing IT resources, and the need to focus on other customer-centric priorities) seemed to apply to this study.

This recommendation was shared with the CAFII Board at its 7 April 2020 meeting. Several Board members felt that the individuals within their own member companies who would supply this data to RSM Canada, which is producing the reports for CAFII, were different individuals from those who deal with regulatory and filing issues, such that they should be able to supply this information to RSM Canada on a timely basis.

M. Boyle, EOC Chair and Board Secretary, informed the EOC that in its 7 April, 2020 in camera session, the CAFII Board indicated a desire to have the CAFII Quarterly CPI Benchmarking Study continue without delay.

K. Martin reported that that CAFII direction has since been conveyed to RSM Canada and shared with those who are providing the data to the actuarial firm.

RSM Canada was close to completing the first quarterly report from the relaunched CAFII Quarterly CPI Benchmarking Study, and it should be available to share with CAFII members within the next few weeks, Mr. Martin concluded.

#### **6f. CAFII Credit Protection Insurance Industry Best Practices Working Group: Progress Report**

M. Boyle reported that the CAFII Credit Protection Insurance Industry Best Practices Working Group, which has at least one representative from each CAFII member, has made excellent progress with a focus on assessing regulatory expectations, and the development of a high-level principle or standard around industry best practices to meet those expectations. The EOC was advised that while the Working Group has been put on pause temporarily due to the issues raised by the COVID-19 pandemic, it will reconvene and continue its work as soon as that is possible.

#### **6g. Proposed Approach and Target Dates For CAFII Fall 2020 Atlantic Canada Insurance Regulators and Policy-Makers Visits**

B. Wycks recalled that the EOC has previously been advised that CAFII's plan to visit Atlantic Canada's insurance regulators and policy-makers in Spring 2020 had been postponed to the Fall of 2020. As well, based on feedback from EOC members, the intention now was for the tour to not include visiting all four Atlantic Canada provinces consecutively over one week, but rather to have the visits occur in two blocks of two provinces each.

In discussion on this item, EOC members felt that due to the high degree of uncertainty remaining about if, when, and how the COVID-19 pandemic would be resolved and travel restrictions would be relaxed, it was overly ambitious to plan for any insurance regulator and policy-maker visits in the Fall of 2020. In addition, it was noted that the Fall of 2020 was likely to be very busy for CAFII members dealing with rescheduled internal events and commitments.

In concluding discussion on this matter, there was a strong EOC consensus and recommendation that the planned 2020 visits to Atlantic Canada be postponed to the Spring of 2021, but that CAFII communicate with the affected regulators and policy-makers in the four Atlantic Canada provinces now to give them a heads-up about CAFII's plans in this regard.

***[Action Item: Communicate with insurance regulators and policy-makers in the four Atlantic Canada provinces to advise them of CAFII's COVID-19-driven decision to defer its planned 2020 visits to them to the Spring of 2021; B. Wycks, May 25/20.]***

#### **6h. Request For EOC Volunteers For A Summer 2020 CAFII Working Group on Refining Dog and Pony Studios-Developed "CPI Industry Highlights" Slides (Produced From Willis Towers Watson Key Data Point Slides) For Future Use By CAFII and Its Members**

K. Martin recalled that the presentation deck for the Association's 9 March, 2020 with FCAC staff executives at the Agency's office in Ottawa was put together by story-telling firm Dog and Pony Studios, and that included a series of slides based on benchmarking data assembled by actuarial firm Willis Towers Watson. Those slides were not used in the presentation to the FCAC because CAFII management felt that they required validation.

EOC volunteers would be sought to participate in a Summer 2020 EOC Working Group that will:

1. Review the data from Willis Towers Watson;
2. Review the slides that Willis Towers Watson produced out of the data;
3. Review the 30 plus slides produced by Dog and Pony based on the material they reviewed from Willis Towers Watson; and
4. Review comments on the slides including from a member, and from Willis Towers Watson;
5. Determine which slides should be changed, which should be used in future presentations to regulators and policy-makers, and which should be used internally only.

It is anticipated that the Working Group will need to hold two or three one-hour teleconference meetings to complete its mandate, Mr. Martin concluded.

In EOC discussion of this matter, it was requested that a separate email invitation be sent to EOC members on this initiative.

***[Action Item: Send out an email invitation to EOC members inviting them to join a “Summer 2020 CAFII Working Group on Refining Dog and Pony Studios-Developed ‘CPI Industry Highlights’ Slides (Produced From Willis Towers Watson Key Data Point Slides) For Future Use By CAFII and Its Members”; K. Martin, May 25/20.]***

## **Briefing Note**

### **CAFII EOC Meeting, 26 May, 2020—Agenda Item 6c.**

#### **EOC-Recommended Cancellation Of CAFII Annual Members' Luncheon For 2020**

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### **Purpose of this Agenda Item**

To reconfirm support for a recommendation to the CAFII Board of Directors that the 2020 CAFII Annual Members' Luncheon be cancelled; and that no attempt be made to reschedule this event for the Fall of 2020.

### **Background Information**

At the 28 April, 2020 EOC meeting there was discussion about moving the Annual Members Luncheon to the Fall of 2020.

Following are the notes on this from the 28 April, 2020 meeting:

*CAFII has let FCAC Commissioner Judith Robertson know that due to the COVID-19 pandemic the Annual Members' Luncheon, which she is the intended guest speaker at, has been postponed to the Fall of 2020. However, in discussion on this item EOC members noted that there were already multiple other events that have been moved to the Fall of 2020, including many internal member meetings. It was also not at all clear that there would be a return to normalcy in the Fall. Furthermore, it was noted that large events would likely be conducted differently, with fewer people eating at the same table, and physical distancing rules still in place. This could in addition impact on the economics of holding such events.*

*On the basis of these observations, the EOC asked CAFII management to not hold the Annual Members' Luncheon in 2020 and instead look to hold the event in 2021.*

### **Recommendation / Direction Sought – Confirmation**

Reconfirmation of the EOC's 28 April, 2020 direction is sought, so that a recommendation on that direction may be made to the CAFII Board of Directors at its 9 June, 2020 meeting.

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

No attachments.

## **Briefing Note**

**CAFII EOC Meeting, 26 May, 2020—Agenda Item 6d.  
Rescheduling of October 6/20 CAFII Board Meeting; and Liaison Lunch and Industry Issues Dialogue With  
AMF Staff Executives To Thursday, October 8/20 or Thursday, October 15/20**

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### **Purpose of this Agenda Item**

To update the EOC on the rescheduling of the liaison lunch and the Industry Issues Dialogue Session with AMF staff executives; and the immediately ensuing CAFII Board meeting in Quebec.

### **Background Information**

The liaison lunch and industry issues dialogue the AMF had to be rescheduled due to COVID-19. CAFII is looking for a date when a quorum of Directors can attend the meeting in the Fall of 2020.

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

Update only.

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

No attachments.

**Notice of Annual Meeting of Members**  
**Canadian Association of Financial Institutions in Insurance**  
**L'association canadienne des institutions financières en assurance**

Notice is hereby given to all Members of the Canadian Association of Financial Institutions in Insurance that the Annual Meeting of Members will be held by teleconference-only on Tuesday, June 9, 2020 at 2:00 p.m. EDT to transact the following business:

1. Call to Order; Welcome; and Opening Remarks
2. Approval of the Minutes of the CAFII Annual Meeting of Members held June 4, 2019
3. Approval of CAFII's 2019 Audited Financial Statements and Auditor's Report Thereon
4. Appointment of KPMG as Auditor for the Ensuing Year
5. Election of the following as members of the CAFII Board of Directors for 2020-2021:
  - Paul Cosgrove, Assurant
  - Peter McCarthy, Bank of Montreal, BMO Insurance
  - Nicole Benson, Valeyo (Canadian Premier Life Insurance Company)
  - Mica Sweet, CIBC Life Insurance Company Ltd.
  - Kelly Tryon, CUMIS Services Incorporated
  - André Langlois, Desjardins Insurance
  - Wally Thompson, Manulife
  - Peter Thompson, National Bank Insurance
  - Chris Lobbezoo, RBC Insurance Holdings Inc.
  - Zack Fuerstenberg, ScotiaLife Financial
  - Sophie Ouellet, Sun Life
  - Janice Farrell Jones, TD Life Insurance Company
  - Louie Georgakis, The Canada Life Assurance Company
6. Transaction of such other business as may properly be brought before the meeting

Members are entitled to vote by proxy at the Annual Meeting of Members. A written proxy must be received at the CAFII office by email ([info@cafii.com](mailto:info@cafii.com)) before 2 p.m. on **Friday, June 5, 2020** in order to be valid at this meeting.

The Annual Meeting of Members is expected to last approximately 15 minutes. The first meeting of the 2020-2021 CAFII Board of Directors will begin immediately thereafter.

Dated this 7<sup>th</sup> day of May, 2020



Martin Boyle, CAFII Secretary

## CAFII Annual Meeting of Members

**Date: Tuesday June 9, 2020**

**Location: Teleconference-Only**

**2:00 p.m. EDT**

**Dial-in: 416-477-0921/514-447-8925/1-888-543-2449**

**Pin #: 1500**

### AGENDA

1. Call to Order; Welcome; and Opening Remarks
2. Approval of the Minutes of the CAFII Annual Meeting of Members held June 4, 2019
3. Approval of the CAFII 2019 Audited Financial Statements and Auditor's Report Thereon
4. Appointment of KPMG as CAFII's Auditor for the Ensuing Year
5. Election of the following as members of the CAFII Board of Directors for 2020-2021:
  - Paul Cosgrove, Assurant
  - Peter McCarthy, Bank of Montreal, BMO Insurance
  - Nicole Benson, Valeyo (Canadian Premier Life Insurance)
  - Mica Sweet, CIBC Life Insurance Company Ltd.
  - Kelly Tryon, CUMIS Services Incorporated
  - André Langlois, Desjardins Insurance
  - Wally Thompson, Manulife
  - Peter Thompson, National Bank Insurance
  - Chris Lobbezoo, RBC Insurance Holdings Inc.
  - Zack Fuerstenberg, ScotiaLife Financial
  - Sophie Ouellet, Sun Life
  - Janice Farrell Jones, TD Life Insurance Company
  - Louie Georgakis, The Canada Life Assurance Company
6. Transaction of such other business as may properly be brought before the meeting



**MINUTES OF THE ANNUAL MEETING OF MEMBERS OF  
THE CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE  
HELD AT  
Manulife Financial, Holmes Gooderham A  
200 Bloor St. East, North Tower, Toronto, ON  
June 4, 2019**

**1. Call to Order**

The meeting was called to order at 3:02 p.m. Nicole Benson acted as Chair; Martin Boyle acted as Secretary; and Natalie Hill acted as Recording Secretary. The Secretary confirmed that twelve (12) Members were present in-person.

**2. Declaration of Meeting Properly Called and Constituted**

Secretary Martin Boyle confirmed that Notice of this Annual Meeting had been duly communicated to Members, via electronic mail, and that a quorum of Members was present. Chair Nicole Benson therefore declared that this Annual Meeting of Members of the Canadian Association of Financial Institutions in Insurance properly called and duly constituted for the transaction of business.

**3. Approval of the Agenda**

On a motion duly made, seconded, and unanimously carried

**IT WAS RESOLVED that**

The agenda be approved as presented.

**4. Approval of the Minutes of the Annual Meeting of Members Held June 5, 2018**

The minutes of the Annual Meeting of Members held June 5, 2018 had been circulated to Members. Chair Nicole Benson asked if there were any amendments, additions or deletions to the minutes.

On a motion duly made, seconded, and unanimously carried

**IT WAS RESOLVED that**

The minutes of the Annual Meeting of Members held June 5, 2018 be and are hereby adopted in the form presented, and that a copy of those minutes be signed and placed in the minute book of the Corporation.

**5. Approval of 2018 Audited Comparative Financial Statements and Auditor's Report Thereon**

The audited financial statements and auditor's report thereon for the year ended December 31, 2018 had been approved at the Board of Directors' meeting on April 16, 2019; and then circulated to the membership.

Hudson Lopez, partner with auditor KPMG, reported on the Corporation's comparative financial statements for fiscal year ended December 31, 2018 and the auditor's report thereon; and answered members' questions.

On a motion duly made, seconded, and unanimously carried

**IT WAS RESOLVED that**

The Members of the Corporation approve the Corporation's audited comparative financial statements for the year ended December 31, 2018, together with the report of the auditors thereon.

**6. Appointment of Auditor for the Ensuing Year**

On a motion duly made, seconded, and unanimously carried

**IT WAS RESOLVED that**

The Members of the Corporation appoint KPMG as auditor of the Corporation for the ensuing year or until a successor is appointed, at such remuneration as shall be fixed by the Directors of the Corporation.

**7. Election of Directors**

On a motion duly made, seconded, and unanimously carried

**IT WAS RESOLVED that**

The following individuals be elected as Directors of the Corporation for a one-year term, concluding with the 2020 Annual Meeting of Members:

- Paul Cosgrove, Assurant
- Peter McCarthy, Bank of Montreal, BMO Insurance
- Nicole Benson, Valeyo (Canadian Premier Life Insurance Company)
- Sandra Rondzik, CIBC Life Insurance Company Limited
- Kelly Tryon, CUMIS Services Incorporated
- Christian Dufour, Desjardins Financial Security Life Assurance Company
- Wally Thompson, Manulife
- Peter Thompson, National Bank Insurance
- Chris Lobbezoo, RBC Insurance Holdings Inc.
- Zack Fuerstenberg, ScotiaLife Financial
- Janice Farrell Jones, TD Life Insurance Company; and
- David Fear, The Canada Life Assurance Company

**8. Approval of Decisions and Actions of the Corporation**

On a motion duly made, seconded, and unanimously carried

**IT WAS RESOLVED that**

The Members of the Corporation approve, ratify, sanction and confirm all by-laws, resolutions, terms of reference, rules and regulations, contracts, acts and proceedings of the Board of Directors, Members, and Officers of the Corporation enacted, passed, made, done or taken since June 5, 2018, as the same are set forth or referred to in the minutes of the Corporation or in the financial statements submitted to Members of the Corporation as of this date.

**9. Motion to Terminate**

On a motion duly made, seconded, and unanimously carried

**IT WAS RESOLVED that**

*This Annual Meeting of Members of the Canadian Association of Financial Institutions in Insurance be terminated at 3:14 p.m.*

\_\_\_\_\_  
Date

\_\_\_\_\_  
Chair

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

**CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE**  
**L'ASSOCIATION CANADIENNE DES INSTITUTIONS FINANCIÈRES EN ASSURANCE**  
(the "Corporation")

**PROXY**

I appoint Nicole Benson, Board Chair, or failing her, \_\_\_\_\_, as an officer or employee of my CAFII member company, as my proxy holder, with power of substitution, to attend the Annual Meeting of Members of the Corporation to be held by teleconference-only on Tuesday, June 9, 2020 at 2:00 p.m. EDT, and any and all adjournments of the meeting, and vote on my behalf, as follows:

Approval of the Minutes of the Annual Meeting of Members held June 4, 2019

FOR	AGAINST

Approval of the 2019 Audited Financial Statements and Auditor's Report Thereon

FOR	AGAINST

Appointment of KPMG as Auditor for the Ensuing Year

FOR	AGAINST

Election as a member of Board of Directors for 2020-2021:

- Paul Cosgrove, Assurant
- Peter McCarthy, Bank of Montreal, BMO Insurance
- Nicole Benson, Valeyo (Canadian Premier Life Insurance)
- Mica Sweet, CIBC Life Insurance Co Ltd.
- Kelly Tryon, CUMIS Services Incorporated
- Andre Langlois, Desjardins Insurance
- Wally Thompson, Manulife
- Peter Thompson, National Bank Insurance
- Chris Lobbezoo, RBC Insurance Holdings Inc.
- Zack Fuerstenberg, ScotiaLife Financial
- Sophie Ouellet, Sun Life
- Janice Farrell Jones, TD Life Insurance Company
- Louie Georgakis, The Canada Life Assurance Company

FOR	AGAINST

This proxy will be voted as indicated above. If no choice is indicated with respect to the above matters, the proxy will be voted FOR the sanction of the resolution.

My proxy holder has discretionary authority with respect to amendments to the matters set out above and any other matters that properly come before the meeting or any adjournment of the meeting. I ratify all actions my proxy holder may take under this proxy.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2020

\_\_\_\_\_  
Name of Member (please print)

\_\_\_\_\_  
Signature of Member

Members voting by proxy must complete the proxy form and return it by email or fax to:

CAFII Office: Email: [info@cafii.com](mailto:info@cafii.com)

Proxies must be received by **2:00 p.m. on Friday, June 5, 2020**

## **Briefing Note**

**CAFII EOC Meeting, 26 May, 2020—Agenda Item 6ei.**

**CAFII 2020 Annual Meeting of Members On June 9/20-- CAFII Board Chair and Vice-Chair Succession**

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### **Purpose of this Agenda Item**

To update the EOC on Board Chair and Vice-Chair succession.

### **Background Information**

Nicole Benson, CAFII Board Chair, will remain on the Board but will step down on 9 June, 2020 after serving a two-year term as Board Chair.

Chris Lobbezoo, currently Vice-Chair of the Board, will be nominated for the position of Chair at the 9 June, 2020 first meeting of the 2020-21 CAFII Board of Directors, at which the Board appoints its slate of Officers for the year.

A new Board Vice-Chair will also be nominated at that time.

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

Update only.

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

No attachment.

## **Briefing Note**

**CAFII EOC Meeting, 26 May, 2020—Agenda Item 6e(ii).**

**Distribution of CAFII 2019-20 Annual Report In Conjunction With June 9/20 Annual Meeting**

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### **Purpose of this Agenda Item**

To update the EOC on an 2019-20 Annual Report on the activities of the Association.

### **Background Information**

In conjunction with the 2019 CAFII Annual Members' Luncheon, the Association produced and distributed an Annual Report on its activities in 2018-19.

The Association is intending to produce a similar document, to be distributed digitally, for the 2019-2020 year.

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

Update only.

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

No attachment.

## **Briefing Note**

### **CAFII EOC Meeting, 26 May, 2020—Agenda Item 6f. Proposed New Approach to CAFII Alerts**

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#### **Purpose of this Agenda Item**

To discuss and secure EOC support for a new approach to the distribution of CAFII Alerts which EOC Chair Martin Boyle will propose.

#### **Background Information**

EOC Chair Martin Boyle will propose that rather being distributed immediately and individually after they come to the attention of CAFII management, CAFII Alert items instead be compiled and distributed just once a week; and that they be comprised of just one or two paragraphs of lead/introductory content from a given Alert news item along with a link to the full article.

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

EOC discussion, following which agreement will be sought on a direction to CAFII management with respect to the frequency of distribution of CAFII Alerts.

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

No attachment.