

CAFII Executive Operations Committee Meeting

Date: Tuesday, November 14, 2017
Location: TD Insurance
 320 Front Street (between John and Spadina),
 3rd Floor [Arrowhead Room] Toronto, ON

Chair: P. Thorn
Time: 2:00 – 4:00 p.m. EST
Dial-in: 416-764-8662 or 1-888-884-4534
 Participant: 4532491#; Moderator: 5829171#

Agenda

Item	Presenter	Action	Document
1. Call to Order and Welcome to New EOC Member 2:00 p.m.	P. Thorn		
2. CAFII Website Video Presentation by RankHigher 2:02 p.m.	K.Martin/D.Moorcroft /RankHigher		
3. Approval of Agenda and Previous Minutes 2:25 p.m.			
a. EOC Minutes of October 24/17	All	Approval	✓
b. Summary of Board and EOC Action Items	B. Wycks	Update	✓
4. Strategy and Governance 2:35 p.m.			
a. Outcomes of CAFII Board Special Purpose Meeting, October 30/17	B. Wycks/K. Martin	Update	
5. CAFII Financial Management 2:40 p.m.	T. Pergola		
a. Financial Statements as at October 31/17		Approval	✓
b. CAFII 2018 Operating Budget		Discussion	✓
6. Regulatory 2:55 p.m.			
a. Consultations/Submissions Timetable			
i. Quebec Bill 141 and Bill 150: CAFII Response Plan, Including Notes from October 23/17 CAFII/AMF Industry Issues Dialogue	B. Wycks R. Beckford/B. Wycks	Updates Discussion	✓ ✓ (3)
ii. CCIR Annual Statement on Market Conduct	B. Wycks		✓
iii. CCIR Travel Health Insurance Products Position Paper	S. Manson/K. Martin		
iv. Saskatchewan Insurance Act/Regulations	B. Wycks		✓ (2)
b. Regulatory Update			
i. Nov. 8/17 Sask Finance Minister Letter Re PST On Insurance Premiums	K. Martin/B. Wycks	Updates	✓
ii. CAFII/Member Response(s) To Insurance Council of Manitoba Queries Re Offering And Administration Of 'Single Premium' Insurance Product	B. Wycks/K. Martin	Discussion Discussion	✓ ✓
c. Regulator and Policy-Maker Visit Plan			
i. CAFII Stakeholder Meeting with CCIR, October 25/17	B. Wycks/K. Martin	Updates	✓
ii. Meeting with Insurance Councils of Saskatchewan & CLHIA, October 27/17			✓
iii. FSCO 2017 Life and Health Insurance Market Conduct Symposium, November 6/17			✓
iv. AMF 2017 Rendez-Vous, November 13/17			
v. CAFII Liaison Lunch with CCIR Policy Managers, November 17/17			
vi. CISRO LLQP Information Session, December 6/17			✓ (2)
7. Committee Updates 3:25 p.m.			
a. Market Conduct	R. Beckford	Update	
b. Media Advocacy	C. Blaquiere	Update	
i. CAFII Website Launch Update	K. Martin	Update	✓
c. Licensing Efficiency Issues	M. Gill	Update	
d. Research & Education	D. Quigley	Update	
e. Travel Medical Experts (including Pollara Research)	S. Manson	Update	✓
8. In Camera Session 3:40 to 4:00 p.m.	P. Thorn	Discussion	

Next Board Meeting: Tuesday, November 28/17, 3:00 – 5:00 p.m.; Location: 25 King Street W, 7th Floor, Commerce Court North, Toronto; Reception: Canoe Restaurant, 66 Wellington Street W, 54th Floor, Toronto

Next EOC Meeting: Tuesday, January xx/18, 3:00 – 5:00 p.m.; Location: TBA; followed by Annual EOC Annual Appreciation Dinner at TBA

CAFII Executive Operations Committee
Tuesday, October 24, 2017

DRAFT MINUTES

- EOC Present:** Rose Beckford, ScotiaLife Financial *(by teleconference)*
Charles Blaquiere, valeyo *(by teleconference)*
Rob Dobbins, Assurant Solutions
Katherine Geisler, CIBC Insurance *(by teleconference)*
Sue Manson, CIBC Insurance
Diane Quigley, CUMIS Group Inc
Andrea Stuska, TD Insurance, *Acting Chair*
Shawna Sykes, The Co-operators *(by teleconference)*
- Also Present:** Caroline Bucksbaum, T•O Corporate Services *Recording Secretary*
Keith Martin, CAFII *Co-Executive Director*
Brendan Wycks, CAFII *Co-Executive Director*
- Regrets:** Jason Beauchamp, BMO Insurance
Isabelle Choquette, Desjardins
Dana Easthope, valeyo
Moirra Gill, TD Insurance
John Lewsen, BMO Insurance
Julie Medeiros, RBC Insurance
Tony Pergola, ScotiaLife Financial *Treasurer*
Jérôme Savard, Desjardins
Peter Thorn, TD Insurance, *Chair*
Charles MacLean, RBC Insurance

1. Call to Order

The meeting was called to order at 2:10 p.m.; A. Stuska acted as Chair; C. Bucksbaum acted as recording secretary.

2. CAFII Website-Related Presentation by RankHigher

Due to a lower than usual attendance, given the previous week's Western Canada Regulators and Policy-Makers Visits Tour and the prior day's AMF Liaison Luncheon in Levis, Quebec, the planned RankHigher video presentation was postponed until the next EOC Meeting (November 14/17). This presentation will include a recommendation that the next phase of the CAFII website include video content.

3. Approval of Agenda and Previous Minutes

The agenda for this October 24/17 meeting was approved as circulated.

3.a. EOC Minutes of September 19/17

The EOC Minutes of September 19/17 were approved as presented, subject to minor housekeeping revisions which S. Manson offered to provide to C. Bucksbaum following the meeting.

ACTION: Revise the EOC Minutes of September 19/17 to include minor housekeeping revisions provided by S. Manson [Caroline; November 3/17].

3.b. Summary of Board EOC and Action Items

B. Wycks provided an update on Action Items that had been added or had changed in status since the September 19/17 EOC meeting.

Action Item 1, which has been *Ongoing* for at least one year, has changed to *Complete* due to the intelligence gleaned in a meeting with the BC Ministry of Finance on October 17/17. The BC Ministry of Finance provided specifics on the timing for releasing their Policy Paper, and confirmed that an RIA regime in BC will be proposed in the Policy Paper as an option for BC to introduce, subject to a further round of consultation involving industry feedback.

It was noted that the in-camera agenda for the upcoming October 23/17 Board Meeting had a specific item on the possibility of striking a Member Task Force to review CAFII's Member Dues Policy, particularly in response to concerns expressed by Desjardins Financial Security about being required to move up to the upper level of the Association's current two-tier dues structure.

3.c. Debrief Discussion on October 23/17 CAFII Board and AMF Liaison Meetings

It was reported that CAFII had a collaborative and engaged Industry Issues Dialogue with the six AMF executives present: Patrick Déry, Eric Stevenson, Louise Gauthier, Nathalie Sirois, Julien Reid, and Philippe Lebel.

P. Lebel has the most in-depth knowledge of Bill 141 and was the primary liaison between the AMF and the Ministry of Finance during its development. CAFII learned that the AMF is comfortable with – and was a prime mover behind – the thrust to allow internet sales of insurance in Québec without the necessary involvement of a licensed advisor. The AMF has no objections to robo-advisors in the insurance space, under the condition that a licensed representative is available for customers. There was discussion around defining “simple” insurance products, with CAFII making the point that this is not easily regulated and limits flexibility in how products can be presented and offered.

The AMF is happy with its new powers and authority under Bill 141, and is ready to absorb the two Chambres that are being abolished in the Bill. Resistance and lobbying from the broker/advisor channel, and those associated with the Chambres is anticipated.

There will likely be a consultation on Bill 141 at the National Assembly level, and while the exact timing was not clear, it was likely to be in late November or early December, and under a very tight timeline, likely no more than a week in length. CAFII was advised to be poised and ready to respond.

The AMF also encouraged CAFII to support a thrust of the Bill that the AMF should be more autonomous from government than is currently the case.

CAFII noted a potential opportunity to collaborate more with the AMF, including through our strategic intention to engage in more research, the key results of which we could share with the AMF. A particular area of interest to the AMF is how technology and innovation are influencing the industry and affecting the regulatory environment.

During the Industry Issues Dialogue, the AMF asked CAFII a question regarding the FCAC's current review of bank sales practices. CAFII members gave a high-level response on how their institutions have been involved, emphasizing the FCAC's focus on bank products, not insurance products. The AMF is monitoring this review (as is BC FICOM) and feels that CCIR will be interested in the findings of the

review. The AMF emphasized that insurers are accountable for the practices of their third party distributors, and insurers must have adequate oversight and control mechanisms in place with respect to their outsourced suppliers.

In EOC discussion, R. Dobbins raised a concern with respect to Article 49 of Bill 141, noting that its current wording suggested that the AMF would have the power to make arbitrary and capricious decisions with respect to an insurer's chosen third party suppliers. Members of CAFII have already raised this issue with the CLHIA, which is examining the issue under very tight timelines for members to offer their views. Before making a submission to the National Assembly, CAFII may wish to seek legal advice on this particular matter.

ACTION: Advise EOC members of the concerns raised related to Article 49 in Bill 141 and ask for feedback [B. Wycks; October 31/17].

ACTION: Bring Article 49 to the attention of our Quebec legal counsel Sylvie Bourdeau [B. Wycks; October 31/17].

It was also noted that the CAFII Board of Directors Meeting scheduled to take place following the AMF liaison meeting on October 23/17 did not occur due to the fact that a quorum of Directors was not present.

There will be a 15-minute special purpose Board teleconference meeting scheduled within the next week, which will be limited to two agenda items: (1) to appoint two new CAFII Directors, one for CIBC Insurance and one for Desjardins Assurances; and (2) to approve the timelines and media release for the formal public launch of the new CAFII website.

4. Strategy and Governance

4.a. Balanced Scorecard

Co-Executive Directors B. Wycks and K. Martin reviewed the objectives and recent accomplishments in their joint Balanced Scorecard. Comprehensive and successful regulatory submissions, regulatory visits to Western Canada, Quebec, and Saskatchewan, and progress on the development of a CAFII Strategic Plan and a new website were among the major achievements in 2017 to date.

4.b. CAFII Strategic Plan Development Process

K. Martin reported that the two-phase approach to updating the Board on CAFII's Strategic Plan – a review of what has been recommended at the October meeting, and a request for approval at the November meeting – will have to be revised due to the fact that the scheduled October 23/17 Board meeting did not take place.

A revised approach is now necessary, with the following being options:

1. Leave more time for discussion in November and incorporate the Board's recommendations and approval at the end on the same day;
2. Provide an update and discussion in November, and then arrange a special-purpose Board Meeting for early January for formal approval;
3. Provide a presentation to the Board on both the budget and Strategic Plan in November, and call a 30-minute special purpose teleconference Board Meeting in January to include a final Q&A period, and approve both (has been done before); or
4. Have an electronic vote by mail following discussion in November (not recommended).

It was decided to raise all of these options with the Board at its November 28/17 meeting, and see which option the Board prefers.

Key areas for potential additional investment in CAFII's Strategic Plan include research, media relations/outreach, regulator and policy-maker relationship building including meeting with a larger group of influencers, ongoing website enhancements, and other new education and thought leadership initiatives.

It was noted that the 2017 budget has \$50K set aside for research that has not yet been spent. CAFII intends to spend this in 2017 on in-field research by Pollara that will be completed in January 2018. The EOC has previously agreed that research is an important component in CAFII's next steps and should be emphasized and invested in, and that will be a recommended area for additional budgetary investments in 2018.

ACTION: Discuss possible options with P. McCarthy re: the timing of the Board's approval of the proposed CAFII Strategic Plan and 2018 Operating Budget, in advance of the November 28/17 Board Meeting [K. Martin, B. Wycks; Nov 24/17].

5. CAFII Financial Management

5.a. Financial Statements as at September 30/17

On behalf of Treasurer T. Pergola, B. Wycks reported on the following highlights of CAFII's financial statements as at September 30/17, based on the *Analysis and Forecast* cover memo (distributed as part of the EOC meeting package):

- despite the September month deficit of just over \$8.4K, there is a positive variance performance to the budgeted and expected monthly deficit of just over \$16K;
- it is projected that CAFII will conclude 2017 with a deficit of \$147K, which is a positive variance of just over \$46K, as compared to the deficit budgeted for the year – however, if CAFII arranges with Pollara to pay for a study in 2017, the positive variance on the deficit would be lower; and
- from a Balance Sheet perspective, CAFII has a bank balance of \$380K and Total Unrestricted Net Assets of \$270.8K, putting it at 36% of annual operating expenses as reserves, close to the mid-point of the target range of having reserves between 25% and 50% of annual operating expenses
 - in the remaining Q4 of 2017, the deficit will increase and level of reserves will drift down to ~ 234 k, or 31% of annual operating expenses – this is still an improvement from the 25% that was anticipated for this year-end.

5.b. Development of 2018 CAFII Operating Budget

Attention was drawn to the Board's decision in late 2016 to move to two Co-Executive Director staffing model, with the additional position funded by an increase of 25% in member dues in 2017 over the 2016 levels, and a further increase of 25% in 2018 over the 2017 levels. The necessity of this second increase was to be reviewed again during the 2018 budget development. The Board may have to consider a dues increase greater than 25% in 2018 given that CAFII took in \$68K less than expected in Member/Associate Dues revenue in 2017. This resulted from the loss of a Member – National Bank Insurance – and three Associates – Aimia, Laurentian Bank of Canada, and CSI Brokers (offset by the gain of one Associate – DGA Careers). While tempered spending has led to a lower than expected deficit in

2017, these revenue losses do represent an annuity revenue decline that will make budgeting a challenge in 2018 and beyond.

The 2018 budget process has begun and will continue over the balance of 2017 and possibly into early 2018. CAFII will be reaching out to committee chairs for spending plans for the 2018 Operating Budget. The plan is to present the Board with more than one 2018 budget option at its November 28/17, meeting, with the possible need for a special-purpose Board meeting to approve the Strategic Plan and 2018 Operating Budget in December 2017 or early January, 2018.

ACTION: Reach out to Committee Chairs for input on expenditure plans for 2018 and the timing of such over the course of the year; provide the Committee Chairs with an Excel file containing their 2017 budgets and year-to-date spending [Caroline; November 3/17].

6. Regulatory

6.a. Alberta Authorization of CI Sales Under RIA Certificate

Erica Hiemstra of CLHIA sent a letter to Joanne Abram, CEO of the Alberta Insurance Council (AIC) – which was received – outlining CLHIA’s ongoing concerns with the wording of three of the four types of creditor-related insurance definitions, and particularly with the intention to publicly post those definitions on the AIC’s website, which CLHIA felt could result in consumer confusion. At our recent meeting in Alberta with the AIC, this issue was raised and the AIC informed CAFII that it has two seats on its council for public representatives that are currently vacant. The new NDP government in Alberta wants to implement a new appointments process for appointments to public bodies, and this has delayed the appointment of these two representatives. This has not produced any issues for the AIC in terms of meeting quorum or conducting its business, but Joanne Abram did indicate that she felt that this issue of definitions on the public website required input from these representatives; and, as a result, this matter has been deferred until these representatives have been appointed, and have had the chance to familiarize themselves with this issue. She did not have a timeline for when that would happen.

6.b. Consultations/Submissions Timetable

i. AMF Issues Paper on “Managing Conflict Of Interest In Relation To Incentives”

CAFII made its submission to the AMF on “Managing Conflict Of Interest In Relation To Incentives” on Friday, October 13/17. At CAFII’s meeting with the AMF on October 23/17, the AMF reported that some industry Associations and other companies requested an extension to respond, which was granted until October 31/17.

ii. BC Ministry of Finance 10-Year Review of FIA

CAFII is awaiting the release of the Ministry of Finance’s Policy Paper, which is now expected in Q1 of 2018. Its proposals will include an RIA regime as an option for BC.

iii. Quebec Omnibus Bill on Financial Sector Modernization

Update provided under agenda item 4.a.

iv. CCIR Annual Statement on Market Conduct

Contrary to earlier indications from CCIR, L. Balfour, Chair of CCIR’s Insurance Core Principles Implementation Committee, recently advised CAFII that CCIR may not be in a position to share an aggregated results report from the Year 1 Annual Statement on Market Conduct. CCIR is currently consulting with CLHIA on minor instructional tweaks before the Year 2 version. Any substantive changes will be made in Year 3, after consultation with the industry.

This year, a new international accounting standard regarding life insurance contracts, IFRS 17, was introduced. This may impact the Annual Statement and delay substantive changes to Year 4.

v. CCIR Travel Health Insurance Products Position Paper

CCIR's Travel Insurance Working Group (TIWG) is awaiting the results of CLHIA's consumer testing, via focus groups, on a number of the travel health insurance product reforms it has proposed on behalf of the industry, based largely on the work of CAFII's Travel Medical Experts Working Group. Once those CLHIA research results are available, the TIWG will connect with CAFII and other stakeholders to arrange follow-up meetings around its Travel Health Insurance Products Position Paper, likely in early 2018.

vi. Saskatchewan Insurance Act/Regulations

Saskatchewan released *The Insurance Act* (Bill 177) on June 29/17. This will come into force at least one year later. B. Wycks reported on a recent email exchange with Janette Seibel from the FCAA in which she sent a draft version of the *Insurance Amendment Act 2017*, on a confidential and embargoed basis, to remain confidential between B. Wycks and CAFII's legal counsel. B. Wycks confirmed that he would comply with this, and confirmed that he could use the same approach to the embargo which was previously utilized when the FCAA released its Regulations consultation document in October 2016.

ACTION: Send an email to each EOC member to receive confirmation of their acceptance of the Saskatchewan FCAA's embargo; and thereafter send them the document and password; and send J. Seibel a list of each EOC member who has received the document [B. Wycks; October 30/17].

6.c. Regulatory Update

An update of regulatory items was provided under agenda item 4.a.

6.d. Regulator and Policy-Maker Visit Plan

i. Debrief on CAFII BC, Alberta, and Manitoba Regulators and Policy-Makers Visits Tour, October 16-19, 2017

A polished, accurate written summary of the Western Canada Policy-Maker Visits Tour was circulated in the EOC meeting package, providing the flavour and tone of the meetings and the intelligence gained.

At each of the six western Canada visits, CAFII presented an updated version of its *CAFII: Past, Present and Future* slide deck. Several slides covered the Towers Watson research on the comparison between creditors group mortgage life and term insurance. EOC members provided feedback on tweaking the wording of the Towers Watson research results-related slides to avoid use of the term "auto-approved" as it can be misinterpreted and give rise to misunderstanding.

It was noted that during its visit from CAFII, BC FICOM made a point of highlighting its recent Cease and Desist Order against Western Life Assurance and two payday lenders, noting that insurers were expected to know about and have controls over the actions of their distributors, and emphasizing that actions would continue to be taken against non-compliant players.

ACTION: Adjust the CAFII: Past, Present and Future slide deck to remove the term "auto-approved" and instead make a clear distinction between "short form underwriting" and "paramedical underwriting" [B. Wycks; K. Martin; November 13/17].

It was also noted that the Atlantic Canada Regulator and Policy-Maker Visits Tour has been deferred until Spring, 2018. As well, CAFII has recently held its regular quarterly liaison meeting with CLHIA.

The recently arranged liaison lunch with CCIR Policy Managers Martin Boyle and Tony Tony, postponed due to Martin Boyle's unavailability on October 20/17, will be rescheduled for a November date.

ACTION: Check with R. Dobbins on the availability of Assurant's Maple Leafs Boardroom for a re-scheduled liaison lunch with the CCIR Policy Managers in November [B. Wycks; October 27/17].

ACTION: Propose new November dates to Martin Boyle and Tony Toy for a CAFII/CCIR liaison lunch; and, once confirmed, send out an Outlook Invitation to EOC and other CAFII committee members [B. Wycks; October 27/17].

ii. CAFII Stakeholder Meeting with CCIR, October 25/17

A delegation of six representatives will be attending: P. McCarthy, J. Lewsen, A. Stuska, S. Manson, K. Martin, and B. Wycks. Agenda topics will focus on the CCIR's new Strategic Plan.

iii. Meeting With Insurance Councils of Saskatchewan & CLHIA, October 27/17

CLHIA will host a meeting on October 27/17 with CAFII and Ron Fullan and April Stadnek of the ICS to discuss representation for RIA licence holders in Saskatchewan, about which CAFII first submitted a concept proposal in October, 2013.

7. Committee Updates

7.a. Market Conduct

No further updates beyond the several Market Conduct issues discussed under other sections of the agenda.

7.b. Media Advocacy

i. CAFII Website Update: Soft/Hard Launch Dates and Media Release

A link to the consumer-facing website was circulated to CAFII's Board and EOC, and feedback was received. Included in this EOC meeting package is a one-pager stating the proposed launch dates for the release of CAFII's new website, and the website media release, which will be presented to for the Board's approval in an upcoming 15-minute special purpose Board Meeting. The full website is expected to be available for review, in both English and French, by October 27/17.

Prior to the public launch of the new website, there will be a series of internal reviews—first, the group working on the website; secondly, the EOC, Board, and Committee members will be invited to familiarize themselves with the website, following which the website will be publicly launched.

A question arose regarding whether the content of the site had been reviewed through a compliance lens, noting for example the preference of using the term “help ensure” as opposed to “ensure.” it was noted that there have been multiple opportunities for EOC members to provide feedback on the website, and that there have been several careful reviews conducted, including by Sue Manson of CIBC Insurance. Any further changes at this stage could produce additional costs and delays. It was, however, agreed that an opportunity for a further review will be provided to EOC members.

ACTION: Distribute the URL for the new CAFII website to the EOC for a final review prior to the public launch [Caroline; November 3/17].

ii. Media Strategy Op-Ed Responses for Review

A revised protocol for responding to negative media articles was circulated. The major change is that Letters to the Editor would be signed by Co-Executive Director K. Martin, based on advice from CAFII's media consultant, with this change providing for continuity and to avoid the Board Chair having to respond to media requests. The next step is for the Board to approve the proposed approach to responding to negative media articles.

7.c. Licensing Efficiency issues

CAFII is meeting with Ron Fullan and April Stadnek of the Saskatchewan Insurance Councils on October 27/17 to discuss the possibility of an Advisory Committee to either the Executive Director of the ICS, or to the Councils, on RIA licensing issues. A breakthrough on this issue would be significant for CAFII and could assist in making similar changes in Saskatchewan and Manitoba, and in B.C. if they decide to introduce an RIA licensing regime.

7.d. Research & Education

No update at this time.

7.e. Travel Medical Experts

CAFII has a budget for research that it intends to principally spend on an update of its travel health insurance research with consumers, conducted by Pollara Strategic Insights. However, there is a concern that we do not want to conduct the survey this late in the year, as that would mean we would have to cite 2017 data. In discussion with Pollara, we have found a solution where we would pay for the research in 2017, but the field research would occur in early 2018.

8. In Camera Session

An *in camera* session did not take place; however a brief update was given that the primary decision to be made *in camera* at the October 23/17 Board Meeting, regarding CAFII's staffing model, was delayed.

9. Termination

There being no further business to address, the CAFII EOC meeting was terminated at 4:02 p.m. EDT.

Summary of CAFII Board and EOC Action Items					
	Source	Action Item	Responsible	Deadline	Status 24-Oct-2017
		Alberta Critical Illness Insurance Issue			
1	EOC February 21, 2017	• Contact J. McCutcheon to ask her to review the definition of Creditors' Critical Illness Insurance approved by the Alberta LIC to ensure there are no issues with it from an industry-wide perspective.	Brendan	28-Feb-17	Deferred
		Saskatchewan Insurance Act and Regulations Issues			
2	EOC October 24, 2017	• Send an email to each EOC member to receive confirmation of their acceptance of the Saskatchewan FCAA's embargo; and thereafter send them the document and password; and send J. Seibel a list of each EOC member who has received the document	Brendan	30-Oct-17	Complete
3	EOC September 19, 2017	• Send an analysis to the EOC of how Saskatchewan's new insurance regulations line up against CAFII's submissions to that province's Fincancial Consumer Affairs Authority	Brendan	31-Oct-17	In progress
		Quebec Ministry of Finance & AMF Regulatory Issues			
4	EOC October 24, 2017	• Bring Article 49 to the attention of our Quebec legal counsel Sylvie Bourdeau	Brendan	31-Oct-17	Complete
5		• Advise EOC members of the concerns raised related to Article 49 in Bill 141 and ask for feedback	Brendan	31-Oct-17	Complete
6	EOC May 23, 2017	• Contact E. Stevenson and/or Patrick Déry of the AMF to obtain advice on whether CAFII should send a communication to the Quebec Ministry of Finance requesting that a consultation period be held on the Omnibus Bill	Keith, Brendan	20-Jun-17	Complete
		Finance Canada Regulatory Issues			
7	Board Nov 29, 2016	• Monitor Canadian Bankers Association's plans and actions for seeking redress with Finance Canada re deficiencies in Bill C29, Budget Implementation Act's Consumer Framework related to creditor insurance and standalone insurance products.	Brendan	Ongoing	In progress
		Regulator and Policy-Maker Meetings			
8	EOC October 24, 2017	• Propose new November dates to Martin Boyle and Tony Toy for a CAFII/CCIR liaison lunch; and, once confirmed, send out an Outlook Invitation to EOC and other CAFII committee members	Brendan	27-Oct-17	Complete
9		• Check with R. Dobbins on the availability of Assurant's Maple Leafs Boardroom for a re-scheduled liaison lunch with the CCIR Policy Managers in November	Brendan	27-Oct-17	Complete
10	EOC April 25, 2017	• Prepare and present proposal for an Atlantic Canada Regulators and Policy-Makers Visits Tour in the Fall of 2017	Brendan	31-Aug-17	Deferred to Spring 2018
		Association Strategy and Governance			
11	EOC October 24, 2017	• Discuss possible options with P. McCarthy re: the Board's approval of the proposed CAFII Strategic Plan and 2018 Operating Budget, in advance of the November 28/17 Board Meeting	Keith/Brendan	24-Nov-17	In progress
12	EOC September 19, 2017	• Approach Directors to see if they would consider becoming the new CAFII Chair to succeed Peter McCarthy; or becoming the Vice-Chair	All EOC	23-Oct-17	In progress
13	EOC June 20, 2017	• Review "Candidate Profile: CAFII Board Chair" and "Reverse Chronology CAFII Board Chair, Board Vice-Chair, EOC Chair, and Treasurer Appointees" and discuss with own CAFII Board member the possibility of his/her being a nominee for the CAFII Board Chair or Vice-Chair roles, for a 1 or 2 year appointment.	All EOC	05-Sep-17	In progress
		Association Media and Communications			
14	EOC October 24, 2017	• Distribute the URL for the new CAFII website to the EOC for a final review prior to the public launch	Caroline	03-Nov-17	Complete
15		• Adjust the CAFII: Past, Present and Future slide deck to remove the term "auto-approved" and instead make a clear distinction between "short form underwriting" and "paramedical underwriting"	Brendan, Keith	13-Nov-17	Complete
		Association Administration			
16	EOC October 24, 2017	• Revise the EOC Minutes of September 19/17 to include minor housekeeping revisions provided by S. Manson	Caroline	03-Nov-17	Complete
17	EOC June 20, 2017	• Review the mandate of the CAFII Networking and Events Committee; solicit/recruit interest, as necessary; and propose 3-5 volunteers -- from among current EOC member or other individuals from member organizations -- to reconstitute and reactivate the Committee.	All EOC	24-Oct-17	In progress

CAFI

21 St Clair Ave East, Suite 802
Toronto, ON M4T 1L9

Balance Sheet As at October 31, 2017

ASSETS	Current 2017	Year End 2016
Current Assets		
Bank Balance	\$334,099	\$322,192
Investments ^A	\$0	\$54,077
Accounts Receivable	\$0	\$0
Interest Receivable	\$0	\$109
Prepaid Expenses	\$4,056	\$17,856
Computer/Office Equipment	\$8,014	\$2,334
Accumulated Depreciation -Comp/Equip	(\$3,241)	(\$1,906)
Intangible Assets-Trademarks	\$0	\$0
Accumulated Amortization-Trademark	\$0	\$0
Total Current Assets	\$342,927	\$394,661
TOTAL ASSETS	\$342,927	\$394,661
LIABILITIES		
Current Liabilities		
Account Payable ^B	\$0	\$13,903
Deferred Revenue	\$79,837	\$0
Total Current liabilities	\$79,837	\$13,903
TOTAL LIABILITIES	\$79,837	\$13,903
UNRESTRICTED NET ASSETS		
Unrestricted Net Assets, beginning of year	\$380,758	\$358,991
Excess of revenue over expenses	(\$117,668)	\$21,767
Total Unrestricted Net Assets	\$263,090	\$380,758
Total Unrestricted Net Assets	\$263,090	\$380,758
TOTAL LIABILITIES AND UNRESTRICTED NET ASSETS	\$342,927	\$394,661

Financial Reserves Targets as per 2017 Budget:

Minimum 3 months (25%) of Annual Operating Expenses=	\$ 188,161
Maximum 6 months (50%) of Annual Operating Expenses=	\$ 376,322
Current Level of Financial Reserves (total unrestricted net assets):	\$263,090
Current Level of Financials Reserve (%) :	35%

CAFI
21 St Clair Ave east, Suite 802
Toronto, ON, M4T 1L9
Balance Sheet Items
As at October 31, 2017

Item A

Investment Portfolio

Investment Type	Issue Date	Principal	Rate	Deemed Interest	Maturity Date
Cashable GIC #0087-8019718-13	June-16-16	\$0.00	0.40%	\$0.00	June-16-18
Total		\$0.00		\$0.00	

Item B

Accounts Payable

Total outstanding: 0.00

CAFII

21 St Clair Ave East, Suite 802
Toronto, ON M4T 1L9

Statement of Operations As at October 31, 2017

	Current Month	Current YTD	Budget YTD	Budget 2017	YTD % Used
Revenue					
Membership Fees	\$39,919	\$395,588	\$465,938	559,125	85%
Interest Revenue	\$0	\$126	\$208	250	60%
TOTAL REVENUE	\$39,919	\$395,713	466,146	559,375	85%
Expenses					
Management Fees	\$36,912	\$368,137	\$416,763	500,115	88%
CAFII Legal Fees/Corporate Governan	\$0	\$2,735	\$5,833	7,000	47%
Audit Fees	\$0	\$271	\$12,133	14,560	2%
Insurance	\$437	\$4,365	\$4,583	5,500	95%
Website (incl translation)	\$6,033	\$39,262	\$28,083	33,700	140%
Telephone/Fax/Internet	\$137	\$3,751	\$4,167	5,000	90%
Postage/Courier	\$0	\$261	\$313	375	83%
Office Expenses	\$149	\$866	\$2,750	3,300	31%
Bank Charges	\$13	\$25	\$33	40	75%
Miscellaneous Expenses	\$36	\$391	\$0	-	
Amortization Expense	\$0	\$0	\$0	-	
Depreciation Computer/Office Equipm	\$134	\$1,336	\$390	468	342%
Board/EOC/AGM					
Annual Members Lunch	\$0	\$10,247	\$11,000	13,200	93%
Board Hosting (External)	\$0	\$0	\$12,500	15,000	0%
Board/EOC/Meeting Expenses	\$3,728	\$19,708	\$9,167	11,000	215%
Industry Events	\$0	\$36	\$1,667	2,000	2%
EOC Annual Lunch	\$0	\$8	\$1,833	2,200	0%
Sub Total Board/EOC/AGM	3,728	30,000	36,167	43,400	83%
Provincial Regulatory Visits	\$0	\$6,249	\$6,667	8,000	94%
Research/Studies	\$0	\$50	\$41,667	50,000	0%
Regulatory Model(s)	(\$3,700)	\$0	\$16,667	20,000	0%
Federal Financial Reform	\$0	\$0	\$1,667	2,000	0%
Media Outreach	\$3,766	\$27,873	\$16,667	20,000	167%
Marketing Collateral	\$0	\$0	\$5,833	7,000	0%
Tactical Communications Strategy	\$0	\$379	\$0		
Media Relations, CAFII Consultant	\$0	\$136	\$0		
Networking Events	\$0	\$350	\$0		
Speaker fees & travel	\$0	\$0	\$3,333	4,000	0%
Gifts	\$0	\$452	\$417	500	108%
Sub Total Networking & Events	-	\$445	3,750	4,500	12%
20th Anniversary Event	-	\$26,495	\$23,071	27,685	115%
TOTAL EXPENSE	47,643	513,382	627,203	752,643	82%
NET INCOME	- 7,725	-117,668	- 161,057	- 193,268	73%

Explanatory Notes:

- 1 - Amortization of office equipment based on 4 year straight line depreciation
- 2 - Management fees includes TO Corp and Executive Director
- 3- Website includes hosting cafi.com, Vimeo(videos) subscription and website improvements

C A F I I

21 St Clair Ave East, Suite 802
Toronto, ON M4V 2Y7

Membership Fees As At Oct 31, 2017

	<u>Jan-17</u>	<u>Received</u>	<u>Jul-17</u>	<u>Received</u>
	<u>Billed</u>		<u>Billed</u>	
BMO Bank of Montreal	\$ 29,375.00	31-Mar-17	\$ 29,375.00	28-Aug-17
CIBC Insurance	\$ 29,375.00	17-Mar-17	\$ 29,375.00	18-Aug-17
RBC Insurance	\$ 29,375.00	16-Mar-17	\$ 29,375.00	10-Aug-17
ScotiaLife Financial	\$ 29,375.00	10-Mar-17	\$ 29,375.00	4-Aug-17
TD Insurance	\$ 29,375.00	3-Mar-17	\$ 29,375.00	28-Jul-17
National Bank Insurance Company				
Desjardins Financial Security Life Assurance Company	\$ 14,687.50	22-Aug-17	\$ 14,687.50	22-Aug-17
AMEX Bank of Canada	\$ 14,687.50	17-Mar-17	\$ 14,687.50	28-Jul-17
Assurant Solutions	\$ 14,687.50	28-Feb-17	\$ 14,687.50	4-Aug-17
Canadian Premier Life Insurance Company	\$ 14,687.50	10-Mar-17	\$ 14,687.50	11-Aug-17
Cumis Group Ltd/Co-operators Life Insurance Co.	\$ 16,596.88	10-Mar-17	\$ 12,778.12	18-Aug-17
Willis Towers Watson	\$ 4,800.00	17-Mar-17		
Aimia				
Collins Barrow Toronto Actuarial Services	\$ 4,800.00	17-Mar-17		
CSI Brokers Inc.				
KPMG LLP	\$ 4,800.00	17-Mar-17		
Laurentian Bank of Canada				
Munich Reinsurance Company Canada Branch (Life)	\$ 4,800.00	31-Mar-17		
Optima Communications	\$ 4,800.00	13-Apr-17		
RGA Life Reinsurance Company of Canada	\$ 4,800.00	10-Mar-17		
The Canada Life Assurance Company	\$ 4,800.00	17-Mar-17		
January Invoices	\$255,822		\$218,403	
July Invoices			\$218,403	
Total Membership Fees	\$474,225			
DGA Careers Inc. (Membership from Oct - Dec 2017)	\$ 1,200		\$ 1,200.00	2-Oct-17
DGA careers Inc. Realocated monthly income Oct -Dec 2017	\$ 400			
Total amount to realocate monthly Jan-Sept	\$39,518.75			

2018 Budget Options, With Varying Dues Increases
Version: 10:00 am. Nov-14, 2017

	2016 Actual	2017 Forecast ¹	2017 Budget	2017 Forecast to Budget Variance	2018 Budget Option; No Dues Increase	2018 Budget Option; 25% Dues Increase	2018 Budget Option; 30% Dues Increase	2018 Budget Option; 35% Dues Increase	Comment/Rationale
Revenue									
Membership Dues	\$ 435,750	\$475,426	\$559,125	-15.0%	\$475,426	\$589,185	\$611,215	\$633,245	based on 5 Members @ upper tier dues; 5 Members @ lower tier dues; and 8 Associates @ \$4800
Interest	\$ 231	\$150	\$250	-40.0%	\$200	\$200	\$200	\$200	
TOTAL REVENUE	\$ 435,981	\$ 475,576	\$ 559,375		\$ 475,626	\$ 589,385	\$ 611,415	\$ 633,445	
EXPENSE									
Management Fees	\$279,042	\$442,000	\$500,115	-11.6%	\$510,368	\$510,368	\$510,368	\$510,368	includes two Co-Executive Directors, with provision for 5% increase; plus provision for renewal of Association Management Company administrative support model. See Mgmt. Fee Calculation tab.
CAFII Legal Fees/Corporate Governance	\$10,565	\$3,000	\$7,000	-57.1%	\$5,000	\$5,000	\$5,000	\$5,000	
Audit Fees	\$13,560	\$14,560	\$14,560	0.0%	\$14,600	\$14,600	\$14,600	\$14,600	includes video content development; & SEO monitoring and reporting
Insurance	\$5,238	\$4,500	\$5,500	-18.2%	\$5,000	\$5,000	\$5,000	\$5,000	
Website Ongoing Maintenance	\$13,060	\$40,000	\$33,700	18.7%	\$18,000	\$18,000	\$18,000	\$18,000	
Website SEO and Enhancements					\$14,220	\$14,220	\$14,220	\$14,220	
Telephone/Fax/Internet	\$3,538	\$4,000	\$5,000	-20.0%	\$4,500	\$4,500	\$4,500	\$4,500	
Postage/Courier	\$180	\$310	\$375	-17.3%	\$350	\$350	\$350	\$350	
Office Expenses	\$5,257	\$1,170	\$3,300	-64.5%	\$3,300	\$3,300	\$3,300	\$3,300	
Bank Charges	\$25	\$50	\$40	25.0%	\$60	\$60	\$60	\$60	
Amortization Expense	\$0								
Depreciation Computer/Office Equipment ³	\$467	\$1,604	\$468	242.7%	\$1,600	\$1,600	\$1,600	\$1,600	
Board/EOC/AGM									
Annual Members Luncheon	\$12,044	\$10,247	\$13,200	-22.4%	\$14,500	\$14,500	\$14,500	\$14,500	includes provision for legal advice re RIA representation on Sask, Alta, Manitoba; possible new RIA regime in BC; new single integrated regulators in Ontario and Alta; and additional \$5K re Quebec Bills 141 and 150
Board Hosting (External)	\$19,407	\$7,500	\$15,000	-50.0%	\$15,000	\$15,000	\$15,000	\$15,000	
Board/EOC Meeting Expenses	\$8,145	\$25,000	\$11,000	127.3%	\$22,000	\$22,000	\$22,000	\$22,000	
Industry Events		\$200	\$2,000	-90.0%	\$2,000	\$2,000	\$2,000	\$2,000	
EOC Annual Dinner	\$2,079	\$8	\$2,200	-99.6%	\$2,400	\$2,400	\$2,400	\$2,400	
Total Board/EOC/AGM	\$41,675	\$42,955	\$43,400	-1.0%	\$55,900	\$55,900	\$55,900	\$55,900	
Provincial Regulatory Visits	\$10,395	\$10,000	\$8,000	25.0%	\$12,000	\$12,000	\$12,000	\$12,000	
Research/Studies	\$1,356	\$35,000	\$50,000	-30.0%	\$70,000	\$70,000	\$70,000	\$70,000	
Regulatory Model(s)		\$15,000	\$20,000	-25.0%	\$30,000	\$30,000	\$30,000	\$30,000	
Federal Financial Reform	\$0	\$0	\$2,000	-100.0%	\$500	\$500	\$500	\$500	
Media Outreach	\$0	\$35,873	\$20,000	79.4%	\$35,000	\$35,000	\$35,000	\$35,000	includes media training session; media consultant support; and outreach to key influencers
Marketing Collateral	\$28,589	\$0	\$7,000	-100.0%	\$2,000	\$2,000	\$2,000	\$2,000	
actical Communications Strategy	\$1,781	\$515	\$0		\$0	\$0	\$0	\$0	budget provision requested by Media Committee
CAFII Reception Events	\$446	\$500	\$0		\$500	\$500	\$500	\$500	
Speaker fees & travel		\$0	\$4,000	-100.0%	\$2,000	\$2,000	\$2,000	\$2,000	
Gifts	\$224	\$500	\$500	0.0%	\$500	\$500	\$500	\$500	
CAFII 20th Anniversary Celebration		\$26,495	\$27,685		\$0	\$0	\$0	\$0	
TOTAL EXPENSE	\$ 415,395	\$ 650,537	\$ 752,643	-13.6%	\$ 785,398	\$ 785,398	\$ 785,398	\$ 785,398	
Excess of Revenue over Expenses	\$ 20,586	-\$ 174,961	-\$ 193,268	-9.5%	-\$ 309,772	-\$ 196,013	-\$ 173,983	-\$ 151,953	
Unrestricted Net Assets (beginning of year)	\$ 307,692	\$328,278	\$328,278		\$ 153,317	\$ 153,317	\$ 153,317	\$ 153,317	
Unrestricted Net Assets (end of year)	\$ 328,278	\$153,317	\$135,010		\$ 156,455	\$ 42,696	\$ 20,666	\$ 1,364	

Explanatory Notes:

(1) 2017 Forecast includes January to October actuals and forecast for November and December

(3) Amortization of office equipment based on 4 year straight line depreciation

CAFII Consultations/Submissions Timetable 2017-18

Regulatory Issue	Deliverable	Deadline	Accountable
BC FICOM 10-Year Review of FIA (consultation paper released June 2, 2015)	<ul style="list-style-type: none"> CAFII Response to Initial Consultation Paper Meetings with Ministry of Finance officials Public Report on input received on Initial Consultation Paper Policy Paper on proposals for change CAFII Response to Policy Paper <i>Meeting with Ministry of Finance officials, if necessary</i> Amendments to Act and drafting of Regulations 	<ul style="list-style-type: none"> Sep 15, 2015 Nov 10, 2015 Issued March 23, 2016 Expected Q1 2018 Q1 or Q2 2018 <i>Q2 or Q3 2018</i> Q4 2018 or Q1 2019 	<ul style="list-style-type: none"> Joint Market Conduct/Licensing Committee; ED to monitor
QC Ministry of Finance Review of Distribution Act	<ul style="list-style-type: none"> CAFII Response to June 12/15 Consultation Report Dialogue with Ministry re meeting re online distribution CAFII secures specialized legal counsel, in preparation for draft Bill <u>Omnibus Bill 141 tabled and related Bill 150 subsequently tabled; industry consultation uncertain</u> <i>Meeting with Ministry of Finance officials, if necessary</i> CAFII Submission on Bills 141 and 150; or on supporting Regulations 	<ul style="list-style-type: none"> Sep 30, 2015 Completed March 2016 Nov 2016 <u>Oct 5 and 23, 2017</u> <i>Q4 2017 or Q1 2018</i> Q4 2017 thru Q4 2018 	<ul style="list-style-type: none"> Joint Mkt Conduct/Licensing Committee; ED to monitor
QC AMF Issues Paper on “Managing Conflict of Interest in Relation to Incentives”	<ul style="list-style-type: none"> CAFII Response to Issues Paper 	<ul style="list-style-type: none"> Submitted Oct 13, 2017 	<ul style="list-style-type: none"> Market Conduct Cttee; ED to monitor
CCIR Annual Statement on Market Conduct	<ul style="list-style-type: none"> Access to AMF-developed system for data submissions provided Insurers submit “best attempts” data based on 2016 fiscal year <u>CAFII Member Webinar on Year 2 Tweaks to Annual Statement</u> 	<ul style="list-style-type: none"> March 28, 2017 May 1, 2017 <u>Nov 23, 2017</u> 	<ul style="list-style-type: none"> Market Conduct Cttee; ED to monitor
CCIR Review of Travel Health Insurance	<ul style="list-style-type: none"> CAFII Response to Issues Paper Meeting with CCIR TIWG re draft Recommendations in Position Paper CAFII Submission on draft Recommendations in Position Paper Meeting with CCIR TIWG re Communications Plan for Position Paper CCIR THI Products Position Paper Released <i>Meeting with TIWG Re Position Paper (CAFII awaiting CCIR invitation)</i> 	<ul style="list-style-type: none"> Sep 30, 2016 Feb 22, 2017 March 10, 2017 May 10, 2017 May 31, 2017 Q4 2017 	<ul style="list-style-type: none"> EOC; ED to monitor
SK Bill 177	<ul style="list-style-type: none"> FCAA releases Draft Regulations for industry consultation CAFII Responses to Draft Regulations & TPA Sub-consultation CAFII Response to FCAA-proposed definition of TPA Meeting with FCAA officials re CAFII submissions Final Regulations released along with new Insurance Act <u>The Insurance Amendment Act, 2017 tabled</u> New Saskatchewan Insurance Act and Regulations come into force 	<ul style="list-style-type: none"> Oct 7, 2016 Dec 2 and 9, 2016 March 13, 2017 June 1, 2017 June 29, 2017 <u>Oct 31, 2017</u> <u>Fall 2018</u> 	<ul style="list-style-type: none"> Market Conduct Cttee; ED to monitor
“Modernizing the New Brunswick Insurance Licensing Framework”	<ul style="list-style-type: none"> CAFII Response to Position Paper on aspects related to life agents FCNB delivers final recommendations to Minister 	<ul style="list-style-type: none"> Jan 22, 2016 ? 	<ul style="list-style-type: none"> Licensing Committee; ED to monitor

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

***Agenda Item 6(a)(i)(1)
November 14/17 EOC Meeting***

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

Sent: Monday, November 06, 2017 5:57 PM

To: 'rose.beckford@scotiabank.com'; 'Beauchamp, Jason'; 'Coleman, Fay'; 'katherine.geisler@cibc.com'; 'MacLean, Charles'; 'Diane Quigley'; 'liliana_ripandelli@cooperators.ca'; 'Stuska, Andrea'; 'Thorn, Peter'; 'Lewsen, John'; 'moira.gill@td.com'; 'Manson, Sue'; 'brian.wise@assurant.com'; 'Blaquiere, Charles'; 'Cecillia.Xiao@assurant.com'; 'jsavard2@dsf.ca'; 'Isabelle Choquette'; 'rob.dobbins@assurant.com'; 'keith.martin@cafii.com'; 'julie.medeiros@rbc.com'; 'Easthope, Dana'; 'Tony Pergola'; 'liliana_ripandelli@cooperators.ca'

Cc: 'Caroline Bucksbaum'; 'Genier, Marie'; 'Pabani, Huma'; 'Prokop, Sandy'; 'Coleman, Fay'; 'McCarthy, Peter'; 'Nick Bilodeau'

Subject: Update On Development Of CAFII Position/Submission On Quebec Bill 141 And New Related Bill 150

EOC Members and Market Conduct Committee Members:

The purpose of this message is to update you on the steps that CAFII has taken with respect to Quebec Bill 141 and the more recently introduced and somewhat related Bill 150, tabled by the Minister of Finance on October 31/17, both of which are attached in English and French.

By way of recap, we are still not certain whether or not there will be consultation with the industry around Bill 141 and Bill 150; and, if there is going to be consultation, when it will occur.

That said, we're working off the assumption – based on the advice we received from the AMF staff executives, particularly Phillippe Lebel, in Levis on October 23 – that there will be something of a consultation around Bill 141 (and likely Bill 150 as well), but that it will occur at the level of Quebec's National Assembly – not with the Ministry of Finance, the sponsor/owner of the Bills – when the Bills goes through legislative committee hearings there.

And we're assuming that those hearings will likely occur sometime in November or early December (before the National Assembly rises on Friday, December 8/17 for its Holiday Season recess until Tuesday, February 6/18), with relatively short notice to interested parties of the opportunity to make a written submission to the relevant legislative review committee and/or to appear before it.

Therefore, following consultation with Market Conduct Committee Chair Rose Beckford and EOC Chair Pete Thorn, this afternoon I had a productive teleconference meeting with Sylvie Bourdeau – the specialized insurance law counsel with Fasken Martineau in Montreal whom we have on retainer – and asked her to prepare a “Bill 141 and Bill 150 Legal Issues Identification Analysis From the Perspective of CAFII Members” as a first step -- so that we will be poised to make CAFII representations on those Bills, whenever the invitation to do so arises; and likely even if such an invitation to comment and provide feedback is never issued to industry stakeholders, i.e. we will likely want to make a submission on the two Bills to the relevant National Assembly committee and/or the Ministry of Finance unsolicited, if no formal consultation process is announced.

I expect to receive from Sylvie a proposal/estimate for this assignment very shortly; and then her analysis report soon after we give her the green light to proceed. The Market Conduct Committee will then be engaged promptly to provide feedback on Sylvie's issues analysis document, and take the lead in assisting in its refinement into a polished submission.

I gave Sylvie a verbal overview of the issues of concern about Bill 141 that have currently been identified by CAFII members; and will also be providing her with a written synopsis of those issues. More specifically, those issues are

- *Clause 49 within Chapter III (found on page 24 of 472 in the attached English translation of the Bill), because it could apparently make an authorized insurer vulnerable to arbitrary and capricious decisions on the AMF's part with respect to the insurer's chosen TPA or other third party/outsourced partner. That clause reads as follows: "The Authority may prohibit that an authorized insurer's obligations under this Act be performed by a third person on the insurer's behalf if, in the Authority's opinion, such performance would render the application of this Act difficult or ineffective. Before rendering its decision, the Authority must notify the prior notice prescribed by section 5 of the Act respecting administrative justice to the insurer in writing and grant the latter at least 15 days to submit observations."*

- *Bill 141's indication that Section 408 of the Act respecting the distribution of financial products and services, which currently reads as follows:*

"408. An insurer may, in accordance with this Title (Distribution without representative), offer insurance products through a distributor. A distributor is a person who, in pursuing activities in a field other than insurance, offers, as an accessory, for an insurer, an insurance product which relates solely to goods sold by the person or secures a client's adhesion in respect of such an insurance product."

will be modified by the addition of the following sentence

"Only a natural person may distribute an insurance product on behalf of a distributor." (clause 530 of Bill 141, p. 389)

- *as currently worded, Bill 141 only allows for online insurance sales so long as a licensed person works for the firm. But banks cannot be licensed as firms. This would seemingly impact CAFII members' ability to sell creditor insurance through banking channels.*

If your member FI has identified any additional CAFII member-relevant issues with respect to Bill 141, please communicate them to me asap so that they can be shared with Sylvie Bourdeau for consideration in her legal analysis.

Sylvie's comprehensive legal analysis review of both Bills from a CAFII member perspective will also likely turn up issues that we have not yet identified.

For those who may only be becoming aware of the existence of Bill 150 via this email, Sylvie has identified its CAFII-relevant content as clauses 235 to 260 on pages 78 to 82.

She has initially drawn to CAFII's attention – as a potential issue of serious concern – clause 257, which indicates that Section 426 of the Act Respecting the Distribution of Financial Products and Services will be repealed. Section 426 of the Distribution Act reads as follows:

426. For the purposes of this Title, the following insurance products are deemed to be insurance products which relate solely to goods and to which clients adhere:

- (1) debtor life, health and employment insurance;
- (2) investor life, health and employment insurance.

In addition, there is an indication in Clause 256 that Section 409 will also be repealed. Clause 409 in the Act Respecting the Distribution of Financial Products and Services includes a direct reference to sales of creditor insurance and it is inter-connected with Clause 426 (by direct reference).

As with Bill 141, if your member FI identifies any particular CAFII member-relevant issues with respect to Bill 150, please communicate them to me asap so that they can be shared with Sylvie Bourdeau for consideration in her legal analysis.

Brendan Wycks, BA, MBA, CAE
Co-Executive Director
Canadian Association of Financial Institutions in Insurance
Brendan.wycks@cafii.com
T: 647.218.8243
Alternate T: 647.361.9852
www.cafii.com
Making Insurance Simple and Accessible for Canadians
Rendre l'assurance simple et accessible pour les Canadiens

From: Sylvie Bourdeau [<mailto:sbourdeau@fasken.com>]
Sent: Tuesday, November 14, 2017 9:17 AM
To: Brendan Wycks (brendan.wycks@cafii.com); keith.martin@cafii.com
Subject: Fee estimate for discussion

Dear Brendan and Keith,

It was nice meeting you in person yesterday at the Rendez-vous de l'Autorité des marchés financiers.

As discussed please find our fee estimate related to our mandate involving the review and analysis of Bill 141 and 150 recently tabled by the Government of Québec.

As agreed, our mandate is limited as a first step to reviewing Bill 141 and Bill 150 in order to identify issues arising therefrom and provide an analysis of their relevant provisions from the perspective of CAFII members, which are particularly of interest for the incidental sale of insurance. This analysis will, in a subsequent step, be used to prepare CAFII representations on the Bills at the National Assembly committee and/or the Ministry of Finance if invited or even on an unsolicited basis, in the context of a formal or informal consultation process. Our estimate does not contemplate our involvement for the preparation of such submission considering that we will discuss the best approach and the scope of our involvement in a next step and provide you with our estimate related to this portion of the work once we will have a better idea of the scope of work.

Consequently, our goal is to prepare a table that will identify all provisions respectively from Bill 141 and 150 related to the *Insurers Act, An Act respecting the distribution of financial products and services* and the *Civil Code of Québec* that may be of interest for CAFII members, refers to the amended version of the relevant sections, provide general comments on each relevant Section and determine if clarification or changes should be proposed to the Minister of Finance. This table will be completed by an executive summary of our analysis related to the various changes arising from Bill 141 and Bill 150.

Finally, as discussed yesterday, our objective is to schedule a call with Eric Stevenson and Louise Gauthier from the AMF in order to have a discussion on the principles that raise issues for CAFII in order to see if according to their understanding they represent the objective of the Minister of Finance. I will send an email to Eric Stevenson and Louise Gauthier this morning to schedule a call this week with them if they are available.

We will work intensively this week with the objective to provide you with a draft of our work on Monday at the latest. According to the date of our call with Eric Stevenson and Louise Gauthier we will determine if we wait for this call before providing you with our preliminary analysis or we submit it to you, subject to any comments we may have further to our discussion.

We estimate our fees related to the first step of this mandate as follows, including discussions with you to adjust our presentation and identify the main issues:

- Associate/articling student (hourly rate of 230-250\$): approx. between 40 and 60 hours
- Partner, Sylvie Bourdeau: (hourly rate of 590\$): approx. between 20 to 25 hours

Please do not hesitate to contact me if you wish to discuss the scope of our estimate.

Best regards,

--

Sylvie Bourdeau | Associée / Partner

T. +1 514 397 4388 | C. +1 514 726 1671 | F. +1 514 397 7600
sbourdeau@fasken.com | <http://www.fasken.com/fr/sylvie-bourdeau>

Fasken Martineau DuMoulin S.E.N.C.R.L., s.r.l.
800 Place Victoria, Bureau 3700, Montréal, Québec, H4Z
1E9



VANCOUVER CALGARY TORONTO OTTAWA MONTRÉAL QUÉBEC LONDRES JOHANNESBURG

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CAFII/AMF “Industry Issues Dialogue”

Monday, October 23/17

Lévis, Québec

Summary Notes

1. Quebec Bill 141: An Act primarily designed to improve the supervision of the financial sector, the protection of deposits of money, and the functioning of financial institutions

1.a. Is the Ministry of Finance providing for a consultation period on Bill 141?

Philippe Lebel, the AMF’s Director General, Legal Affairs, suggested that there would likely be a form of consultation on Bill 141 fairly soon, possibly in late November, which would occur through committee review hearings at the National Assembly, possibly only for a very limited time period such as one week.

CAFII will need to be prepared to make its views on Bill 141 known at that time, either through a written submission and/or through an in-person appearance at a committee hearing at the National Assembly.

The AMF very much hopes that organizations such as CAFII will support the thrust of Bill 141 and its efforts to modernize the province’s financial services and insurance regulatory regime.

Supplementary question: Should CAFII write a letter to suggest CAFII wants an invite?

Yes; however, there will likely be limited time to produce comments – possibly one week, or maybe two.

1.b. What do you foresee in terms of next steps and related timing for legislative review, passage, and the Bill’s proclamation into force?

The AMF hopes that Bill 141 will be studied by the National Assembly before its Christmas in December. There will be a lot of people commenting on it.

After that, MNAs will have to study the Bill section by section. It will be a different review process for each section of the Bill.

A best guess is that the Bill will be put to a vote and passed by the National Assembly in the Spring of 2018. The expectation is that one year after its passage, the Bill will be proclaimed into force and its provisions will come into effect.

1.c. With respect to the Bill’s Chapter II on Distribution of Financial Products and Services, is the Bill’s particular purpose of “enabling firms to offer financial products and services through technological means” accomplished and effected largely through clause 487 and the resulting addition of new clause 71.1 to the Distribution Act.

Louise Gauthier emphasized that a critical clause of the Bill is Clause 860.1, which speaks to distribution. This clause stipulates that distribution firms can distribute products through any channel so long as there is one person in the firm with a license. This means that firms can offer advice on the Internet.

The relevant section is Section 492 which stipulates that the insurer must offer access to a natural person who is licensed in order to offer advice.

When the insurer directly offers the product through the internet, there is a provision in the new act that will oblige the insurer to offer access to a natural person, who is licensed. Robo-advice would be offered through distribution firms that are registered.

1.d. In the context of Bill 141's support for digital innovation in insurance and financial services, you'll recall that in 2016, Messrs. Morisset and Stevenson commented in industry meetings that insurance products sold online without the involvement of a licensed representative must be fairly 'simple.' Have you made any further determinations or advanced your thinking since last year as to what you will categorize as a 'simple' product?

Eric Stevenson noted that when the original comments were made that products sold on the Internet should be simple, the internet was still developing as a significant channel. It has evolved considerably since then, and so have the views of regulators and policy-makers on what can appropriately be sold via the internet. The specifics of how the regulatory regime will work still need to be discussed and developed, but they will be based on the concepts and framework of Bill 141. However, the AMF recognizes that using product definitions such as 'simple' and 'complex' might not be the most effective way to regulate sales on the Internet.

Supplementary question: When the drafting of Regulations occurs after Bill 141 has been passed, will the drafting pen rest with the AMF?

Yes. There will be Guidelines as well, but the Regulations will have to be created by the AMF.

1.e. Is the AMF happy with the degree to which Bill 141 supports the 11 Orientations set out in your April 2015 Report on Internet Insurance Offerings in Québec?

Yes, but the fact that the AMF has to develop Regulations allows it to complete the framework. This sector is moving fast and evolving. It will be important that – during the Regulations drafting stage – the AMF works with the industry to understand the technologies that are available today, which were not necessarily in existence when Bill 141 was being crafted.

1.f. What will be the impact of Bill 141 on the DWR regime in the province? Will the Two-Page Distribution Guide modernization initiative now be reactivated and completed?

Yes, Bill 141 puts this initiative back on the rails. The AMF is still planning to require that consumers be provided with a short document with the key information that allows them to make an informed decision.

The AMF plans to develop Regulations based more so on principles than on the actual Act. Regulations for distribution without a representative (through the internet and other channels) and for distribution involving a licensed representative – these may be covered off in a single Regulation or they may be addressed by a set of separate Regulations.

1.g. What types of hurdles and/or obstacles do you expect to encounter with respect to the abolishment of the two Chambres and absorbing them within the AMF? How do you foresee the process unfolding?

The AMF sees the abolishment of the Chambres as a positive step. There will be a transition period; more specifically, after the adoption of the Bill, there will be a six-month transition to the new regime. And even after that period, disciplinary cases that have already begun will be allowed to reach their conclusion under the old regime.

This is going to be a political battle and the key question is whether the government will be able to withstand the political pressure it will face to reverse the abolishment of the Chambres. However, the government should receive more support now than it has in the past on this issue. There are more consumer organizations now that will be supportive of this move, although they are not all well-organized or well-funded.

1.h. Do you feel that when the Bill's provisions come into force the AMF will have the independent authority and autonomy from Government -- which the IMF recommended, in its Financial Sector Assessment Program Report on Canada based on its 2013 visit, the AMF should have as an insurance supervisor?

First, it is important to note that the IMF recommendation on autonomy was made with respect to OSFI, not the AMF. Second, the IMF can recommend that regulators be fully independent from the government, but we have constitutional constraints that cannot permit the government to always adhere to all of these recommendations.

Generally, however, the AMF is happy with the direction Bill 141 takes with respect to the expectations of the IMF.

As well, the CCIR has developed and evolved significantly over the past three years – particularly with its development of a Co-operative Framework for Market Conduct Supervision under a Memorandum of Understanding among the 13 provincial/territorial jurisdictions -- and this also demonstrates significant progress on some of the IMF's recommendations. The IMF wants the AMF to be able to pass Guidelines without having to get approval from the Ministry of Finance, and Bill 141 moves in that direction by giving the AMF that new authority.

1.i. Can you elaborate on the goals and objectives behind the establishment, within the AMF, of the "Consultative Committee for Consumers of Products and Users of Financial Services"? How will the members of that committee be recruited and selected; and when will it be launched?

After passage of Bill 141, there will be the development of a Consultative Committee for Consumers. There will be an opportunity to review the membership of that Committee. It will have a wide mandate and will act as a kind of sounding board.

The AMF does not yet know the types of people needed for that committee; however, there are still at least nine months (until Bill 141 is passed, likely in the Spring of 2018) to think about it. The AMF will probably not create any committees before the Bill is passed.

2. New AMF Strategic Plan

2.a. We've taken note of the fact that the new 2017-2020 AMF Strategic Plan recently published on your website includes a focus on insurance sales compensation; and, of course, you've just completed an Issues Paper consultation with insurance stakeholders on Managing Conflict of Interest In Relation to Incentives. Are there any other highlights of your new Strategic Plan that you would draw specifically to the attention of CAFII and its members as alternate/direct distributors and underwriters of creditor's group, travel, and other types life and health insurance?

The AMF will share a global view of the comments received on the current insurance sales compensation review with stakeholders, via a summary report. After considering the responses, the AMF will determine whether new Regulations are required on this issue, in consultation with the industry.

The AMF posed a question to CAFII.

Question: In regards to the Financial Consumer Agency of Canada (FCAC)'s current review of high pressure sales quotas and other questionable tactics allegedly being used by banks, what is CAFII's perspective on what is going on at the federal level?

This is being taken very seriously. FCAC was already starting to do a review, which has now been accelerated. Discussions and interviews are currently underway at the individual banks. Interviews are underway down to the level of frontline staff in bank branches.

The FCAC has not been sharing any other information on the direction or possible outcomes of its review. A preliminary report is scheduled to come out in December 2017, with a final report issued in February, 2018.

CAFII emphasized that the vast majority of products under review is banking products, not insurance-related products. However, some insurance products are included. The only reason some insurance products are being looked at is because they are sold by the insurance arm of a parent bank. The FCAC is primarily looking at how banking products are being sold by the banks, not insurance products.

Closing Comments and Themes

The AMF staff executives emphasized that it would appreciate CAFII's support for a key desire/thrust – something partially addressed by Bill 141 -- which is to make the AMF more independent and autonomous from the government.

The AMF executives emphasized insurers' key responsibility to have adequate oversight and controls in place with respect to their third party distributors.

They underscored the AMF's commitment to building a regulatory regime which fosters insurtech and innovation.

Agenda Item 6(a)(ii)
November 14/17 EOC Meeting

From: Brendan Wycks [mailto:brendan.wycks@cafii.com]
Sent: Friday, November 03, 2017 4:41 PM
Subject: CAFII Member-Exclusive Webinar on CCIR's Year 2 Housekeeping Changes to The Annual Statement on Market Conduct
When: Thursday, November 23, 2017 3:00 PM-4:45 PM (UTC-05:00) Eastern Time (US & Canada).
Where: Webinar-Only; or In-Person Attendance at FSCO Office, 5160 Yonge St., 4th Floor, North York

CAFII EOC and Other Committee Members:

This CAFII Member-Exclusive Meeting has been offered and arranged by CCIR Policy Manager Martin Boyle.

While the meeting is being offered primarily as a webinar (with separate visual and audio components) and it is expected that most participants will take it in electronically from the comfort of their own offices, Martin has also extended an invitation for up to 15 CAFII representatives (those who may prefer a more interpersonal opportunity to dialogue and ask clarification questions, etc.) to participate in the meeting in-person at FSCO's office.

The approach for this information session will likely be a joint presentation by Laurie Balfour, Chair of CCIR's Insurance Core Principles Implementation Committee which has leadership for the Council's Co-operative Framework for Market Conduct Supervision and the related Annual Statement, and Martin Boyle, in which they will walk CAFII members through the housekeeping changes that have been made to the Annual Statement for Year 2; followed by Q&A.

See below for details of both the "webinar-only" and "in-person" options, as provided by Martin. A copy of the proposed Year 2 version of the Annual Statement on Market Conduct – containing the instructional and clarification-only changes that are being introduced – will be made available by Martin one to two weeks prior to the November 23/17 date of this meeting.

If your reply to this invitation is an Acceptance, please indicate whether you will attend via webinar or in-person at FSCO's office in North York. We will then consolidate all CAFII member responses and provide Martin Boyle with lists of CAFII's webinar-only and in-person attendees.

Brendan Wycks, BA, MBA, CAE
Co-Executive Director
Canadian Association of Financial Institutions in Insurance
Brendan.wycks@cafii.com
T: 647.218.8243
Alternate T: 647.361.9852
www.cafii.com
Making Insurance Simple and Accessible for Canadians
Rendre l'assurance simple et accessible pour les Canadiens

*****Please note that the audio and visual components of this webinar are provided separately. Details for access to each can be found below*****

This webinar is an information session for CAFII members hosted by the CCIR. The purpose is to provide details regarding the changes that have been made to the Annual Statement on Market Conduct (Annual Statement) as well as the rationale for those changes.

Last year was the first year that insurers filed information through the Annual Statement. Based on input received from those insurers, the CCIR has made a number of revisions to the Annual Statement in order to (a) increase the clarity of the data requests/questions contained in the Annual Statement; (b) bolster the instructions; and (c) improve the layout and structure of the file itself (please note that changes to the data and types of information requested through the Annual Statement are not being contemplated at this time).

Materials will be provided in advance.

Webinar link (video content):

[Join Skype Meeting](#)

[Help](#) [Trouble Joining? Try Skype Web App](#)

Audio content dial-in information:

Dial-in number: 416-212-8012

Toll Free: 1-866-633-0848

Passcode: 2494889#

For those who will be attending in-person, here are the location details:

5160 Yonge St. (FSCO offices)

4th Floor

*Please proceed directly to the 4th floor upon arrival. We will meet you in the elevator lobby on the 4th floor 10 minutes prior to the start of the information session.

Let me know if you have any questions.

Thanks,

Martin Boyle

Policy Manager | Canadian Council of Insurance Regulators

Martin.Boyle@fSCO.gov.on.ca | 416-590-7031 | www.ccir-ccrra.org

5160 Yonge Street, Toronto, ON, M2N 6L9

October 23, 2017

Canadian Association of Financial Institutions in Insurance
21 St. Clair Avenue East Suite 802
TORONTO ONTARIO M4T 1L9

Via Email: brendan.wycks@cafii.com

Attention: Brendan Wycks, Executive Director

Dear Mr. Wycks:

Re: *The Insurance Amendment Act, 2017*

I am pleased to attach a draft version of *The Insurance Amendment Act, 2017* for your information. This draft is provided on an embargo basis, and must remain confidential between yourselves and your legal counsel. It may not be further circulated or publicly commented on until it is introduced in the Legislative Assembly. If you are not able to comply, please delete any copy without reading it. If you wish to share it with anyone else, please check with me for prior written approval.

This Bill is the reflection of ongoing industry consultations, most recently in the development of *The Insurance Regulations* to accompany the new *Insurance Act* (the "new Act"). The vast majority of the amendments in the Bill are technical amendments to improve the wording of the new Act. There is one new section being added to the new Act in response to changes in the law on medical assistance in dying that occurred after the new Act was passed in 2015. Otherwise, these amendments are housekeeping and technical improvements that are aimed at supporting the efficient implementation of the new Act and regulations.

I would like to call your attention to the following features of the Bill:

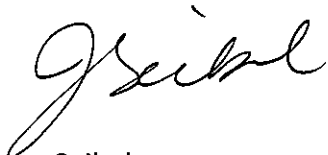
- The insertion of a new section 8-118.1 into the new Act to address developments in the law on medical assistance in dying since the new Act was passed in May 2015. This new section adopts the definition of "medical assistance in dying" from the *Criminal Code* and confirms that section 8-118 (Suicide clause) does not apply when an insured receives medical assistance in dying. The provision also confirms that when an insured does receive medical assistance in dying, he or she is deemed to

- have died as a result of the illness, disease or disability for which he or she was entitled to receive medical assistance in dying;
- The insertion of a definition of “unlicensed insurer” into section 1-2 to confirm that an exempt insurer is not an unlicensed insurer;
- Clarifications to section 5-4 to confirm that managing general agents and third party administrators are only required to hold a licence in those classes of insurance for which they will be acting on behalf of an insurer;
- The repeal of subsections 5-18(4) and (5), which were unintentionally carried over into the new Act and do not reflect current practices;
- Clarifications to section 5-38 to confirm that an individual is required to disclose the names of all businesses or affiliated insurers that he or she is authorized to represent;
- The broadening of section 5-39 to authorize the Superintendent to make orders respecting restitution, which is consistent with other legislation administered by the Financial and Consumer Affairs Authority and will provide increased enforcement options;
- Housekeeping change to section 6-2 to confirm that tax owing under this section can be collected in the same manner as other taxes owing;
- The repeal of section 6-17, which if left in force could potentially lead to an increased use of unlicensed insurers;
- Revisions to the notice requirements in sections 8-108 and 8-171 for increased consistency with current Saskatchewan and Alberta practices, as requested during consultations when the new Act was first introduced;
- Revisions respecting beneficiary designations in sections 8-129 and 8-187 for increased consistency with British Columbia and Alberta, as requested during consultations when the new Act was first introduced;
- The broadening of the Superintendent’s authority in section 9-21 to impose an administrative penalty for any contravention of the Act and not just those contraventions listed in the regulations, which is consistent with other legislation administered by the Financial and Consumer Affairs Authority and will provide increased enforcement options;
- Housekeeping change to the regulation-making authority in section 10-48 to broaden what kind of guidelines can be adopted through regulation, which will support harmonization efforts with other provinces;
- The insertion into the current Act, *The Saskatchewan Insurance Act*, of two new provisions:

- A new section 150.1 on medical assistance in dying, which is the same as the new section being added to the new Act; and
- A new section 122.1 respecting recovery by innocent persons, which is the same as the new section 8-122 of *The Insurance Act*;
- Several other minor housekeeping amendments to fix cross-references and make other minor wording and grammatical corrections; and
- The repeal of provisions of two amendment Acts that were never proclaimed into force and are no longer needed as a result of the new Act.

Thank you for providing your comments during ongoing consultations and for identifying many of the above amendments. The Bill will come into force at the same time as *The Insurance Act*, other than the amendments to the current Act, which would come into force on assent. Please contact us directly if you want to discuss these amendments further. We look forward to continuing to engage with you as we prepare for implementation of the new Act, which is currently planned for Fall 2018.

Yours truly,



Janette Seibel
Lawyer
Financial and Consumer Authority Affairs, Legal Branch

cc: Roger Sobotkiewicz, Chair, Financial and Consumer Affairs Authority
Karen Pflanzner, Director, Legal Branch, Financial and Consumer Affairs Authority
Darcy McGovern, Q.C., Director, Legislative Services, Ministry of Justice

Consultation Draft – *The Insurance Amendment Act, 2017*

Short title

1 This Act may be cited as *The Insurance Amendment Act, 2017*.

SS 2015, c I-9.11 amended

2 *The Insurance Act* is amended in the manner set forth in this Act.

Section 1-2 amended

3 **Subsection 1-2(1) is amended by adding the following definition in alphabetical order:**

“ ‘**unlicensed insurer**’ does not include any insurer that is exempt from the requirement to be licensed pursuant to this Act”.

Section 2-5 amended

4 **The following subsection is added after subsection 2-5(1):**

“(1.1) An applicant for a licence must comply with any prescribed requirements”.

Section 2-69 amended

5 **Clause 2-69(a) is repealed and the following substituted:**

“(a) prescribing licensing requirements for the purposes of section 2-5;

“(a.1) prescribing the number of automobiles and limits for the purposes of section 2-51”.

Section 5-4 amended

6 **Subsections 5-4(5) and (6) are repealed and the following substituted:**

“(5) No insurer shall allow a managing general agent to act on its behalf with respect to a class of insurance unless the managing general agent holds a valid managing general agent’s licence for that class of insurance.

“(6) No insurer shall allow a third party administrator to act on its behalf with respect to a class of insurance unless the third party administrator holds a valid third party administrator’s licence for that class of insurance”.

Section 5-18 amended

7 Subsections 5-18(4) and (5) are repealed.

Section 5-38 amended

8 Section 5-38 is amended:

(a) by striking out “and” after clause (a);

(b) by adding the following after clause (a):

“(a.1) in the case of an individual acting for two or more businesses, the names of all businesses that the individual is authorized to represent;

“(a.2) in the case of an insurer’s representative for affiliated insurers, the names of all affiliated insurers that the individual is authorized to represent; and”; and

(c) in clause (b) by striking out “clause (a)” and substituting “clauses (a) to (a.2)”.

Section 5-39 amended

9 The following clause is added after clause 5-39(2)(b):

“(b.1) order the holder or former holder to pay restitution in the prescribed circumstances and in an amount not exceeding the prescribed amount”.

Section 5-48 amended

10 Clause 5-48(b) is amended by striking out “transact” and substituting “adjust”.

Section 5-89 amended

11 Section 5-89 is amended:

(a) by repealing clause (f); and

(b) by adding the following clause after clause (l):

“(l.1) for the purposes of section 5-39:

(i) prescribing a maximum restitution amount; and

(ii) prescribing circumstances in which a restitution order can be made, including the type of loss that can be compensated”.

Section 6-2 amended

12 The following subsection is added after subsection 6-2(3):

“(4) The tax mentioned in subclause (1)(c)(i) is a debt due to and recoverable by the Crown in right of Saskatchewan and may be recovered in any manner authorized by *The Financial Administration Act, 1993* or in any other manner authorized by law”.

Section 6-17 repealed

13 Section 6-17 is repealed.

Section 8-2 amended

14 Subsections 8-2(2) and (3) are repealed and the following substituted:

“(2) Subject to section 10-11, the Superintendent may prohibit a licensed insurer from issuing any form of policy or endorsement, from using any application or from issuing or using any advertising material if, in the opinion of the Superintendent, the form of policy, endorsement, application or advertising material is unfair, fraudulent or not in the public interest.

“(3) No insurer to which an order is issued pursuant to subsection (2) shall issue the policy or endorsement, use the application or issue or use the advertising material”.

Section 8-108 amended

15 Subsection 8-108(2) is repealed and the following substituted:

“(2) If a primary person places life insurance on the life of any person set out in clause (1)(a), the insurer shall, at the time the insurance is placed, send a notice in writing to those persons whose lives are insured advising of the particulars of the insurance”.

Section 8-113 amended

16 Subsection 8-113(3) is amended:

(a) in the portion preceding clause (a) by striking out “addition, increase or change mentioned in clauses (a) to (c)” and substituting “of the following”; and

(b) by striking out “or” after clause (b).

New section 8-118.1

17 The following section is added after section 8-118:

“Medical assistance in dying

8-118.1(1) In this section, ‘**medical assistance in dying**’ means medical assistance in dying as defined in section 241.1 of the *Criminal Code*.

(2) Section 8-118 does not apply to an insured who receives medical assistance in dying.

(3) If a contract contains an undertaking, express or implied, that insurance money will be paid if a person whose life is insured receives medical assistance in dying, the undertaking is lawful and enforceable.

(4) For the purposes of this Act, if an insured receives medical assistance in dying, that insured is deemed to have died as a result of the illness, disease or disability for which he or she was determined to be entitled to receive that assistance, in accordance with clause 241.2(3)(a) of the *Criminal Code*”.

Section 8-129 amended

18 The following subsection is added after subsection 8-129(3):

“(3.1) Unless the document by which a contract is assigned specifies otherwise, an assignment mentioned in subsection (3) made on or after the date on which this section comes into force revokes:

(a) a designation of a beneficiary made before or after that date and not made irrevocably; and

(b) a nomination mentioned in section 8-131 made before or after that date”.

Section 8-171 amended

19 Subsection 8-171(2) is repealed and the following substituted:

“(2) If a primary person places insurance on the life or well-being or both of any person set out in clause (1)(a), the insurer shall, at the time the insurance is placed, send a notice in writing to those persons who are insured advising of the particulars of the insurance”.

Section 8-173 amended

20 Subsection 8-173(3) is amended:

(a) in the portion preceding clause (a) by striking out “addition, increase or change mentioned in clauses (a) to (c)” and substituting “of the following”; and

(b) by striking out “or” after clause (b).

Section 8-187 amended

21 The following subsection is added after subsection 8-187(3):

“(3.1) Unless the document by which a contract is assigned specifies otherwise, an assignment mentioned in subsection (3) made on or after the date on which this section comes into force revokes:

- (a) a designation of a beneficiary made before or after that date and not made irrevocably; and
- (b) a nomination mentioned in section 8-189 made before or after that date”.

Section 9-21 amended

22 Subsection 9-21(1) is amended in the portion preceding clause (a) by striking out “prescribed”.

Section 9-26 amended

23 Clause 9-26(b) is repealed.

Section 10-5 amended

24 Subsection 10-5(4) is amended in the portion preceding clause (a) by striking out “licensed”.

Section 10-48 amended

25 Clause 10-48(2)(j) is amended in the portion preceding subclause (i) by striking out “respecting ethical, operational and trade practices for any licensed party or party who is required to be licensed pursuant to the Act, including” and substituting “with respect to any matter governed by this Act”.

RSS 1978, c S-26 amended

26(1) *The Saskatchewan Insurance Act* is amended in the manner set forth in this section.

(2) The following section is added after section 122:

“Recovery by innocent persons

122.1(1) If a contract contains a term or condition excluding coverage for loss or damage to property caused by a criminal or intentional act or omission of an insured or any other person, the exclusion applies only to the claim of a person:

- (a) whose act or omission caused the loss or damage;
- (b) who abetted or colluded in the act or omission;
- (c) who:
 - (i) consented to the act or omission; and

(ii) knew or ought to have known that the act or omission would cause the loss or damage; or

(d) who is a member of any class of persons other than individuals.

(2) Nothing in subsection (1) allows a person whose property is insured under the contract to recover more than the person's proportionate interest in the lost or damaged property.

(3) A person whose coverage under a contract would be excluded but for subsection (1) must:

(a) cooperate with the insurer with respect to the investigation of the loss, including, without limitation, by submitting to an examination under oath or on affirmation, if requested by the insurer; and

(b) produce for examination, at a reasonable place and time that is designated by the insurer, all documents that relate to the loss in addition to those required by the contract”.

(3) The following section is added after section 150:

“Medical assistance in dying

150.1(1) In this section, ‘**medical assistance in dying**’ means medical assistance in dying as defined in section 241.1 of the *Criminal Code*.

(2) Section 150 does not apply to an insured who receives medical assistance in dying.

(3) If a contract contains an undertaking, express or implied, that insurance money will be paid if a person whose life is insured receives medical assistance in dying, the undertaking is lawful and enforceable.

(4) For the purposes of this Act, if an insured receives medical assistance in dying, that insured is deemed to have died as a result of the illness, disease or disability for which he or she was determined to be entitled to receive that assistance, in accordance with clause 241.2(3)(a) of the *Criminal Code*”.

SS 1998, c 35 amended

27 Sections 16 and 33 of *The Saskatchewan Insurance Amendment Act, 1998* are repealed.

SS 2003, c 38 amended

28(1) *The Saskatchewan Insurance Amendment Act, 2003* is amended in the manner set forth in this section.

(2) Section 3 is amended by repealing clauses (a), (c) and (f), that portion of clause (h) that repeals clauses 2(1)(p), (q), (r), (t), (u), (w), (bb), (cc), (ff), (kk), (ll), (mm), (ww) and (bbb) of *The Saskatchewan Insurance Act*, and clauses (k) and (m).

(3) Section 4, subsection 13(3) and sections 14, 37, 38 and 39 are repealed.

(4) Section 97 is amended by repealing clauses (a) and (b) and that portion of clause (c) that enacts clause 467(c.1) of *The Saskatchewan Insurance Act*.

Coming into force

29(1) Subject to subsection (2), this Act comes into force on the day on which section 1-1 of *The Insurance Act* comes into force.

(2) Sections 26 to 28 come into force on assent.

CONFIDENTIAL TO CAFII MEMBERS; NOT FOR WIDER DISTRIBUTION

Regulatory Update – CAFII Board of Directors and Executive Operations Committee, 10 November, 2017
Prepared By Keith Martin, CAFII Co-Executive Director

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Federal / National

Canadian Council of Insurance Regulators (CCIR)

CCIR Provides CAFII With A List Of Active CCIR Committees And Working Groups, And The Names Of Their Chairs

In response to a question at the CCIR Stakeholders Meeting from Brendan Wycks about what committees are currently active in the CCIR and who chairs them, CCIR Policy Manager Martin Boyle has provided the following list:

Hi Brendan and Keith,

As requested, the following is a list of active CCIR committees and working groups with the names of the chairs:

Insurance Core Principles Implementation Committee/ICPic (Laurie Balfour – AB)

ICPic Market Intelligence Working Group (Nathalie Sirois – QC)

Segregated Funds Working Group (Anatol Monid – ON)

FinTech Working Group (Hélène Samson – QC)

Travel Insurance Working Group (Harry James – BC)

Fair Treatment of Customers Working Group (Louise Gautier – QC)

Natural Catastrophes and Consumer Awareness (Frank Chong – BC)

Harmonization Working Group (Anatol Monid – ON)

OmbudService Oversight Standing Committee (Chris Carter – BC)

Electronic Commerce Committee (Hélène Samson – QC)

Facility Association Committee (Tom Golfetto – ON)

Assuris-PACICC Committee (Brian Mills – ON)

Forms Committee (Ima Okonny – OSFI)

Capital Requirements Committee (Judith Roberge – OSFI)

Canadian Life and Health Insurance Association (CLHIA)

CLHIA Calls On Feds To Allow Insurers More Freedom on Technology

Megan Harman of the Canadian Investment Executive Magazine reported in a 10 October, 2017 article that the Canadian Life and Health Insurance Association Inc. (CLHIA) is urging the federal government to provide insurance companies with greater flexibility to invest in technology and to commercialize these innovations in its submission to the Department of Finance Canada's review of the federal financial services sector.

Specifically, the CLHIA lauds the steps the government is taking to clarify and modernize the framework around the type of technology activities and investments that insurers are permitted to undertake. The CLHIA suggests that the life insurance industry could benefit from expanded capability to invest in technology, and adds that "Insurers should be permitted to commercialize innovations outside the realm of financial services."

Stephen Frank, New CEO Of The Canadian Life And Health Insurance Association (CLHIA), Says The Pace Of Regulatory Change In The Industry Is "Almost Without Precedence"

A 30 October, 2017 article in the Insurance and Investment Journal reported that Stephen Frank, who became president and CEO of the Canadian Life and Health Insurance Association last July, describes the pace of regulatory change as "almost without precedent."

“When you look at the regulatory environment, there’s just an awful lot coming at us at the same time and when you think through where that could land us in five years, it’s pretty clear we’ll be in a different environment, a different industry than we are today.” Beyond the regulatory change, the insurance industry is also dealing with a changing market with the emergence of fintech and changing expectations of how consumers want to interact with insurers. “So there’s market things happening, there’s regulatory things happening – we’re in the middle of that, saying how do we help our members not just react, but how do we help shape that? How do we be proactive?”

Travel Health Insurance Association (THIA)

Lack Of Understanding Behind Most Travel Insurance Problems

A 5 October, 2017 article in the Investment and Insurance Journal stated that while a new Travel Insurance Bill of Rights and Responsibilities crafted by Canada’s Travel Health Insurance Association (THIA) is well meaning and checks all the major boxes, a big cloud continues to hover over clients who don’t pay enough attention to the travel health questionnaire.

The Bill of Rights, which was published in June, comes on the heels of a report by the Canadian Council of Insurance Regulators (CCIR) outlining reforms for the travel health insurance market. Even before the regulators came out with their report, Brad Dance, vice president of THIA, said the organization’s rights and responsibilities bill was already in the making. “Some of us in the industry got together and designed this Bill of Rights to give the public an idea of what they can expect from their travel health policy,” Dance said in an interview from Vancouver. “We want them to go away on vacation and have a carefree vacation and ultimately we hope the Bill of Rights will give them the peace of mind [they need] to take off and not have to worry.”

Financial Consumer Agency of Canada (FCAC)

FCAC States That It Caused Banks To Reimburse Clients \$10.5 Million

FCAC’s annual report, released in October 2017, stated that financial institutions reimbursed \$10.5 million to 1.2 million consumer accounts. The reimbursements made up for inaccurate fee disclosure or interest rate calculations, or for incorrect charges to accounts. FCAC’s annual report also details other agency initiatives, such as a new supervision framework, effective 2018, and a review to identify and analyze the impact of bank sales practices on consumers and on financial consumer protection.

November Is Financial Literacy Month

An article by the IJJ staff on 31 October, 2017 reported that November will be the Financial Consumer Agency of Canada’s (FCAC) seventh annual Financial Literacy Month (FLM), which is dedicated to the improvement of financial literacy among Canadians so they can improve their finances. The theme of this year’s financial literacy month is “take charge – it pays to know.”

Advocis

Advocis Establishes Technology Task Force

A 30 October, 2017 in the Insurance and Investment Journal reports that Artificial Intelligence (AI), along with robo-advice and other fintech developments are poised to disrupt the industry in a significant way. To grasp and understand their impact, Advocis is establishing a national technology task force to help frame future regulatory discussion, and to help advisors adapt and use the technologies going forward.

“Disruptive is not a bad thing necessarily,” says Ed Skwarek, Advocis’ vice president of regulatory and public affairs. “I think the next five year period is going to be incredibly transformative.” Akin to the industrial revolution, he says there is an AI revolution taking place that can’t be ignored. “Artificial intelligence has its own momentum. There’s no way of stopping it. We need to understand it and operate with it. I think that’s what makes it so exciting,” Skwarek says.

Bank of Canada

Threat Of Cyberattack Has Bank Of Canada Governor Worried

Canadian Press reported on 26 October, 2017 that of all the economic fears that could keep Bank of Canada Governor Stephen Poloz awake at night, the threat of a cyberattack is perhaps the one that troubles him the most. "It leaps up to the top of your consciousness pretty quickly — I think in many ways it's more worrisome than all the other stuff," Poloz told The Canadian Press in an interview Wednesday at the bank's headquarters in Ottawa. The central bank warned Canadians in June that the country's interconnected banks are vulnerable to a cascading series of cyberattacks, something that could undermine broad confidence in the financial system. The report, known as the financial system review, also said such structural vulnerability could allow for the easy spread of an initial attack into other sectors, such as energy or water systems. The report urged commercial banks to co-operate on countering the threats, which aren't going away any time soon.

General

BMO Insurance Rolls Out First Tech Solution For Its MGA Channel

A 31 October, 2017 article in Insurance Business Canada reported that BMO has rolled out a new technology initiative it is calling the “first step of a multi-year digital strategy” to support its managing general agent distribution channel. Peter McCarthy, president and CEO of BMO Insurance, said it was important to make insurance correspondence and documentation as simple as possible in today’s tech-forward environment.

“We recognize that technology is playing a bigger part in how financial products are delivered to Canadians,” McCarthy said. “We are transforming our businesses by digitizing the experience for our advisors and clients, recognizing that they should have the option of reaching out to us or to an insurance advisor when they need one-on-one guidance.” McCarthy added: “The insurance industry is going through a digital transformation and companies are increasingly integrating technology into their business.”

TD Insurance Call Centre To Move From Edmonton, Alberta to Halifax, Saint John

The Chronicle Herald reported in a 30 October, 2017 article that TD Insurance is closing its call centre in Edmonton, and moving the service to Halifax and Saint John, effective March 2, 2018. The news was first revealed in the Alberta city last week and on Monday the company indicated it had nothing further to add. “This decision was not made lightly and we are committed to making every effort to limit the impact to employees . . .” a company official wrote in an email Monday.

Study Finds That 90% Of Marketplace Not In Love With Their Broker

A 30 Oct 2017 article in Insurance Business Canada reported that the average client retention rate for insurance brokers is about 85%, but that this is not due to client satisfaction. A recent study in the wealth management industry, which is also applicable to insurance brokers, surveyed clients in an effort to determine how satisfied they were with an existing advisor. Only 10% of clients were raving fans who loved their provider and thought the service was amazing.

Broker and author Derek Coburn commented at the Insurance Brokers Association of Ontario (IBAO) convention in Ottawa that this group of clients not in love with their broker is “a massive potential market. In my opinion, the companies that are going to be the most successful at acquiring this market share over the next few years are the ones who effectively disrupt that indifference.”

Insurance “Woeful” At Attracting Millennials

In an article in Insurance Business Canada Jonathan Reiss, group Financial Officer for Hamilton Insurance Group stated that the insurance industry needs to do much more to attract millennials as employees. Speaking at the recent Insurance Risk & Capital Conference he said the insurance industry’s appeal to young people was “woeful.” That needed to change, Reiss said, in order to attract fresh blood to the business. Reiss said recruiting millennials was especially important since the industry needed employees with technology skills.

Tax Changes Could Affect Insurance

Investment Executive Magazine reported in a Mid-October 2017 article that recent proposals by the federal government to change the way private corporations are taxed are garnering mixed reactions from the life insurance industry. The CRA's proposed amendments to the way corporations are taxed could have an impact on insurance sales and the use of insurance in corporate planning strategies

In July, the Department of Finance Canada released a consultation paper proposing a slew of policy changes that would eliminate certain tax-planning strategies for private corporations. On one hand, the changes could bolster life insurance sales because fewer alternative tax-planning strategies would be available to business-owner clients. On the other hand, the changes could eliminate certain tax-planning strategies that involve corporate-owned life insurance.

Provincial Quebec

Quebec Consumer Group Option Consommateurs Says Bill 141 Is An “Unacceptable Setback for Consumer Protection”

The Investment and Insurance Journal reported in a 24 October, 2017 article in its French edition that Option consommateurs described several aspects of Bill 141 as "an unacceptable decline in consumer protection." Christian Corbeil, Executive Director, and Annik Bélanger-Krams, lawyer, deplored several measures including softening the language around who can provide a consumer with advice, and new language in the Act which did not require advisors to collect information about their client. They also expressed concern that the advisor no longer needed to present products that best suited the needs of their clients, and instead simply needed to present products and give advice, which they felt was “a major and unacceptable retreat.” They also did not support the elimination of the two self-regulatory chambres. “A complete rewrite is necessary,” said Option consommateurs.

Quebec Government Decides That General Insurance Brokers Must Offer Products From At Least Four Insurers

A November, 2017 in the Investment and Insurance Journal reported that Quebec Finance Minister Carlos Leitao has decided that those who wish to call themselves brokers will have to offer their clients products from at least four different insurers that do not belong to the same financial group. Specifically, the Quebec government will amend section 244 of the Act respecting the distribution of financial products and services to specify that a broker must present a minimum of four insurers’ products. Previously, this article mentioned “several” insurers.

The government has gone further with Bill 150, tabled Oct. 31. It indicates that firms will have to register either as an agency or brokerage firm. It will prohibit the firm from registering as a brokerage firm if a financial institution, a financial group or a legal person affiliated with them has a significant interest in the firm's decisions or equity. In particular, it mentions an equity stake of 20 per cent or more.

Another change to the Act concerns the disclosure to consumers of brokers' ties to insurers. A general insurance agency or a general insurance brokerage firm must disclose, on its website and in its communications with its clients, the names of the insurers for whom it offers insurance products. If need be, it must specify those with which it is bound by an exclusivity contract and the products covered by this contract.

Caisse, Desjardins Group Create Fintech Fund Of Up To \$75 million

Canadian Press announced on 10 October, 2017 that La Caisse de dépôt et placement du Québec and Desjardins Group have created a financial technology investment fund of up to \$75 million. The venture fund will be dedicated to fintech and artificial intelligence applied to finance. Caisse and Desjardins will invest equal amounts for a joint total of \$50 million, and other investors can also join the fund. They say the fund's purpose is to support the growth and development of new fintech companies in Quebec and Canada. The fund, which has yet to be named, will operate independently.

Ontario

FSCO To Revamp Insurance Advisors' Compliance Exams

Investment Executive reports on 10 November, 2017 that FSCO will begin sending out questionnaires to some advisors who are deemed to be higher risk to determine if they need a more in-depth compliance review. The report largely parallels an update on this same issue made in CAFII's September, 2017 Regulatory Update, based on feedback shared with the Life Insurance Working Group of which CAFII is a member.

The Financial Services Commission of Ontario (FSCO) is launching this new process for its compliance examinations of insurance advisors this autumn, according to Heather Driver, director of licensing at FSCO, who recently spoke at the Independent Financial Brokers of Canada's fall summit in Mississauga, Ontario. In particular, FSCO will soon be adding a new layer to its examination process, Driver said. Specifically, the regulator will begin conducting "desk reviews" — questionnaires that aim to help the regulator determine which advisors require a more in-depth compliance review — prior to conducting onsite exams.

FSCO To Introduce *Fair Treatment of Consumers Guideline* For Insurance Industry

At its 2017 Life and Health Insurance Industry Market Conduct Symposium on November 6/17, FSCO announced that it will be introducing a *Fair Treatment of Consumers Guideline* for the insurance industry in 2018; and it will be consulting with the industry on an initial draft of that Guideline shortly, during the winter months of 2017-18.

The purpose of the Guideline is to communicate FSCO's expectations of licensees with respect to the fair treatment of consumers; and it will align with the IAIS' ICP 19 (Conduct of Business) and the OECD's G20 High Level Principles on Consumer Financial Protection. FSCO staff executive Mercedes Aldana, who is leading this initiative, advised that the new Guideline arises from an evolution in conduct of business regulation from exclusively focusing on "what is required" to a stronger focus on "doing the right thing" (a continuous process that must guide every action in the way a company conducts its business).

FSCO To Issue *Incidental Insurance Market Conduct Questionnaire and Attestation* Shortly

At FSCO's 2017 Life and Health Insurance Industry Market Conduct Symposium on November 6/17, Izabel Scovino, Director, Market Conduct Regulation Branch, announced that FSCO would be issuing its planned Incidental Insurance Market Conduct Questionnaire and Attestation – which had been previously highlighted in meetings of FSCO's recently launched Life Insurance Industry Working Group -- in the near future.

Immediately following the Symposium, Ms. Scovino had a private conversation with B. Wycks in which she confirmed CAFII's interest in participating in a consultation with FSCO on the imminent Questionnaire and Attestation. That consultation meeting will likely occur in late November or early December, she advised. CAFII alone will be consulted on the Attestation, as it relates solely to bank-owned insurers. However, with respect to the ISI Market Conduct Questionnaire, CAFII and other stakeholders will be invited to participate in to provide feedback on it, as it encompasses the full range of ISI market players.

FSCO Study Finds That Millennials Struggling To Grasp Insurance

More than half of mature millennials between the ages of 25 and 34 in Ontario don't fully understand their life or supplementary health insurance policy, according to a survey conducted on behalf of the Financial Services Commission of Ontario (FSCO).

As many participants in this demographic are reaching important life milestones — starting a career, getting married, having children or purchasing a house — understanding what their insurance coverage entails, as well as their rights and responsibilities, is a key part of protecting themselves and their families, FSCO says in a news release. "Most people don't want to think about what might happen if they get sick, or worse, but these are important discussions to have," says Anatol Monid, executive director of licensing and market conduct division at FSCO, in a statement. "It's also extremely important that customers ask questions and make sure they understand their policies so they can make informed financial decisions that protect them and their loved ones."

Saskatchewan

Government Of Saskatchewan Invites Industry To Indicate What Has Been the Impact Of Introducing The PST On Insurance Premiums

Saskatchewan's new Finance Minister, Donna Harpauer, wrote CAFII in early November 2017 as a follow up to the introduction of PST on insurance premiums announced in the 2017-18 budget. Ms. Harpauer stated that the government has made "Significant efforts to control and reduce spending" but that "our efforts to manage spending were not sufficient to fully address the revenue shortfall." As a result, she wrote that the 2017-18 Budget "introduced a number of revenue initiatives to help address our fiscal challenge, including the expansion of the PST base to insurance premiums."

Ms. Harpauer stated that "The Ministry of Finance continues to work with the insurance industry on implementation and transition issues. We understand that many companies are still working on system changes to correctly collect and remit PST on insurance premiums to the Government of Saskatchewan." The Minister stated that while the government is committed to moving forward with this initiative, it is also committed to monitoring the impact of the tax, and in that context "we are now seeking information and specific data your organization may have to demonstrate the impacts the PST change is having." The Minister concluded her letter by asking for such information to be sent to her office by November 15, 2017.

Former Minister Of Finance Kevin Doherty Leaves Post, And Later Leaves Cabinet Entirely

The CBC announced on 30 August, 2017 that Kevin Doherty has been moved from his post as Minister of Finance and will instead manage the Advanced Education portfolio. At a media scrum on Wednesday, Wall and Doherty both said it was Doherty's choice to change portfolios. Donna Harpauer was announced as his replacement as Finance Minister. On 30 October, 2017 Minister Doherty resigned his post and left cabinet altogether. He will remain the MLA for Regina Northeast.

Thought Leadership / International

How Technology Is Reshaping The Traditional Insurance Model

Paolo Taruc, in a 31 October 2017 article in Insurance Business Canada, reported that the traditional two touchpoint insurance model is poised for major change amid an increasingly connected world, according to an analyst at business school INSEAD. In a recent article published on the school's website, INSEAD entrepreneur-in-residence Sangeet Choudray said insurers and clients in the current model only interact twice – at the time of sale and at the time of claim.

However, insurers have started shifting into a different direction as they seek to fill the data gap between the two touchpoints. "In the past, they captured data as a one-time event, using it to statically determine customers' risk profiles and premiums. Today, they are embracing connected technologies ... to offer personalized and dynamic insurance premiums to their customers," Choudray said.

Ninety Per Cent Of Industry Innovation Will Be In Distribution, Predicts Insurance Executive

A 30 October, 2017 in the Insurance and Investment Journal reported that according to Dean Connor, President and CEO of Sun Life Financial, distribution is where insurance innovation will largely occur. In Connor's view, what will change in future – dramatically – is the ease of buying insurance. "It has continued to improve and I think we are on the edge of quite a bit of change in that regard," he told The Insurance and Investment Journal in an exclusive interview.

When asked if he thinks the industry could undergo "Uberization", Connor said digital disruptors are unlikely to take on the part of the insurance business that relates to product design and running a regulated financial institution, especially with increasing compliance and regulatory change. "What they might be more interested in is distribution and I think that's where you're going to see 90 per cent of the innovation in our industry – in distribution."

McKinsey Article States That Unlocking Growth In The Life Insurance Industry Requires Targeting Mass-Market And Middle-Market Consumers

A McKinsey Quarterly article suggests that unlocking future growth in the life insurance industry will occur by better serving mass-market and middle-market consumers, which could add \$10 billion in annual premiums.

The new McKinsey research reveals a large and underpenetrated consumer segment that could jump-start growth: the mass market (consumers with \$25,000 to \$100,000 in investible assets) and middle market (\$100,000 to \$250,000 in investible assets) segments. To date, conventional wisdom in the industry has held that these segments are not interested in protection and retirement products or would not generate sufficient profit to warrant the effort, given traditional distribution approaches. McKinsey suggests that nothing could be further from the truth.

McKinsey research found that mass-market and middle-market consumers are looking to purchase protection products—particularly at key life milestones (or “trigger events”) such as the birth of a child and the purchase of a home. Furthermore, while products sold to these consumers are less profitable, the segments feature higher growth than others, often with less competition.

McKinsey suggests that to realize this potential, it will be critical for insurers to build their outreach capabilities, both with traditional advisers and remote capabilities, around trigger events, with an emphasis on a digital-first strategy that can meet changing and rising consumer expectations.

U.K. “Regulatory Sandbox” Meets Goals, Says Report

A 23 October, 2017 Investment Executive Magazine article reported that financial firms that participated in one of the world's first "regulatory sandboxes" — which allow firms to test innovative products and services without fully complying with regulatory requirements — have found it faster, and cheaper, to get to market, according to a report published Friday from the U.K. Financial Conduct Authority (FCA).

The report details the FCA's experience so far with its regulatory sandbox, which was introduced as a way of facilitating innovation and competition in the financial sector. The model has since been copied in a number of jurisdictions, including Canada. According to the report, the FCA's sandbox "has helped reduce the time and cost of getting innovative ideas to market". It notes that the approach has also helped startups find funding from potential investors by providing them with greater certainty about the idea being tested and its commercial viability.

Australian Banks To Overhaul Consumer Credit Insurance Sales Processes

A 1 August, 2017 article on Australian developments notes that the Australian Securities and Investments Commission (ASIC) has brought together representatives from the banking industry and consumer advocates to improve outcomes for consumer credit insurance, with the establishment of a Consumer Credit Insurance (CCI) Working Group.

The CCI Working Group will progress a range of reforms, including a deferred-sales model for CCI sold with credit cards over the phone and in branches. This will mean that consumers cannot be sold a CCI policy for their credit card until at least four days after they have applied for their credit card over the phone or in a branch.



Government
— of —
Saskatchewan

Minister of Finance
Legislative Building
Regina, Canada S4S 0B3

NOV 08 2017

Ms. Eleanore Fang
Board Secretary and Chair
Canadian Association of Financial Institutions in Insurance
802 – 21 St. Clair Avenue East
TORONTO ON M4T 1L9

Dear Ms. Fang:

I am writing to you as the new Finance Minister for Saskatchewan, as a follow up to the Provincial Sales Tax (PST) revenue initiatives announced in the 2017-18 Budget.

As you are aware, in the 2017-18 Budget our Government committed to control spending, modernize and expand the tax base, and invest in priority government programs, services and infrastructure projects for the benefit of all Saskatchewan people. The decline in commodity prices that began in 2014 resulted in the Government's resource revenues falling by \$1.2 billion. This was the revenue challenge underlying the development of the 2017-18 Budget. Significant efforts to control and reduce spending were made during the budget development process. However, our efforts to manage spending were not sufficient to fully address the revenue shortfall. With this goal in mind, the 2017-18 Budget introduced a number of revenue initiatives to help address our fiscal challenge, including the expansion of the PST base to insurance premiums.

The Ministry of Finance continues to work with the insurance industry on implementation and transition issues. We understand that many companies are still working on system changes to correctly collect and remit PST on insurance premiums to the Government of Saskatchewan.

Our Government remains committed to moving forward with the implementation of PST on insurance premiums. We also committed to continue to monitor the impact of this tax change on the economy and consumer behaviour. In this context, we are now seeking any information and specific data your organization may have to demonstrate the impacts the PST change is having. Please send any relevant information and data back to my office by November 15, 2017. The evidence of these impacts will be assessed and considered in the development of the 2018-19 Budget.

Thank you in advance for sharing your perspectives on this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Donna Harpauer".

Donna Harpauer
Minister of Finance

cc: Brendan Wycks, Co-Executive Director, Canadian Association of Financial Institutions in Insurance

Agenda Item 6(b)(ii)
November 14/17 EOC Meeting

CAFII's final meeting in its recent round of liaison visits tour to Western Canada insurance regulators and policy-makers was with the Insurance Council of Manitoba (ICM). This meeting was unique in that the members of ICM's Incidental Sales of Insurance (ISI) Committee (an ad hoc committee established in 2015, at the time that Manitoba implemented its new RIA regime) were invited to attend as well.

Because of the large size of the group of attendees at the meeting, it could not be accommodated at the ICM's offices, so the Chair of the ISI Committee, Paul Brett, hosted it at his law firm Thompson, Dorfman, Sweatman LLP. In attendance from the Insurance Council of Manitoba were Barbara Palace Churchill, Executive Director; Lee Roth, Investigator; and Heather Winters, Director, Licensing & Compliance. Also in attendance was Deputy Superintendent of Insurance Scott Moore from the province's Financial Institutions Regulation Branch (FIRB).

The meeting attendees were engaged and interested, with much dialogue occurring throughout a nearly two-hour meeting.

One member of the ISI Committee raised concerns about a specific product sold in car dealerships, where the insurance coverage related to a vehicle purchase was being sold under a "single premium" structure and the insurance premium was being rolled into the loan principal for payment.

Two specific fair treatment of consumers concerns were raised with respect to how his product is allegedly being sold and administered in Manitoba.

First, the product has resulted in instances where the policy-holder is not receiving a refund of a portion of the insurance premium paid when he/she pays off the loan early, before the amortization schedule has fully run its course. And second, it has resulted in instances where almost all of the consumer's periodic loan payments is being applied to cover the insurance premiums and very little is being applied to reduce the principal of the loan, such that even after several years of making periodic payments, the consumer's principal balance on the car loan has remained practically unchanged.

The CAFII members present responded that they were not aware of the existence of such a product. However, ICM's staff Investigator Lee Roth challenged that response, noting that he had investigated consumer complaints related to the product in question, and he suggested that CAFII members were selling it through relationships with car dealers in Manitoba.

CAFII agreed to look into this matter internally with the Association's members; and to facilitate a response(s) to ICM on the matter once it had been investigated.

CAFII Regulator and Policy-Maker Visit Plan 2017-18

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Nov 8/17
British Columbia				
Insurance Council of BC: Gerry Matier, Executive Director (outgoing)	-liaison meeting on October 17/17 in Vancouver as part of CAFII tour of BC/Alberta/Manitoba regulators and policy-makers -June 2/17 CAFII presentation to CISRO in Saskatoon -May 5/17 liaison breakfast in London, Ontario -Dec 9/16 informal discussion with B. Wycks at CISRO LLQP Session -Feb. 27/15 liaison breakfast in Toronto	None at this time	-Council's current view on 10-Year Review of Financial Institutions Act -Representation of alternate distribution/non-resident sellers on Council -Update on Council priorities	
Janice Sinclair, Executive Director (incoming on November 1/17)	-liaison meeting on October 17/17 in Vancouver as part of CAFII tour of BC/Alberta/Manitoba regulators and policy-makers	None at this time		
FICOM: Frank Chong, Acting Superintendent of Financial Institutions (effective August 1/16)	-liaison meeting on October 17/17 in Vancouver as part of CAFII tour of BC/Alberta/Manitoba regulators and policy-makers -Dec. 12/16 CAFII Stakeholder Dialogue with CCIR in Toronto -Nov 10/15 in Vancouver re CGI Information Bulletin	None at this time	-FICOM Information Bulletin on CGI ('effecting' of CGI in BC issue: ED and EOC to monitor re need for meeting/ dialogue around any member or industry issues re compliance with CGI Info Bulletin -Monitoring for appt. of interim or permanent FICOM CEO successor -10 yr. Review of BC Financial Institutions Act (if appropriate)	
Doug McLean, Deputy Superintendent of Insurance	-liaison meeting on October 17/17 in Vancouver as part of CAFII tour of BC/Alberta/Manitoba regulators and policy-makers	None at this time	-See F. Chong above	
Chris Carter, Acting Superintendent, Real Estate and Acting Registrar, Mortgage Brokers (effective August 1/16)	-April 14/16 teleconference re CAFII follow-up letter - Follow-up letter, seeking clarification on CGI Info Bulletin key issues, sent March 15/16 - Nov 10/15 in Vancouver re CGI Information Bulletin	None at this time	-See F. Chong above	

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Nov 8/17
Michael McTavish, Acting Executive Director, Market Conduct (joined FICOM in Spring 2017)	-liaison meeting on October 17/17 in Vancouver as part of CAFII tour of BC/Alberta/Manitoba regulators and policy-makers	None at this time	-See F. Chong above	
Lorena Dimma, Director, Market Conduct (assuming Harry James' former policy advisor role re 'effecting' of CGI issue)	-April 14/16 teleconference re CAFII's March 15/16 follow-up letter on CGI Info Bulletin	None at this time		
Harry James, Senior Regulatory Advisor (Chair of CCIR's Travel Insurance Working Group)	-liaison meeting on October 17/17 in Vancouver as part of CAFII tour of BC/Alberta/Manitoba regulators and policy-makers -Dec. 8/16 cordial reply email to E. Fang, agreeing with CAFII's request that auto dealers are creditors for a moment-in-time issue be closed. -April 14/16 teleconference re CAFII's March 15/16 follow-up letter on CGI Info Bulletin	None at this time	-See F. Chong above	
Molly Burns, Analyst, Policy Initiatives	-April 14/16 teleconference re CAFII's March 15/16 follow-up letter on CGI Info Bulletin -Nov 10/15 in Vancouver	None at this time	-See F. Chong above	
Erin Morrison, Regulatory Analyst, Policy Initiatives	-August 10/16 in Toronto, accompanied Harry James and participated in CCIR TIWG meeting with CAFII	None at this time	-See F. Chong above	
Ministry of Finance: Carole James, Minister of Finance	-None to date. Appointed Minister of Finance in July 2017, with change in BC government. Delivered first provincial budget on September 11/17	None at this time	TBD until CAFII has a "direct ask" at Ministerial level	
Lori Wanamaker, Deputy Minister of Finance	-None to date. Appointed July 2017	None at this time	-See E. Cole below	

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Nov 8/17
Elizabeth Cole, Executive Director, Strategic Projects & Policy (head of 10-Year Review of FIA) (on personal leave until sometime in mid- to late 2018)	-April 20/17 and June 23/16 telephone conversations with B. Wycks re updates on expected release date of Policy Paper and other FIA Review timelines -November 10/15 in Vancouver along with Dan Ashton; and separate meeting along with Brian Dillon and Kari Toovey	None at this time	-Policy Paper emerging from 10-Year Review of Financial Institutions Act, making proposals for change, now due to be released in early 2018	
Brian Dillon, Director, Financial Institutions Kari Toovey, Acting Executive Director, Strategic Projects & Policy (head of 10-Year Review of FIA); normally Senior Policy Advisor	-liaison meeting on October 17/17 in Vancouver as part of CAFII tour of BC/Alberta/Manitoba regulators and policy-makers	None at this time None at this time	-See E. Cole above -See E. Cole above	

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Oct 18/17
Alberta				
Alberta Insurance Council: Joanne Abram, CEO	-liaison meeting on October 18/17 in Edmonton as part of CAFII tour of BC/Alberta/Manitoba regulators and policy-makers -June 2/17 CAFII presentation to CISRO in Saskatoon -May 4/17 liaison lunch in London, Ontario -December 21/16 letter to CAFII confirming definition of CGI critical illness insurance approved by Life Council to include selling of CI under existing RIA licence -Oct 31/16 CAFII submission of letter proposing definition of CGI critical illness insurance to be adopted for inclusion under existing RIA licence -Sept 16 & 28/16 and Oct 11/16 e-mail correspondence with B. Wycks re LIC decision on allowing CI to be sold under an RIA licence	None at this time	-AIC's implementation of approved definition and process for CI to be sold under existing RIA licence -Representation for Restricted Licence Holders on Life Insurance Council	

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Oct 18/17
Anthonet Maramieri, COO	<ul style="list-style-type: none"> -liaison meeting on October 18/17 in Edmonton as part of CAFII tour of BC/Alberta/Manitoba regulators and policy-makers -March 8/17 email to B. Wycks advising of Life Council's further look at definition of credit-related insurance approved to be offered under a Restricted Certificate, at April 12/17 meeting -Sept 12/16 teleconference with G. Grant and B. Wycks -July 12/16 teleconference with G. Grant and B. Wycks - April 11/16 informal discussion with B. Wycks, at CISRO LLQP Info Session - Feb 27/15: Toronto: B. Wycks met A. Maramieri and had get acquainted chat at CISRO LLQP Stakeholder Info Session 	None at this time	-See J. Abram above	
Warren Martinson, Legal Counsel	<ul style="list-style-type: none"> -liaison meeting on October 18/17 in Edmonton as part of CAFII tour of BC/Alberta/Manitoba regulators and policy-makers -June 2/17 CAFII presentation to CISRO in Saskatoon -W. Martinson in attendance at Feb. 22/17 CAFII stakeholder meeting with CCIR TIWG -May/June 2016 telephone discussion with J. McCutcheon (on CAFII's behalf) re legislative and regulatory underpinnings of selling of CI benefits as credit-related insurance under an RIA licence -Feb 10/14: Toronto, ON (with B. Wycks, as W. Martinson then on LLQP Governance Ctte.) 	None at this time	-See J. Abram above	
Sylvia Boyetchko, Director of Licensing	<ul style="list-style-type: none"> -liaison meeting on October 18/17 in Edmonton as part of CAFII tour of BC/Alberta/Manitoba regulators and policy-makers 	None at this time	-See J. Abram above	

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Oct 18/17
Treasury Board and Ministry of Finance: Nilam Jetha, Superintendent of Insurance (made permanent at beginning of 2017, following one year interim period)	-liaison meeting on October 18/17 in Edmonton as part of CAFII tour of BC/Alberta/Manitoba regulators and policy-makers	None at this time	-Update on Superintendent’s priorities -Communicate CAFII issues; build and strengthen relationship	
David Sorensen, Deputy Superintendent of Insurance	-liaison meeting on October 18/17 in Edmonton as part of CAFII tour of BC/Alberta/Manitoba regulators and policy-makers	None at this time	-See N. Jetha above	
Laurie Balfour, Director, Financial Compliance, Insurance Regulation and Market Conduct Branch (Chair of CCIR Insurance Core Principles Implementation Ctte)	-liaison meeting on October 18/17 in Edmonton as part of CAFII tour of BC/Alberta/Manitoba regulators and policy-makers -CAFII 20 th Anniversary: April 5/17 -Sep 30/14: Fredericton, NB (informal meeting) -Jul 28/14: call with CAFII reps re: “effecting of CGI”	None at this time	-See N. Jetha above	
Wayne Maday, Director, Insurance Policy	-liaison meeting on October 18/17 in Edmonton as part of CAFII tour of BC/Alberta/Manitoba regulators and policy-makers	None at this time	-See N. Jetha above	
Joe Ceci, President of Treasury Board and Minister of Finance	No contact – appointed May 24/15	None at this time	TBD until CAFII has a “direct ask” at Ministerial level	

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Oct 18/17
Saskatchewan				
Insurance Councils of Saskatchewan: Ron Fullan, Executive Director, (CISRO Chair)	- October 27/17 three-way meeting in Toronto -- involving ICS (R. Fullan and A. Stadnek), CAFII, and CLHIA -- re “Representation for RIA Licence Holders in Saskatchewan” -June 2/17 liaison meeting in Saskatoon -CAFII 20 th Anniversary: April 5/17 -R. Fullan in attendance at Feb. 22/17 CAFII stakeholder meeting with CCIR TIWG -Dec. 12/16 CAFII Stakeholder Dialogue with CCIR in Toronto -Dec 9/16 informal discussion with B. Wycks at CISRO LLQP Session	- further three-way meeting re “Representation for RIA Licence Holders in Saskatchewan” in Q1 2018, once CAFII and CLHIA develop and submit joint proposal to R. Fullan	-establishing and implementing a Restricted Insurance Agents Advisory Committee -ICS-relevant aspects of implementation of new Saskatchewan Insurance Act and Regulations -Sask. RIA regime and licensure issues	- Pending
April Stadnek, Director of Compliance	- October 27/17 three-way meeting in Toronto -- involving ICS (R. Fullan and A. Stadnek), CAFII, and CLHIA -- re “Representation for RIA Licence Holders in Saskatchewan” -June 2/17 liaison meeting in Saskatoon -Sept 22/15 CISRO LLQP Stakeholder Info Session in Toronto (B. Wycks) - Sep 30/14; Fredericton, NB (informal meeting) - November/13 in Toronto when April attended CLHIA CCOSS Seminar	- See R. Fullan above	- See R. Fullan above	- Pending
Financial Consumer Affairs Authority (FCAA): Roger Sobotkiewicz, former Director of FCAA Legal Branch, became Interim Chairperson and Superintendent of Insurance, effective Feb. 1/15	-June 1/17 get acquainted and liaison meeting in Regina	-See J. Seibel below	-see J. Seibel below; and -introduce CAFII and build relationship -Regulations being developed following passage of <i>Bill 177, The Insurance Act (Saskatchewan)</i> -ISI: Representation for Restricted Licence Holders -Sask’s imposition of PST on all insurance premiums - Update on Superintendent’s priorities	-Pending (see J. Seibel below)
Ian McIntosh, Deputy Superintendent of Insurance	-Jul 28/14 call with CAFII reps re: “effecting CGI”	-see J. Seibel below	-see J. Seibel below; and -see R. Sobotkiewicz above	-Pending (see J. Seibel below)

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Oct 18/17
<p>Janette Seibel, Lawyer (became lead on Bill 177 and Regulations file effective June 1/15)</p> <p>Ministry of Finance Donna Harpauer, Minister of Finance (appointed Oct/17)</p> <p>(predecessor: Kevin Doherty, whom CAFII met with on June 1/17 in Regina)</p>	<p>-June 1/17 get acquainted and CAFII profile-raising meeting in Regina with Minister and Ministry officials re Sask’s imposition of PST on insurance premiums</p> <p>-March 2017 email exchange with B. Wycks re invitation to CAFII to provide feedback on FCAA-proposed definition of TPA, for inclusion in Insurance Regulations</p> <p>-February 17/17 call to B. Wycks advising that “in force” date for new Insurance Act and Regulations had been deferred to Spring 2018</p> <p>-Jan 2017 email exchange with B. Wycks re timing of “in force” date for new Saskatchewan Insurance Act and related Regulations</p> <p>-Nov and Dec. 2016 email exchanges with B. Wycks re Insurance Regulations Consultation and TPAs sub-consultation.</p>	<p>-teleconference meeting in Q4 2017 or Q1 2018, if necessary, following October 31/17 tabling of The Insurance Amendment Act, 2017; and prior release of final Regulations and Insurance Act on June 29/17 (timeline for their coming into targeted as Fall 2018)</p> <p>-March or September 2018 meeting, if warranted, following CAFII’s gathering and submission of six months and one year of data on impact of 6% PST on consumer purchases of CGI and other life and health insurance policies</p>	<p>-timing of “in force” date for new Saskatchewan Insurance Act and related Regulations</p> <p>-CAFII’s response submissions on FCAA’s Insurance Regulations Consultation document (submitted Dec. 2/16) and TPAs sub-consultation (submitted Dec. 9/16)</p> <p>-Sask’s imposition of PST on all insurance premiums</p> <p>-further introduce CAFII and build relationship</p> <p>-Sask’s imposition of PST on all insurance premiums</p>	<p>-Pending</p> <p>-Pending</p>

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Oct 18/17
Manitoba				
<p>Ministry of Finance: Jim Scalena, Superintendent of Insurance and Registrar of Credit Unions (brought back, out of retirement, into this role on time-limited basis until November 2017)</p> <p>Scott Moore, Deputy Superintendent of Insurance</p>	<p>-April 29/14 liaison meeting in Winnipeg, immediately prior to meeting with then-Minister of Finance Jennifer Howard re CAFII concerns about Manitoba’s in-development RIA regime</p> <p>-CAFII Stakeholder Meeting with CCIR on October 25/17 in Toronto</p> <p>-liaison meeting on October 19/17 in Winnipeg, hosted by ICM, as part of CAFII tour of BC/Alberta/Manitoba regulators and policy-makers</p> <p>-CAFII 20th Anniversary event: April 5/17</p> <p>-Dec. 12/16 CAFII Stakeholder Dialogue with CCIR in Toronto</p> <p>-August 10/16 CAFII stakeholder meeting re CCIR travel health insurance Issues Paper (participated by teleconference)</p> <p>-April 15/15 teleconference with three CAFII reps</p> <p>-April 29/14: meeting in Winnipeg, MB</p>	<p>None, as retirement departure imminent</p> <p>None at this time</p>	<p>-See S. Moore below</p> <p>-Maintain and build relationship</p> <p>-Representation for Restricted Licence Holders on Life Insurance Council</p> <p>-concern about amended Insurance Act’s apparent residency requirement for employees of Restricted Insurance Agents</p>	
<p>Cameron Friesen, Minister of Finance</p> <p>Barbara Palace Churchill, Executive Director, Insurance Council of Manitoba (appointed late November 2016)</p>	<p>No contact – took office May 3/16</p> <p>-liaison meeting on October 19/17 in Winnipeg, hosted by ICM, as part of CAFII tour of BC/Alberta/Manitoba regulators and policy-makers</p> <p>-June 2/17 CAFII presentation to CISRO in Saskatoon</p> <p>-May 4/17 short get acquainted/liaison meeting in London, Ontario</p>	<p>None at this time</p> <p>None at this time</p>	<p>TBD until CAFII has “direct ask” at Ministerial level</p> <p>-Introduce CAFII and build/maintain relationship</p> <p>-Representation for Restricted Licence Holders on Life Insurance Council</p> <p>-Insurance Council’s “ISI items for further review and development”</p> <p>-communicate CAFII issues</p>	

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Oct 18/17
Heather Winters, Director, Licensing & Compliance	-liaison meeting on October 19/17 in Winnipeg, hosted by ICM, as part of CAFII tour of BC/Alberta/Manitoba regulators and policy-makers	None at this time	-Introduce CAFII and build/maintain relationship -Representation for Restricted Licence Holders on Life Insurance Council -Insurance Council's "ISI items for further review and development" -communicate CAFII issues	
Lee Roth, Investigator	-liaison meeting on October 19/17 in Winnipeg, hosted by ICM, as part of CAFII tour of BC/Alberta/Manitoba regulators and policy-makers	None at this time		
Ontario				
FSCO: Brian Mills, appointed Interim CEO and Superintendent on October 18/14. Will likely be FSCO's last CEO, as Ontario Government transitions to a new Financial Services Regulatory Authority (FSRA) over next two years (2017 and 2018), as stated by B. Mills at FSCO Symposium on November 25/16.	- November 6/17: informal chat with B. Wycks during FSCO 2017 Life and Health Insurance Symposium - CAFII Stakeholder Meeting with CCIR on October 25/17 in Toronto -May 3/17: informal chat with K. Martin during CLHIA Conference -Dec. 12/16 CAFII Stakeholder Dialogue with CCIR in Toronto -January 28/15 stakeholder meeting with CCIR	None at this time	(i)Build/maintain relationship (ii) Ontario government review of FSCO's mandate (iii) next steps in Life Insurance Product Suitability Review (iv)CCIR review of travel health insurance (v)Update on Superintendent's priorities (vi)communicate CAFII issues	

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Oct 18/17
Anatol Monid, Executive Director, Licensing and Market Conduct Division	<p>-November 6/17: informal chat with B. Wycks during FSCO 2017 Life and Health Insurance Symposium</p> <p>-June 2017 liaison lunch with M. Gill and J. Lewsen re CAFII advice on FSCO's planned survey of bank insurers re sales practices</p> <p>-June 2/17: questions raised by A. Monid, on the phone, at end of CAFII presentation to CISRO in Saskatoon</p> <p>-May 3/17: informal chat with K. Martin during CLHIA Conference</p> <p>-CAFII 20th Anniversary event: April 5/17</p> <p>-June 7/16, December 8/15 and June 9/15: informal update conversations at CAFII Reception events</p> <p>-January 28/15 stakeholder meeting with CCIR</p>	None at this time	<p>-next steps in Life Insurance Product Suitability Review</p> <p>-other FSCO initiatives re life insurance agent and/or insurer compliance</p> <p>-initiatives of FSCO LII Working Group</p>	
Izabel Scovino, appointed Director, Market Conduct Regulation Branch in Nov/14	<p>-November 6/17 during FSCO 2017 Life and Health Insurance Symposium: private discussion with B. Wycks re setting up a consultation meeting with CAFII reps re FSCO's planned "Incidental Insurance Market Conduct Questionnaire and Attestation"</p> <p>-Oct. 8/15 at CLHIA CCOS Fall Seminar (B. Wycks)</p> <p>-Nov 21/14 at FSCO Life & Health Insurance Symposium</p> <p>-September 12/17 second meeting of FSCO Life Insurance Industry Working Group (LII Working Group) of which Izabel Scovino is a member (K. Martin and H. Pabani)</p>	<p>-further meeting of LII Working Group on November 21/17</p> <p>-late November 2017 consultation meeting re FSCO's planned "Incidental Insurance Market Conduct Questionnaire and Attestation"</p>	-see A. Monid above	<p>-Pending</p> <p>-Pending</p>

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Oct 18/17
Heather Driver Director, Licensing Branch Licensing and Market Conduct Division (assumed position in Jan 2016, following retirement of Shonna Neil)	-September 12/17 second meeting of FSCO Life Insurance Industry Working Group (LII Working Group), of which H. Driver is Chair (K. Martin and H. Pabani) -June 2/17 CAFII presentation to CISRO in Saskatoon -May 30/17 initial meeting of LII Working Group (K. Martin and H. Pabani) --Oct. 14/16 email exchange with B. Wycks following CAFII's delivery of input, requested by FSCO in Oct. 7/16 meeting, re optimal wording to use in FSCO communications re life insurance agent and insurer relationship -Oct. 7/16 meeting with CAFII reps, at FSCO's invitation, re FSCO initiatives around life agent and insurer compliance, particularly re E&O insurance (also attended by Richard Tillman, Allan Amos, Kelly Picard, and Abina Rogers of FSCO)	-further meeting of LII Working Group on November 21/17	-see A. Monid above	-Confirmed
Andrea Chow, Senior Manager, Financial Services Regulatory Policy (joined FSCO in summer 2017; formerly with Ontario Ministry of Finance)	-November 6/17: get acquainted chat with B. Wycks during FSCO 2017 Life and Health Insurance Symposium, which she chaired	None at this time		
Richard Tillman, Senior Manager, Insurance and Deposit Institutions Policy (currently seconded to FSRA Implementation Secretariat)	-Oct. 7/16 meeting with CAFII reps re life agent and insurer compliance	None at this time	-see A. Monid above	
Reena Vora, Manager, Market Regulation Branch, Licensing and Market Conduct Division	-December 8/16 with CAFII reps for feedback on draft questionnaire for life insurer examination visits (one pilot test visit planned in Q1 2017), as next phase in Life Insurance Product Suitability Review	None at this time	-Life insurer examination visits	

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Oct 18/17
<p>Ministry of Finance: -Sandy Roberts, Director, FSRA Implementation Secretariat (appointed Nov 2016)</p> <p>-Stuart Wilkinson, Senior Manager, FSRA Implementation Secretariat (transferred from previous MOF role in Nov 2016)</p> <p>-David McLean, Policy Advisor</p> <p>Paul Braithwaite, Policy Advisor</p>	<p>-congratulatory letter on appointment sent; no in-person contact to date. Was a no-show for June 29/17 CAFII stakeholder meeting with FSRA Implementation Secretariat; and April 5/17 CAFII 20th Anniversary Celebration</p> <p>-June 29/17 CAFII stakeholder meeting with FSRA Implementation Secretariat -CAFII 20th Anniversary Reception: April 5/17 (regular attendee at CAFII Receptions)</p> <p>-June 7/16 and April 12/16 informal conversations with B. Wycks at CAFII Receptions -July 30/15 life & health insurance sector roundtable -May 21/15 informal meeting: insurance sector round table</p> <p>-November 6/17: informal chat with B. Wycks during FSCO 2017 Life and Health Insurance Symposium, as both at same small group table -June 29/17 CAFII stakeholder meeting with FSRA Implementation Secretariat -September 12/17 second meeting of FSCO Life Insurance Industry Working Group (LII Working Group) of which Paul Braithwaite is an attendee for the MOF (K. Martin and H. Pabani)</p>	<p>-None at this time (awaiting release of further information and/or Regulations for consultation re FSRA structure, governance, and operating model) -See S. Roberts above</p> <p>-See S. Roberts above</p> <p>-See S. Roberts above</p> <p>-further meeting of LII Working Group on November 21/17</p>	<p>-Ontario Government's replacement of FSCO with a new Financial Services Regulatory Authority (FSRA) over next two years (2017 and 2018); and Regulations to implement FSRA -FSRA's regulation of life and health insurance sector.</p>	<p>-Pending</p>
Quebec				
<p>AMF: Louis Morisset, CEO</p>	<p>-AMF 2016 Rendez-Vous on November 14/16 in Montreal</p> <p>-Oct. 4/16 in Montreal: CAFII liaison lunch and Industry Issues Dialogue with AMF</p> <p>-Apr 8/14: CAFII liaison lunch and Industry Issues Dialogue with AMF in Montreal</p>	<p>-AMF 2017 Rendez-Vous in Montreal on November 13/17</p>	<p>-(i)Bill 141 and Bill 150 to modernize Quebec's financial services sector, including the Distribution Act (both released by Ministry of Finance in October 2017) -(iii)Distribution Guide template and implementation timelines -(iv)Update on AMF priorities -(v)Communicate CAFII issues -(vi)Maintain and strengthen relationship</p>	<p>-Confirmed</p>

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Oct 18/17
Patrick Dery, Superintendent, Solvency (appointed CCIR Chair effective April 1/15)	<p>-CAFII Stakeholder Meeting with CCIR on October 25/17 in Toronto</p> <p>-CAFII/AMF Liaison Lunch and Industry Issues Dialogue in Levis, Quebec on October 23/17</p> <p>-Dec. 12/16 CAFII Stakeholder Dialogue with CCIR in Toronto</p> <p>-Oct. 4/16 in Montreal: CAFII liaison lunch and Industry Issues Dialogue with AMF</p> <p>-Liaison lunch and industry issues dialogue on October 6/15 in Levis, Quebec</p>	<p>-AMF 2017 Rendez-Vous in Montreal on November 13/17</p>	-see L. Morisset above	-Confirmed
Phillip Lebel, Director General of Legal Affairs	<p>-CAFII/AMF Liaison Lunch and Industry Issues Dialogue in Levis, Quebec on October 23/17</p> <p>-Oct. 4/16 in Montreal: CAFII liaison lunch and Industry Issues Dialogue with AMF</p>	<p>-AMF 2017 Rendez-Vous in Montreal on November 13/17</p>	-see L. Morisset above	-Confirmed
Nathalie Sirois, Senior Director, Supervision of Insurers and Control of Right to Practise	<p>-CAFII/AMF Liaison Lunch and Industry Issues Dialogue in Levis, Quebec on October 23/17</p> <p>-Oct. 4/16 in Montreal: CAFII liaison lunch and Industry Issues Dialogue with AMF</p>	<p>-AMF 2017 Rendez-Vous in Montreal on November 13/17</p>	-see L. Morisset above	-Confirmed
Eric Stevenson, Superintendent, Client Services and Distribution Oversight (leaving the AMF's employ in late 2017 or early 2018 to "re-orient career in the financial services sector)	<p>-CAFII/AMF Liaison Lunch and Industry Issues Dialogue in Levis, Quebec on October 23/17</p> <p>-CAFII 20th Anniversary event: April 5/17</p> <p>-AMF 2016 Rendez-Vous on November 14/16 in Montreal</p> <p>-Oct. 4/16 in Montreal: CAFII liaison lunch and Industry Issues Dialogue with AMF</p> <p>-Liaison lunch and industry issues dialogue on October 6/15 in Levis, Quebec</p>	<p>-AMF 2017 Rendez-Vous in Montreal on November 13/17</p>	-See L. Morisset above	-Confirmed

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Oct 18/17
Louise Gauthier, Senior Director, Distribution Policies and Compensation (member of CCIR TIWG). Lead on AMF's Distribution Guide rewrite initiative.	<ul style="list-style-type: none"> -CAFII/AMF Liaison Lunch and Industry Issues Dialogue in Levis, Quebec on October 23/17 -CAFII 20th Anniversary event: April 5/17 -L. Gauthier in attendance at Feb. 22/17 CAFII stakeholder meeting with CCIR TIWG -AMF 2016 Rendez-Vous on November 14/16 in Montreal -Oct. 4/16 in Montreal: CAFII liaison lunch and Industry Issues Dialogue with AMF -August 10/16 CAFII stakeholder meeting re CCIR travel health insurance Issues Paper -Liaison lunch and industry issues dialogue on October 6/15 in Levis, Quebec 	-AMF 2017 Rendez-Vous in Montreal on November 13/17	-See L. Morisset above	-Confirmed
Maryse Pineault, Senior Director, Distribution Framework	<ul style="list-style-type: none"> -June 2/17 CAFII presentation to CISRO in Saskatoon -Dec 9/16 informal discussion with B. Wycks at CISRO LLQP Session in Toronto -AMF 2016 Rendez-Vous on November 14/16 in Montreal 	-AMF 2017 Rendez-Vous in Montreal on November 13/17 (will be hosting B. Wycks at her special table for luncheon with Minister of Finance C. Leitaó as guest speaker)	-See L. Morisset and L. Gauthier above	-Confirmed
Marie-Claude Soucy, Vice-President, Administrative Services (joined AMF in August 2015)	No meeting to date	AMF 2017 Rendez-Vous in Montreal on November 13/17 (will be hosting K. Martin at her special table for luncheon with Minister of Finance C. Leitaó as guest speaker)	-See L. Morisset and L. Gauthier above	-Confirmed

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Oct 18/17
<p>Ministry of Finance: Carlos Leitao, Minister</p> <p>Richard Boivin, Assistant Deputy Minister, Financial Institution Policy and Corporate Law</p> <p>Guillaume Caudron, Chief of Staff</p> <p>Yann Nachabé, Policy Advisor</p>	<p>-Feb. 25/16 phone call between B. Wycks and Yann Nachabé, Policy Advisor, Ministry of Finance, resulting from CAFII request for April 2016 in-person follow-up meeting with Richard Boivin and Guillaume Caudron</p>	<p>-in-person or teleconference meeting with Ministry officials – arising from October 5/17 release of omnibus Bill 141 and October 31/17 release of related Bill 150 -- in Q4 2017 or Q1 2018, if necessary</p>	<p>- Bill 141 and Bill 150 to modernize Quebec’s financial services sector, including the Distribution Act (both released by Ministry of Finance in October 2017)</p> <p>-Ministry’s direction on online distribution of insurance without involvement of an advisor</p>	<p>-Pending</p>

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Oct 18/17
New Brunswick				
Financial and Consumer Services Commission (Insurance Division): Angela Mazerolle, Superintendent of Insurance	-Dec. 12/16 CAFII Stakeholder Dialogue with CCIR in Toronto -May 4/16 dinner meeting with Atlantic Canada regulators in Halifax -Oct 1/14: Fredericton, NB	-liaison meeting as part of CAFII tour of Atlantic Canada regulators and policy-makers, in Spring 2018	-refreshed “Seven Point Guide to The Creditor Insurance Regulatory Regime,” to be presented by CAFII as an educational resource to counteract false impression that ISI is unregulated -implementation of further phases of online licensing system -legislative/regulatory change to support electronic beneficiary designations -other New Brunswick licensing issues	-Pending
David Weir, Deputy Superintendent of Insurance	-June 2/17 CAFII presentation to CISRO in Saskatoon -Dec 9/16 informal discussion with B. Wycks at CISRO LLQP Session in Toronto -May 4/16 dinner meeting with Atlantic Canada regulators in Halifax - April 11/16 informal discussion with B. Wycks, at CISRO LLQP Info Session - Feb. 19/16 re CAFII feedback on online insurance licensing system - Sept. 22/15 CISRO LLQP Info Session in Toronto (B. Wycks) -Oct 1/14: Fredericton, NB	-liaison meeting as part of CAFII tour of Atlantic Canada regulators and policy-makers, in Spring 2018	-see A. Mazerolle above -timing of final recommendations on reforming licensing framework for other-than-life agents and brokers -CAFII feedback on New Brunswick online insurance licensing system	-Pending
Opportunities New Brunswick: Jay Reid, Investment Attraction Officer	-Jun 3/14: Toronto, with Adam Mitton of predecessor organization Invest New Brunswick	None at this time	-CAFII submission re: Insurance Act and regulatory process changes necessary to support business efficiency and further inbound investment and additional jobs in New Brunswick -Introduce CAFII and build relationship -Position CAFII as an information resource	
Consumer Advocate for Insurance: Ronald Godin, Consumer Advocate	No contact	None at this time		

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Oct 18/17
Nova Scotia				
Superintendent of Insurance: William Ngu, Acting Superintendent of Insurance	-May 4/16 dinner meeting with Atlantic Canada regulators in Halifax -Appointed June 2015; no previous CAFII contact	-liaison meeting as part of CAFII tour of Atlantic Canada regulators and policy-makers, in Spring 2018	-refreshed “Seven Point Guide to The Creditor Insurance Regulatory Regime,” to be presented by CAFII as an educational resource to counteract false impression that ISI is unregulated -Review of life and accident & sickness provisions of Insurance Act -legislative/regulatory change to support electronic beneficiary designations -Update on Superintendent’s priorities -Communicate CAFII issues; build and strengthen relationship	-Pending
Jennifer Calder, Deputy Superintendent of Insurance	-CAFII 20 th Anniversary event: April 5/17 -Dec. 12/16 CAFII Stakeholder Dialogue with CCIR (participated by phone) -August 10/16 CAFII stakeholder meeting re CCIR travel health insurance Issues Paper (participated by teleconference) -May 4/16 dinner meeting with Atlantic Canada regulators in Halifax	-liaison meeting as part of CAFII tour of Atlantic Canada regulators and policy-makers, in Spring 2018	-See W. Ngu above	-Pending

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Oct 18/17
PEI				
Superintendent of Insurance: Robert Bradley, Superintendent	-CAFII 20 th Anniversary event: April 5/17 -Dec. 12/16 CAFII Stakeholder Dialogue with CCIR in Toronto -Oct 1/14: Fredericton, NB	-liaison meeting as part of CAFII tour of Atlantic Canada regulators and policy-makers, in Spring 2018	-refreshed “Seven Point Guide to The Creditor Insurance Regulatory Regime,” to be presented by CAFII as an educational resource to counteract false impression that ISI is unregulated -Review of life and accident & sickness provisions of Insurance Act (on April 23/15, R. Bradley advised that this may get underway in late 2015) -legislative/regulatory change to support electronic beneficiary designations -Update on Superintendent’s priorities -Communicate CAFII issues -Maintain and strengthen relationship	-Pending

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Oct 18/17
Newfoundland				
Superintendent of Insurance: John O’Neill, Superintendent	-N/A; appointed in October 2015	-liaison meeting as part of CAFII tour of Atlantic Canada regulators and policy-makers, in Spring 2018	-refreshed “Seven Point Guide to The Creditor Insurance Regulatory Regime,” to be presented by CAFII as an educational resource to counteract false impression that ISI is unregulated	-Pending
Craig Whalen, Deputy Superintendent of Insurance	-Oct 1/14: Fredericton, NB -June 2/17 CAFII presentation to CISRO in Saskatoon	-liaison meeting as part of CAFII tour of Atlantic Canada regulators and policy-makers, in Spring 2018	-legislative/regulatory change to support electronic beneficiary designations -Update on Superintendent’s priorities -Communicate CAFII issues; build and strengthen relationship	-Pending

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Oct 18/17
FEDERAL/NATIONAL				
CCIR: Martin Boyle, Policy Manager	<ul style="list-style-type: none"> -CAFII Stakeholder Meeting with CCIR on October 25/17 in Toronto -liaison lunch on June 23/17 -informal chats during May 3-5 CLHIA Conference -liaison lunch on April 24/17 -CAFII 20th Anniversary event: April 5/17 -March 1/17 CCIR webinar presentation for CAFII members on CCIR expectations for insurer completion of Annual Statement on Market Conduct (presented by L. Balfour and M. Boyle) -Dec. 12/16 CAFII Stakeholder Dialogue with CCIR in Toronto -November 29/16 CAFII Holiday Season Reception -October 24/16 CAFII liaison lunch with CCIR Policy Managers -August 10/16 CAFII stakeholder meeting re CCIR travel health insurance Issues Paper -May 19/16 CCIR ICPiC teleconference/webinar meeting with CAFII members (L. Balfour and M. Boyle) -May 4/16 lunch meeting in Halifax (with C. Rogers and S. Jacobs) 	<ul style="list-style-type: none"> -liaison lunch on November 17/17 -November 23/17 CAFII Member-Exclusive Webinar On Year 2 Housekeeping Changes To CCIR Annual Statement On Market Conduct 	<ul style="list-style-type: none"> -CCIR Annual Statement on Market Conduct -Framework for Cooperative Market Conduct Supervision -CCIR review of travel health insurance -Possible CCIR speakers/panelists at CAFII events -Update on CCIR 2017-20 Strategic Plan and related priorities -Communicate CAFII issues; and maintain and strengthen relationship -possible CAFII webinar(s) for CCIR audience 	<ul style="list-style-type: none"> -Confirmed -Confirmed

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Oct 18/17
<p>Tony Toy, Policy Manager</p> <p>Sean Jacobs, Policy Manager (left CCIR/FSCO employ in August 2017 for Risk Manager position with CPPIB Investment Board; Martin Boyle receiving interim support from Tony Toy)</p>	<p>-CAFII Stakeholder Meeting with CCIR on October 25/17 in Toronto (first meeting with CAFII)</p>	<p>-liaison lunch on November 17/17</p>	<p>-See M. Boyle above</p>	<p>-Confirmed</p>
<p>Patrick Déry, Chair (Superintendent, Solvency, AMF)</p>	<p>-CAFII Stakeholder Meeting with CCIR on October 25/17 in Toronto -Dec. 12/16 CAFII Stakeholder Dialogue with CCIR in Toronto -Oct. 4/16 in Montreal: CAFII liaison lunch and Industry Issues Dialogue with AMF</p>	<p>None at this time</p>	<p>-CCIR review of travel health insurance -Update on CCIR 2017-20 Strategic Plan and related priorities -Communicate CAFII issues; maintain and strengthen relationship</p>	
<p>Harry James, Chair, CCIR Travel Insurance Working Group (TIWG)</p>	<p>-CAFII Stakeholder Meeting with CCIR on October 25/17 in Toronto -May 10/17 teleconference with CAFII reps re CCIR TIWG Communications Plan for release of Travel Health Insurance Position Paper</p>	<p>-Q1 2018 meeting with Harry James and TIWG members following May 27/17 release of Travel Health Insurance Products Position Paper (awaiting invitation from CCIR; delayed due to departure of S. Jacobs and CLHIA “consumer testing” of industry’s policy wording reforms)</p>	<p>-CCIR Travel Health Insurance Products Position Paper (expected May 2017) and CAFII response to same</p>	<p>-Pending</p>

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Oct 18/17
<p>Laurie Balfour, Chair, CCIR Insurance Core Principles Implementation Committee (ICPiC)</p>	<p>-CAFII liaison visit to Alberta Treasury Board & Finance, October 18/17 in Edmonton -CAFII 20th Anniversary event: April 5/17 -March 1/17 CCIR webinar presentation for CAFII members on CCIR expectations for insurer completion of Annual Statement on Market Conduct (presented by L. Balfour and M. Boyle) -Dec. 12/16 CAFII Stakeholder Dialogue with CCIR in Toronto -August 10/16 CAFII stakeholder meeting re CCIR travel health insurance Issues Paper (participated by teleconference) -May 19/16 CCIR ICPiC webinar presentation for CAFII members (L. Balfour and M. Boyle)</p>	<p>-November 23/17 CAFII Member-Exclusive Webinar On Year 2 Housekeeping Changes To CCIR Annual Statement On Market Conduct</p>	<p>-Harmonized Annual Statement on Market Conduct -Framework for Co-operative Market Conduct Supervision in Canada -ICPiC work on IAIS' Insurance Core Principles</p>	<p>-Confirmed</p>
<p>CISRO: Ron Fullan, Chair (SK); G. Matier (BC); J. Abram (AB), W. Martinson (AB); D. Weir (NB)</p>	<p>-CAFII Stakeholder Meeting with CCIR on October 25/17 in Toronto (R. Fullan attends in capacity as CISRO Chair) -June 2/17 CAFII presentation to CISRO in Saskatoon -CAFII 20th Anniversary event: April 5/17 -R. Fullan in attendance at Feb. 22/17 CAFII stakeholder meeting with CCIR TIWG -Dec 9/16 informal discussion with B. Wycks at CISRO LLQP Session in Toronto -Dec. 12/16 CAFII Stakeholder Dialogue with CCIR in Toronto</p>	<p>-December 6/17 CISRO LLQP Stakeholder Information Session At FSCO Office In Toronto</p>	<p>-national, online licensing system for insurance and related harmonization issues -possible CISRO Strategic Plan and opportunity for stakeholders to provide input</p>	<p>-Confirmed</p>

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Oct 18/17
Financial Consumer Agency of Canada (FCAC): Lucie Tedesco, Commissioner Brigitte Goulard, Deputy Commissioner Jane Rooney, Financial Literacy Leader	-May 1/15: B. Wycks made self-introduction and chatted with L. Tedesco, following her speech at CLHIA Conference -Jun 10/14: B. Goulard was speaker at CAFII event -Feb 10/15 (presentation at CAFII Annual Luncheon)	-None at this time -None at this time -None at this time	-FCAC consultation on its Proposed Supervision Framework and Publishing Principles for FCAC Decisions (released September 29/16 with November 14/16 deadline for submissions) of document expected). CAFII decided not to respond to this consultation, as out-of-scope	
Jeremie Ryan, Director, Financial Literacy and Consumer Education Karen Morgan, Marketing Officer	-Feb. 10/15 (with J. Rooney for presentation at CAFII event) -Jan 9/14 (meeting with M. Gill and B. Wycks in Ottawa)	-None at this time -None at this time		

Agenda Item 6(c)(i)
November 14/17 EOC Meeting

Briefing Document For CAFII Stakeholder Meeting With Canadian Council of Insurance Regulators

Date: Wednesday, October 25, 2017

Time: Pre-meeting – Rendez-vous at 8:40 am at Azure Restaurant Lounge, Main Lobby (Left), Intercontinental Toronto Centre Hotel, 225 Front St. West, Toronto; 416-597-8142; we will make the short walk to the meeting room in the adjoining Metro Toronto Convention Centre at 9:10 a.m.

Meeting with CCIR - 9:15 to 9:55 a.m.; **location:** Room TBA, Metro Toronto Convention Centre, 222 Bremner Blvd., Toronto (adjoining Intercontinental Toronto Centre Hotel)

CAFII Attendees:

Peter McCarthy, CAFII Board Chair and President & CEO, BMO Life Assurance Company and BMO Life Insurance Company;

Sue Manson, CAFII EOC Member and Planning Director, Strategy & Planning, CIBC Insurance;

Andrea Stuska, CAFII EOC Member and Government and Industry Relations, TD Insurance;

John Lewsen, CAFII EOC Member and Chief Compliance Officer, BMO Insurance;

Keith Martin; CAFII Co-Executive Director;

Brendan Wycks, CAFII Co-Executive Director

Purpose of meeting: In 2012, CCIR instituted these dedicated face-to-face meetings with industry stakeholder groups to take the place of presentations at its semi-annual meetings. This allows CCIR to focus on industry input, rather than trying to combine that input with the rest of the CCIR agenda. These meetings are informal from CCIR's perspective, and no formal presentations are expected.

In his 2017 Stakeholder Meeting invitation, CCIR Policy Manager Martin Boyle advised that these sessions provide industry representatives and other interested parties with an opportunity to discuss concerns and emerging issues in the country's insurance sector directly with the provincial and territorial regulatory authorities. CCIR members view the meetings as a valuable opportunity for stakeholders to provide input, insight, and context around emerging regulatory issues and priorities affecting Canada's insurance market.

CCIR Re-Appoints Executive Committee Members; Adds Third Vice-Chair: **See Appendix A**

CCIR's New Strategic Plan Puts Focus On Co-operative Supervision: **See Appendix B**

CCIR Releases Travel Health Insurance Products Position Paper: **See Appendix C**

CCIR Dialogue with Stakeholders
October 25, 2017
Room TBA, Metro Toronto Convention Centre
222 Bremner Blvd, Toronto, Ontario

Agenda

1. Introductions
2. Welcome and Purpose of Meeting (CCIR Chair)
3. Presentation / Dialogue on Stakeholder's Topics of Mutual Interest (CAFII)
4. Summing up (CCIR Chair)

1. Introductions

After each CAFII representative and each regulator member of CCIR present in-person or on the phone has introduced him/herself, CAFII Executive Director Brendan Wycks will thank CCIR for this opportunity to meet in-person. He will then provide the following brief re-introduction to CAFII:

As you may recall, CAFII is an industry Association dedicated to the development of an open and flexible insurance marketplace, in which consumers have maximum choice in accessing coverage. Central to our mandate is improving access for the vast under-served middle market of Canadians to simple, straightforward insurance products through a variety of distribution channels. We believe that consumers are best served when they have meaningful choice in the purchase of insurance products and services.

Our members offer travel, life, health, and creditor's group insurance across Canada. In particular, creditor's group insurance and travel insurance are the product lines of primary focus for our Association as our members' common ground. Our members are the insurance arms of Canada's major financial institutions – BMO Insurance; CIBC Insurance; Desjardins Financial Security; RBC Insurance; ScotiaLife Financial; and TD Insurance – along with major industry players American Express Bank Canada, Assurant Solutions, Valeyo (formerly known as Canadian Premier Life Insurance Company), and The CUMIS Group Ltd.

2. Welcome and Purpose of Meeting (CCIR Chair Patrick Déry)

3. Presentation/Dialogue on Stakeholder's plans, issues, and priorities

CCIR's New 2017-2020 Strategic Plan

Peter McCarthy

CAFII congratulates CCIR on developing and adopting a well-focused, balanced, and achievable **Strategic Plan 2017-2020** earlier this year.

We recognize the wisdom and prudence of committing to three equally important strategic priorities, one focused on each of consumers, regulators, and the industry.

In the limited time that we have for our Stakeholder dialogue with you today, we'd like to focus our comments on issues that relate to two of your three chosen strategic priorities.

- First, your sub-priority of developing a co-operative approach to financial services and insurance technology which you've singled out under your broader priority of "Work collaboratively with regulatory partners to grow and leverage national regulatory capacity"; and

- Second, your priority of partnering with industry stakeholders to identify opportunities to increase regulatory and supervisory harmonization, where practicable and appropriate.

We have some introductory and context-setting comments to share on the first topic, which we're calling "Enabling Insurtech Innovation." And a few different members of our group will share some observations.

Enabling Insurtech Innovation

John Lewsen:

CAFII believes that the marketplace drives the creation of new and innovative products, services, and delivery models.

And while emerging insurtech developments provide new opportunities, they also bring new challenges for everyone involved.

We share regulators' objective of ensuring that consumers are well-protected while they also have the ability to purchase products through their channel of choice. In an insurance industry context, it is important to note that part of the overall objective of fair treatment of consumers is to ensure that the insurer can provide support and meet consumers' expectations throughout their entire user experience.

We also concur with the International Association of Insurance Supervisors' observations, as noted in the media release which accompanied its "FinTech Developments in the Insurance Industry" report earlier this year, that fintech may increase the insurance industry's focus on improving the customer experience; and that it has "the potential to change the way the insurance sector serves policyholders."

Insurance has traditionally been an industry marked by low consumer touch and slow adoption of new technologies. But today's insurance consumers, shaped by their experiences with other industries, expect on-demand, high touch, and rapidly innovating services. Major shifts in consumer demographics, behaviours, and expectations are underway which will have important implications for the insurance landscape.

Andrea Stuska:

This shift has been led by Millennials, individuals born roughly between 1980 and 2000. This generation will constitute half of the global workforce by the end of the current decade. In Canada in 2015, they equalled Baby Boomers in terms of the largest share of the overall population (27% each) and already comprised the largest share of the employed population—at 37% versus 31% for Gen Xers and 30% for Boomers (source: Statistics Canada).

Millennials, whose exposure to digital technology and innovative platforms from an early age has made them the first generation of "digital natives," are beginning to move into their peak earning and spending years and they've become an influential segment of the population. Their high expectations for technology-based services, convenience, transparency, speed, regular engagement, and a personalized experience that reflects their needs are defining how products and services are delivered.

Their preferences and expectations are both a particular challenge for the insurance industry; and an opportunity to be seized

Therefore, CAFII believes that the future of the life and health insurance industry will be marked by continued innovation and an increase in consumer demand for electronic commerce and other alternate forms of distribution. Consumers continue to demand greater access to sales through digital channels; and we believe these channels will play an increasingly important role in meeting the needs of Canadians.

Sue Manson:

With life insurance ownership in Canada at a 30-year low, we believe that regulatory structures should foster a harmonized, flexible, and open marketplace where consumers are able to choose how and where to purchase coverage. Regulation should embrace the role of all insurance channels in meeting the insurance needs of consumers. In that connection, it is important that regulatory frameworks help to foster and support the ongoing growth and development of technology-enabled, alternate distribution channels.

Technology and consumer habits are evolving rapidly, and more and more clients expect insurance offerings to cater to their specific needs. Even though insurtech (or more accurately “digital innovation in the insurance industry”) is currently at an infancy stage as compared to its more advanced fintech sibling, new innovative business models within the insurance industry continue to emerge, such as micro-insurance and pay-as-you-go insurance.

The unique value proposition of insurtech innovation lies in the shift from complexity and long-termism to real-time, easy-to-use, configurable, customized and cost-friendly products and services, all offered with the utmost consumer convenience through digital devices.¹ The biggest winners from insurtech innovation will be the end customers, who will benefit from better user experience, more personalized insurance solutions, and possibly improved pricing through lower premiums.²

Keith Martin:

CAFI therefore strongly encourages CCIR to play a leadership role in this area, by pursuing a specific priority to create a nationally co-ordinated structure which fosters innovation and supports consumer choice in a digital world. One possible leadership initiative in this area would be the development of a national “regulatory sandbox.”

As you know, a number of financial services regulators – including the Financial Conduct Authority (FCA) in the UK; its counterparts in Australia and Singapore; and the Ontario Securities Commission here at home through its *OSC LaunchPad* – have recently established regulatory sandboxes, as projects designed to help companies test innovation with a limited number of users, without having to comply with existing regulatory rules, for a limited period of time.

With respect to its regulatory sandbox, the FCA in the UK has made the following observations:

- technology has the potential to improve not only how products and services are designed, but also how they are distributed;
- it wants more firms to embrace innovation and it wants to work with innovators to build in consumer protection from the outset; and
- the sandbox has been designed to reduce the time and potential costs of getting innovative ideas to market; and it will accelerate the testing and introduction of genuinely novel products and distribution enhancements that will benefit consumers.

CCIR leadership in this area should also include reviewing and updating regulatory requirements which were designed for traditional paper-based and personal interaction sales practices, to ensure that they do not create obstacles for meeting consumers’ needs in the digital space.

The regulatory framework should focus on the quality of consumer outcomes, regardless of the mode of interaction or the delivery channel.

Our Association advocates a principles-based regulatory framework that is flexible to the changing landscape and can be more easily harmonized across jurisdictions.

On a related point, we also encourage CCIR to become a strong advocate which implores all of its provincial and territorial members to make the legislative and/or regulatory changes necessary to permit electronic beneficiary designations – following BC’s lead in that regard – as well as electronic termination of insurance contracts, where both the insurer and the individual insured agree to those options.

Dialogue

Brendan Wycks:

At this point, we’d like to pause and have some dialogue about what we’ve just shared related **to Enabling Insurtech Innovation**, perhaps starting with any questions you might have about our comments.

¹*Opportunities await: How Insurtech is reshaping insurance. Pwc Global Fintech Survey, June 2016.*

•

²*Insurtech: Disruptions and opportunities in the Insurance Industry, Pinebridge Investments, October 2016.*

New Topic

Partner With Industry Stakeholders To Identify Opportunities To Increase Regulatory And Supervisory Harmonization, Where Practicable And Appropriate

Peter McCarthy

We’d now like to share with you what we view as some key opportunities for CCIR to increase regulatory and supervisory harmonization, in areas that are practical and appropriate. We have four opportunities to share with you; and Andrea Stuska will speak to the first one.

National, Mutual Recognition System For Individual Life Insurance Agent Licensing

Andrea Stuska

CAFIL views a nationally harmonized regulatory model – one which recognizes the importance of the contact centre and internet distribution channels; and alleviates the unnecessary burden imposed by multi-jurisdictional licensing – as an imperative.

Ideally, if an agent is duly licensed in one jurisdiction, that license should be recognized by other Canadian jurisdictions under a system of mutual recognition, with no further local requirements imposed, other than registration and fee payments.

Canadian insurance providers are increasingly using direct channels such as the internet and client contact centres to sell coverage in all jurisdictions. Currently, for individual life insurance, contact centres employ LLQP-trained agents, each of whom must hold licenses from all jurisdictions serviced by the centre, typically 13 different licences.

It is administratively very costly and cumbersome to have to manage licensing for 13 separate jurisdictions (including separate background checks; monitoring expiry dates for each jurisdiction; completion of forms; compliance with multiple continuing education, errors and omissions insurance, and notification requirements).

The reality of client contact centre operations is that customers may contact a centre several times over the course of a transaction -- to ask questions, complete the transaction, or to change coverage. In each case, if the answering agent is not licensed for the jurisdiction of the caller, the call must be transferred and queued for the appropriate agent, even though the answering agent would be fully competent to handle the caller’s needs. In these situations, the reality of multi-jurisdictional licensing and the lack of interprovincial harmonization or mutual recognition can create a poor customer experience.

It is also costly and time-consuming to handle compliance with the requirements of multiple jurisdictions. Businesses have not been able to achieve the growth in the telemarketing/client contact centre channel that customer demand warrants, for reasons directly related to multi-jurisdictional licensing challenges.

The current situation also poses risks to agents and companies in navigating the system, mainly through the possibility of errors and inadvertent non-compliance.

Making the change to a **National, Mutual Recognition System For Individual Life Insurance Agent Licensing** will also better align with the Agreement on Internal Trade, which stipulates that individuals with recognized skills and qualifications should be able to work in their field in any jurisdiction in Canada, without undue impediment.

Peter McCarthy: are there questions or items to discuss about that particular harmonization opportunity?

Maintain Focus On Policy-Maker and Stakeholder Engagement; And Strengthening CCIR's Influence

Sue Manson

CAFII believes that it is very important for regulators to impress frequently upon their respective policy-makers the importance of inter-provincial harmonization of laws and regulations governing the insurance industry, and of the resulting benefits for consumers and for the businesses who meet their needs.

Recognizing that there is a similar onus upon industry Associations, such as CAFII, to communicate with policy-makers, we have built an enhanced focus on policy-makers into our new Communications Strategy and plan to meet with them with more regularly.

In that connection, CAFII would be pleased to co-operate and participate with CCIR members in direct presentations to policy-makers or, more indirectly, through presentations to Institutes or think tanks serving policy-makers -- particularly on topics such as case studies of industry compliance requirements and practices; and the impact of un-harmonized regulations on business practices.

And in this vein, CAFII encourages the CCIR to pursue greater engagement and co-ordination with its federal regulatory counterparts, beyond just OSFI. We believe that consumers and industry would be well-served if there was regular consultation between the CCIR and the federal Department of Finance and the Financial Consumer Agency of Canada.

Brendan Wycks: are there questions or items to discuss about that particular harmonization opportunity?

Harmonized Implementation Of CCIR Positions

John Lewsen

CAFII appreciates that projects undertaken by the CCIR serve to co-ordinate and harmonize supervisory research across jurisdictions. It is frequently noted by the CCIR, however, that provinces implement CCIR recommendations and positions independently.

Recognizing the role of CCIR in the development of co-ordinated research and policy positions, and the very separate role accorded to individual jurisdictions in implementing those policies, we strongly encourage regulator dialogue to explore ways to implement policy decisions consistently to achieve harmonized requirements across jurisdictions. CAFII would be pleased to work with the CCIR to offer more specific recommendations in this regard.

Keith Martin: are there questions or items to discuss about that particular harmonization opportunity?

Communication And Dialogue With The Industry

Brendan Wycks:

CAFII appreciates the good communication, meetings and consultations that CCIR has established and maintained with the industry over the past many years, including through vehicles such as these annual Stakeholder Meetings. We strongly encourage CCIR to maintain your practice of regular, open, and transparent communication and dialogue with the industry.

The CCIR has made it possible for the industry to meet with regulators on major issues. That is important to ensure that industry becomes aware on a timely basis of the issues on which regulators are working, thereby allowing industry to participate by sharing information and expertise.

For example, there are numerous examples where the involvement of industry associations such as CAFII was very helpful, at the earliest stages of issue identification, in discussing issues with regulators before any industry surveys or consultations were released. That way, we can provide timely background information, help to vet issues, and provide our perspective on any research being undertaken.

Peter McCarthy: are there questions or items to discuss about that particular harmonization opportunity?

4.Summing Up (CCIR Chair Patrick Déry)

5.Thank You and Wrap-up (Keith Martin)

-thank CCIR members for their time and attention; and express CAFII's desire to continue to dialogue and co-operate with CCIR on a regular basis.

Appendix A

CCIR Re-Appoints Executive Committee Members; Adds Third Vice-Chair: See Appendix A

At its April 6-7/17 Spring meeting, CCIR made the following Executive Committee re-appointments for a two-year term: Patrick Déry; Chair; Brian Mills, Vice-Chair; and Robert Bradley, Vice-Chair; and Scott Moore was added as a third Vice-Chair.

Appendix B

CCIR's New Strategic Plan Puts Focus On Co-operative Supervision

The Canadian Council of Insurance Regulators (CCIR) published its new strategic plan for the years 2017 to 2020 on June 27/17. In its new Plan, CCIR says it will develop an annual cooperative supervisory plan to conduct thematic and insurer-specific reviews across provinces and territories.

In addition, when it comes to consumers, the CCIR says it will work to “ensure good outcomes from the interactions of insurers and intermediaries with their customers, focusing on disclosures and transparency, incentives management and client relationships.” The Plan also aims to increase consumer awareness of risks related to natural disasters, insurance options and coverages that are available as well as how disaster relief programs work across jurisdictions.

The CCIR says it will pursue a co-ordinated approach for regulators across sectors to stay informed, work together and leverage regulatory capacity. It will also make harmonization a priority and work with industry stakeholders to identify specific areas for greater consistency in approach across jurisdictions.

To determine its strategic priorities, the CCIR consulted stakeholders and took into account the current insurance environment. “The work the CCIR has done over the last three years has had a considerable impact on the evolution of insurance regulation in Canada,” says Patrick Déry, chair of the CCIR. “We have developed the foundation for greater collaboration, cooperation and information sharing among our members and introduced stronger supervisory partnerships. The 2017-2020 strategic plan will leverage these efforts and build upon that foundation moving forward.”

Appendix C

CCIR Releases Travel Health Insurance Products Position Paper

On May 31/17, CCIR released its Travel Health Insurance Products Position Paper, along with a related Media Release. The Position Paper sets out the Council’s final recommendations with respect to the reforms it expects the industry to make to the travel health insurance market to achieve the goal of enhancing consumer protection and increasing confidence in travel health insurance products.

“While the CCIR believes Canada has a strong and competitive travel health insurance marketplace, it also believes there are opportunities for improvements to be made,” the CCIR Media Release stated.

The Position Paper recommends

- the development of common standardized definitions and terminology;
- improvements to the application, screening and claims process;
- simplifying and improving disclosure documents;
- ensuring adequate controls and oversight mechanisms are in place throughout the product lifecycle; and
- improved training and information for sales forces.

“We have heard the concerns of the public and the insurance brokerage community and with this clear, nationally agreed way forward, we are reinforcing the pre-eminent goal of consumer confidence in their insurance protection when they travel,” said CCIR chair Patrick Déry. “It is our belief that these measures will go a long way towards meeting consumer expectations wherever Canadians live in the country.”

CCIR says it will monitor the industry’s implementation of the recommendations to ensure they are adopted in a timely manner. “CCIR members remain determined to see that the changes make a difference for all Canadians.”



October 17, 2017

TO: ALL LLQP STAKEHOLDERS

Subject: LLQP Update

This letter will provide an update on the following three items related to the LLQP program:

- The release of a follow-up Psychometric Export report;
- An invitation to form a Stakeholder Engagement Committee; and
- An update on collusion/cheating detection that has been conducted by CISRO and its members.

Release of Follow-up Psychometric Report

In September of 2016, CISRO published the Psychometric Audit Report of the LLQP Exam which was completed by Yardstick Testing & Training Experts (Yardstick).

In addition to that initial analysis, CISRO engaged Yardstick to do a follow-up analysis based on exams written in the first quarter of 2017. The report from that analysis is attached for your information and review. We believe the comments outlined in the report are self-explanatory.

We welcome any feedback you may have and would like comments to be received no later than November 30, 2017. Comments on the report should be addressed to:

Ron Fullan,
c/o Insurance Councils of Saskatchewan
310 – 2631 28th Ave
Regina SK, S4S 6X3
Or electronically to ron.fullan@skcouncil.sk.ca

Formation of Stakeholder Engagement Committee

As discussed at the last stakeholder meeting, we are extending an invitation for stakeholders to form an LLQP Stakeholder Engagement Committee. The Terms of Reference for the committee are attached. We have asked representatives from CLHIA to initiate contact with interested stakeholders to begin the process of forming the committee.

Collusion/Cheating Detection

In an effort to uphold the validity and integrity of the LLQP exam, the LLQP Governance Committee has implemented various initiatives in recent months. One of these includes collusion analyses conducted by Yardstick, the firm that was hired to review the program in 2016.

In light of the findings drawn from these exercises, the Committee wishes to inform stakeholders of the means it will use to remain proactive regarding the confidentiality and integrity of its licensing exam. The following steps have been undertaken:

- Collaborative multi-jurisdictional investigations are ongoing in cases where data suggested a strong possibility of exam fraud.
- Punitive measures have been adopted and will continue where reasonable proof is collected demonstrating that candidates and/or their managers/trainers attempted to compromise the exam testing process.
- Planned initiatives such as pilot testing have been approved and implemented to increase the size of the question databank.
- Regular and recurring collusion analyses will now be included in the program's annual maintenance activities.
- Course Provider certification audits are being considered. The Licence Agreement provides for such measures. Financial audits were conducted earlier this year. Based on the evidence collected, we are concerned that the collusion/cheating is occurring at the certification level as well, and we are currently examining appropriate steps to ensure cheating is kept in check at the certification stage.
- Finally, we are reviewing whether adjustments to the program may be necessary in order to counteract the collusion/cheating activities that have been uncovered.

In closing, the Committee wishes to underline the fact that stakeholder collaboration is key in maintaining life insurance qualification standards.

Yours truly,

Ron Fullan
Chair, Canadian Insurance Services Regulatory Organizations

LLQP STAKEHOLDER ENGAGEMENT COMMITTEE

TERMS OF REFERENCE

1. PURPOSE:

The LLQP Stakeholder Engagement Committee (the Committee) will provide input and feedback on matters of interest to LLQP course providers or industry participants with respect to the LLQP.

Input from the Committee will be shared with CISRO's LLQP Governance Committee (the LLQP GC).

2. COMPOSITION:

The Committee must have a minimum of five members. Any LLQP course provider, any licensed entity that recruits or employs new life insurance representatives and any associations representing insurers or agents may join.

The Committee must appoint its own Chair.

3. MEETING SCHEDULE OF THE COMMITTEE:

The Committee shall meet as often as it determines. Agenda topics will be determined by the Committee.

4. MEETING SCHEDULE OF THE GOVERNANCE COMMITTEE WITH THE COMMITTEE:

The Committee will be given the opportunity to meet with the LLQP GC at least once a year in conjunction with a CISRO meeting, and more frequently at the LLQP GC's discretion.

The LLQP GC will use these meetings to communicate information regarding the operation of the LLQP and the Committee will also have the opportunity to provide the LLQP GC with feedback on the existing LLQP and/or on future directions for the program.

At least one week in advance of meeting with the LLQP GC, the Chair of the Committee will provide requested agenda items to the Chair of the LLQP GC.

The LLQP GC reserves the right to call upon the Committee to meet for any purpose.

5. CONFIDENTIALITY:

All materials produced by the LLQP GC will be kept confidential. Each Committee member will be required to sign a confidentiality agreement prior to the first meeting with the LLQP GC.

From time to time the LLQP GC may require additional confidentiality measures and embargo conditions regarding specific topics of discussion and/or documents for review with Committee members. Such measures could include limiting the discussion with Committee members present at the meeting and requiring Committee members to sign for numbered copies of specific documents with the requirement for them to be returned.

6. FACILITIES AND EXPENSES:

The Committee members will be responsible for their own expenses.

News release

**NEW WEBSITE AIMS TO MAKE INSURANCE INFORMATION
SIMPLE AND ACCESSIBLE FOR CANADIANS**

Toronto, November 14, 2017 – A new [website](#) designed to help consumers become more aware of the range of insurance options available in Canada and to understand more about them was launched today.

Created by the Canadian Association of Financial Institutions in Insurance (CAFII), the [website](#) explains how more than a dozen types of insurance work including Mortgage Default Insurance and Life Insurance, as well as a wide range of Creditor’s Group and Travel Insurance products. These products include Mortgage Life Insurance, Mortgage Disability and Critical Illness Insurance, Job Loss Insurance, Payment Protection Insurance, Travel Medical Insurance, and Trip Cancellation and Interruption Insurance.

In addition, the [website](#) provides a number of helpful resources including a handy list of Frequently Asked Questions, and information on how consumers can make an enquiry or complaint to their CAFII-member insurance provider. It also includes Association and industry news.

According to Keith Martin, co-executive director of CAFII, the new [website](#) is the latest step in helping to fulfill the organization’s goal of making insurance simple and accessible for Canadians.

“Consumers benefit from having a wide choice of insurance products and distribution channels in Canada, but many are not familiar with them or how they work,” Mr. Martin said. “While our new website is still a work in progress, we hope that consumers will find it useful in helping them make more informed choices.”

- 30-

About CAFII:

The Canadian Association of Financial Institutions in Insurance is a not-for-profit Association dedicated to the development of an open and flexible insurance marketplace. CAFII was established in 1997 to provide a voice for financial institutions involved in selling insurance through a variety of distribution methods. CAFII believes consumers are best served when they have meaningful choice in the purchase of insurance products and services.

Media contact:
David Moorcroft, Public Affairs Advisor
Email: david@strategy2communications.com
Tel: +1-416-727-1858

UN NOUVEAU SITE WEB VISANT À RENDRE L'INFORMATION SUR L'ASSURANCE SIMPLE ET ACCESSIBLE POUR LES CANADIENS

Toronto, le 14 novembre 2017 – Un tout nouveau [siteWeb](#) conçu pour conscientiser les utilisateurs concernant les nombreuses possibilités d'assurances disponibles au Canada et à mieux les comprendre, a été lancé aujourd'hui.

Créé par l'Association canadienne des institutions financières en assurance (ACIFA), le [siteWeb](#) explique le fonctionnement de plus d'une douzaine de types d'assurances, incluant l'assurance prêt hypothécaire et l'assurance vie, en plus d'un large éventail de produits dont les assurances des groupes de créanciers ainsi que les assurances voyages. Ces produits incluent également l'assurance vie hypothécaire, invalidité hypothécaire, maladies graves, perte d'emploi, mensualités, maladie en voyage, annulation de voyage et interruption des affaires.

De plus, le [siteWeb](#) offre un grand nombre de ressources incluant une liste utile des questions fréquemment posées, ainsi que l'information nécessaires aux clients souhaitant faire une demande ou une plainte à leur fournisseur d'assurance, membre de l'ACIFA. Il inclut également des nouvelles de l'Association et de l'industrie.

Selon Keith Martin, codirecteur général de l'ACIFA, le nouveau [siteWeb](#) est la dernière étape afin d'atteindre l'objectif de l'organisation qui est de rendre l'assurance simple et accessible aux Canadiens.

« Les clients ont la chance de pouvoir choisir parmi une grande gamme de produits d'assurances et de canaux de distribution au Canada, mais plusieurs d'entre eux ne sont pas familiers avec ces derniers ou comprennent peu leur fonctionnement », a affirmé M. Martin.
« Bien que notre site Web ne soit pas tout à fait finalisé, nous espérons que les clients le trouveront utile et qu'il leur permettra de faire des choix plus éclairés. »

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À propos de l'ACIFA :

L'Association canadienne des institutions financières en assurance (ACIFA) est une association sans but lucratif qui se consacre au développement d'un marché de l'assurance ouvert et flexible. L'ACIFA a été créée en 1997 pour fournir une voix aux institutions financières qui offrent de l'assurance par l'entremise de différents canaux de distribution. Elle croit que les consommateurs sont mieux servis lorsqu'ils disposent de diverses possibilités pour l'acquisition de produits et services d'assurance.

Contact média:

David Moorcroft, Conseiller aux affaires publiques

Courriel : david@strategy2communications.com

Tél. : 1 416 727-1858

**CAFII – TRAVEL MEDICAL INSURANCE QUESTIONNAIRE – DRAFT
(2017)
ONLINE SURVEY**

QUOTA GROUP	QUOTA
Gen pop (didn't purchase travel medical insurance: Q9=b or c)	TBD
Purchased travel medical insurance: Q9=a	TBD
Purchased travel medical insurance:Q9=a AND Submitted a claim: Q30=a	TBD

- A. Please select the province in which you live:
- a. Newfoundland & Labrador
 - b. Nova Scotia
 - c. Prince Edward Island
 - d. New Brunswick
 - e. Quebec
 - f. Ontario
 - g. Manitoba
 - h. Saskatchewan
 - i. Alberta
 - j. British Columbia
 - k. Territories [TERMINATE]
 - l. Currently live outside Canada [TERMINATE]

[RECODE INTO REGIONS]

Atlantic Canada
Quebec
Ontario
Prairies
Alberta
BC

- B. Please enter your year of birth:
[ENTER] [TERMINATE IF UNDER 18]

- C. Please select your gender:
 Male
 Female

1. Do you have any of the following? [GRID: Yes, No, Don't know]
 - a. Travel medical insurance through your/spouse's workplace
 - b. Travel medical insurance through your/spouse's credit card(s)

2. [ASK IF ANSWERED "Yes" AT Q1a OR Q1b] What is your level of understanding of your/spouse's travel medical insurance policy terms, i.e., what is and is *not* covered?
 - a. Your/spouse's workplace travel medical insurance
 - b. Your/spouse's credit card(s) travel medical insurance

GRID

- a. Extensive
- b. Reasonable
- c. Slight
- d.
- e. None

3. [ASK IF ANSWERED "Yes" AT Q1a OR Q1b] Do you know approximately how much you are covered for (i.e., maximum dollars limit) under your/spouse's travel medical insurance? [Grid: Yes, No]

- a. Your/spouse's workplace travel medical insurance
- b. Your/spouse's credit card(s) travel medical insurance

[ASK IF ANSWERED "Yes" AT Q1a OR Q1b] Do you know how much you are covered for (i.e., maximum dollars limit) under your/spouse's travel medical insurance?

[Grid: Yes, No]

- c. Your/spouse's workplace travel medical insurance
- d. Your/spouse's credit card(s) travel medical insurance

GRID

- a. Yes, I know exactly how much
- b. I have a rough idea
- c. I am not sure, but I assume it is what I need
- d. I have no idea

[ASK ALL]

4. Thinking about travel medical insurance in general, how confident are you that in the event of a travel medical emergency the travel medical insurance you have or purchase will... [Very confident, Somewhat confident, Somewhat doubtful, Very doubtful, Don't know]
 - a. Provide the assistance you need
 - b. Provide the quality of service you expect

Commented [LM1]: 64% and 60% said Yes to "they have knowledge" of workplace and credit card coverage amount. The new question could provide us with more detail about how much they really know. There would be no direct tracking to the 2015 survey, but we could see a trend.

- c. Cover your eligible claim expenses itemized in your insurance policy
- d. Provide the amount of financial coverage necessary to take care of any medical emergency you may suffer while traveling

5. IF SOMEWHAT/VERY DOUBTFUL TO 4D ASK: You say that you are doubtful travel medical insurance will provide the amount of financial coverage you need. What will/do you do when traveling to make sure you are financially covered?

- Purchase more travel health insurance to make sure I am covered
- Have enough money put aside in case of emergency
- Be careful where I travel to or the activities I do, to ensure I do not get hurt or sick
- Do not travel as often
- Do not travel at all
- Take a chance with the insurance coverage I have and hope that nothing happens to need it
- Other
- Don't know

6. Which one of the following statements best reflects your usual behaviour when it comes to reviewing you travel insurance policies *prior to travelling*: [ALLOW ONE SELECTION]
- a. I always read through the details of my travel medical insurance policies prior to travelling
 - b. I skim through my travel medical insurance policies prior to travelling
 - c. I only read the sections of my travel medical insurance policy that are important to me
 - d. I don't read my travel medical insurance policies at all prior to travelling
 - e. None of the above

7. IF A-C IN Q6 ASK: When reading your travel insurance policies prior to travelling, are you concerned that what is listed in the policy brochure may not be the coverage you have paid for?

- a. Yes, I know I am not covered for all that is listed
- b. Yes, I am not sure that I am covered for all that is listed
- c. No, I know what I am covered for and what I am not
- d. No, I know I am covered for all that is listed
- e. Don't know

8. If you have a question about your travel medical insurance coverage, do you know where to call or who to contact to get the information you need?
- a. Yes
 - b. No

Commented [LM2]: Overall confidence is at 80% - although very confident is only at one-quarter so there is room to improve. This is to get whether or not they are going to be paid for all of what they need to get well.

Commented [LM3]: We talked about how they review their policy prior to buying. Do you think that is necessary? ADD IT

Commented [LM4]: Is policy brochure the right wording? This is to get to the idea that people may not realize the level of coverage they have actually purchased.

9. When researching or purchasing travel insurance how important are the following factors:
[Most important, Very important, A consideration, Not important, Don't even think about it]
[RANDOMIZE]
- a. Price
 - b. Overall amount of coverage**
 - c. Coverage for pre-existing conditions
 - d. Who the insurer is
 - e. Ease of overall purchase process
 - f. Benefits and features of the coverage
 - g. Ability to submit your claim on line
 - h. Ability to buy on line
 - i. Being able to speak to someone to answer your questions
 - j. Other (please explain) **[ANCHOR]**
10. How much would you trust each of the following organizations that provide travel medical insurance to *come through for you* (e.g., assistance, claim payment, etc.) in the event of travel medical emergency? **[Trust fully, Trust somewhat, Distrust somewhat, Distrust completely, Don't know] [RANDOMIZE]**
- a. Airlines (e.g., Sunwing, Air Canada)
 - b. Associations (e.g. CAA, AMA)
 - c. Banks, Credit Unions, Caisses Populaires **[SHOW "Caisses Populaires" IN FRENCH ONLY]**
 - d. Credit card companies
 - e. Employer-provided insurance
 - f. Insurance brokers
 - g. Insurance companies
 - h. Travel agencies
 - i. Travel companies (e.g., itravel2000, Expedia, Tripcentral)

[TRAVEL MEDICAL INSURANCE PURCHASE]

- 11. In the past 12 months or so, did you purchase travel medical insurance?**
- a. Yes
 - b. No **[SKIP TO DEMOS; Q65]**
 - c. Don't recall **[SKIP TO DEMOS; Q65]**

When did you last purchase travel medical insurance?

- a. Within the past 12 months
- b. One to two years ago **[SKIP TO CLAIMS SECTION]**
- c. More than two years ago **[SKIP TO CLAIMS SECTION]**
- d. Never **[SKIP TO CLAIMS SECTION]**
- c. Don't recall **[SKIP TO CLAIMS SECTION]**

12. From which one of the following organizations did you buy travel medical insurance?

[RANDOMIZE] [ALLOW ONE SELECTION]

- a. Airline (e.g., Sunwing, Air Canada)
- b. Association (e.g. CAA, AMA)
- c. Bank, Credit Union, or Caisse Populaire **[SHOW “Caisses Populaires” IN FRENCH ONLY]**
- d. Credit card company as a top-up to the existing coverage
- e. Employer insurance as a top-up to the existing coverage
- f. Insurance broker
- g. Insurance company
- h. Travel agent
- i. Travel company (e.g., itravel2000, Expedia, Tripcentral)
- j. Other **[ANCHOR]**

13. How did you *complete* the purchase of your travel medical insurance? **[RANDOMIZE]**

- a. By phone
- b. Online, including mobile (e.g., smartphone, tablet)
- c. In-Person (e.g., insurance broker, travel agent, bank/credit union/caisse populaire branch) **[SHOW “caisses populaires” IN FRENCH ONLY]**
- d. Other **[ANCHOR]**

14. Which one of the following travel medical insurance policy types did you purchase? **[ALLOW ONE SELECTION]**

- a. Single-trip travel medical insurance policy
- b. Multi-trip annual travel medical insurance policy
- c. Single-trip, comprehensive travel insurance policy that *included* travel medical insurance (as well as other features, such as trip cancellation, interruption, baggage loss, etc.)
- d. Multi-trip, comprehensive annual travel insurance policy that *included* travel medical insurance (as well as other features, such as trip cancellation, interruption, baggage loss, etc.)

When buying travel insurance, whether it be for a single trip or multi-trip annual insurance, would you prefer to buy one insurance package which includes all coverage you would need for your trip (medical, trip cancellation, interruption, baggage loss, etc.) or would you rather purchase each piece of coverage individually, deciding the level of coverage you need for each one

- a. One package which includes all the coverage you would need for your trip (medical, trip cancellation, interruption, baggage loss, etc.)
- b. Purchase each piece of coverage individually, deciding the level of coverage you need for each one
- c. Don't know

15. At the time of purchasing your travel medical insurance, did you understand that there might be limitations or exclusions of coverage, e.g., on pre-existing medical conditions?
- a. Yes
 - b. No

Commented [LM5]: 90% knew there were limitation and exclusions. Question below could dig deeper to see how confident they were in this knowledge. However, this is similar to Q18 – although Q18 is not quite as granular. The other option is to just keep Q18 and remove this question all together.

At the time of purchasing your travel medical insurance, to what extent did you understand the limitations or exclusion of coverage, e.g., on pre-existing medical conditions?

- a. Knew the limitation and exclusion exactly
- b. Knew something about the limitation and exclusions
- c. Knew there were limitation and exclusions, but not sure what they were
- d. Did not know there were limitation and exclusions.

16. At the time of purchasing your travel medical insurance, did you complete a medical questionnaire?
- a. Yes
 - b. No
 - c. Don't recall

Commented [LM6]: Since you were surprised at the high number who said they had answered a medical questionnaire, we may want to be more specific with this question as to what we mean. I would need to work with you to develop the proper wording.

At the time of purchasing your travel medical insurance, did you complete a medical questionnaire, which included a number of questions regard your health and health conditions you may have?

- d. Yes
- e. No
- f. Don't recall

17. [ASK IF ANSWERED "YES" AT Q.16] How would you rate the ease of completing the questionnaire?
- a. Easy
 - b. Moderately easy
 - c. Moderately difficult
 - d. Difficult
 - e. Don't recall

Commented [LM7]: Changing the question above will affect our ability to track results to this question. Results were 91% easy. This may go down if people were not considering a true medical questionnaire in 2015.

18. At the time of purchase, what was your level of understanding of your policy terms, i.e., what was and was *not* covered?
- a. Extensive
 - b. Reasonable
 - c. Slight
 - d. None
 - e. Don't recall

19. At the time of purchase, did you know what to do and who to contact in the event of a medical emergency?
 - a. Yes
 - b. No
 - c. Don't recall

20. Thinking about the last time you purchased medical travel insurance, overall, how would you rate your level of satisfaction with the *purchase experience*?
 - a. Very satisfied
 - b. Somewhat satisfied
 - c. Somewhat dissatisfied
 - d. Very dissatisfied
 - e. Don't recall

More specifically, how satisfied were you with the following elements of the purchase process?

[GRID: Very satisfied, Somewhat satisfied, Somewhat dissatisfied, Strongly dissatisfied, Don't recall, Not applicable]

21. Availability of comprehensive information to help you make an informed decision
22. Policy details – what was and was not covered – were written in a clear and easy to understand language
23. Ease of access to a live insurance representative/agent/broker (e.g., toll-free number, live online chat) to obtain more information or clarifications
24. Policy details– what was and was not covered – were explained well by the insurance representative/agent/broker
25. Responsiveness of the insurance representative (e.g., answering questions in a timely manner)
26. Quality of responses to your questions (e.g., comprehensive, easy to understand, etc.)
27. Value for the money
28. Ease of transaction/purchase

Commented [LM8]: While overall satisfaction is very high, there is room to improve when looking at Very Satisfied

[TRAVEL MEDICAL EMERGENCY CALL /CLAIM EXPERIENCE]

27A_ While you were away on your trip, did you or your family member experience travel medical emergency?

- a. Yes
- b. No [SKIP TO DEMOS AT Q63]

Have you or a family member experience travel medical emergency, while travelling in the past two years?

- a. Yes
- b. No [SKIP TO DEMOS AT Q63]

Commented [LM9]: This will allow us to look at the claims experience over the past 2 years instead of just one

Did you have travel medical insurance on the trip where you experienced the travel medical emergency?

- a. Yes
- b. No [SKIP TO DEMOS AT Q63]

29. While you were away on your trip, did you phone or contact your travel insurer for medical or travel assistance?

- a. Yes
- b. No [SKIP TO Q31]

30. What was the reason for your initial phone call or contact?

- a. To get information on medical issue/doctor/hospital/medical emergency
- b. To initiate a claim for a medical issue/doctor/hospital/medical emergency
- c. Both to get information and initiate a claim
- d. Other [SKIP TO DEMOS AT Q63]

31. Who experienced the medical emergency during your travel? [MULTIPLE SELECTION]

- a. You
- b. Family member(s)

Commented [LM10]: I am not sure that we actually used this data. Perhaps this is a question we could remove?

32. Did you report/submit a claim?

- a. Yes
- b. Yes, but I didn't complete the claim process
- c. No

If: Q32a-"Yes" and Q29=b, then skip to Q44.

If: Q32b-"Yes, but I didn't complete the claim process" and Q29=a, then skip to Q34.

If: Q32b-"Yes, but I didn't complete the claim process" and Q29=b, then skip to Q62.

If: Q32c-"No" and if answered a or b or c at Q30, and Q29=a, then skip to Q34.

If: Q32c-“No” and if answered Q29=b, then skip to Q65 (Demos).

33. Thinking back about the *entire* medical emergency claim experience, from the initial contact to the final outcome, how would you rate your satisfaction with the overall experience?
- a. Very satisfied
 - b. Somewhat satisfied
 - c. Neither satisfied nor dissatisfied
 - d. Somewhat dissatisfied
 - e. Very dissatisfied
 - f. Don't recall

[SATISFACTION WITH TRAVEL MEDICAL EMERGENCY CALL/EXPERIENCE]

Thinking back to the time when you were traveling and you contacted your travel insurer for emergency medical assistance, how would you rate your satisfaction with that experience on the following characteristics? **[GRID: Very satisfied, Somewhat satisfied, Somewhat dissatisfied, Very dissatisfied, Don't recall, Not applicable]**

34. The ease of contacting your travel insurer for medical assistance
35. The empathy and understanding the insurer's representative showed you when you called
36. The knowledge of the representatives you spoke with
37. The clarity and completeness of the representative's responses to your questions

[ASK Q38-Q43 IF Q32=a OR b]

38. The explanation you received about the steps involved in a claims process
 39. The explanation you were given about what would be covered by your policy
 40. The explanation you were given as to how long it would take to get you the help you needed
 41. The quality of help or assistance you received following the call
42. Was your actual experience similar to what was initially explained to you?
- a. Yes
 - b. No
 - c. Don't recall
43. Overall, would you say that the *support you received* through your travel medical insurance during the medical emergency met, exceeded, or fell short of your expectations? **[RANDOMIZE]**
- a. Met
 - b. Exceeded
 - c. Fell short

[SATISFACTION WITH THE CLAIM SUBMISSION PROCESS]

[ASK Q44-Q58 IF Q32=a]

The next set of questions is about the claim submission process and the claim settlement.

Thinking back to the time when you returned from your trip and submitted the claim to your travel insurer, how would you rate your satisfaction with that experience on the following characteristics?

[GRID: Very satisfied, Somewhat satisfied, Somewhat dissatisfied, Very dissatisfied, Don't recall, Not applicable]

- 44. The empathy and understanding the insurer's representative showed you when you called
- 45. The knowledge of the representatives you spoke with
- 46. The explanation you received about the steps involved in a claims process
- 47. The explanation you were given about what would be covered by your policy
- 48. The responsiveness of claims department (e.g., answering questions in a timely manner)
- 49. The clarity and completeness of the representative's responses to your questions
- 50. The ease of understanding and completing the claim forms
- 51. The number of claim forms that you had to submit was reasonable
- 52. The required documentation (e.g., bills, receipts, hospital records, etc.) was reasonable
- 53. The services and / or products the claim covered
- 54. The explanation of how the claim payment was determined
- 55. The claim was paid in a timely manner

- 56. Was your actual claim submission experience similar to what was initially explained to you?
 - a. Yes
 - b. No
 - c. Don't recall

- 57. Would you say that the claim submission experience met, exceeded, or fell short of your expectations
 - a. Met
 - b. Exceeded
 - c. Fell short

- 58. What was the result of your claim submission?
 - a. It was covered in full
 - b. It was partially covered
 - c. It was denied **[SKIP TO Q.60]**
 - d. The claim is still being processed **[SKIP TO Q.62]**

- 59. **[ASK IF ANSWERED a OR b AT Q 58]** Would you say that the claim payment met, exceeded, or fell short of your expectations
 - a. Met
 - b. Exceeded
 - c. Fell short

60. How would you rate the clarity of explanation your travel insurer gave you about **[IF Q58=a OR b]** your claim payment? **[IF Q58=c]** the claim denial?
- a. Very good
 - b. Good
 - c. Poor
 - d. Very poor
 - e. Don't recall

61. **[ASK IF ANSWERED 'c' CLAIM DENIED AT Q58]** What was/were the reason(s) for the denial of your claim? **[OPEN END]**

[ADD] Don't know

62. **[ASK IF Q32=a OR b]** Did you make a complaint about your claim at any point during or after the claim process?
- a. Yes
 - b. No

[ASK IF ANSWERED 'Yes' AT Q62] How did you make this complaint? Please select all that apply

- a. Made a complaint to the insurer representative I was dealing with
- b. Spoke to a supervisor or manager at the insurance company
- c. Lodged an official complaint to a regulator
- d. Lodged an official complaint to the insurance company Ombudsman
- e. Posted my complaint about the insurance company on social media
- f. Complained to my travel agent
- g. Complained to family or friends
- h. Other (Specify)
- i. Prefer not to say

Commented [LM11]: The 2015 finding that 38% of claimants made a complaint was surprising. This question will give us further data as to what percent made an official complaint.

63. **[ASK IF ANSWERED 'Yes' AT Q62]** What was the **primary** reason for your complaint? **[RANDOMIZE]**

- a. The length of time it took to process the claim
- b. Difficult to contact/unresponsive insurer representatives (e.g., calls/emails not returned)
- c. Conflicting information from different claims representatives
- d. Policy wording unclear/ambiguous
- e. Excessive documentation (e.g., bills, receipts, records) required
- f. Lack of professionalism and courtesy of representatives
- g. Dissatisfied with the settlement outcome
- h. Other **[SPECIFY]**

Commented [LM12]: The most often reason for a complaint is the time it took (25%). Is there anything we could dig deeper on there? Not sure if there is, but perhaps we could get more clarity?

64. **[ASK IF ANSWERED 'Yes' AT Q62]** Were you satisfied with how the complaint was handled?
- a. Very satisfied
 - b. Somewhat Satisfied
 - c. Neither satisfied nor dissatisfied

- d. Somewhat dissatisfied
- e. Very dissatisfied
- f. Don't know

You are almost done. There are just have a few questions left to help us better analyze and understand responses to this survey.

DEMOGRAPHICS

65. Which of the following income brackets best represents your annual household income before taxes?
- Less than \$75,000
 - \$75,000 to less than \$120,000
 - \$120,000 or more
 - Prefer not to answer
66. Do you have children in any of the following age groups? Please select all that apply.
- Under 18 years
 - 18 years or older
 - Do not have children [EXCLUSIVE]
 - Prefer not to answer [EXCLUSIVE]
67. Which of the following best describes your employment status?
- Employed (full-time, part-time, self-employed)
 - Full-time student
 - Retired
 - Other
68. [ASK IF ANSWERED Q65 c "Retired"] In any given year, what period of time do you spend outside Canada, if at all? Please make one selection.
- Less than one month
 - One to two months
 - Three months or more
 - I don't travel outside Canada [ANCHOR]
69. In a *typical year*, how many times do you travel... [GRID: once a year or less, 2-3 times, 4-6 times, 7-9 times, 10 times or more]
- Within Canada, but outside your province of residence
 - Outside Canada
70. How long have you been a resident of Canada?
- Less than three years
 - Three years or more
 - All my life

You have reached the end of this survey. Thank you for your responses and your time.