

### CAFII Executive Operations Committee Hybrid Meeting Agenda

**Date:** Tuesday, November 14, 2023  
**Chair:** R. Dobbins  
**Location:** Chubb Insurance Company of Canada, 199 Bay St.  
 (Commerce Court West), Muskoka Meeting Room,  
 25th Floor, Toronto [Virtual MS Teams Meeting](#)

**Time:** 2:00 – 4:00 p.m. EST  
**Dial-In:** 437-703-4263  
**Phone Conference ID:** 899 984 739#

1. Call to Order, Welcome, and Priority Matters	2:00 p.m.	Presenter	Action	Document
a. Call to Order		R. Dobbins		

2. Consent Items	2:01 p.m.	Presenter	Action	Document
a. Consultations/Submissions Timetable				✓
b. November 2023 Regulatory Update				To Follow
c. Regulator and Policy-Maker Visit Plan Recap				✓
d. Summary of Board and EOC Action Items				✓
e. Board-Approved Schedule of CAFII 2023 Meetings and Events				✓
f. Board-Approved Schedule of CAFII 2024 Meetings and Events				✓

3. Financial Management	2:01 p.m.	Presenter	Action	Document
a. CAFII Financial Statements as at October 31/23	2:01 p.m.	D. Hinnecke	Update	✓
b. Forecast for CAFII 2023 Fiscal Year as at October 31/23	2:06 p.m.	D. Hinnecke	Update	✓
c. 2024 CAFII Operating Budget	2:11 p.m.	K. Martin/ D. Hinnecke	Update/ Discussion	✓
d. Updated Critical Path for Development and Approval of CAFII 2024 Operating Budget	2:21 p.m.	B. Wycks	Update	✓

4. Committees and Working Groups	2:26 p.m.	Presenter	Action	Document
a. Diversity, Equity and Inclusion				✓ (Written Update Only)
b. Market Conduct & Licensing	2:26 p.m.	B. Kuiper	Update	
i. Plans for In-Person/Hybrid Presentation of CAFII's 2023 Research Results-Focused PowerPoint Deck to FSRA Staff Executives on November 15/23	2:30 p.m.	K. Martin	Update	
ii. Outcomes of Committee Meeting Re CCIR Consultation on Type and Nature of Complaints to Be Disclosed Through Annual Statement on Market Conduct (ASMC) via Complaint Report Tool (Original Submission Deadline of November 3/23 Extended to November 17/23)	2:34 p.m.	K. Martin	Update/ Discussion	✓
iii. Ontario Government Consultation on Changing Minimum Time Period for Consultations From 90 days to 60 days (Submission Deadline: December 4/23)	2:40 p.m.	K. Martin	Update	✓ (2)
iv. Insights Gained from November 2/23 FSRA Life and Health Insurance Stakeholder Advisory Committee Meeting Re FSRA Consultation on "2024-25 Statement of Priorities and Budget" (Submission Deadline: November 13/23), and Update on CAFII's Submission	2:44 p.m.	K. Martin	Update	✓ (2)
v. CAFII Written Submission to FCNB on Ongoing Issues/Concerns Re Rule INS-001 and FCNB Portal Process for Obtaining Restricted Insurance Representatives (RIR) Licences	2:48 p.m.	K. Martin	Update	
vi. Plans for CAFII Hybrid Presentation of 2023 Research Results-Focused PowerPoint Deck to FCAC Staff Executives in Q1 2024	2:52 p.m.	K. Martin	Update	
vii. Insights Gained from November 1/23 FCAC In-Person Launch Event for Financial Literacy Month in Ottawa	2:56 p.m.	R. Jennings	Update	✓
c. Quebec/AMF Issues	3:00 p.m.	J. Russell	Update	
i. CAFII-Commissioned RSM Canada Study on Attrition Rate of Spousal Insurance Policies in Quebec and Related Projections to 2030	3:02 p.m.	K. Martin	Update	
ii. Plans for Hybrid Get Acquainted and Dialogue Meeting with AMF's New CEO Yves Ouellet\	3:06 p.m.	K. Martin	Update	

d. Media Advocacy	3:10 p.m.			
i. Welcome to and Dialogue with Wendy Bairos, New CAFII Media Consultant	3:10 p.m.	K. Martin/ W. Bairos	Introduction/ Discussion	✓ (2)
e. Research and Education				
i. Update on EOC-Approved CAFII 2023 Research Project with LIMRA on CPI's Accessibility to and Utility for Canadian Consumer Segments	3:20 p.m.	K. Martin	Update	
f. Networking & Events				
i. Insights Gained from October 26/23 CAFII Webinar on "Words Matter" with Elissa Gurman, MacPhie Consulting	3:24 p.m.	K. Martin	Update	
g. Travel Insurance Experts			No Update	

5. Strategic and Regulatory Initiatives	Presenter	Action	Document
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6. Governance	3:28 p.m.	Presenter	Action	Document
a. Board Appointment of New CAFII Director from Manulife	3:28 p.m.	S. Smith	Update	✓ (2)
b. Implementation of New CAFII Management Structure, Including Development of Comprehensive "Policies and Procedures Manual"; and Development of Document Re CAFII Succession Plan	3:32 p.m.	K. Martin	Update/ Discussion	
c. Draft Minutes of October 10/23 Board Meeting	3:36 p.m.	B. Wycks	Endorsement	✓
d. Draft Minutes of October 24/23 EOC Meeting	3:38 p.m.	B. Wycks	Approval	✓

7. Read Only Items	3:40 p.m.	Presenter	Action	Document
a. CAFII Media Release Announcing Paul Cosgrove as Board Vice-Chair				✓ (2)
b. Plans for November 22/23 Webinar on "Travel Insurance Trends" with Katia Umtoniawase (Manulife), Helen Cosburn (Allianz Global Assistance), and Sheila Burns (CLHIA)				✓
c. Responses Received from Atlantic Canada Insurance Regulators and Policy-Makers to CAFII Dissemination of Physical Copy of its 2023 Research Results-Focused Presentation Deck (Utilized in 2023 Atlantic Canada Tour Visits)				✓
d. Results of FSRA Survey of Sectoral Advisory Committee on FSRA's Performance				✓

8. In-Camera Session	3:40 p.m.	Presenter	Action	Document

9. Tracking Issues and Bring-Forward Items	Presenter	Action	Document
a. AMF Consultation on Declaration of Operational Incidents			
b. FCAC: Phase 2 of Domestic Bank Retail Sales Practices Review			

**Reminder:** EOC Members are requested to remain after the conclusion of the open, minuted portion of each EOC meeting for an informal, unminuted *In-Camera Session* discussion involving CAFII Member representatives alone – i.e. absent CAFII management/staff – typically of 10 to 15 minutes duration

**Next Board Meeting:** Tuesday, December 5/23, 3:00 to 5:00 p.m. EDT Hosted by Scotia Insurance at 40 Temperance Street, Toronto, Ontario, to be Followed by CAFII Holiday Season/Year-End Reception at 40 Temperance Street, 10<sup>th</sup> Floor, Toronto, Ontario

**Next EOC Meeting:** Tuesday, January 23/24, 2:00 to 4:00 p.m. EST Virtual-Only Meeting

## **Briefing Note**

**CAFII EOC Meeting: 14 November, 2023—Agenda Item 1(a)  
Call to Order, Welcome, and Priority Matters—Call to Order**

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### **Purpose of this Agenda Item—*Start of Meeting***

Start of meeting.

### **Background Information**

The meeting will be called to order by EOC Chair Rob Dobbins.

### **Recommendation / Direction Sought—*Start of Meeting***

No action required.

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

No attachments.

## **Briefing Note**

### **CAFII EOC Meeting: 14 November, 2023—Agenda Item 2(a-f) Consent Items**

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#### **Purpose of this Agenda Item – Information Only**

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

#### **Background Information**

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

- a. Consultations/Submissions Timetable;
- b. November 2023 Regulatory Update;
- c. Regulator and Policy-Maker Visit Plan Recap;
- d. Summary of Board and EOC Action Items;
- e. Board-Approved Schedule of CAFII 2023 Meetings and Events; and
- f. Board-Approved Scheduled of CAFII 2024 Meetings and Events.

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

No action required.

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

Six (6) attachments.



## CAFII Consultations/Submissions Timetable, 2023-2024

Regulatory Issue	Deliverable	Deadline	Accountable
Financial Consumer Agency of Canada (FCAC)	<ul style="list-style-type: none"> <li>CAFII submission on “Proposed Guideline on Appropriate Products and Services For Banks and Authorized Foreign Banks”</li> <li>CAFII meets virtually with FCAC staff executives to present highlights of submission on “Proposed Guideline on Appropriate Products and Services For Banks and Authorized Foreign Banks”</li> <li>FCAC virtual meeting with K. Martin and B. Wycks to present its decisions on elements in CAFII’s submission on “Proposed Guideline”</li> <li>FCAC releases final version of “Guideline on Appropriate Products and Services For Banks and Authorized Foreign Banks”</li> <li><u>Presentation of 2023 Research Results-focused PowerPoint deck to FCAC Staff Executives</u></li> </ul>	<ul style="list-style-type: none"> <li>January 6/22</li> <li>January 15/22</li> <li>February 17/22</li> <li>February 24/22</li> <li><u>Q1 2024</u></li> </ul>	<ul style="list-style-type: none"> <li>Mkt Conduct &amp; Licensing Committee; Co-EDs to monitor</li> </ul>
BC Ministry of Finance 10-Year Review of FIA (Public Consultation Paper issued June/15); and Resulting Restricted Insurance Agency (RIA) Licensing Regime To Be Developed and Launched By Insurance Council of BC	<ul style="list-style-type: none"> <li>Ministry releases consultation paper on introducing a Restricted Insurance Agent licensing regime in BC (October 3/22 submission deadline)</li> <li>CAFII submission on BC RIA licensing regime consultation paper</li> <li>Ministry advises that Rule to empower RIA Regime and ensuing Insurance Council implementation work to be developed by Spring 2023</li> <li><i>Insurance Council of BC arranges early consultation meeting with CAFII re RIA regime</i></li> <li>CAFII meets in-person/hybrid with BC Ministry of Finance; and with Insurance Council of BC, as part of 2023 Western Canada Tour</li> <li><b>CAFII response submission on Insurance Council of BC Rule(s) developed to create framework for and implement Restricted Insurance Agency regime in BC (following Ministry of Finance Summer 2023 release of Council-empowering Regulation)</b></li> <li><i>CAFII meetings with Insurance Council of BC around Rules for RIA regime</i></li> </ul>	<ul style="list-style-type: none"> <li>June 30/22</li> <li>October 3/22</li> <li>January 13/23</li> <li>May 8/23</li> <li>June 13 and June 14/23</li> <li><b>Q4 2023 thru Q2 2024 (expected)</b></li> <li><i>Q4 2023 thru Q2 2024</i></li> </ul>	<ul style="list-style-type: none"> <li>Mkt Conduct &amp; Licensing Committee; Co-EDs to monitor</li> </ul>
British Columbia Financial Services Authority (BCFSA)	<ul style="list-style-type: none"> <li>CAFII submission on BCFSA’s “Draft Insurer Code of Market Conduct”</li> <li>CAFII submission on Two Follow-up Questions from BCFSA on Its Draft Insurer Code</li> <li>BCFSA releases update promising update report on ‘Insurer Code of Market Conduct’ in 2023</li> <li>BCFSA holds short virtual meeting with CAFII to advise re how it intends to proceed with a BC “Insurer Code of Market Conduct</li> <li>CAFII meets in-person/hybrid with BCFSA, as part of 2023 Western Canada Tour</li> <li>BCFSA releases final version of its principles-based BC Insurer Code of Market Conduct (derived from CCIR/CISRO Guidance: Conduct of Insurance Business and Fair Treatment of Customers)</li> <li>BCFSA’s BC Insurer Code of Market Conduct to come into force</li> </ul>	<ul style="list-style-type: none"> <li>September 9/22</li> <li>November 11/22</li> <li>December 15/22</li> <li>May 8/23</li> <li>June 13/23</li> <li>July 10/23</li> <li>April 1/24</li> </ul>	<ul style="list-style-type: none"> <li>Mkt Conduct &amp; Licensing Committee; Co-EDs to monitor</li> </ul>
AMF: Quebec Bill 141 and Related Regulations (including Regulation Respecting Alternative Distribution Methods, RADM)	<ul style="list-style-type: none"> <li>CAFII submission on Draft 2 of ‘Regulation Respecting Complaint Processing’</li> <li>CAFII and AMF resolve impasse issue re Regulation respecting Alternative Distribution Methods (RADM)’s applicability to credit card-embedded insurance benefits via an “unwritten understanding” that Fact Sheet and Notice of Rescission do not have to be distributed to card holders</li> <li>CAFII and AMF hold special purpose virtual meetings on AMF’s ‘Regulation Respecting Complaint Processing’ (as outgrowth from quarterly one-on-one meetings of CAFII Board Chair and AMF Superintendent, Client Services and Distribution Oversight)</li> <li>CAFII and AMF hold special purpose virtual meeting on purpose behind AMF’s gathering of CAFII member company statistics on claims denial rates and “return of premium” to customers</li> <li>CAFII and AMF begin dialogue, via a quarterly CAFII Board Chair/AMF Supt. one-on-one meeting, about AMF possibly relaxing/amending/dropping requirement to complete runoff termination of in-force CPI spousal coverage by January 1/25</li> </ul>	<ul style="list-style-type: none"> <li>February 15/23</li> <li>February/March 2022</li> <li>May 11/23 and June 21/23</li> <li>June 8/23</li> <li>July 4/23; and October 18/23</li> </ul>	<ul style="list-style-type: none"> <li>Mkt Conduct &amp; Licensing Committee; Co-Eds to monitor</li> </ul>

Regulatory Issue	Deliverable	Deadline	Accountable
CCIR/CISRO	<ul style="list-style-type: none"> <li>• CAFII submission on CCIR/CISRO proposed “Incentives Management Guidance”</li> <li>• CAFII written submission on CCIR’s Draft 2023-2026 Strategic Plan (following preliminary feedback provided via Virtual Stakeholder Session on November 4/22)</li> <li>• CCIR releases “2021 Annual Statement on Market Conduct Public Report”</li> <li>• CAFII in-person/hybrid stakeholder meeting with CCIR/CISRO Incentives Management Committee re questions/clarifications around final “Incentives Management Guidance” published in November 2022</li> <li>• CAFII makes submission (in both official languages) on CISRO’s embargoed Consultation Draft of 2023-2026 Strategic Plan</li> <li>• CISRO releases final version of 2023-2026 Strategic Plan</li> <li>• <b>CAFII submission to CCIR consultation on “Type and Nature of Complaints to Be Disclosed Through Annual Statement on Market Conduct Report Tool”</b></li> </ul>	<ul style="list-style-type: none"> <li>• November 30/22</li> <li>• December 15/22</li> <li>• February 28/23</li> <li>• February 28/23</li> <li>• April 21/23</li> <li>• October 3/23</li> <li>• <b>November 3/23 (extended to November 17/23)</b></li> </ul>	<ul style="list-style-type: none"> <li>• Mkt Conduct &amp; Licensing Cttee; Co-Eds to monitor</li> </ul>
FCNB Insurance Act Rewrite and Introduction of RIA Regime	<ul style="list-style-type: none"> <li>• FCNB Releases “Proposed Rule INS-001: Insurance Intermediaries Licensing and Obligations” for consultation, with February 7/22 submission deadline</li> <li>• CAFII submission on FCNB’s “Insurance Act Rewrite: Questions For Industry, Dec.’21”</li> <li>• CAFII submission on Proposed Rule INS-001: Insurance Intermediaries Licensing and Obligations</li> <li>• CAFII submission on Proposed Rule INS-002: Insurance Fees</li> <li>• CAFII submission on FCNB legislative change proposals re Life Insurance and Accident &amp; Sickness Insurance sections of Insurance Act (informal sounding board consultation)</li> <li>• FCNB releases ‘Notices to Industry’ on coming into force of final versions of Rule INS-001 and Rule INS-002 (having received Ministerial approval) on February 1/23</li> <li>• FCNB Rules INS-001 and INS-002 come into force.</li> <li>• CAFII meets with FCNB to discuss implementation questions/clarifications re Rule INS-001</li> <li>• At CAFII’s behest, FCNB removes RIR licence applicant requirements to submit Disclosure Forms and Criminal Record Checks for Board Directors</li> <li>• FCNB grants CAFII request for deadline extension (60 days to June 30/23) for filing initial RIR licence application on FCNB Portal; exempts OSFI- and FCNB-regulated RIR licensees from having to maintain trust accounts; and clarifies RIR licence application issues</li> <li>• CAFII delegation meets with FCNB Superintendent of Insurance and other staff executives for relationship-building and, in part, to discuss lingering problems/issues re INS Rule-001 and RIR regime, as part of Fall 2023 Atlantic Canada tour</li> <li>• <b><u>CAFII written submission to FCNB on ongoing/lingering concerns about Rule INS-001, and problems with FCNB licensing portal for obtaining an RIR licence</u></b></li> </ul>	<ul style="list-style-type: none"> <li>• November 2021</li> <li>• January 31/22</li> <li>• February 7/22</li> <li>• February 18/22</li> <li>• May 20/22</li> <li>• December 13-14/22</li> <li>• February 1/23</li> <li>• February 24/23</li> <li>• March 9/23</li> <li>• April 14/23</li> <li>• September 22/23</li> <li>• <b><u>December 31/23</u></b></li> </ul>	<ul style="list-style-type: none"> <li>• Mkt Conduct &amp; Licensing Cttee; Co-Eds to monitor</li> </ul>
Financial Services Regulatory Authority of Ontario (FSRA) Regulatory Consultations	<ul style="list-style-type: none"> <li>• CAFII responds to FSRA “Information Guidance on Complaints Resolution” consultation</li> <li>• CAFII submission on FSRA’s “Principles-Based Regulation” consultation document</li> <li>• CAFII submission on FSRA’s “Principles of Conduct for Insurance Intermediaries”</li> <li>• CAFII submission on FSRA’s “Use of Retained Revenues Guidance”</li> <li>• FSRA provides feedback on CAFII’s submission on “Use of Retained Revenues Guidance”</li> <li>• CAFII submission on FSRA’s Proposed 2023-24 Statement of Priorities and Budget</li> <li>• CAFII submission on FSRA’s “Proposed Rule 2022-001: Assessments and Fees”</li> </ul>	<ul style="list-style-type: none"> <li>• February 15/22</li> <li>• April 29/22</li> <li>• May 3/22</li> <li>• May 31/22</li> <li>• Sept 9/22</li> <li>• November 15/22</li> <li>• February 27/23</li> <li>• March 31/23</li> </ul>	<ul style="list-style-type: none"> <li>• Mkt Conduct &amp; Licensing Cttee; Co-EDs to monitor</li> </ul>

Regulatory Issue	Deliverable	Deadline	Accountable
	<ul style="list-style-type: none"> <li>• CAFII decides not to make a submission on FSRA's "Proposed Guidance on IT Risk Management", determining it to be largely "out of scope"</li> <li>• FSRA launches consultation on "Proposed Guidance: Administrative Monetary Penalties" with May 31/23 submission deadline</li> <li>• CAFII submission on FSRA's "Proposed Guidance: Administrative Monetary Penalties"</li> <li>• FSRA releases significantly rewritten final version of "Proceeds of Enforcement Guidance" (formerly "Proposed Guidance: Administrative Monetary Penalties")</li> <li>• <b>CAFII response submission to FSRA's consultation on "Proposed 2024-25 Statement of Priorities and Budget"</b></li> </ul>	<ul style="list-style-type: none"> <li>• March 27/23</li> <li>• May 31/23</li> <li>• October 12/23</li> <li>• <b>November 13/23</b></li> </ul>	
Ministry of Finance, Government of Ontario	<ul style="list-style-type: none"> <li>• <b><u>CAFII Submission on Government of Ontario Consultation on reducing the minimum consultation period for FSRA from 90 days to 60 days</u></b></li> </ul>	<ul style="list-style-type: none"> <li>• <b><u>December 4/23</u></b></li> </ul>	<ul style="list-style-type: none"> <li>• Mkt Conduct &amp; Licensing Cttee; Co-EDs to monitor</li> </ul>

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

**Agenda Item 2(c)**  
**November 14/23 EOC Meeting**

**CAFII Insurance Regulator and Policy-Maker Meetings/Interactions**  
**From October 21/23 to November 10/23**

<b><u>Date</u></b>	<b><u>Event/Occasion/Issue</u></b>	<b><u>Who</u></b>
October 23/23	Regular meeting of Saskatchewan Restricted Insurance Agents Advisory Committee (RIAAC), hosted as a hybrid meeting at the CLHIA office in Toronto.	Moir Gill (RIAAC Chair), TD Insurance; Charles MacLean (RIAAC Vice-Chair), RBC Insurance; and Keith Martin, CAFII attended in person; and Brendan Wycks, CAFII virtually attended this meeting which had been scheduled/organized and was moderated by April Stadnek, Executive Director, Insurance Councils of Saskatchewan. Ms. Stadnek advised RIACC members that she had recently hired Mike Smith as the Insurance Councils of Saskatchewan's New Director of Compliance, who comes from the Ontario Public Service and started at ICS on October 16/23.
October 25/23	Peter Thompson had an exchange with Eric Jacob and/or other AMF Staff Executives around desire to arrange a "get acquainted and dialogue" hybrid meeting with new AMF CEO, Yves Ouellet.	There is an agreement that the CAFII Board will meet with Yves Ouellet in the near future—Peter Thompson, Keith Martin, Paul Cosgrove, and 1-2 others to attend in Montreal in-person, and other Board members to attend virtually. We are now waiting to hear from the AMF as to when M. Ouellet is available for such a meeting.
October 30/23	Keith reached out to Erica Hiemstra to confirm whether it was alright to bring as many as 10 CAFII members to the 15 November presentation to FSRA in their offices.	Erica Hiemstra arranged for administrative assistant Nelly Ching to confirm that FSRA can accommodate a group of 10 or more people for the presentation on 15 November, and FSRA will arrange for a suitable Board room for the meeting.
November 2/23	Regular meeting of Financial Services Regulatory Authority (FSRA)'s Life and Health Insurance Sectoral Advisory Committee.	Keith Martin, CAFII, attended this virtual meeting which focused on FSRA's 2024-25 Statement of Priorities and Budget.

Summary of CAFII Board and EOC Action Items					
	Source	Action Item	Responsible	Deadline	Status as at November 10/23
		<b>Association Strategy, Governance and Financial Management</b>			
1	BOD: June 9, 2020	Revisit the launch of the CAFII Working Group On A Proposed Lower Dues Category Of CAFII Membership once the economic environment stabilizes, via a first meeting and a draft Terms of Reference for this Working Group.	K. Martin	31-Dec-23	In Progress
2	EOC May 29, 2018	Develop a summary job description for the CAFII EOC Chair role and circulate it to EOC Members.	B. Wycks/ K. Martin	31-Dec-23	In Progress
3	EOC February 27, 2018	Document in writing the process for reviewing, approving, and admitting applicants for CAFII Members and Associate status	B. Wycks	31-Dec-23	In Progress
4	EOC November 14, 2023	Create a revised Critical Path for Development of the 2024 CAFII Operating Budget to present at the next EOC meeting (November 14/23) for review and approval	B. Wycks	10-Nov-23	Completed
		<b>Regulatory Initiatives</b>			
5	BOD December 6, 2022	Maintain ongoing dialogue with AMF Superintendent Eric Jacob and keep CAFII management and EOC Chair and Vice-Chair informed of any developments re resolving impasse issue re RADM's applicability to credit card-embedded insurance benefits and any other CAFII Member-relevant issues	P. Thompson	Ongoing	Ongoing
6	EOC September 19, 2023	Make a CAFII request of the AMF, through Superintendent Eric Jacob, that any existing Spousal Insurance policies be run-off through natural attrition over an indefinite period of time. If this is not accepted, the request of another deadline extension should be made instead.	P. Thompson	31-Dec-23	In Progress
7	EOC November 14, 2023	Present Insights Gained from In-Person CAFII 2023 Atlantic Canada Insurance Regulators and Policy-Makers Visits Tour: Phase 1 (PEI and New Brunswick) and Phase 2 (Nova Scotia and Newfoundland). [R. Jennings and K. Martin; November 10, 2023].	K. Martin/ R. Jennings	10-Nov-23	Completed
		<b>Association Operations</b>			

	Source	Action Item	Responsible	Deadline	Status as at November 10/23
8	EOC May 17, 2022	Regularly scan website videos to ensure that they are up-to-date and don't include broken links	K. Martin/ B. Wycks	Ongoing	Ongoing
9	EOC September 19, 2023	Distribute the Survey of CAFII Member Companies on Distribution Methods of CPI Fulfilment Packages [ <i>EOC members; September 22, 2023</i> ].	B. Wycks/ K. Martin	24-Oct-23	In Progress

**Agenda Item 2(e)**

**November 14/23 EOC Meeting**

**Board-Approved Schedule of CAFII 2023 Meetings and Events**

**(Approved At October 11/22 CAFII Board Meeting)**

**EOC Meetings:** *To be held virtual-only and in-person/virtual-hybrid, in alternating months*

- **Tuesday, January 17, 2023** (2:00–4:00 p.m. MS Teams virtual-only meeting)
- **Tuesday, February 14, 2023** (2:00–4:00 p.m. in-person/virtual-hybrid meeting)  
*(Family Day Stat Holiday in Ontario: Monday, February 20)*
- **Tuesday, March 21, 2023** (2:00–3:30 p.m. MS Teams virtual-only meeting)  
*(Quebec Spring Break: March 6 – March 10. Ontario March Break: March 13 – March 17)*
- **Tuesday, April 25, 2023** (2:00–4:00 p.m. in-person/virtual-hybrid meeting)  
*(Passover: Wednesday, April 5 – Thursday, April 13. Good Friday: Friday, April 7. Easter Monday: Monday, April 10)*
- **Tuesday, May 16, 2023** (2:00–3:30 p.m. MS Teams virtual-only meeting)  
*(Victoria Day Stat Holiday: Monday, May 22)*
- **Tuesday, June 27, 2023** (2:00–4:00 p.m. in-person/virtual-hybrid meeting)
- **Tuesday, July 18, 2023** tentative summer meeting (2:00–3:30 p.m. MS Teams virtual-only meeting)
- **Tuesday, August 15, 2023** tentative summer meeting (2:00–3:30 p.m. MS Teams virtual-only meeting)  
*(Civic Stat Holiday: Monday, August 7)*
- **Tuesday, September 19, 2023** (3:00–5:00 p.m. in-person/virtual-hybrid meeting, followed by EOC Annual Appreciation Dinner)  
*(Labour Day: Monday, September 4. Rosh Hashanah: September 15 – 17. Yom Kippur: September 24 – 25. National Day for Truth and Reconciliation: Saturday, September 30)*
- **Tuesday, October 24, 2023** (2:00–3:30 p.m. MS Teams virtual-only meeting)  
*(Thanksgiving Stat Holiday: Monday, October 9)*
- **Tuesday, November 14, 2023** (2:00–4:00 p.m. in-person/virtual-hybrid meeting)  
*(Remembrance Day: Saturday, November 11. Diwali: Sunday, November 12)*

**Board Meetings:**

- **Tuesday, April 4, 2023** (3:00–5:00 p.m. in- person/virtual-hybrid meeting, followed by ensuing Reception)  
*(Passover: Wednesday, April 5 – Thursday, April 13. Good Friday: Friday, April 7. Easter Monday: Monday, April 10)*  
**HOST: Canadian Tire Bank (at private venue rental in downtown Toronto)**
- **Tuesday, June 6, 2023** (2:30–5:00 p.m. in- person/virtual-hybrid meeting, preceded by 2023 Annual Meeting of Members and followed by ensuing Reception).  
**HOST: Manulife, 200 Bloor St. East, Toronto**
- **Tuesday, October 10, 2023** (2:20–4:00 p.m. in- person/virtual-hybrid meeting, immediately following liaison lunch and Industry Issues Dialogue with AMF staff executives)  
**HOST: RBC Insurance (Montreal); Alternate: BMO Insurance (Montreal)**

- **Tuesday, December 5, 2023** (3:00-5:00 p.m. in- person/virtual-hybrid meeting, followed by Holiday Season/Year-End Reception)

**HOST: Scotia Insurance; Alternate: RBC Insurance**

**2023 Annual Members and Associates Luncheon:**

- *Tuesday, May 9, 2023 from 11:45 a.m. EST to 2:15 p.m. EST at St. James Cathedral Centre Event Venue, 65 Church St., Toronto*

**2023 EOC Annual Appreciation Dinner:**

- *Tentative Date: Tuesday, Sept 19, 2023 at 5:30 p.m. at a TBD location*

**Webinars:**

- January 25 or 26, 2023
- March 29 or 30, 2023
- April 26 or 27, 2023
- September 26 or 27, 2023
- October 25 or 26, 2023
- November 22 or 23, 2023

**2022 Board meetings Hosted by:**

TD Insurance, Desjardins Insurance, CIBC Insurance

**2021 Board meetings Hosted by:**

None, due to COVID-19 pandemic situation

**2020 Board meetings Hosted by:**

None, due to COVID-19 pandemic situation

**2019 Board meetings Hosted by:**

CUMIS (National Club), Manulife Financial, National Bank Insurance, TD Insurance

**2018 Board Meetings Hosted by:**

CAFII; ScotiaLife Financial; BMO Insurance; The Canada Life Assurance

**2017 Board Meetings Hosted by:**

TD Insurance; CAFII; Desjardins Insurance; CIBC Insurance



### **Recent Years' Annual Members and Associates Luncheons**

#### **2022 Annual Members and Associates Luncheon**

**Date:** Tuesday, November 9, 2021 from 1:00 p.m. – 2:30 p.m. EDT

**Topic:** “With Authority: Executing On A Bold Vision for A New Kind of Financial Services Regulator in Ontario; and Laying the Groundwork for Its Long-Term Success”

**Speaker:** Mark White, CEO, FSRA

**Venue:** St. James Cathedral Centre Event Venue, 65 Church St., Toronto, Ontario

#### **2021 Annual Members and Associates Virtual Luncheon Webinar**

**Date:** Tuesday, November 9, 2021 from 1:00 p.m. – 2:30 p.m. EDT

**Topic:** “The Changing Regulatory Environment – Challenges, Risks and Opportunities”

**Panelists:** Jill McCutcheon, Partner, Torys LLP; Stuart Carruthers, Partner, Stikeman Elliott LLP; Marc Duquette, Partner, Norton Rose Fulbright Corporation. Panel Moderator: Keith Martin, CAFII

**Venue:** Virtual-Only Webinar

#### **2020 Annual Members and Associates Virtual Luncheon Webinar**

**Date:** Wednesday, October 21, 2020 from 12 Noon to 1:00 p.m. EDT

**Topic:** “Setting the Bar Higher: How the Financial Consumer Protection Framework Sets a New Standard for Fairness and Transparency”

**Speakers:** Frank Lofranco, Deputy Commissioner, Supervision and Enforcement, Financial Consumer Agency of Canada (Remarks actually delivered by Teresa Frick, Director, FCAC who was subbed in for Frank Lofranco at the last minute)

**Venue:** Virtual-Only Webinar

#### **2019 Annual Members and Associates Luncheon**

**Date:** Tuesday, February 19, 2019 from 11:45 a.m. to 2:15 p.m.

**Topic:** “The Changing Regulatory Environment – Challenges, Risks and Opportunities”

**Panelists:** Stuart Carruthers, Partner, Stikeman Elliott LLP; Koker Christensen, Partner, Fasken; Jill McCutcheon, Partner, Torys LLP. Panel Moderator: Nicole Benson, CEO, Canadian Premier Life/Valeyo

**Venue:** Arcadian Loft, 401 Bay St., Simpson Tower, 8<sup>th</sup> Floor, Toronto, ON

**Agenda Item 2(f)**

**November 14/23 EOC Meeting**

**Board-Approved Schedule of CAFII 2024 Meetings and Events**

**(Approved by CAFII Board on October 10/23)**

**EOC Meetings:** *To be held virtual-only and in-person/virtual-hybrid, in alternating months*

- **Tuesday, January 23, 2024** (2:00–4:00 p.m. MS Teams virtual-only meeting)
- **Tuesday, February 27, 2024** (2:00–3:30 p.m. MS Teams virtual-only meeting)  
*(Family Day Stat Holiday in Ontario: Monday, February 19)*
- **Tuesday, March 26, 2024** (2:00–4:00 p.m. MS Teams virtual-only meeting)  
*(Quebec Spring Break: March 4 – March 8. Ontario March Break: March 11 – March 15)*
- **Tuesday, April 23, 2024** (2:00–4:00 p.m. in-person/virtual-hybrid meeting)  
*(Passover: Evening of April 23 – April 30)*
- **Tuesday, May 14, 2024** (2:00–3:30 p.m. MS Teams virtual-only meeting)  
*(Victoria Day Stat Holiday: Monday, May 20)*
- **Tuesday, June 25, 2024** (2:00–4:00 p.m. in-person/virtual-hybrid meeting)
- **Tuesday, July 16, 2024** (tentative summer meeting (2:00–3:30 p.m. MS Teams virtual-only meeting)
- **Tuesday, August 13, 2024** (tentative summer meeting (2:00–3:30 p.m. MS Teams virtual-only meeting)
- **Tuesday, September 17, 2024** (3:00–5:00 p.m. in-person/virtual-hybrid meeting, followed by EOC Annual Appreciation Dinner)  
*(National Day for Truth and Reconciliation: September 30)*
- **Tuesday, October 29, 2024** (2:00–3:30 p.m. MS Teams virtual-only meeting)  
*(Yom Kippur: October 12. Thanksgiving Stat Holiday: October 14. Diwali: October 31)*
- **Tuesday, November 19, 2024** (2:00–4:00 p.m. in-person/virtual-hybrid meeting)  
*(Remembrance Day: November 11)*

**Board Meetings:**

- **Tuesday, April 9, 2024** (3:00–5:00 p.m. in- person/virtual-hybrid meeting, followed by ensuing Reception)  
**HOST: Assurant Canada**  
*(Good Friday: Friday, March 29; Easter Monday: Monday, April 1)*
- **Tuesday, June 4, 2024** (2:30–5:00 p.m. in- person/virtual-hybrid meeting, preceded by 2024 Annual Meeting of Members and followed by ensuing Reception). (To comply with CAFII Bylaw provisions, the Annual Meeting of Members materials package must be disseminated between 60 days and 21 days prior to the date of the Annual Meeting: i.e. between Friday, April 5, 2024 and Tuesday, May 14, 2024)  
**HOST: Securian Canada**
- **Tuesday, October 8, 2024** (2:20–4:00 p.m. in- person/virtual-hybrid meeting, immediately following liaison lunch and Industry Issues Dialogue with AMF staff executives)  
*(Rosh Hashanah: October 3; Thanksgiving Stat Holiday: Monday, October 14)*  
**HOST: National Bank Insurance; Alternate: BMO Insurance (Montreal)**

- **Tuesday, December 3, 2024** (3:00-5:00 p.m. in- person/virtual-hybrid meeting, followed by Holiday Season/Year-End Reception)

**HOST: Chubb Life Insurance Company of Canada**

**2024 Annual Members and Associates Luncheon:**

- *Tentative Date: Tuesday, May 28, 2024, from 11:45 a.m. EST to 2:15 p.m. EST at St. James Cathedral Centre Event Venue*

**2024 EOC Annual Appreciation Dinner:**

- *Tentative Date: Tuesday, Sept 17, 2024 at 5:30 p.m. at a TBD location*

**Webinars:**

- January 31 or February 1, 2024
- March 27 or 28, 2024
- April 24 or 25, 2024
- September 11 or 12, 2024
- October 9 or 10, 2024
- November 13 or 14, 2024

**2023 Board meetings Hosted by:**

Canadian Tire Bank, Manulife, RBC Insurance, Scotia Insurance

**2022 Board meetings Hosted by:**

TD Insurance, Desjardins Insurance, CIBC Insurance

**2021 Board meetings Hosted by:**

None, due to COVID-19 pandemic situation

**2020 Board meetings Hosted by:**

None, due to COVID-19 pandemic situation

**2019 Board meetings Hosted by:**

CUMIS (National Club), Manulife Financial, National Bank Insurance, TD Insurance

**2018 Board Meetings Hosted by:**

CAFII; ScotiaLife Financial; BMO Insurance; The Canada Life Assurance

**2017 Board Meetings Hosted by:**

TD Insurance; CAFII; Desjardins Insurance; CIBC Insurance

### **Recent Years' Annual Members and Associates Luncheons**

#### **2023 Annual Members and Associates Luncheon**

**Date:** Tuesday, May 9, 2023 from 11:45 a.m. to 2:15 p.m. EDT

**Topic:** "The Changing Insurance Law and Regulatory Environment: Challenges, Risks, and Opportunities"

**Speaker:** Stuart Carruthers, Partner, Stikeman Elliot and Jill McCutcheon, Partner, Torys LLP

**Venue:** St. James Cathedral Centre Event Venue, 65 Church St., Toronto, Ontario

#### **2022 Annual Members and Associates Luncheon**

**Date:** Tuesday, September 13, 2022 from 12:00 p.m. – 2:30 p.m. EDT

**Topic:** "With Authority: Executing On A Bold Vision for A New Kind of Financial Services Regulator in Ontario; and Laying the Groundwork for Its Long-Term Success"

**Speaker:** Mark White, CEO, FSRA

**Venue:** St. James Cathedral Centre Event Venue, 65 Church St., Toronto, Ontario

#### **2021 Annual Members and Associates Virtual Luncheon Webinar**

**Date:** Tuesday, November 9, 2021 from 1:00 p.m. – 2:30 p.m. EDT

**Topic:** "The Changing Regulatory Environment – Challenges, Risks and Opportunities"

**Panelists:** Jill McCutcheon, Partner, Torys LLP; Stuart Carruthers, Partner, Stikeman Elliott LLP; Marc Duquette, Partner, Norton Rose Fulbright Corporation. Panel Moderator: Keith Martin, CAFII

**Venue:** Virtual-Only Webinar

#### **2020 Annual Members and Associates Virtual Luncheon Webinar**

**Date:** Wednesday, October 21, 2020 from 12 Noon to 1:00 p.m. EDT

**Topic:** "Setting the Bar Higher: How the Financial Consumer Protection Framework Sets a New Standard for Fairness and Transparency"

**Speakers:** Frank Lofranco, Deputy Commissioner, Supervision and Enforcement, Financial Consumer Agency of Canada (Remarks actually delivered by Teresa Frick, Director, FCAC who was subbed in for Frank Lofranco at the last minute)

**Venue:** Virtual-Only Webinar

## **Briefing Note**

### **CAFII EOC Meeting: 14 November, 2023—Agenda Item 3(a) Financial Management – CAFII Financial Statements as at October 31/23**

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#### **Purpose of this Agenda Item – Update**

To update the EOC on the Association's financial position as at October 31/23.

#### **Background Information**

CAFII Treasurer Donald Hinnecke will provide an update based on the CAFII Financial Statements as at October 31/23.

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

This is an update only.

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

One (1) attachment.

## CAFII

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

### Statement of Operations As at Oct 31st, 2023

	Current Month	Budget Oct-23	Variance to Monthly Budget	Current YTD	Budget '23 YTD	Variance Budget to YTD	Budget 2023
<b>Revenue</b>							
Membership Dues	\$79,425	\$77,497	\$1,928	\$794,248	\$774,970	\$19,278	\$929,964
Interest	\$1,119	\$458	\$661	\$9,468	\$4,580	\$4,888	\$5,500
Investments - Interest-Savings, Short-term CD	\$1,427	\$0	\$1,427	\$9,436	\$0	\$9,436	\$0
Misc (One time event fees)	\$0	\$0	\$0	\$380	\$0	\$380	\$0
<b>TOTAL REVENUE</b>	<b>\$81,971</b>	<b>\$77,955</b>	<b>\$ 4,016</b>	<b>\$813,532</b>	<b>\$779,550</b>	<b>\$33,982</b>	<b>\$935,464</b>
<b>Expenses</b>							
<b>Office Costs</b>							
Management Fees (CAFII staff and Managing Matters)	\$61,763	\$44,899	(\$16,864)	\$512,993	\$448,990	(\$64,003)	\$538,784
New hire for 6 months overlap	\$0	\$17,149	\$17,149	\$0	\$68,596	\$68,596	\$102,895
Audit Fees	\$1,367	\$1,367	\$0	\$13,168	\$13,670	\$502	\$16,402
Insurance	\$722	\$575	(\$147)	\$6,237	\$5,750	(\$487)	\$6,902
Member Communication and Technology Tools	\$994	\$734	(\$260)	\$9,952	\$7,340	(\$2,612)	\$8,810
Telephone/Fax/Internet	\$104	\$482	\$378	\$4,325	\$4,820	\$495	\$5,789
Postage/Courier	\$0	\$7	\$7	\$73	\$63	(\$10)	\$86
Office Expenses	\$63	\$896	\$833	\$2,267	\$8,960	\$6,693	\$10,751
Bank Charges	\$161	\$52	(\$109)	\$532	\$520	(\$12)	\$628
New Office Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation Computer/Office Equipment	\$206	\$235	\$29	\$961	\$2,350	\$1,389	\$2,821
Miscellaneous Expense	\$0	\$0	\$0	\$0	\$250	\$250	\$500
<b>Total Office related expenses</b>	<b>\$65,378</b>	<b>\$66,396</b>	<b>\$1,018</b>	<b>\$550,507</b>	<b>\$561,309</b>	<b>\$10,802</b>	<b>\$694,369</b>
Legal and consulting costs associated with regulatory submissions and initiatives	\$492	\$8,040	\$7,548	\$18,479	\$74,320	\$55,841	\$90,400
<b>Board/EOC/AGM</b>							
Annual Members and Associates Luncheon	\$0	\$0	\$0	\$13,666	\$16,120	\$2,454	\$16,120
Board Hosting (External)	\$0	\$0	\$0	\$7,500	\$16,050	\$8,550	\$24,075
Board/EOC Meeting Expenses	\$2,770	\$3,454	\$684	\$11,214	\$24,178	\$12,964	\$31,089
Industry Conferences and Events	\$226	\$0	(\$226)	\$4,410	\$2,800	(\$1,610)	\$3,627
EOC Annual Appreciation Dinner	\$0	\$0	\$0	\$2,964	\$5,676	\$2,712	\$5,676
Speaker fees & travel	\$0	\$0	\$0	\$738	\$1,500	\$762	\$1,500
Gifts	\$0	\$107	\$107	\$0	\$1,070	\$1,070	\$1,284
Networking Events	\$0	\$1,413	\$1,413	\$61	\$5,650	\$5,589	\$5,650
CAFII 25th Anniversary Celebration	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Board/EOC/AGM</b>	<b>\$2,996</b>	<b>\$4,974</b>	<b>\$1,978</b>	<b>\$40,552</b>	<b>\$73,044</b>	<b>\$32,492</b>	<b>\$89,021</b>
<b>Regulatory and Industry</b>							
Provincial Regulatory Visits and Relationship-Building	\$2,867	\$0	(\$2,867)	\$20,234	\$41,000	\$20,766	\$41,000
Federal Regulatory Visits and Relationship-Building	\$0	\$0	\$0	\$0	\$5,000	\$5,000	\$5,000
Research/Studies	\$0	\$0	\$0	\$10,848	\$16,950	\$6,102	\$67,800
Webinar Fees	\$1,921	\$2,561	\$640	\$11,526	\$12,805	\$1,279	\$15,368
Website SEO and Enhancements	\$11,300	\$11,300	\$0	\$33,900	\$33,900	\$0	\$45,200
CAFII Benchmarking Study/RSM Canada	\$16,950	\$17,798	\$848	\$50,850	\$53,394	\$2,544	\$71,190
Media Outreach	\$83	\$0	(\$83)	\$1,818	\$6,780	\$4,962	\$9,040
Media Consultant Retainer	\$2,543	\$3,125	\$583	\$27,593	\$31,250	\$3,657	\$37,500
Marketing Collateral	\$0	\$3,500	\$3,500	\$1,462	\$3,500	\$2,038	\$7,000
<b>Total Regulatory and Industry</b>	<b>\$35,664</b>	<b>\$38,284</b>	<b>\$2,620</b>	<b>\$158,232</b>	<b>\$204,579</b>	<b>\$46,347</b>	<b>\$299,098</b>
<b>TOTAL EXPENSE</b>	<b>\$104,531</b>	<b>\$117,694</b>	<b>\$13,163</b>	<b>\$767,770</b>	<b>\$913,252</b>	<b>\$145,482</b>	<b>\$1,172,888</b>
<b>NET INCOME</b>	<b>(\$22,560)</b>	<b>(\$39,739)</b>	<b>17,179</b>	<b>\$45,762</b>	<b>(\$133,702)</b>	<b>\$ 179,464</b>	<b>(\$237,424)</b>
proof	0	-	-	0	-	-	-

#### Explanatory Notes:

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

# CAFII

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

## Balance Sheet As at Oct 31st, 2023

	CAFII Operations		
	31-Oct 2023	30-Sep 2023	31-Dec 2022
<b>ASSETS</b>			
<b>Current Assets</b>			
Bank Balance	\$64,960	\$161,846	\$324,108
Savings Account	\$426,713	\$425,594	\$417,244
TD Investment in GIC- 1104 8045480 01	\$400,000	\$400,000	\$0
Accounts Receivable	\$0	\$0	\$0
Interest Receivable	\$2,532	\$1,105	\$0
Prepaid Expenses	\$7,871	\$8,641	\$6,397
Computer/Office Equipment	\$17,880	\$17,880	\$10,878
Accumulated Depreciation -Comp/Equip	(\$9,691)	(\$9,486)	(\$8,730)
<b>Total Current Assets</b>	<b>\$910,264</b>	<b>\$1,005,580</b>	<b>\$749,898</b>
<b>TOTAL ASSETS</b>	<b>\$910,264</b>	<b>\$1,005,580</b>	<b>\$749,898</b>
	-	-	
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accrued Liabilities	\$15,405	\$14,038	\$15,916
Credit Card	\$1,396	\$1,138	\$566
Account Payable	\$19,576	\$14,532	\$64,141
Deferred Revenue	\$158,850	\$238,275	\$0
<b>Total Current liabilities</b>	<b>\$195,227</b>	<b>\$267,983</b>	<b>\$80,623</b>
<b>TOTAL LIABILITIES</b>	<b>\$195,227</b>	<b>\$267,983</b>	<b>\$80,623</b>
	-	-	
<b>UNRESTRICTED NET ASSETS</b>			
Unrestricted Net Assets, beginning of year	\$669,275	\$669,275	\$505,900
Excess of revenue over expenses	\$45,762	\$68,322	\$163,374
<b>Total Unrestricted Net Assets</b>	<b>\$715,037</b>	<b>\$737,597</b>	<b>\$669,275</b>
<b>Total Unrestricted Net Assets</b>	<b>\$715,037</b>	<b>\$737,597</b>	<b>\$669,275</b>
<b>TOTAL LIABILITIES AND UNRESTRICTED NET ASSETS</b>	<b>\$910,264</b>	<b>\$1,005,579</b>	<b>\$749,898</b>
	-	0	-
<b>Financial Reserves Targets as per 2023 Budget:</b>			
Minimum 3 months (25%) of Annual Operating Expenses=		\$ 293,222	- 0.04
Maximum 6 months (50%) of Annual Operating Expenses=		\$ 586,444	- 0.08
<b>Current Level of Financial Reserves</b> (total unrestricted net assets):		<b>\$715,037</b>	
<b>Current Level of Financials Reserve (%)</b> :		<b>61%</b>	0.00

## C A F I I

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

### Membership Fees

		<u>Feb-23</u>		<u>Method of Payment</u>	<u>Received Date</u>
		<u>Billed</u>	<u>Received</u>		
TD Insurance	2023 Upper Tier Member	\$ 77,110	\$ 77,110	Cheque	23-Feb-23
BMO Bank of Montreal	2023 Upper Tier Member	\$ 77,110	\$ 77,110	Direct Payment - EFT	16-Mar-23
CIBC Insurance	2023 Upper Tier Member	\$ 77,110	\$ 77,110	Direct Payment - EFT	27-Feb-23
RBC Insurance	2023 Upper Tier Member	\$ 77,110	\$ 77,110	Direct Payment - EFT	02-Mar-23
Scotia Insurance	2023 Upper Tier Member	\$ 77,110	\$ 77,110	Direct Payment - EFT	28-Feb-23
Desjardins Financial Security Life Assura	2023 Upper Tier Member	\$ 77,110	\$ 77,110	Cheque	28-Feb-23
National Bank Insurance	2023 Upper Tier Member	\$ 77,110	\$ 77,110	Direct Payment - EFT	16-Feb-23
Manulife Financial	2023 Upper Tier Member	\$ 77,110	\$ 77,110	Direct Payment - EFT	13-Feb-23
The Canada Life Assurance Company	2023 Upper Tier Member	\$ 77,110	\$ 77,110	Direct Payment - EFT	19-Apr-23
Securian Canada	2023 Lower Tier Member	\$ 38,555	\$ 38,555	Cheque	23-Feb-23
Assurant	2023 Lower Tier Member	\$ 38,555	\$ 38,555	Direct Payment - EFT	23-Mar-23
Valeyo	2023 Lower Tier Member	\$ 38,555	\$ 38,555	Direct Payment - EFT	03-Mar-23
CUMIS Group Ltd	2023 Lower Tier Member	\$ 38,555	\$ 38,555	Cheque	28-Mar-23
Canadian Tire Bank	2023 Lower Tier Member	\$ 38,555	\$ 38,555	Direct Payment - EFT	20-Apr-23
Chubb Life Insurance Company of Canada	2023 Initiation Members (Lower Tier)	\$ 23,133	\$ 23,133	Cheque	04-Apr-23
RSM Canada	Associate	\$ 4,800	\$ 4,800	cheque	11-Apr-23
Willis Towers Watson	Associate	\$ 4,800	\$ 4,800	Direct Payment - EFT	13-Apr-23
KPMG LLP	Associate	\$ 4,800	\$ 4,800	Cheque	18-Apr-23
Optima Communications	Associate	\$ 4,800	\$ 4,800	Direct Payment - EFT	17-Feb-23
RGA Life Reinsurance Company of Canada	Associate	\$ 4,800	\$ 4,800	Direct Payment - EFT	31-Mar-23
Torys LLP	Associate	\$ 4,800	\$ 4,800	Direct Payment - EFT	28-Feb-23
Stikeman Elliott	Associate	\$ 4,800	\$ 4,800	Cheque	21-Mar-23
Norton Rose Fulbright Canada	Associate	\$ 4,800	\$ 4,800	Direct Payment - EFT	04-Apr-23
Royal & Sun Alliance Insurance Company	Associate	\$ 4,800	\$ 4,800	Cheque	28-Mar-23

#### Feb Invoices

**\$953,098      \$953,098**

#### Total Membership Fees

**\$953,098**

Total amount to reallocate monthly Jan-Dec. 2023

**\$79,424.83**



## **Briefing Note**

**CAFII EOC Meeting: 14 November, 2023—Agenda Item 3(b)**

**Financial Management – Forecast for CAFII 2023 Fiscal Year as at September 30/23**

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### **Purpose of this Agenda Item – Update**

To provide an update to the EOC on the Association's financial forecast through to the end of the 2023 fiscal year, as at October 31/23.

### **Background Information**

CAFII Treasurer Donald Hinnecke will provide an update based on the CAFII Fiscal Year Forecast as at October 31/23.

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

This is an update only.

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

One (1) attachment.

**2023 CAFII Budget**  
**In \$ Cdn**

	2019 Actuals	2020 Actuals	2021 Actuals	2022 Actuals	CAFII 2023 Budget	2023 YTD Oct 2023	2023 Forecast	Comment/Rationale
<b>Revenue</b>								
Membership Dues	734,664	884,721	955,970	\$991,653	\$929,964	\$794,248	\$953,097	New member not in plan (Lower tier)
Interest	982	399	236	\$2,579	\$5,500	\$9,468	\$11,468	Higher interest rates
Investments - Interest-Savings, Short-term CD	-	-	-	\$0	\$0	\$9,436	\$11,363	Not in Plan
CCBPI Revenue + one time event fees	195	-	-	\$12,511	\$0	\$380	\$380	
<b>TOTAL REVENUE</b>	<b>735,841</b>	<b>885,120</b>	<b>956,206</b>	<b>\$1,006,743</b>	<b>\$935,464</b>	<b>\$813,532</b>	<b>\$976,308</b>	
<b>EXPENSE</b>								
<b>Office Costs</b>								
Management Fees (CAFII staff and Managing Matters)	465,134	476,844	486,711	\$507,904	\$538,784	\$512,993	\$637,578	Includes costs for new staff and one time fees of ~\$27,000
New hire for 6 months overlap					\$102,895	\$0		Included in Mgmt fees
Audit Fees	14,799	16,743	13,224	\$15,187	\$16,402	\$13,168	\$15,902	Run Rate
Insurance	5,338	5,385	5,877	\$6,275	\$6,902	\$6,237	\$7,681	Run Rate
Member Communication and Technology Tools	10,022	5,765	6,958	\$7,990	\$8,810	\$9,952	\$11,422	Run Rate; new costs for additional staff members
Telephone/Fax/Internet	6,494	5,808	6,799	\$5,935	\$5,789	\$4,325	\$5,824	Run Rate; new costs for additional staff members
Postage/Courier	159	53	-	\$60	\$86	\$73	\$125	Placeholder, not material
Office Expenses	2,025	2,158	2,694	\$7,898	\$10,751	\$2,267	\$3,267	Run rate, slightly elevated for fall program
Bank Charges	112	236	663	\$548	\$628	\$532	\$682	Same as budget
New Office Equipment				\$0	\$0	\$0	\$0	Same as budget
Depreciation Computer/Office Equipment	1,136	1,136	1,136	\$716	\$2,821	\$961	\$1,381	Run rate, new equipment re new staff
Miscellaneous Expense	-	-	-	\$283	\$500	\$0	\$0	Same as budget
Total Office related expenses	505,219	514,128	524,061	\$552,796	\$694,369	\$550,507	\$683,862	
Legal and consulting costs associated with regulatory submissions and initiatives	-	28,975	74,221	\$0	\$90,400	\$18,479	\$28,478	Actual spend plus additional \$10,000 for legal work yet to be defined
<b>Board/EOC/AGM</b>								
Annual Members and Associates Luncheon	12,052	-	-	\$13,147	\$16,120	\$13,666	\$13,666	Actual spend, no further costs
Board Hosting (External)	14,001	-	-	\$203	\$24,075	\$7,500	\$15,000	Reduced spend projected
Board/EOC Meeting Expenses	35,419	4,676	1,822	\$11,361	\$31,089	\$11,214	\$15,954	Actual spend with increases Q3/Q4 due to new staff members
Industry Conferences and Events	-	-	-	\$615	\$3,627	\$4,410	\$4,410	rolled into other lines
EOC Annual Appreciation Dinner	2,193	4,244	-	\$2,501	\$5,676	\$2,964	\$2,964	Hold to Budget for year
Speaker fees & travel	1,189	-	-	\$0	\$1,500	\$738	\$738	rolled into other lines
Gifts	200	-	-	\$765	\$1,284	\$0	\$0	rolled into other lines
Networking Events	-	-	-	\$1,854	\$5,650	\$61	\$13,262	Lines above rolled into this forecast
CAFII 25th Anniversary Celebration	-	-	-	\$15,315	\$0	\$0	\$0	
<b>Total Board/EOC/AGM</b>	<b>65,053</b>	<b>8,920</b>	<b>1,822</b>	<b>\$45,761</b>	<b>\$89,021</b>	<b>\$40,552</b>	<b>\$65,994</b>	
<b>Regulatory and Industry</b>								
Provincial Regulatory Visits and Relationship-Building	16,833	983	-	\$9,205	\$41,000	\$20,234	\$27,500	Revised estimate
Federal Regulatory Visits and Relationship-Building	442	540	-	\$0	\$5,000	\$0	\$0	Included in Provincial
Research/Studies	5,368	28,646	75,473	\$73,026	\$67,800	\$10,848	\$68,814	CAFII 2023 Research Project w LIMRA in Q4
Webinar Fees				\$7,684	\$15,368	\$11,526	\$13,684	Revised estimate
Website SEO and Enhancements	40,914	31,144	50,737	\$45,200	\$45,200	\$33,900	\$45,200	Revised estimate
CAFII Benchmarking Study/RSM Canada	-	68,365	67,800	\$67,800	\$71,190	\$50,850	\$67,800	Revised estimate
Media Outreach	5,683	350	9,542	\$2,779	\$9,040	\$1,818	\$2,151	Revised estimate
Media Consultant Retainer	27,120	27,685	29,792	\$37,331	\$37,500	\$27,593	\$35,608	New Media consultant Oct 23, run rate higher than plan
Marketing Collateral	1,629	845	717	\$1,787	\$7,000	\$1,462	\$2,700	Revised Estimate
<b>Total Regulatory and Industry</b>	<b>105,543</b>	<b>179,462</b>	<b>254,966</b>	<b>\$244,812</b>	<b>\$299,098</b>	<b>\$158,232</b>	<b>\$263,457</b>	
<b>TOTAL EXPENSE</b>	<b>675,816</b>	<b>731,485</b>	<b>855,070</b>	<b>\$843,368</b>	<b>\$1,172,888</b>	<b>\$767,770</b>	<b>\$1,041,792</b>	
<b>Excess of Revenue over Expenses</b>	<b>60,025</b>	<b>153,636</b>	<b>101,136</b>	<b>\$163,375</b>	<b>-\$237,424</b>	<b>\$45,762</b>	<b>-\$65,484</b>	
Unrestricted Net Assets (beginning of year)	170,198	230,223	230,223	\$505,900	\$621,727	\$669,275	\$669,275	
Unrestricted Net Assets (end of period)	230,223	383,859	331,359	\$669,275	\$384,303	\$715,037	\$603,790	

**Explanatory Notes:**

- (1) Assumes Two Co-Executive Directors, one @ 5 days per week; one @ 4.5 days per week; plus Managing Matters Admin support  
(2) Amortization of office equipment based on 4 year straight line depreciation

Actual/Forecasted Financial Reserves	2019 Actuals	2020 Actuals	2021 Actuals	2022 Actuals	CAFII 2023 Budget	2023 YTD Oct 2023	2023 Forecast
Minimum 3 months (25%) of Annual Operating Expenses =	\$168,954	\$182,871	\$213,767	\$210,842	\$293,222	\$191,943	\$260,448
Maximum 6 months (50%) of Annual Operating Expenses =	\$337,908	\$365,742	\$427,535	\$421,684	\$586,444	\$383,885	\$520,896
Actual/Forecasted Level of Financial Reserves:	\$230,223	\$383,859	\$331,359	\$669,275	\$384,303	\$715,037	\$603,790
Actual/Forecasted Level of Financial Reserves %:	34%	52%	39%	79%	33%	93%	58%

### 2019 Operational Budget - Member Dues Breakdown

#### 2018 Member Dues Breakdown

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

#### 2019 (Base) Member Dues Breakdown

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

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

#### 2019 Member Dues Breakdown

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

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

#### 2020 Member Dues Breakdown

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

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

#### 2020 Member Dues Breakdown

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

#### 2020 Upper Tier Member

BMO Bank of Montreal  
CIBC Insurance  
RBC Insurance  
Scotiabank Financial  
TD Insurance  
Desjardins Financial Security Life Assurance Company  
National Bank Life Insurance Company  
Manulife Financial  
The Canada Life Assurance Company

#### 2020 Lower Tier Member

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

#### 2020 Initiation Members (Upper Tier)

Sun Life Financial

#### 2020 Associate

RSM Canada  
Willis Towers Watson  
KPMG MSLP  
Optima Communications  
RGA Life Reinsurance Company of Canada  
Torys LLP

\*TBC

\*TBC

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

#### Did not renew in 2020

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

### 2021 Operational Budget - Member Dues Breakdown - No Dues Increase

#### 2021 Member Dues Breakdown

Upper Tier Member	77,110	9	693,989.10
Lower Tier Member	38,555	4	154,219.80
Initiation Members (Upper Tier)	46,266	1	46,265.94
Initiation Members (Lower Tier)	23,133	0	0.00
Associate	4,800	5	24,000.00
			918,474.84

#### 2021 Upper Tier Member

BMO Bank of Montreal  
CIBC Insurance  
RBC Insurance  
Scotiabank Financial  
TD Insurance  
Desjardins Financial Security Life Assurance Company  
National Bank Life Insurance Company  
Manulife Financial  
The Canada Life Assurance Company

#### 2021 Lower Tier Member

Assurant Solutions  
Canadian Premier Life Insurance Company  
Valeyo  
Cumis Group Ltd/Co-operators Life Insurance Co.

#### 2021 Initiation Members (Upper Tier)

Sun Life Financial 2 Year

#### 2021 Associate

RSM Canada  
Willis Towers Watson  
KPMG MSLP  
Optima Communications  
RGA Life Reinsurance Company of Canada  
Torys LLP

# 2021 Forecast

## 2021 Member Dues Breakdown

Upper Tier Member	77,110	9	693,989.10
Lower Tier Member	38,555	4	154,219.80
Initiation Members (Upper Tier)	46,266	1	46,265.94
Initiation Members (Lower Tier)	13,494	1	13,494.00
Associate	4,800	10	48,000.00
			955,968.84

## 2021 Upper Tier Member

BMO Bank of Montreal  
CIBC Insurance  
RBC Insurance  
ScotiaLife Financial  
TD Insurance  
Desjardins Financial Security Life Assurance Company  
National Bank Life Insurance Company  
Manulife Financial  
The Canada Life Assurance Company

## 2021 Lower Tier Member

Assurant Solutions  
Canadian Premier Life Insurance Company  
Valeyo  
Cumis Group Ltd/Co-operators Life Insurance Co.

## 2021 Initiation Members (Upper Tier)

Sun Life Financial

2 Year

## 2021 Associate

RSM Canada  
Willis Towers Watson  
KPMG MSLP  
Optima Communications  
RGA Life Reinsurance Company of Canada  
Torys LLP  
Dog and Pony Studios  
Stikeman Elliott LLP  
RSA  
Norton Rose Fulbright Canada

## Initiation Members (Lower Tier)

Canadian Tire Bank

CTB is joining CAFII in early June, we will prorate CTB's 2021 Initiation Member Dues to 7/12 of the full year amount

# 2022 Operational Budget - Member Dues Breakdown - No Dues Increase

## 2022 Member Dues Breakdown

Upper Tier Member	77,110	10	771,099.00
Lower Tier Member	38,555	4	154,219.80
Initiation Members (Upper Tier)	46,266	0	0.00
Initiation Members (Lower Tier)	23,133	1	23,132.97
Associate	4,800	9	43,200.00
			991,651.77

## 2022 Upper Tier Member

BMO Bank of Montreal  
CIBC Insurance  
RBC Insurance  
ScotiaLife Financial  
TD Insurance  
Desjardins Financial Security Life Assurance Company  
National Bank Life Insurance Company  
Manulife Financial  
The Canada Life Assurance Company  
Sun Life Financial

## 2022 Lower Tier Member

Assurant Solutions  
Canadian Premier Life Insurance Company  
Valeyo  
Cumis Group Ltd/Co-operators Life Insurance Co.

## 2022 Initiation Members (Upper Tier)

## 2022 Associate

RSM Canada  
Willis Towers Watson  
KPMG MSLP  
Optima Communications  
RGA Life Reinsurance Company of Canada  
Torys LLP  
Stikeman Elliott LLP  
RSA  
Norton Rose Fulbright Canada

## Initiation Members (Lower Tier)

Canadian Tire Bank

2nd Year

# 2023 Operational Budget - Member Dues Breakdown - No Dues Increase

## 2023 Member Dues Breakdown

Upper Tier Member	77,110	9	693,989.10
Lower Tier Member	38,555	5	192,774.75
Initiation Members (Upper Tier)	46,266	0	0.00
Initiation Members (Lower Tier)	23,133	1	23,132.97
Associate	4,800	9	43,200.00
			953,096.82

## 2023 Upper Tier Member

BMO Bank of Montreal  
CIBC Insurance  
RBC Insurance  
ScotiaLife Financial  
TD Insurance  
Desjardins Financial Security Life Assurance Company  
National Bank Life Insurance Company  
Manulife Financial  
The Canada Life Assurance Company  
Sun Life Financial - Remove next year

## 2023 Lower Tier Member

Assurant Solutions  
Canadian Premier Life Insurance Company  
Valeyo  
Cumis Group Ltd/Co-operators Life Insurance Co.  
Canadian Tire Bank

## 2022 Initiation Members (Upper Tier)

## 2023 Associate

RSM Canada  
Willis Towers Watson  
KPMG MSLP  
Optima Communications  
RGA Life Reinsurance Company of Canada  
Torys LLP  
Stikeman Elliott LLP  
RSA  
Norton Rose Fulbright Canada

## Initiation Members (Lower Tier)

Chubb Life Insurance Company of Canada

## **Briefing Note**

### **CAFII EOC Meeting: 14 November, 2023—Agenda Item 3(c) Financial Management – 2024 CAFII Operating Budget**

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#### **Purpose of this Agenda Item – Update/Discussion**

To present the Proposed CAFII 2024 Operating Budget to the EOC and ask for its input on the draft Budget, which will then be recirculated to EOC members via email shortly after this meeting, with a request for feedback and/or endorsement by November 21/23; and subsequently presented to the Board for approval at its December 5/23 meeting.

#### **Background Information**

CAFII management has worked with Committee Chairs, Treasurer D. Hinnecke, EOC Chair Rob Dobbins, EOC Vice-Chair Karyn Kasperski, and CAFII's Controller/Accountant R. Nason at Managing Matters on the Proposed CAFII 2024 Operating Budget. A draft budget with detailed notes explaining the rationale for each line item has been included in the Consolidated Package.

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

This is an update item with an opportunity for discussion.

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

One (1) attachment.

2024 CAFII Budget  
In \$ Cdn

Agenda Item 3(c)  
November 14/23 EOC Meeting

	YTD Sep 2023	2023 Budget	2023 Forecast	CAFII 2024 Budget	Growth % (2024 Base Case vs 2023 Forecast)	Comment/Rationale
Revenue						
Member and Associate Dues	714,823	929,964	953,097	916,342		No Member Dues Increase; Loss of Valeyo as a Member; Increase in Associate Dues from \$4800 to \$5,000 (first increase since 2011)
Interest	16,358	5,500	22,831	15,000		Surplus cash invested in short-term GICs (e.g. 100 days)
Miscellaneous (One time event fees)	380		380	-		Extra, non-complimentary seats purchased for Annual Members and Associates Luncheon
TOTAL REVENUE	731,561	935,464	976,308	931,342	-5%	
EXPENSE						
Office Costs						
CAFII Staff Salaries and Benefits				406,267	0%	3 staff members in 2024; includes 4% increase over 2023, but pro-rated for new hires (August 2023 start)
Managing Matters Contractual Fees	451,230	538,784	637,578	127,648	-80%	2.0% contractual increase over 2023
New Hire for 6 months		102,895				
Managing Matters Webinar Fees	9,605	15,368	13,684	11,526	-16%	6 webinars @ \$1700 each with HST
Audit Fees	11,801	16,402	15,902	17,000	7%	~ 8% increase on 2023 Actual amount
Insurance	5,515	6,902	7,681	8,500	11%	~10% on 2023 Actual amount, as per advice from insurance broker Prolink
Member Communication and Technology Tools	8,958	8,810	11,422	11,500	1%	No increase in this item for annual subscriptions/fees for CG Technologies support; Constant Contact; Soda PDF Premium; Zoom; Survey Monkey; and MSTeams Virtual Platform
Telephone/Fax/Internet	4,221	5,789	5,824	6,000	3%	No increase - Includes Office Telephone landline (\$56.50 per month), Conference Calls facility (\$47.46 per month) & Staff members' home office internet and mobile phone charges
Postage/Courier	73	86	125	200	60%	33% Increase on 2023 Forecast amount- Occasional Cheque Mailings and Ad Hoc Mailings
Office Expenses	2,204	10,751	3,267	3,600	10%	~5% Increase on 2023 Forecast amount- CAFII office supplies for MM and for Staff members' home offices
Bank Charges	371	628	682	680	0%	~5% Increase on 2023 Forecast amount- Annual Credit Card Fee (\$190) plus monthly EFT fee (\$25 per month)
New Office Equipment	-	-	-	-		
Depreciation Computer/Office Equipment	756	2,821	1,381	3,217	133%	Depreciations of three staff members' computer equipment plus purchase of 2 newlpads (Removed Brendan's equipment- which will be fully depreciated)
Professional Development/Continuing Education		-		8,475		One Job-related Professional Development program for each of Keith, Shanay, and Robyn (\$2500 x 3)+ Hst
Miscellaneous Expense	-	500	-	-		
Total Office-Related Expenses	494,734	709,736	697,546	604,613	-13%	
Legal Counsel and Consultant Support Associated with Regulatory Submissions and Related Communications/Advocacy Initiatives	17,987	90,400	28,479	50,000	76%	Same as 2023 Budget: Contingency Provision for legal and consulting costs
Board/EOC/AGM						
Annual Members and Associates Luncheon	13,666	16,120	13,666	14,000	2%	No increase from 2023 Forecast Amount
Board Hosting (External)	7,500	24,075	15,000	22,500	50%	200% increase on 2023 Actual Amount: CAFII Board Hosting Reimbursement Policy provides for up to \$7,500 reimbursement to Member host of a CAFII Board meeting and/or Reception event (but policy may be updated/amended due to inflation since policy introduced in 2015)
Board/EOC Meeting Expenses	8,444	31,089	15,954	16,000	0%	No Increase from 2023 Forecast
Industry Conferences and Events	4,184	3,627	4,410	15,000	240%	Includes Travel Expenses for 3 CAFII staff members to attend May 2024 CLHIA Compliance and Consumer Complaints Annual Conference in Vancouver
EOC Annual Appreciation Dinner	2,964	5,676	2,964	6,500	119%	14.5% increase on 2023 budget amount
Speaker fees & travel	738	1,500	738	1,600	117%	Doubling of 2023 forecast amount due to possibility of 2 speakers in 2024
Gifts	-	1,284	-	1,200	0%	This is a placeholder of \$1200
CAFII Staff/Board Relationship-Building				2,000		New Initiative: Provision for informal relationship-building lunches every second month for 3 CAFII staff members with each CAFII Board member and team members they may wish to bring, approximately once every 18 months for each Director (focused on Member satisfaction, feedback, and suggestions for improvements); as well as once a year lunch with EOC Chair, Vice Chair, and Treasurer
Networking Events	61	5,650	13,262	2,000	-85%	~2023 includes one time retirement party for Brendan of ~\$10000
Miscellaneous Expenses				1,000		New initiative - Administration of Kolbe workstyles assessment instrument, and related results reporting for new/incoming EOC Chair and EOC Vice-Chair
CAFII 25th Anniversary Celebration	-	-	-	-	0%	No provision required: next CAFII Anniversary Celebration will be 30th in 2027
Total Board/EOC/AGM	37,557	89,021	65,994	81,800	24%	
Regulatory and Industry						
Provincial Regulatory Visits and Relationship-B	17,364	41,000	27,500	3,000	-89%	No regulatory tours
Federal Regulatory Visits and Relationship-Building	-	5,000	-	2,000	0%	Provision for return to in-person relationship-building meetings with FCAC
Research/Studies	10,848	67,800	68,814	68,814	0%	No increase
Website SEO and Enhancements	22,600	45,200	45,200	96,276	113%	Includes one-time-only 2024 provision of \$40K for rebuilding the back-end of CAFII website
CAFII Benchmarking Study/RSM Canada	33,900	71,190	67,800	67,800	0%	No increase for continuation of CAFII CPI Benchmarking Study with RSM Canada, estimated at \$60K plus + 5% fees increase +HST (first increase since CAFII took over this former CBA study, in 2020)
Media Outreach	1,735	9,040	2,151	3,000	39%	For wire services and related media release expenses, + HST--> \$300 for new Keith Martin photograph by professional photographer
Media Consultant Retainer	25,051	37,500	35,608	36,000	1%	Same as 2023 Forecast amount: monthly retainer fees for Wendy Bairos, new CAFII Media Consultant
Marketing Collateral	1,462	7,000	2,700	2,700	0%	Same as 2023 Forecast amount: provision for design and printing of CAFII marketing materials, such as research results leave-behinds
Total Regulatory and Industry	112,960	283,730	249,773	279,590	12%	
TOTAL EXPENSE	663,238	1,172,887	1,041,792	1,016,003	-2%	
Excess of Revenue over Expenses	68,323	(237,423)	(65,484)	(84,661)		
Unrestricted Net Assets (beginning of year)	669,275	621,727	669,275	603,791		
Unrestricted Net Assets (end of year)	737,598	384,304	603,791	519,130		

Explanatory Notes:

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

Actual/Forecasted Financial Reserves	YTD Oct 2022	2022 Plan	2022 Forecast	CAFII 2023 Plan Base Case (4% staff salary increase)
Minimum 3 months (25%) of Annual Operating Expenses	\$165,809	\$293,222	\$260,448	\$254,001
Maximum 6 months (50%) of Annual Operating Expenses	\$331,619	\$586,444	\$520,896	\$508,001
Actual/Forecasted Level of Financial Reserves:	\$737,598	\$384,304	\$603,791	\$519,130
Actual/Forecasted Level of Financial Reserves %:	93%	33%	58%	51%

## **Briefing Note**

**CAFII EOC Meeting: 14 November, 2023—Agenda Item 3(d)**  
**Financial Management – Updated Critical Path for Development and Approval of CAFII 2024 Operating Budget**

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### **Purpose of this Agenda Item – Update**

To provide an update to the EOC on the Critical Path for the Development and Approval of the 2024 CAFII Operating Budget.

### **Background Information**

Co-Executive Director Brendan Wycks will update the EOC on the Critical Path for Development and Approval of CAFII's 2024 Operating Budget.

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

This is an update only.

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

One (1) attachment.



**Critical Path for Development and Approval of 2024 CAFII Operating Budget**

Task	Responsible	Timing/Deadline
Reach out to CAFII Committee Chairs and Vice-Chairs, on behalf of Co-Executive Directors, with request for input submissions on individual portfolio 2024 Operating Budget spending requests, along with related rationale, by October 4/22	Ricky Nason (new CAFII Controller)	October 6/23
Provide input submissions on individual portfolio 2024 Operating Budget spending requests, along with related rationale, to Controller R. Nason (with c.c. to D. Hinnecke, B. Wycks, and K. Martin)	Committee Chairs and Vice-Chairs	October 17/23
Prepare Draft 1 of 2023 Operating Budget, in consultation with K. Martin, S. Smith, R. Jennings, and B. Wycks	R. Nason	October 27/23
Meet virtually to review and amend, as necessary, Draft 1 of 2024 Operating Budget	D. Hinnecke, R. Dobbins, K. Kasperski, B. Wycks, K. Martin, R. Nason, S. Smith, R. Jennings	November 9-10/23
Prepare Draft 2 of 2024 Operating Budget, with oversight from K. Martin, S. Smith, R. Jennings, and B. Wycks	R. Nason	November 10-13/23
Post Draft 2 of 2023 Operating Budget for November 14/23 EOC Meeting and incorporate it into consolidated package of meeting materials	T. Woodland, B. Wycks, S. Smith	November 10-13/23
Review and provide feedback on Draft 2 of 2023 Operating Budget, in November 14/23 EOC meeting and thereafter by November 21/23	EOC Members	November 14-21/23
Prepare and send Draft 3 of 2024 Operating Budget, which includes EOC feedback, to Committee Chairs, Vice-Chairs and EOC members, with request for review and final feedback by November 23/23	R. Nason	November 22/23
Provide feedback on Draft 3 of 2023 Operating Budget to Controller R. Nason (with c.c. to D. Hinnecke, B. Wycks, and K. Martin)	Committee Chairs, Vice-Chairs, and EOC Members	November 24/23
If necessary, prepare Draft 4 of 2024 Operating Budget for inclusion in December 5/23 Board Meeting Consolidated Meeting Materials Package	R. Nason	November 27/23
If necessary, meet virtually to review and finalize Draft 4 of 2024 Operating Budget for inclusion in December 5/23 Board Meeting Materials Package	D. Hinnecke, B. Wycks, K. Martin, R. Nason, S. Smith, R. Jennings	November 27/23
Include and Disseminate Draft 4 of 2024 Operating Budget in December 5/23 Board of Directors meeting materials package	T. Woodland, B. Wycks, S. Smith	November 28/23
Present Draft 4 of 2023 Operating Budget to Board of Directors with rationale/case for approval	D. Hinnecke	December 5/23
Review, discuss, and approve Draft 4 of 2024 Operating Budget (must be in open Board meeting so the approval decision can be minuted)	Board of Directors	December 5/23



## **Briefing Note**

### **CAFII EOC Meeting: 14 November, 2023—Agenda Item 4(a) Committees and Working Groups – Diversity, Equity, and Inclusion**

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#### **Purpose of this Agenda Item – No Update**

There is a Written Update-only item for this EOC agenda.

#### **Background Information**

A Written Update has been provided by Diversity, Equity, and Inclusion Working Group Chair Tejal Harri-Morar.

#### **Recommendation / Direction Sought – No Update**

No action required.

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

One (1) attachment.

***Agenda Item 4 a  
November 14/23 EOC Meeting***

**Diversity, Equity and Inclusion Working Group (Chair: Tejal Harri-Morar)**

The working group met on Monday, October 16, 2023 after the summer vacation schedules.

“Words Matter” webinar was presented on Thursday, October 26, 2023 which was available to all CAFII members. This was a really good webinar, and a lot of learning came out of that webinar relating to terms that we all use in this industry that we have not realized might be offensive.

The group discussed:

- Scope - CAFII to review their HR policy and scope should also include DEI advancement at the board level;
- Still Looking at high level principles which will be informed by the survey that we will send out to member companies. The proposed idea is to gather information from member companies who will also be provided the opportunity to advance any principles or practices that they believe should be incorporated;
- Also what succession planning do our member companies currently have in place which will also be part of the scope of the working committee.

RBC and Karen Kasperski have volunteered one of their DEI representatives to speak to the Working Group at the next meeting and share perspectives on DEI work.

The next meeting is scheduled for November 20, 2023.

## **Briefing Note**

**CAFII EOC Meeting: 14 November, 2023—Agenda Item 4(b)i**

**Committees and Working Groups – Market Conduct & Licensing** - Plans for In-Person/Hybrid Presentation of CAFII's 2023 Research Results-Focused PowerPoint Deck to FSRA Staff Executives on November 15/23

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### **Purpose of this Agenda Item – Update**

To update the EOC on CAFII's plans for an In-Person/Hybrid Presentation of CAFII's 2023 Research Results-Focused PowerPoint Deck to FSRA Staff Executives on November 15/23.

### **Background Information**

CAFII Co-Executive Director Keith Martin will update the EOC on CAFII's plans for an In-Person/Hybrid Presentation of CAFII's 2023 Research Results-Focused PowerPoint Deck to FSRA Staff Executives on November 15/23.

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

This is an update only.

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

No attachments.

## **Briefing Note**

### **CAFII EOC Meeting: 14 November, 2023—Agenda Item 4(b)ii**

**Committees and Working Groups – Market Conduct & Licensing** - Outcomes of Committee Meeting Re CCIR Consultation on Type and Nature of Complaints to Be Disclosed Through Annual Statement on Market Conduct (ASMC) via Complaint Report Tool (Original Submission Deadline: November 3/23; subsequently extended to November 17/23)

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### **Purpose of this Agenda Item – Update/Discussion**

To provide an update to the EOC, with an opportunity for discussion, on the outcomes of the Market Conduct & Licensing Committee's meeting Re CCIR's Consultation on the Type and Nature of Complaints to Be Disclosed Through the Annual Statement on Market Conduct (ASMC) via Complaint Report Tool (Original Submission Deadline: November 3/23; subsequently extended to November 17/23)

### **Background Information**

CAFII Co-Executive Director Keith Martin will update the EOC on the outcomes of the Market Conduct & Licensing Committee's meeting Re CCIR's Consultation on the Type and Nature of Complaints to Be Disclosed Through the Annual Statement on Market Conduct (ASMC) via Complaint Report Tool (Original Submission Deadline: November 3/23; subsequently extended to November 17/23) .

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

This is an update item with an opportunity for discussion.

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

One (1) attachment.

20 November, 2023

Huston Loke  
Chair, Canadian Council of Insurance Regulators  
C/O Financial Services Regulatory Authority of Ontario  
25 Sheppard Avenue West, Suite 100  
Toronto, Ontario  
M2N 6S6

CC  
Raseema Alam, Policy Manager, CCIR  
Peter Burston, Director, National Policy Coordination, CCIR  
[ccir-ccra@fsrao.ca](mailto:ccir-ccra@fsrao.ca)

Dear Mr. Loke,

The Canadian Association of Financial Institutions in Insurance (CAFII) would like to thank the Canadian Council of Insurance Regulators (CCIR) for the opportunity to respond to your proposed new definition of a complaint and the directly related proposed new approach to the reporting of complaints via CCIR's Annual Statement on Market Conduct (ASMC).

Our first comment is that, while possibly not immediately obvious from a regulator's perspective, these proposals actually constitute a significant change that has major implications for life and health insurers (and their financial institution distributors who support their insurer partners in providing data required for the annual ASMC filing) that actually result in the proposal representing a very major undertaking.

We believe that thorough, meaningful consultations and dialogue with industry stakeholders lead to better regulatory outcomes. Prior to the recent launch of this current CCIR consultation, there was no dialogue with industry Associations regarding either CCIR's intention to change the definition of a complaint or the changes being contemplated around ASMC's reporting requirements associated with complaints. Having a thorough industry consultation of at least 45 business days (nine weeks), including pre-consultation dialogue, would have been a more efficient and effective way to proceed. This would have provided CAFII, and other industry stakeholders, an opportunity to identify and communicate some of our serious concerns early on in the process.

We appreciate that an extension to the original 19-day consultation was provided, but even with the extension, less than 30 days will have been provided to offer feedback on an initiative

that has major resource implications for CAFII members. As an industry association, CAFII requires time to coordinate input, review comments received, and obtain approval from members in diverse organizations in order to ensure the comments it submits accurately reflects the position of its membership.

The new complaints information that CCIR is requesting is not data currently captured by our members. The data that is currently recorded and reported by CAFII's members is based on the prevailing definition of a complaint that is applicable to the insurance industry as reflected in the ASMC since its inception<sup>1</sup>. As a result, the insurance industry has developed processes, systems and logs to support the regulatory expectation that are focused on escalated and persistent customer concerns and experiences.

In contrast, the newly proposed approach does not share the same differentiation between first level complaints (complaints resolved at the operational level) and second level complaints (complaints that are escalated). Instead, the proposal identifies new categories which CCIR is proposing to introduce to the ASMC (breach of confidentiality of customer information, illegal activities, ethical misconduct, product design issues, unfair sales practices); these may have been raised by a customer as a first-line complaint and then resolved with the customer without requiring an escalation. Furthermore, confidentiality breaches and illegal activities are situations where a client would lodge or record a particular activity, which is different from a complaint where the client is looking for a solution, settlement or resolution.

First-line complaints that are resolved without escalation are not tracked by most insurers and their financial institution distributor partners. As such, tracking these complaints would require significant resource allocation and investments in new processes, including the introduction of new technology capabilities or significant revisions to existing systems. The required changes to support the revised approach to categorizing, recording and reporting complaints would require approval of a budget plan and dedicating resources to implement this change.

The change request from CCIR is to report on 2024 data. For our bank distributor of insurance members in particular, the fiscal year starts on November 1; and, as such, the 2024 data requested would already need to be tracked and collected. It will be impossible for our members to track 2024 data, even if it is not reported until 2025, given that we have only just learned of the interest of CCIR in these new complaints reporting requirements. Furthermore, given that this information is not currently tracked and will require a potentially significant investment of resources and system changes, the timeline to report this complaints information is unrealistic.

The proposed complaints changes raises questions about the value and necessity of making such investments; and about re-allocating scarce resources away from other Fair Treatment of

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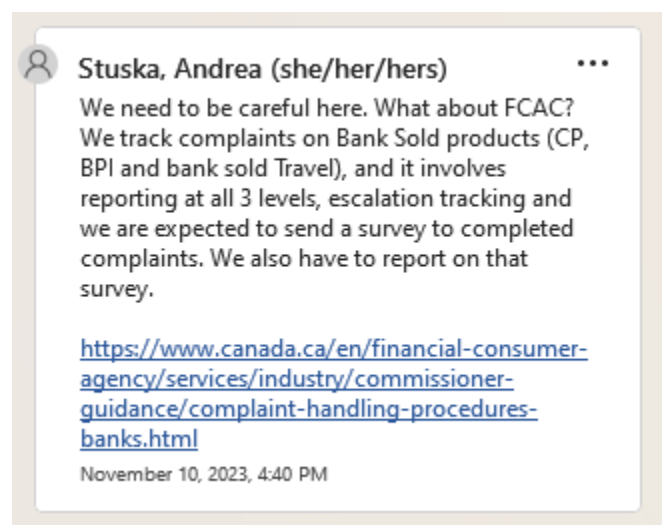
<sup>1</sup> ASMC definitions includes the follow key characteristics: a reproach, identification of a real or potential harm or request for remedial action that persists after being considered and examined at the operational level.

Customers (FTC) priorities and dedicating them instead to this new regulatory data reporting request. We have not previously heard from CCIR or its members that there is an issue that needs to be addressed around complaints reporting itself, and as such we are not convinced that the information that the CCIR is seeking to better understand is best addressed by changing the current ASMC reporting requirements on complaints.

Furthermore, the CCIR is already obtaining a significant volume of information through the ASMC. It is likely less costly and intrusive to introduce changes in terms of how the currently collected data is analyzed in order to extract the information that is being sought in the CCIR's proposal. For example, the number of privacy breaches experienced during the reported period is already been collected by the CCIR, which may result in duplicative reporting if there is an effort to also report breaches where the source of identifying it is a consumer complaint. Additionally, existing complaint reporting data in the ASMC includes the complaint category, cause for the complaint and an open text comment field. Information submitted by insurers through the existing tool as currently structured could be leveraged to extract the information the CCIR is seeking.

***Note to Draft: we need to consider whether we can keep the following paragraph, based on the comments immediately below it from Andrea Stuska.***

We also note that while CCIR is a critically important national coordinating body, it is not itself a regulator with regulatory authority and powers. As such, its initiatives and activities are rooted in the legislative and regulatory frameworks of its provincial/territorial members. Only Quebec's *Autorité des marchés financiers (AMF)* has a separate existing regulatory regime around complaints. To the best of CAFII's knowledge none of the other members of CCIR have the statutory, legislative, or regulatory framework in place that would require insurers to keep detailed records of front-line complaints.



[Guideline on Complaint-Handling Procedures for Banks and Authorized Foreign Banks - Canada.ca](https://www.canada.ca/en/financial-consumer-agency/services/industry/commissioner-guidance/complaint-handling-procedures-banks.html)

The buckets of information that CCIR is requesting reporting on are sweeping and not defined. Illegal activities, for example, is a very large bucket, and it is unclear exactly what CCIR is expecting member companies to report on, nor is it clear what will or will not fit into this bucket – for example, is the CCIR interested in allegations involving breaches of the Criminal Code of Canada or only breaches of regulatory expectations? Additionally, individuals who report illegal activities or privacy breaches are not triaged through a complaint handling process. These types of allegations are typically quite different from the reproaches and expressions of dissatisfaction of complainants and require different treatment and attention. The same challenge exists for the other categories of complaints identified by the CCIR.

We appreciate the opportunity to communicate our very significant concerns that this is a large project that might not result in the outcomes you seek. We believe that there is benefit to a dialogue with CCIR and industry on understanding the gap in information you are looking to address and whether there might be alternate ways of closing that gap.

Sincerely,

Rob Dobbins  
Board Secretary and Chair, Executive Operations Committee

### **About CAFII**

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

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

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



CAFI's 15 members include the insurance arms of Canada's major financial institutions--BMO Insurance, CIBC Insurance, Desjardins Insurance, National Bank Insurance, RBC Insurance, Scotia Insurance, and TD Insurance, along with major industry players Assurant Canada, The Canada Life Assurance Company, Canadian Tire Bank, Chubb Life Insurance Company of Canada, CUMIS Services Incorporated, Manulife (The Manufacturers Life Insurance Company), Securian Canada, and Valeyo.

## **Briefing Note**

**CAFII EOC Meeting: 14 November, 2023—Agenda Item 4(b)iii**

**Committees and Working Groups – Market Conduct & Licensing** - Ontario Government Consultation on Changing Minimum Time Period for Consultations From 90 days to 60 days (Submission Deadline: December 4/23)

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### **Purpose of this Agenda Item – Update**

To update the EOC on an Ontario Government Consultation on Changing the Minimum Time Period for FSRA and OSC Rule-Related Consultations From 90 days to 60 days (Submission Deadline: December 4/23).

### **Background Information**

CAFII Co-Executive Director Keith Martin will update the EOC on the Ontario Government's Consultation on Changing the Minimum Time Period for FSRA and OSC Rule-Related Consultations From 90 days to 60 days (Submission Deadline: December 4/23).

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

This is an update only.

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

Two (2) attachments.

**Act**

Agenda Item 4b(iii) November 14/23 EOC Meeting

**Proposed amendments to the Securities Act,  
Commodity Futures Act, and the Financial  
Services Regulatory Authority of Ontario Act,  
2016, that would reduce the minimum  
consultation period for proposed rules made by  
the Financial Services Regulatory Authority of  
Ontario (FSRA) and the Ontario Securities  
Commission (OSC) from 90 days to 60 days.**

**Regulation** n/a  
**Number(s):**

**Instrument Type:** Act

**Bill or Act:** Less Red Tape, More Common Sense Act, 2023,  
Securities Act, Commodity Futures Act, Financial  
Services Regulatory Authority of Ontario Act, 2016

**Summary of  
Proposal:** Currently, following the publication of a proposed  
rule, the OSC and FSRA are statutorily required to  
provide 90 days for the public to review and  
comment on the proposed rule.

As part of the Less Red Tape, More Common Sense Act, 2023, introduced on October 19, 2023 and led by the Ministry of Red Tape Reduction, the Ministry of Finance has proposed legislative amendments to subsection 143.2(4) of the Securities Act, subsection 67(4) of the Commodity Futures Act and subsection 22(4) of the Financial Services Regulatory Authority of Ontario Act, 2016 whereby the statutory minimum consultation period established for receiving feedback on proposed rules made by the OSC and FSRA would be reduced from 90 days to 60 days. While 60 days would be the minimum consultation period, the OSC and FSRA could set out longer consultation periods for consideration of more complex rules.

The proposed amendments would allow reduced consultation time and more timely enactment of simple, straightforward rules to respond to market changes and sector developments. It would provide the OSC and FSRA with the flexibility to streamline the rule development process and reduce regulatory burden, while having the ability to set out longer consultation periods for stakeholder

consideration of more complex rules. This proposal would align with comparable jurisdictions in Canada which have shorter consultation periods of 30 to 60 days, or do not specify a minimum period in legislation.

Agenda Item 4b(iii) November 14/23 EOC Meeting

**Analysis of  
Regulatory  
Impact:**

This proposal is not subject to the Modernizing Ontario for People and Business Act, 2020 and a Regulatory Impact Analysis was not required as it affects the operational rule-making process for FSRA and the OSC and does not impose any regulatory burden or direct compliance costs/impacts.

The proposed amendments align with the theme of making it easier to work with government as regulator-led initiatives, where appropriate, would not be delayed due to a statutory minimum consultation period. The OSC and FSRA would be able to respond more quickly to a rapidly evolving sector development and more effectively fulfil policy objectives such as improving investor and consumer protection, ensuring compliance with securities and financial services laws, and supporting the financial services sector.

Benefit quantification is not possible, as impact/benefits would differ depending on the regulator's discretion in varying the consultation time period for specific rule initiatives. Being able to respond quicker to market changes would help Ontario's financial sector competitiveness and protect investors and consumers more promptly.

**Further  
Information:**

 **Bill 139, Less Red Tape, More Common Sense Act, 2023**

**Proposal Number:**

23-MOF016

**Posting Date:**

October 19, 2023

**Comments Due  
Date:**

December 4, 2023

**Contact Address:**

Frost Bldg N, 4th Flr, 95 Grosvenor St, Toronto, ON, M7A 1Z1

Comment on this proposal via email

## Ontario proposes quicker consultations for OSC, FSRA

Legislative changes would cut minimum comment period to 60 days

By: James Langton | October 20, 2023 | 14:21



antonprado/123RF

James Langton

The Ontario government is proposing to cut the minimum consultation period for regulatory policy proposals from the Ontario Securities Commission (OSC) and the Financial Services Regulatory Authority of Ontario (FSRA).

Under proposed revisions to financial sector legislation, the minimum comment period for rulemaking initiatives would be cut from 90 days to 60 days.

“The proposed amendments would allow reduced consultation time and more timely enactment of simple, straightforward rules to respond to market changes and sector developments,” the government said in a notice detailing the proposed change.

Additionally, it said the reduced time for policy consultations “would provide the OSC and FSRA with the flexibility to streamline the rule development process and reduce regulatory burden, while having the ability to set out longer consultation periods for stakeholder consideration of more complex rules.”

Reducing the minimum comment period would align with other provinces that have shorter minimum periods, or no minimum at all, it also noted.

And it said that shorter consultations would make it easier to work with government, as regulatory initiatives “would not be delayed due to a statutory minimum consultation period.”

As a result, the regulators would also be able to “respond more quickly to a rapidly evolving sector development and more effectively fulfil policy objectives such as improving investor and consumer protection, ensuring compliance with securities and financial services laws, and supporting the financial services sector.”

Faster, more responsive regulation “would help Ontario’s financial sector competitiveness and protect investors and consumers more promptly,” it said.

The latest review of the OSC by Ontario’s Office of the Auditor General flagged the time it takes to bring rulemaking initiatives to fruition — particularly rules involving investor protection — as an issue at the regulator.

“We found that the process of making rules for capital markets is exceedingly slow,” the AG said in its report.

However, it flagged the need to find consensus with the rest of the Canadian Securities Administrators (CSA) as a major factor in slowing down the rulemaking process, and it highlighted government interference with regulatory policymaking as a source of delay too.

Among other things, that report recommended speeding up the process by empowering the OSC to go it alone and adopt rules without CSA agreement if necessary, and increasing the OSC’s focus on “managing risks relating to investor protection.” It also recommended measures to improve transparency around government involvement in rulemaking.

## Agenda Item 4b(iii) 2 - November 14/23 EOC Meeting

The proposed legislative change is now out for comment until Dec. 4.

## **Briefing Note**

### **CAFII EOC Meeting: 14 November, 2023—Agenda Item 4(b)iv**

**Committees and Working Groups – Market Conduct & Licensing** - Insights Gained from November 2/23 FSRA Life and Health Insurance Stakeholder Advisory Committee Meeting Re FSRA Consultation on “2024-25 Statement of Priorities and Budget”, and Update on CAFII’s Submission

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### **Purpose of this Agenda Item – Update**

To update the EOC on the insights gained from a November 2/23 FSRA Life and Health Insurance Stakeholder Advisory Committee Meeting Re FSRA Consultation on “2024-25 Statement of Priorities and Budget,” and provide an update on CAFII’s response submission on that matter.

### **Background Information**

CAFII Co-Executive Director Keith Martin will update the EOC on the insights gained from a November 2/23 FSRA Life and Health Insurance Stakeholder Advisory Committee Meeting Re FSRA’s Consultation on its “2024-25 Statement of Priorities and Budget,” and provide an update on CAFII’s response submission on that matter.

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

This is an update only.

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

Two (2) attachments.



# Life & Health Insurance Stakeholder Advisory Committee

## Proposed FY2024-25 Life & Health (L&H) Insurance Priorities and Financial Plan

# FSRA

Financial Services Regulatory  
Authority of Ontario

November 2, 2023



Ontario

## Agenda

1. Process Overview
2. FSRA 2024-25+ Priorities
3. FY2024-25 L&H Insurance Priorities
  - Environmental Scan
  - Priorities from SOP
4. L&H Insurance Supervision Updates
5. Financial Plan
6. Appendices
  - A. Strategic Framework
  - B. FY2023-24 FSRA Priorities
  - C. FY2024-25 Cross-Sectoral Priorities

# FSRA

Financial Services Regulatory  
Authority of Ontario



## Process Overview

### FSRA 2024-2025 Priorities and Financial Plan



- ☐ **September 19** – Board review of SOP and financial plan for consultation
- ☐ **10/10/23** – Public Comment Period Opens
- ☐ **11/13/23** – Public Comment Period Closes

### Stakeholder Advisory Committees

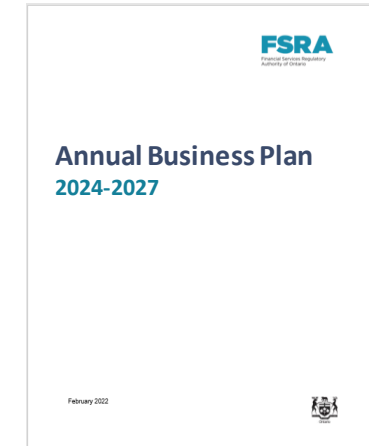


- Property and Casualty (P&C), Auto Insurance
- Financial Advisors/Planners
- Pensions
- Life and Health Insurance
- Health Service Providers
- Mortgage Brokering
- Credit Unions
- FSRA-wide



- ☐ **October-November** – FSRA Management Meetings with SAC
- ☐ **Week of December 4** – Updated SOP and financial plan input to ABP

### FSRA 2024-2027 Annual Business Plan (ABP)



- ☐ **January 30** – Approval by FSRA Board of ABP
- ☐ **January 31** – Submission of proposed ABP to Ministry of Finance
- ☐ **February 28** – Deadline to submit ABP to Minister of Finance

## FSRA 2024-25+ Proposed Priorities

 <p><b>Cross-Sectoral</b></p> <p>1. Advance the consumer interest</p> <p>2. Enable innovation</p> <p>3. Modernize systems and processes</p>	 <p><b>4. Property &amp; Casualty and Auto Insurance</b></p> <p>4.1 Execute strategy for reforming the regulation of auto insurance rates and underwriting</p> <p>4.2 Support reforms of the auto insurance system</p> <p>4.3 Ensure the fair treatment of customers of property and casualty insurance</p> <p>4.4 Promote resilience, stability, and public confidence in the Ontario-incorporated insurance companies and reciprocals sector</p>	 <p><b>5. Credit Unions</b></p> <p>5.1 Promote resilience, stability, and public confidence in Ontario's credit union sector</p> <p>5.2 Enhance FSRA's regulatory framework</p> <p>5.3 Enhance financial stability structures</p>	 <p><b>6. Life &amp; Health Insurance</b></p> <p>6.1 Strengthen Managing General Agents (MGA) regulatory framework</p> <p>6.2 Protect consumers who invest in segregated fund contracts</p>	 <p><b>7. Mortgage Brokering</b></p> <p>7.1 Promote strong conduct culture</p> <p>7.2 Enhance professional competence of licensed individuals</p>	 <p><b>8. Pensions</b></p> <p>8.1 Assess systemic and high priority risks in Ontario's pension sector</p> <p>8.2 Support the development of target benefit regulation</p>	 <p><b>9. Financial Planners &amp; Advisors</b></p> <p>9.1 Ensure the effectiveness of the title protection framework for financial planners/financial advisors</p>
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# **FY2024-2025 L&H Insurance Priorities**

# Insurance: Environmental Scan

## Economic Outlook

- Inflationary pressures, interest rate hikes, housing market fluctuations, and shifting labour market conditions have led to an overall uncertain economic environment.
- Extended periods of economic uncertainty may impact consumer vulnerability, confidence, and harm.

## Technological Advancement and Innovation

- FSRA is committed to actively monitoring and encouraging innovation in its regulated sectors while reducing the risk of consumer harm.
- Regulated entities and individuals have increased the use of technology in their internal and consumer-facing processes/ products, in areas of automation, artificial intelligence ("AI"), machine learning, digital security, as well as preparing for participation in Open Banking. The resulting risks, such as a cyber breach or a failure in IT infrastructure pose a risk to the operational resiliency of FSRA's regulated entities and can pose potential harm to consumers (e.g., privacy, access to essential services).
- The automation of processes across a lot of financial services include providing advice to consumers without the direct intervention of financial advisors or managers. There is an inherent risk that consumers take on when using digital platforms to receive advice that is not tailored to their specific needs, circumstances, or level of financial literacy. This can lead to several outcomes such as being sold products that are ill-suited for their needs and/or taking on more risk than the consumer was initially comfortable with.

## Emerging Issues and Trends

- FSRA's 2022 Consumer Survey indicates that in all of FSRA's regulated sectors, vulnerable groups tend to be less trusting, less satisfied, and less confident. Findings through FSRA's supervisory work suggest that vulnerable consumers experience poorer outcomes, are at greater risk of being susceptible to harm (such as fraud), and may experience more issues with product accessibility and suitability. Some regulated entities have signaled that they are shifting focus to how they can better ensure vulnerable persons receive an adequate level of protection.
- Financial services and pension plans are experiencing an increase in consolidation and are becoming increasingly complex. This trend is resulting in larger and more sophisticated insurers and insurance intermediaries.



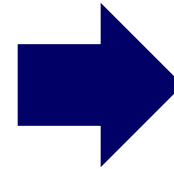
## LH Insurance Conduct: Key Points on 3-5 Year Strategy

- **Life & Health (L&H) Insurance:**
  - Multi-year strategy to establish and operationalize FSRA's approach to supervising the end-to-end distribution of L&H insurance products.
  - Key activities include:
    - scalable life agent examinations
    - enhanced standards for the design, distribution and administration of segregated fund contracts
    - further research into MGA distribution in Ontario
    - implementation of new regulatory requirements for products sold through MGAs

## 6.1 Strengthen Managing General Agents (“MGA”) Regulatory Framework

### *Outcomes We Are Seeking*

- i. Obligations of insurers, MGAs and sales agents in product sales/service are clear, particularly in relation to distribution practices.
- ii. Consumers are treated fairly and sold products that suit their needs based on advice provided by an adequately trained/monitored life agent.



### *Key Activities to Achieve Outcomes*

- a) Completing stakeholder consultation on proposed MGA Rule and supporting guidance and implementing new standards, and, subject to Finance Minister approval, a new Rule.
- b) FSRA is developing a plan and acquiring resources and capabilities to effectively oversee new regulatory standards.

### *Policy Update*

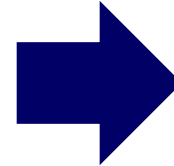
- FSRA will shortly publish Life Insurance Agent & MGA Suitability Guidance for public consultation.
- FSRA continues to make progress with drafting an Insurance Intermediary Rule. Public consultation planned for early 2024.



## 6.2 Protect consumers who invest in Segregated Fund contracts

### *Outcomes We Are Seeking*

- i. Insurers and agents put customers' interests first and manage conflicts of interest appropriately when they design, sell and administer segregated fund contracts.
- ii. Agents take appropriate steps to ensure they understand the products they sell and their customers' needs, give suitable advice about how segregated fund contracts can meet those needs, and give customers the information they need to make suitable choices.
- iii. Insurers train and monitor agents to ensure they make suitable recommendations and provide appropriate service over the lifetime of the contracts.



### *Key Activities to Achieve Outcomes*

- a) Working with CCIR and CISRO to create consolidated national guidance relating to the design, distribution, issuance, sale, and administration of segregated funds.
- b) Developing a rule and (if necessary) guidance, consistent with the CCIR and CISRO consolidated national guidance, to address related gaps in consumer protection.

### *Policy Update*

- FSRA will shortly implement the second proposed amendment to the UDAP Rule regarding deferred sales charges ("DSC Rule 2").
- FSRA continues to work closely with CISRO and CCIR to draft national guidance for segregated funds.

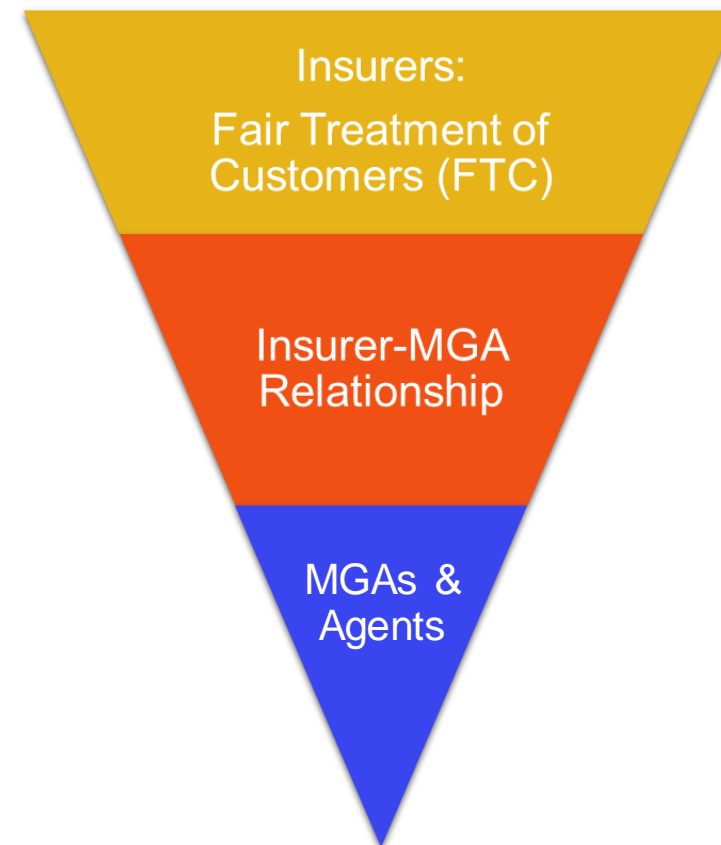


# **L&H Insurance Supervision Updates**

## LIFE AND HEALTH (L&H) INSURANCE MARKET CONDUCT IN ACTION

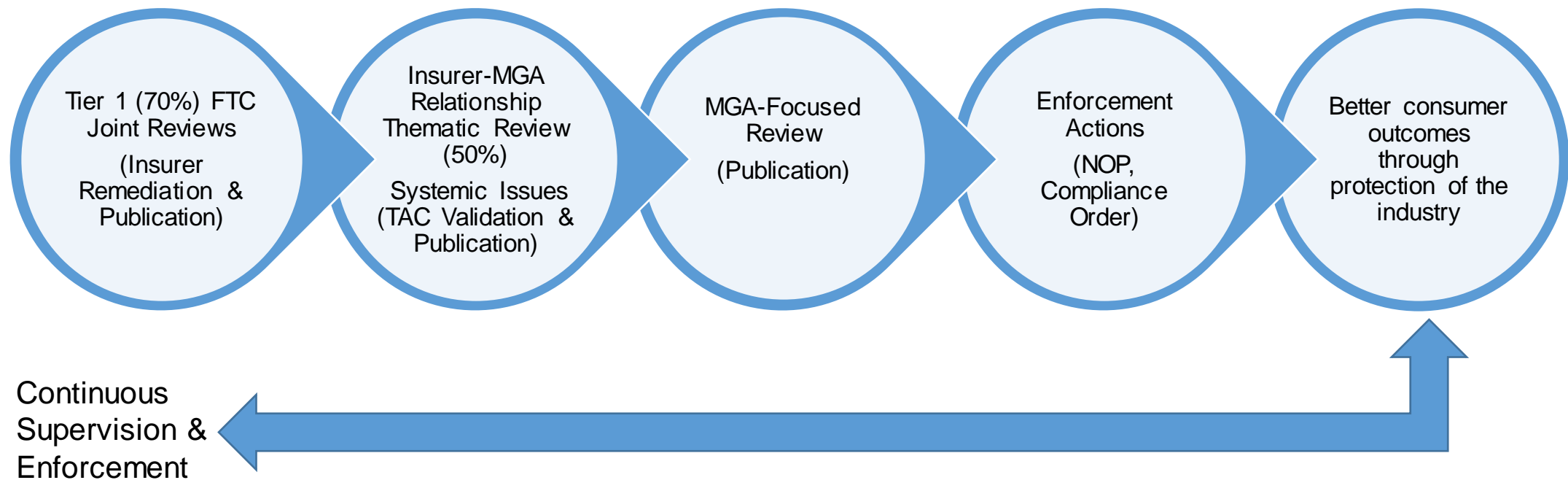
### A Methodical, Evidence & Risk-Based Approach to Market Conduct Supervision

1. **Insurers:** National Cooperative Fair Treatment of Customers (FTC) Review
2. **Insurer-Intermediary:** Thematic review of insurers in relation to the largest L&H insurance distribution channel – MGAs
3. **Intermediaries:** Pilot direct review of MGAs and insurance agents



## MARKET CONDUCT IN ACTION

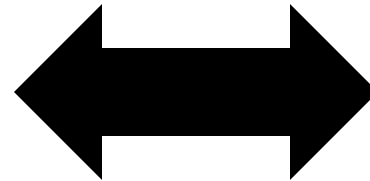
### Our Ongoing Regulatory Journey (In A Nutshell)



## RECENT AND CURRENT ACTIVITY

### MGA-Focused Review

- Rapid Agent growth through a network/ tiered-recruitment business model
- New and inexperienced agents primarily selling relatively complex products
- Minimal agent training and monitoring



### Universal Life Practices

- No specific life insurance need identified, trivial needs analysis, or boilerplate recommendations
- Unrealistic and/or misleading policy illustrations
- Incomplete or misaligned retirement planning advice

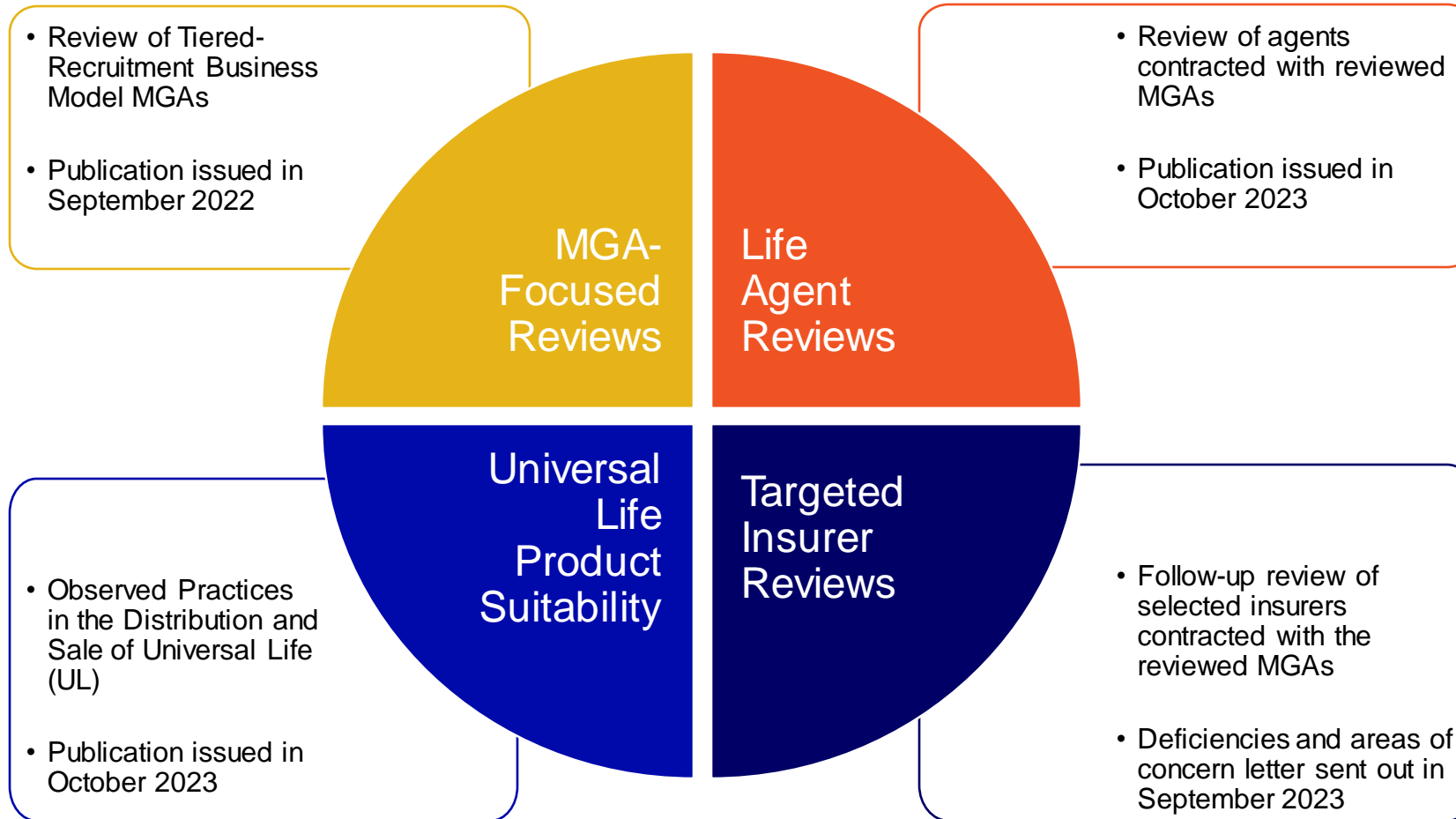
### Consumer Types

- Often no specific insurance need, single clients in their 20-30's with no dependents
  - 70% insured stated an annual income of \$60,000 or less
  - No TFSA or RRSP, 30% carrying high interest personal debt

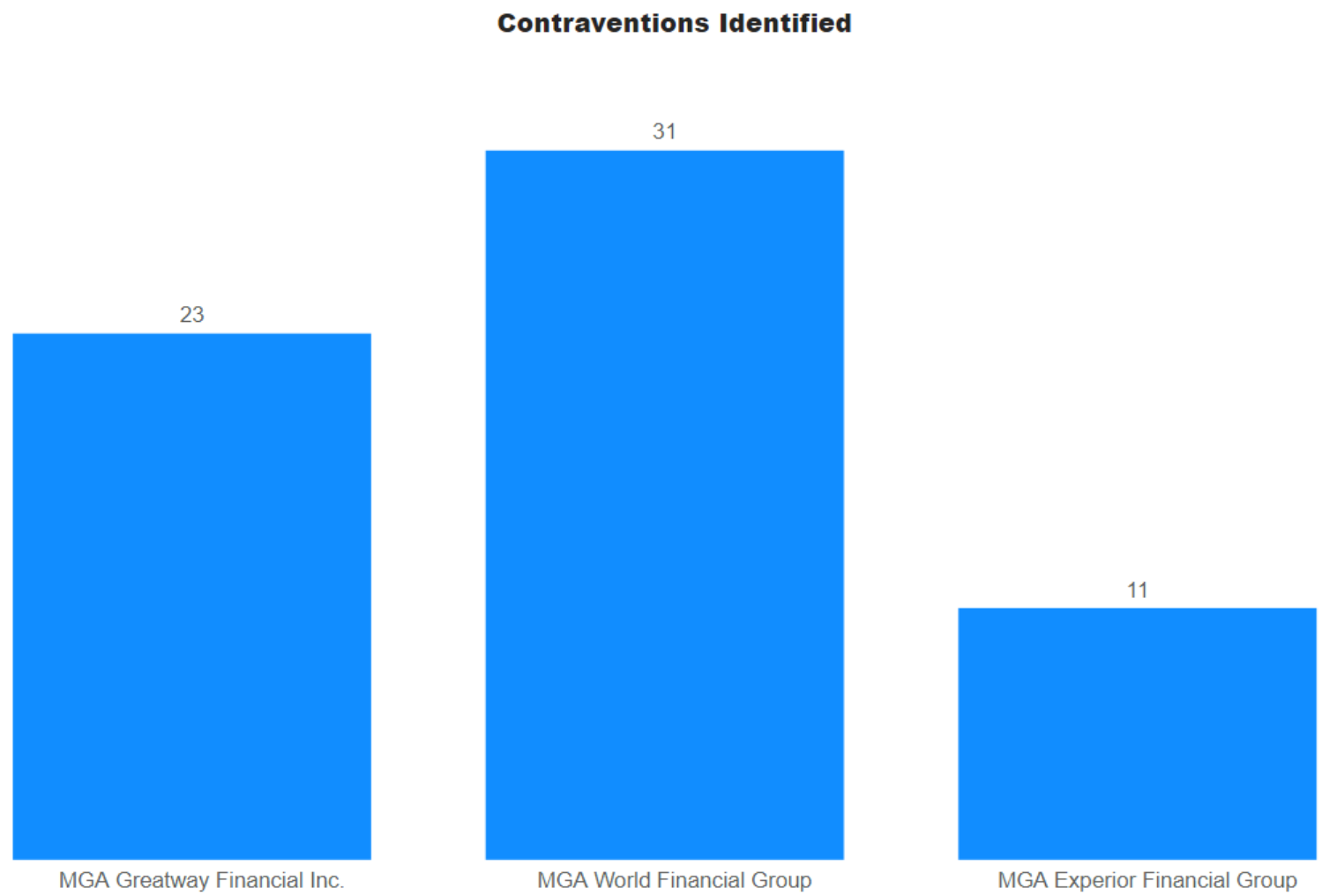
### Consumer Outcomes

- Catastrophic loss due to policy lapse (insurance coverage, premium, and investment loss)
- Opportunity cost available to grow savings, invest, and/or pay down high interest debt

## RECENT AND CURRENT ACTIVITY



# Tier-Recruitment Model MGA Life Agent Thematic Examination Outcomes



# Tier-Recruitment Model MGA Life Agent Thematic Examination Outcomes

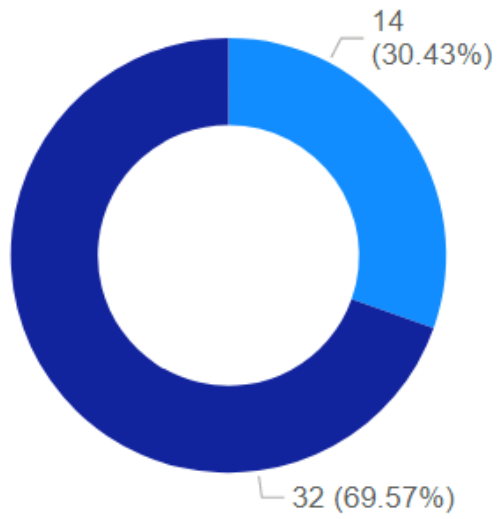




# Tier-Recruitment Model MGA Life Agent Thematic Examination Outcomes

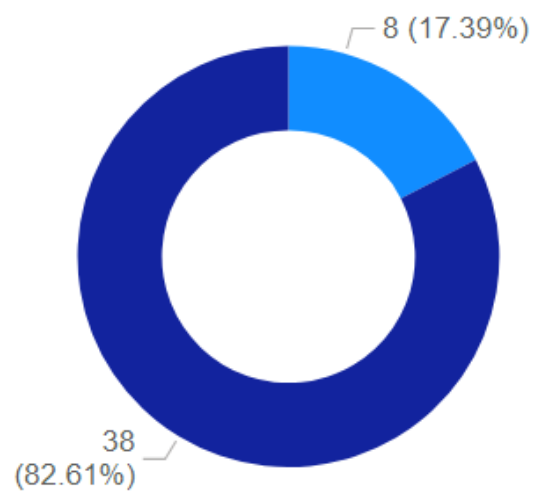
## Are you a part-time or full-time insurance agent?

Greatway Financial Inc.



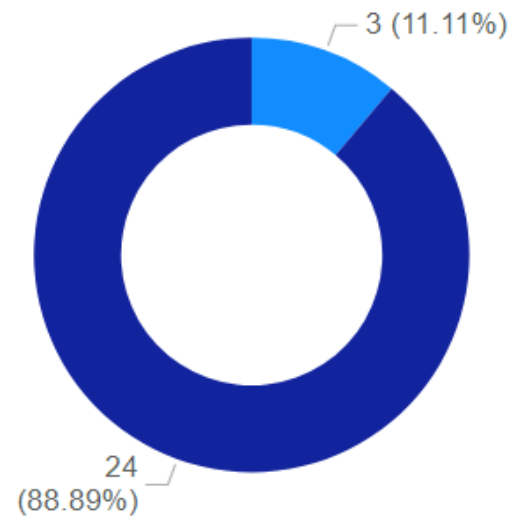
● Full Time ● Part Time

World Financial Group Insurance Agency of Canada Inc.



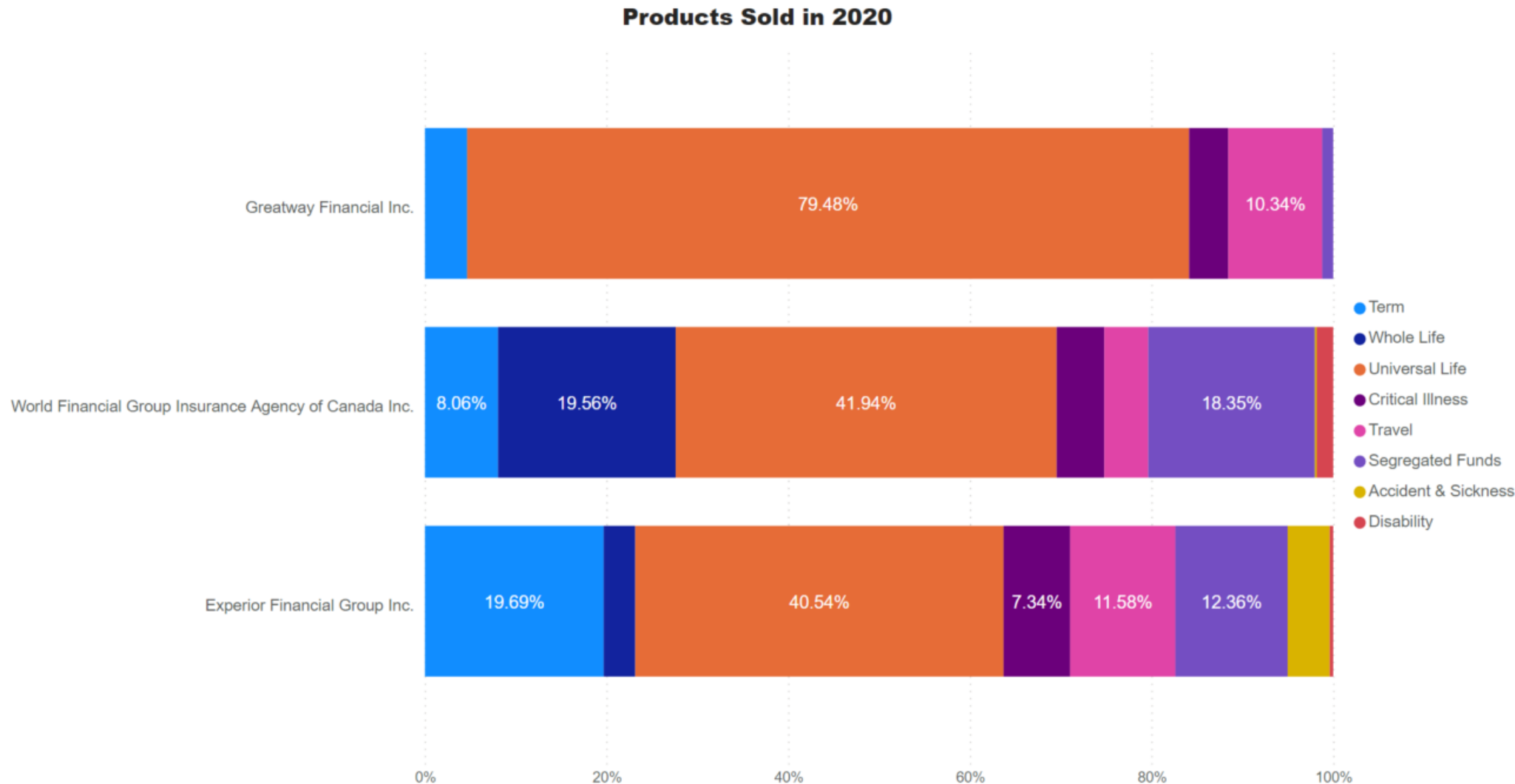
● Full Time ● Part Time

Exterior Financial Group Inc.



● Full Time ● Part Time

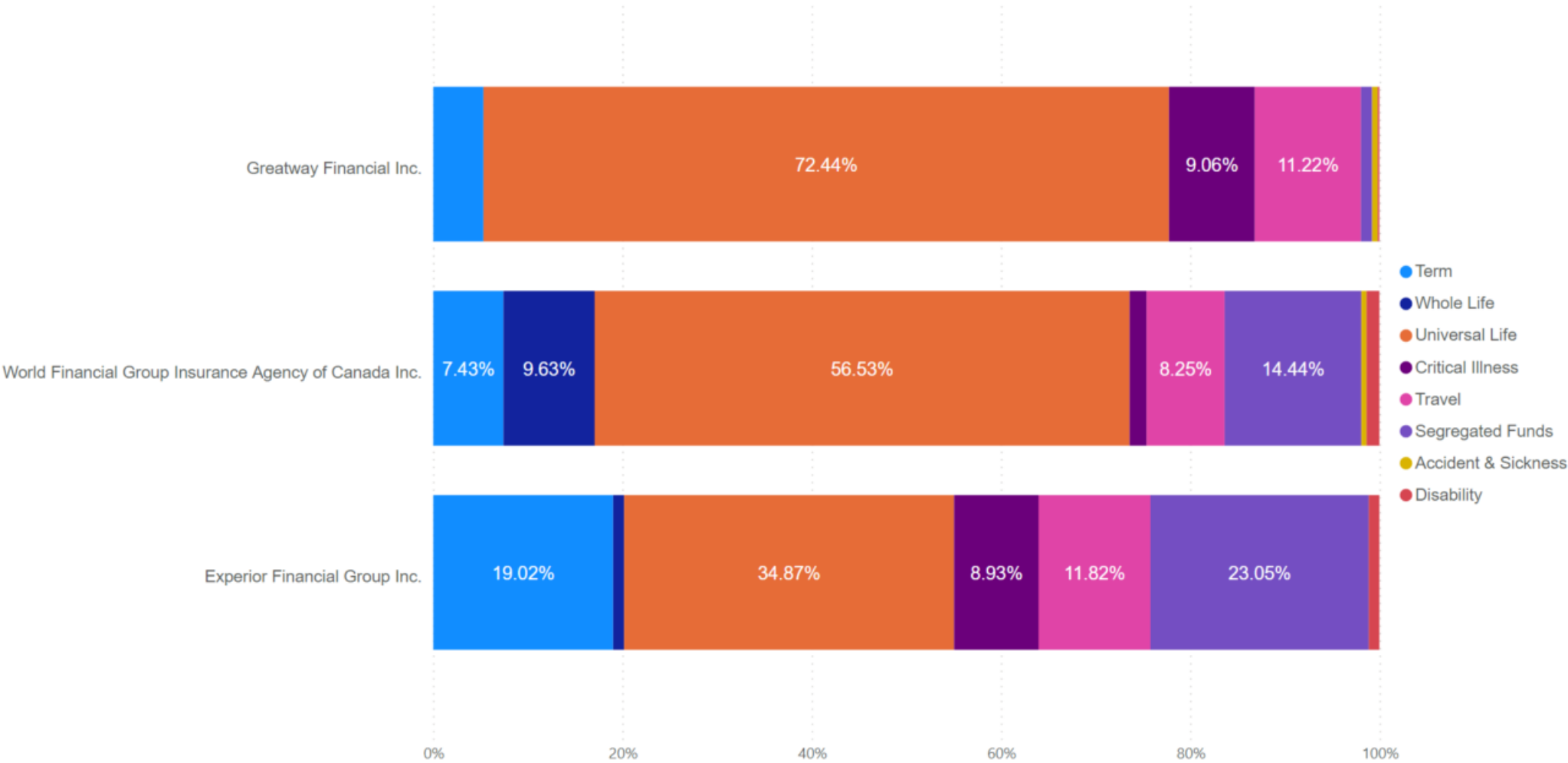
Tier-Recruitment Model MGA Life Agent Thematic Examination Outcomes



# Tier-Recruitment Model MGA Life Agent Thematic Examination Outcomes



Products Sold in 2021



# Life Agent Misconduct Form (LAMR)



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[Regulation](#)

[Engagement and  
Consultations](#)

[Enforcements and  
Warnings](#)



[Home](#) › [Life and Health Insurance](#) › [Report unsuitable life agents to FSRA](#)

## Report unsuitable life agents to FSRA

### Insurance companies and managing general agencies can use FSRA's website to report life agents who may be unsuitable

Insurers are required by law to report unsuitable agents to FSRA. Examples of unsuitability include:

- unlicensed activities
- misrepresentation to company/client
- missing continuing education credits
- errors and omission coverage
- criminal charges or convictions
- breaches of regulations at FSRA or another regulator or licensing body
- bankruptcy, consumer proposals or other insolvency matters

Where there is evidence of non-compliance with the *Insurance Act*, FSRA will enforce the applicable laws and regulations. FSRA reviews all submissions.

Information provided helps guide our supervision priorities and protect consumers who use the services of a life agent.

#### In this section

[Life and Health Insurance](#)

[Licensing Link: online insurance  
licensing system](#)

[Administrative monetary  
penalties in the insurance  
sector](#)

[Annual Returns & Instructions  
\(Life and Health / P&C\)](#)

[CCIR cooperative MGA-focused  
thematic review - Consolidated  
observations report](#)

[Companies registered under  
the Prepaid Hospital and  
Medical Services Act  
1-2021](#)

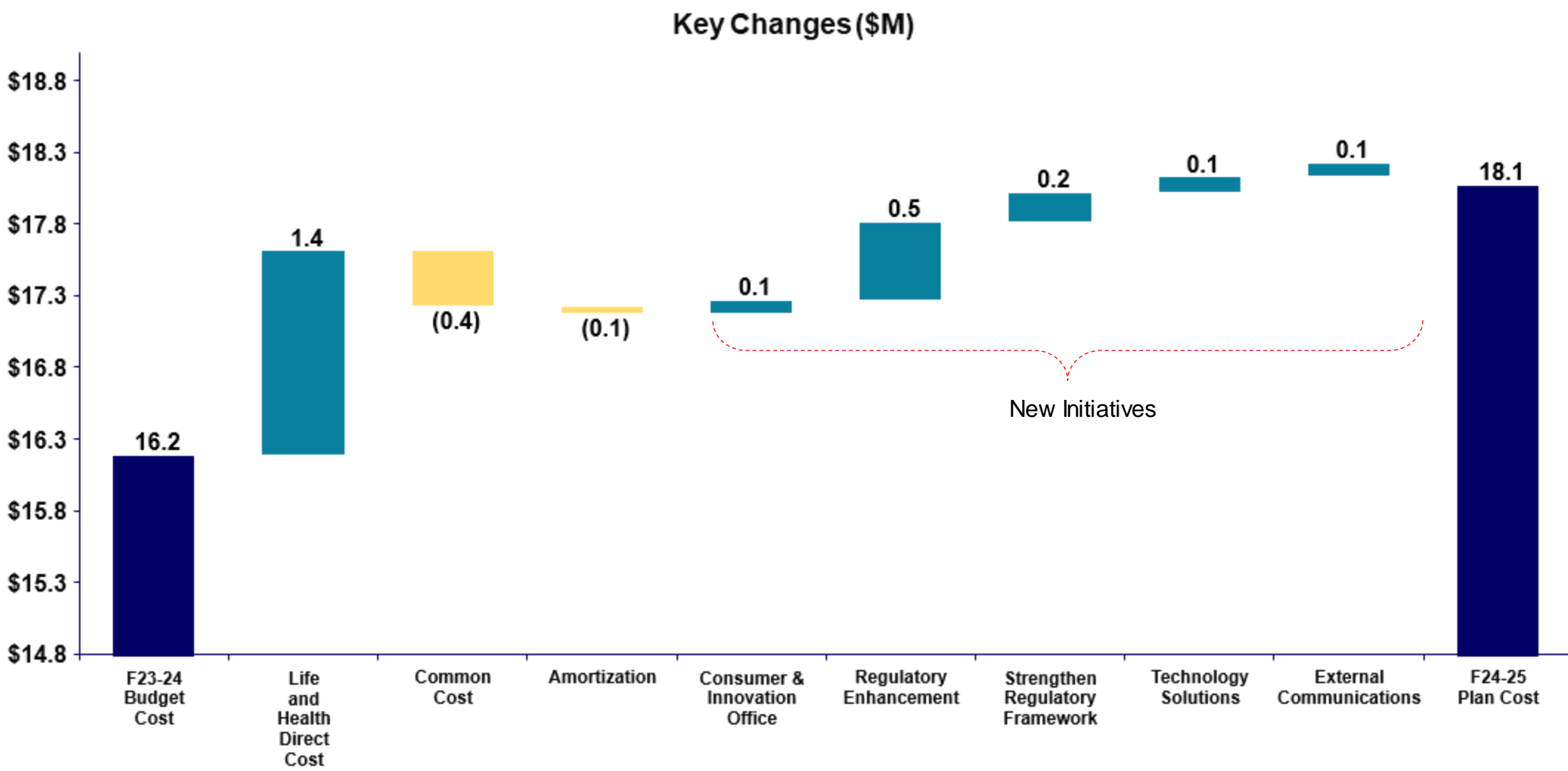
[Chat](#)

# L&H Insurance Financial Summary

## Sector View Summary: Proposed FY2024-2025 Plan of \$125.9M

Sector (\$000's)	Insurance					Pensions	Credit Unions	Mortgage Brokers	Loans & Trusts	Financial Planners & Financial Advisors	Total
Subsector	Auto Products	Health Service Providers	P&C Conduct	P&C Prudential	Life & Health						
Activity and Licensing Fees		3,500	1,300		7,300			18,200		100	30,400
Fee Assessment	15,800		9,300	3,600	9,500	24,900	18,900		800	700	83,500
<b>FY2024-2025 Proposed Revenue</b>	<b>15,800</b>	<b>3,500</b>	<b>10,600</b>	<b>3,600</b>	<b>16,800</b>	<b>24,900</b>	<b>18,900</b>	<b>18,200</b>	<b>800</b>	<b>800</b>	<b>113,900</b>
Direct Cost	12,100	2,400	8,100	2,800	12,100	19,000	14,400	12,800	600	600	84,900
Common Cost	5,700	1,100	3,900	1,300	6,000	9,200	7,000	6,200	300	300	41,000
<b>FY2024-2025 Proposed Cost</b>	<b>17,800</b>	<b>3,500</b>	<b>12,000</b>	<b>4,100</b>	<b>18,100</b>	<b>28,200</b>	<b>21,400</b>	<b>19,000</b>	<b>900</b>	<b>900</b>	<b>125,900</b>
Expected Fixed Fee Over/(Under)	200	-	100	-	100	200	200	(800)	-	-	-
Contribution to Common Costs											
Recovery Over/(Under)	(2,200)	-	(1,500)	(500)	(1,400)	(3,500)	(2,700)	-	(100)	(100)	(12,000)
<b>Funding from Cumulative Surplus</b>	<b>2,200</b>	<b>-</b>	<b>1,500</b>	<b>500</b>	<b>1,300</b>	<b>3,500</b>	<b>2,700</b>	<b>-</b>	<b>100</b>	<b>100</b>	<b>12,000</b>
<b>FY2023-2024 Budget Revenue</b>	<b>14,220</b>	<b>3,616</b>	<b>9,500</b>	<b>3,416</b>	<b>15,564</b>	<b>24,857</b>	<b>18,741</b>	<b>17,798</b>	<b>534</b>	<b>1,051</b>	<b>109,297</b>
Revenue Variance	1,580	(116)	1,100	184	1,236	43	159	402	266	(251)	4,603
Increase/(Decrease)	11.1%	-3.2%	11.6%	5.4%	7.9%	0.2%	0.9%	2.3%	49.8%	-23.9%	4.2%
<b>FY2023-2024 Cost</b>	<b>15,356</b>	<b>3,616</b>	<b>10,258</b>	<b>3,690</b>	<b>16,188</b>	<b>26,839</b>	<b>20,282</b>	<b>18,358</b>	<b>576</b>	<b>1,134</b>	<b>116,297</b>
Cost Variance	2,444	(116)	1,742	410	1,912	1,361	1,118	642	324	(234)	9,603
Increase/(Decrease)	15.9%	-3.2%	17.0%	11.1%	11.8%	5.1%	5.5%	3.5%	56.1%	-20.6%	8.3%

# FY2024-2025 Plan: Life and Health



## Fee Rule Update – New Fee Rule beginning December 1, 2023

- The new **2022 Fee Rule** (FSRA Rule 2022-001 – Assessments and Fees) comes into effect on **December 1, 2023**
- It replaces the current 2019 Fee Rule
- The Fee Rule governs how FSRA assesses and collects fees from the sectors it regulates and aligns with the principles of fairness, consistency, and transparency. It ensures fees appropriately and accurately reflect the regulatory efforts and activities required to enhance consumer protection

### 2022 Fee Rule Summary

- Fee structures and fees in the Insurance sectors (Auto Product, P&C Conduct, Health Service Providers), and in Loan and Trust were found to be appropriate and require no change
- The following changes are instituted for Life & Health Conduct, P&C Prudential, Pensions, Credit Unions, and Mortgage Brokering sectors

Sector	Changes from 2019 Fee Rule
<b>P&amp;C Prudential</b>	Substitute Direct Written Premiums with Required Capital as the Variable Assessment driver
<b>L&amp;H Conduct</b>	Increase Individual Agent's licence fee No change to Variable Assessment
<b>Pensions</b>	Adjust the tiers of the Assessment Distribution Table No change to Fixed Fees
<b>Credit Unions</b>	Update Activity and Application Fees No change to Variable Assessment
<b>Mortgage Brokering</b>	Increase licence fees for Mortgage Administrators, Brokers, Brokerages and Agents Level 2 No change to the current fee for Agents Level 1

- Reduce fees payable by certain self-regulatory organizations in the FP/FA sector
- New fees for use of the Innovation Office's Test and Learn Environments are introduced
- Contingency Reserve absolute amount is replaced with a variable amount for Operating Reserve at 5% of the Total Operating Budget

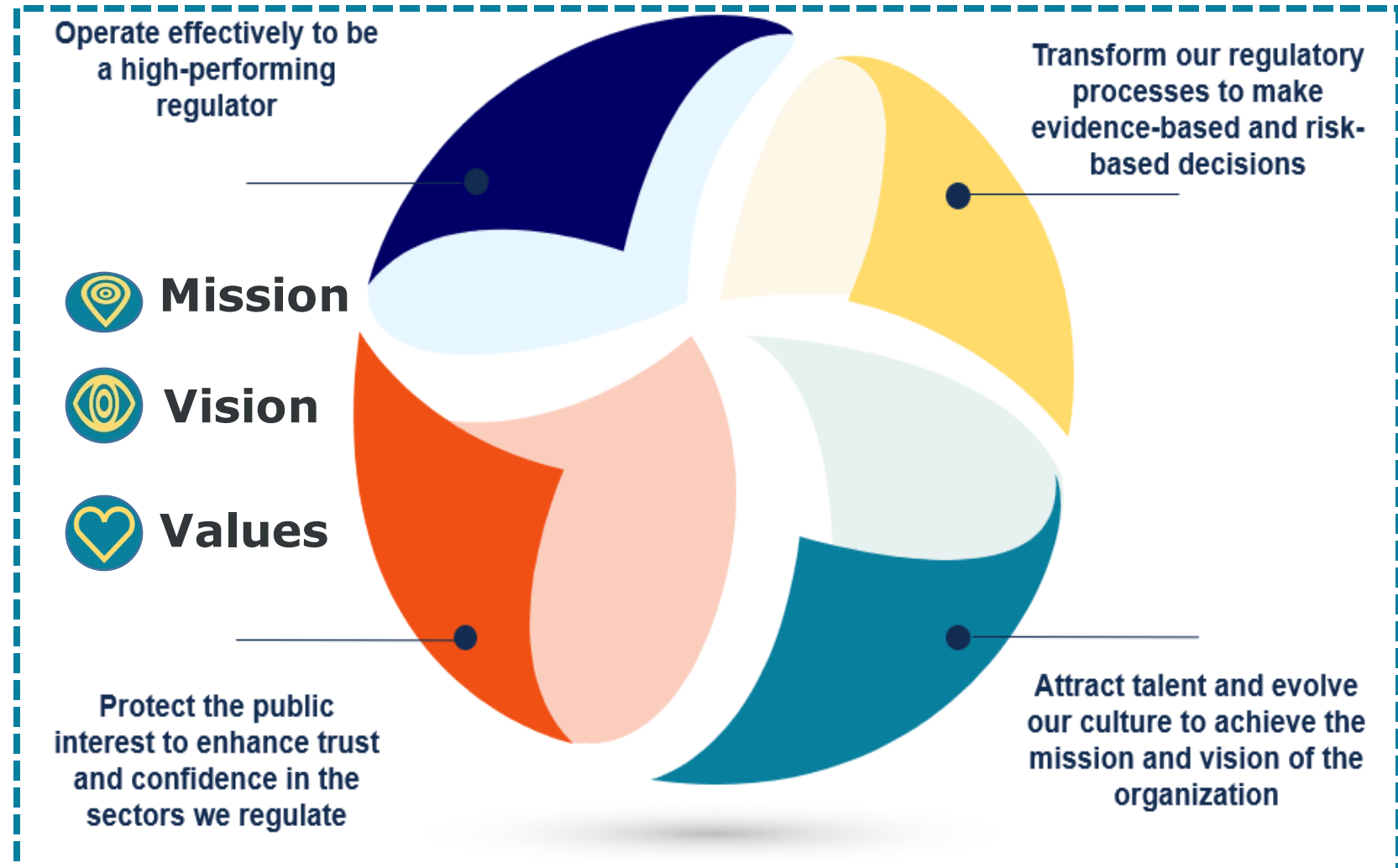


# Appendix A: Strategic Framework

## FSRA's Strategic Framework



- Developed in 2021 and implemented in 2022
- Defines the high-level strategic objectives of the organization
- Reflects FSRA's legislative objectives
- Encompasses the organization's Vision, Mission, and Values
- Consists of FSRA's 4 Pillars. The Pillars are elements of the Framework that must be in place for FSRA to achieve its mission
- Priorities support the pillars and articulate what FSRA will focus on over the 2022-2025 period







































## **Appendix B: FY2023-2024 FSRA Priorities**

# FSRA 2023-24+ Priorities

## Strategic Pillars

-  **Protect the public interest to enhance trust and confidence in the sectors we regulate**
-  **Operate effectively to be a high-performing regulator**
-  **Transform our regulatory processes to make evidence-based and risk-based decisions**
-  **Attract talent and evolve our culture to achieve the mission and vision of the organization**

Cross-Sectoral	5. Property & Casualty (Auto) Insurance	6. Credit Unions	7. Life & Health Insurance	8. Mortgage Brokering	9. Pensions	10. Financial Planners & Advisors
 1. Strengthen the consumer focus 	 5.1 Execute strategy for reforming the regulation of auto insurance rates and underwriting 	 6.1 Achieve supervisory excellence for Ontario's credit union sector 	 7.1 Enhance market conduct oversight to protect consumers 	 8.1 Promote high standards of governance and business conduct 	 9.1 Assess systemic and high priority risks in Ontario's pension sector 	 10.1 Ensure the effectiveness of the title protection framework for financial planners/financial advisors 
 2. Modernize systems and processes 	 5.2 Develop recommendations and act on reforms of the auto insurance system 	 6.2 Enhance FSRA's Regulatory Framework 		 8.2 Enhance professional competence of licensed individuals 		
 3. Enable innovation 	 5.3 Ensure the fair treatment of property and casualty consumers 	 6.3 Enhance financial stability structures 			 9.2 Support the development of target benefit regulation 	
 4. Enhance FSRA's talent management framework and strategy 	 5.4 Achieve supervisory excellence for the Ontario-Incorporated insurance companies and reciprocals sector 					

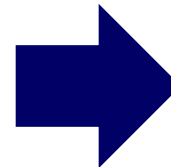


## **Appendix C: FY2024-25 Cross-Sectoral Priorities**

# 1. Advance the Consumer Interest

## Outcomes We Are Seeking

- i. A consumer centric culture at FSRA in which a broad range of consumer voices inform FSRA's strategic direction as well as its regulatory and supervisory activities.
- ii. Enhanced protection of consumer rights and interests with an emphasis on vulnerable consumers.
- iii. Enforcement that is balanced, transparent, effective and considers the impact of non-compliance on consumers.



## Key Activities to Achieve Outcomes

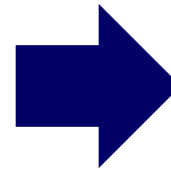
- a) Identifying and acting on opportunities to better protect vulnerable consumers, such as improving capacity and/or processes to help identify risks of consumer harm for vulnerable groups.
- b) Building awareness of key consumer issues through different tools, including:
  - The publication and promotion of FSRA's consumer research agenda, this includes adopting an open data approach to any survey research; and
  - Earned and paid media targeting vulnerable consumers on key risks
- c) Expanding the existing framework for the effective, fair and transparent use of FSRA's investigation and enforcement tools across FSRA sectors to reinforce consumer-centric supervisory processes and to deter misconduct.



## 2. Enable Innovation

### *Outcomes We Are Seeking*

- i. Strengthened brand recognition of FSRA as a regulator that supports and enables innovation and is open to collaboratively identifying new innovation opportunities.
- ii. Broader awareness and interest in the TLE from innovators in Ontario's financial services, and thus improve participation in the TLE.



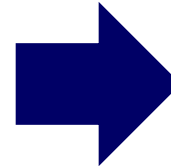
### *Key Activities to Achieve Outcomes*

- a) Continuing to enhance engagement with innovative organizations and the broader stakeholder community to identify collaboration opportunities and continuing to promote FSRA's Test and Learn Environments to help build a pool of potential test partners for future testing.

### 3. Modernize Systems and Processes

#### *Outcomes We Are Seeking*

- i. Improved regulatory oversight through greater access to data and analytics tools across all sectors.
- ii. Improved relationships with stakeholders through enhanced relationship- and case-management capabilities, better tracking, and operational processing capabilities.
- iii. Improved and, where possible, customized user experience with the FSRA online portal.
- iv. Improved turnaround time for licensing, filing, and registration processes.
- v. Improved access to information for consumers and other stakeholders.



#### *Key Activities to Achieve Outcomes*

- a) Implementing technology solutions to enable simplified and fully digitized operations, including a 360-degree view of regulated entities, case management, content management and data analytics tools, with enhanced client portals.
- b) Implementing advanced online information sharing on FSRA portals.
- c) Extending digital document processing and digital signature capabilities to support streamlined processing of all paper-based channels.
- d) Enabling data analytics for each of the regulated sectors to empower FSRA policy and supervisory activities. Across the sectors, enhancing infrastructure, establishing new data interfaces (both new sources and improved exchanges), and implementing advanced analytics and reporting systems to enable more efficient decision-making.



13 November, 2023

Mr. Mark White, CEO  
Financial Services Regulatory Authority of Ontario  
25 Sheppard Avenue West, Suite 100  
Toronto, Ontario  
M2N 6S6  
[mark.white@fsrao.ca](mailto:mark.white@fsrao.ca); and  
<https://www.fsrao.ca/engagement-and-consultations/consultation-fsra-proposed-2024-2025-statement-priorities#comment-form-dropdown>

**RE: *CAFII Feedback on Proposed FY2024-2025 Statement of Priorities***

Dear Mr. White:

The Canadian Association of Financial Institutions in Insurance (CAFI) thanks the Financial Services Regulatory Authority of Ontario (FSRA) for the opportunity to provide comments on FSRA's *Proposed FY2024-2025 Statement of Priorities*.

In this submission, we have restricted our comments to those sections of FSRA's *Proposed FY2024-2025 Statement of Priorities* which are germane to CAFII members, i.e., to the Environmental Scan, to the FSRA-Wide Strategic Priorities, to the Life and Health Insurance Sector-specific Priorities, and to FSRA's Proposed Fiscal Year 2024-25 Budget.

We applaud FSRA for its efforts to ensure that the recommendations in the value-for-audit report from the Office of the Auditor General of Ontario are implemented in a timely manner.

We largely agree with FSRA's observations in its environmental scan, in particular, its view of the ongoing impact of inflationary pressures, the cost-of-living struggles many in Ontario are facing, and the challenges around talent acquisition and retention. In 2023, CAFII conducted research with polling firm Pollara which found that Canadians were cutting back on purchases across the board, with one exception—consumers indicated a higher willingness to purchase life insurance than the year prior, possibly pointing to the changes in behaviour that have occurred due to the pandemic.

We agree completely with your assessment that there are unprecedented technological changes occurring within the Canadian economy that carry unclear implications for all sectors. In that regard, at a reception following a CAFII Board meeting on 4 April 2023, CAFII invited a keynote speaker to address these issues. Kartik Sakthivel, Vice President and Chief Information Officer at LIMRA and LOMA, indicated that artificial intelligence, machine learning, and other technological changes had the potential to create transformative change in the life and health

insurance industries<sup>1</sup>. While we agree with the need to monitor the technological environment to assess potential impacts to consumers, we also note that there is nothing inherent in technology to suggest that the changes we are observing will lead to harm. Technological change can enhance choice, improve products, and strengthen customized solutions for customers. We believe that FSRA's emphasis on the fair treatment of customers is the best approach to ensuring that companies navigate these changes in a way that promotes customer interests.

CAFII is aligned with FSRA's comments on the importance of Diversity, Equity, and Inclusion, and we have initiatives to promote DEI objectives. Specifically, our Association has created a Working Group on DEI to explore ways in which CAFII can promote those important objectives. We also held a webinar on 26 October 2023, with expert consultant Elissa Gurman on "Words Matter" about inclusive language<sup>2</sup>; several FSRA staff executives attended.

We believe that FSRA's comments on the significant risks that vulnerable persons face are important and need to be the subject of further attention. This is an area of great interest to CAFII members, including how to address the very high levels of Canadians who do not have life or health insurance or who have insufficient life or health insurance coverage. We note that research by LIMRA has shown that over half of Canadians fall into these categories, and the percentage increases at lower income levels.

We continue to feel that FSRA is a consultative, engaged regulator, and an example of this is the important discussions that have taken place through the Life & Health Insurance Sectoral Advisory Committee. We support your strategic framework, including the focus on operating effectively to be a high-performing regulator, the focus on evidence-based and risk-based decisions, the importance of protecting the public interest to enhance trust and confidence in the sectors FSRA regulates, and the emphasis placed on continuing to attract talent to your organization.

We are concerned however that the Ontario government is exploring lowering the minimum consultation period for new rules developed by FSRA to 60 days. CAFII has to consult internally with its members in the development of a submission on a regulatory initiative like the creation of a new rule, and this can be a time-consuming process. Our members are volunteers with the Association who have paid jobs in their organizations, which is another challenge. If the minimum consultation period is reduced to 60 days, this will make it all the more important for FSRA to advise as early as possible of consultations coming down the pipeline, and to possibly engage industry in pre-consultations.

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<sup>1</sup> A copy of his presentation can be found on our website at <https://www.cafii.com/an-overarching-presentation-on-important-transformations-occurring-in-the-life-and-health-insurance-space-by-kartik-sakthivel/>.

<sup>2</sup> A summary of the webinar can be found at <https://www.cafii.com/category/events/>.

In particular, we support the commitment to “strengthen the consumer focus.” We particularly encourage FSRA to engage in conducting research and analysis to respond to trends that impact consumers, as consumers are evolving rapidly in their expectations in response to societal and technological change. Since these are areas of particular focus for CAFII and other industry stakeholders, we are confident that industry can provide some insights and helpful ideas on how to structure such research and on the areas of emerging change. Additionally, we have previously communicated to FSRA our support of the following initiative: *“Implement existing FSRA guidance by building processes to use revenues retained outside of the Consolidated Revenue Fund under the Financial Services Regulatory Authority of Ontario Act, 2016 for educational, research and knowledge or information-enhancement initiatives” (page 12).*

We note in that regard your announcement of October 12, 2023 that you are accepting applications for grant funding: *“The Financial Services Regulatory Authority of Ontario (FSRA) is using the money it collects from enforcement actions to help consumers with financial literacy, financial awareness and the understanding of market trends in the province.”* This has the potential to produce important initiatives around research and consumer financial literacy and we applaud the development of this program.

With respect to the “Enable Innovation” priority, we support FSRA’s continued efforts in this area. The needs of consumers and the industry are changing and challenging the regulatory system faster than current mechanisms can adapt. From CAFII’s view, the deliverables and outcomes specified by FSRA under this priority are appropriate. We continue to believe in the benefits of “regulatory sandboxes” that provide a safe, monitored space within which to test innovative products and services while ensuring consumer protection.

We support FSRA’s commitment to “modernize systems and processes,” and appreciate your statement: *“Enabling data analytics for each of the regulated sectors to empower FSRA policy and supervisory activities” (page 14).* We encourage FSRA to try to collect data through the CCIR Annual Statement of Market Conduct (ASMC) survey, to avoid duplicative and repetitive data collection by various regulators across the country. As part of the modernization process we encourage FSRA to seek a data collection process that makes the data collected comparable across institutions so that it can be analyzed effectively, and reported on and shared in a way that provides insights. We are concerned that the data collected by the ASMC may not be easily analyzed, may be subject to manual analysis, and has resulted in reports that are quite delayed.

We fully support FSRA’s commitment to enhance FSRA’s talent management framework and believe FSRA will face the similar challenges that industry is facing, with changing employee expectations, heightened retirements, a shrinking talent pool, and new societal expectations, including around working remotely. We are encouraged by the high quality of the FSRA executive team and believe that FSRA has, since its inception, recruited exceptionally well.

We are aligned with FSRA's cross-sectoral priorities of advancing the consumer interest, enabling innovation, and modernizing systems and processes. On the issue of promoting the consumer interest, CAFII was very pleased to hold a webinar on 19 October, 2023, with FSRA EVP Glen Padassery and Chief Consumer Officer Stuart Wilkinson on the Authority's Consumer Office<sup>3</sup>.

With respect to the life and health insurance sector-specific priorities, CAFII supports all efforts to ensure that trust in the life and health insurance sector is protected and efforts are made to promote the consumer interest. We support the efforts by FSRA to ensure that the highest standards of consumer protection remain at the forefront of regulatory efforts. We are also pleased that FSRA's emphasis on resolving issues with some MGA channel companies is specific about that channel and does not reference distribution channels generally. Credit Protection Insurance is distributed mostly through branches of banks and credit unions and it is CAFII's perspective that the industry is performing well, and compliant with regulatory requirements and expectations around the Fair Treatment of Customers. This distribution channel, in our view, should not be caught up in the initiatives around MGAs.

We are pleased that FSRA is playing a leadership role in the International Association of Insurance Supervisors (IAIS). In that connection, Mark White as Chair of IAIS' Market Conduct Working Group recommended Nicholas Herbert-Young of the IAIS and the UK's Financial Conduct Authority (FCA) as a speaker for a CAFII webinar, and we were pleased to have Mr. Herbert-Young as our panelist for a webinar held on 27 April, 2023<sup>4</sup>.

In the past, CAFII has extended kudos to FSRA for adopting *CCIR/CISRO's Guidance: Conduct of Insurance and Fair Treatment of Customers* as the document which outlines FSRA's expectations of industry with respect to FTC, without the need for a separate FSRA Guideline in this area. FSRA has set up a leadership example of supporting national co-ordination and harmonization by adopting the CCIR/CISRO Guidance. In that respect, we note and support FSRA's many references to the fair treatment of consumers in the *Proposed FY2024-2025 Statement of Priorities*; we encourage continued emphasis on such references being consistent with the CCIR/CISRO Guidance to make it clear that a harmonized approach continues to be prioritized.

We appreciate, in connection with the themes elaborated in the FY2024-2025 Statement of Priorities, FSRA's continued commitment to open and transparent communication with regulated entities. In that connection, we are very appreciative of FSRA's offer to let CAFII make a 90-minute presentation at its offices in North York on 15 November, 2023 on our priorities and on the results of some recent research we have conducted. We look forward to that opportunity to continue to share information with FSRA staff executives and to engage in a dialogue with the Authority's team.

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<sup>3</sup> A summary of the webinar as well as a recording of it can be found at <https://www.cafii.com/category/events/>.

<sup>4</sup> A summary of the webinar as well as a recording of it can be found at <https://www.cafii.com/category/events/>.

With respect to the FSRA's proposed 2024-2025 Budget, we note that it calls for a significant increase in FSRA's revenue, and that the life & health conduct variable revenue line is up by 7.9%, after a prior year increase in 2023-2024 of 9.6%. The inflationary 2023 year has been another very challenging one for the life and health insurance sector, and the industry has made considerable efforts to respond to shifting and heightened consumer needs and expectations in these difficult times. We encourage FSRA to keep in mind those factors, along with the increased compliance costs which inevitably arise from a heightened level of conduct supervision, when considering the imposition of steep fee increases upon the life and health insurance sector.

In closing, we again express CAFII's appreciation for FSRA's continued commitment to open and transparent communication and consultation. We look forward to making further representations of our Association's views on FSRA's *Proposed FY2024-2025 Statement of Priorities* through the Life and Health Insurance Sectoral Advisory Committee's meetings, which CAFII actively participates in.

Sincerely,

Rob Dobbins  
Board Secretary and Chair, Executive Operations Committee

### **About CAFII**

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

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

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

CAFI's 15 members include the insurance arms of Canada's major financial institutions--BMO Insurance, CIBC Insurance, Desjardins Insurance, National Bank Insurance, RBC Insurance, Scotia Insurance, and TD Insurance, along with major industry players Assurant Canada, The Canada Life Assurance Company, Canadian Tire Bank, Chubb Life Insurance Company of Canada, CUMIS Services Incorporated, Manulife (The Manufacturers Life Insurance Company), Securian Canada, and Valeyo.

## **Briefing Note**

### **CAFII EOC Meeting: 14 November, 2023—Agenda Item 4(b)v**

**Committees and Working Groups – Market Conduct & Licensing** - CAFII Written Submission to FCNB on Ongoing Issues/Concerns Re Rule INS-001 and FCNB Portal Process for Obtaining Restricted Insurance Representatives (RIR) Licences

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### **Purpose of this Agenda Item – Update**

To update the EOC on CAFII's upcoming written submission to FCNB on ongoing issues/concerns regarding Rule INS-001 and the FCNB Portal Process for Obtaining Restricted Insurance Representatives (RIR) Licences.

### **Background Information**

CAFII Co-Executive Director Keith Martin will update the EOC on CAFII's upcoming written submission to FCNB on Ongoing Issues/Concerns regarding Rule INS-001 and the FCNB Portal Process for Obtaining Restricted Insurance Representatives (RIR) Licences.

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

This is an update only.

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

No attachments.

## **Briefing Note**

**CAFII EOC Meeting: 14 November, 2023—Agenda Item 4(b)vi**  
**Committees and Working Groups – Market Conduct & Licensing** - Plans for CAFII Hybrid Presentation of 2023 Research Results-Focused PowerPoint Deck to FCAC Staff Executives in Q1 2024

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### **Purpose of this Agenda Item – Update**

To update the EOC on CAFII's Plans for a CAFII Hybrid Presentation of the Association's 2023 Research Results-Focused PowerPoint Deck to FCAC Staff Executives in Q1 2024.

### **Background Information**

CAFII Co-Executive Director Keith Martin will update the EOC on the plans for a CAFII Hybrid Presentation of the Association's 2023 Research Results-Focused PowerPoint Deck to FCAC Staff Executives in Q1 2024.

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

This is an update only.

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

No attachments.



## **Briefing Note**

**CAFII EOC Meeting: 14 November, 2023—Agenda Item 4(b)vii**

**Committees and Working Groups – Market Conduct & Licensing - Insights Gained from November 1/23  
FCAC In-Person Launch Event for Financial Literacy Month**

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### **Purpose of this Agenda Item – Update**

To update the EOC on the insights gained from November 1/23 FCAC In-Person Launch Event for Financial Literacy Month.

### **Background Information**

CAFII Research Analyst Robyn Jennings will update the EOC on the insights gained from the November 1/23 FCAC In-Person Launch Event for Financial Literacy Month, which she attended in-person in Ottawa.

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

This is an update only.

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

One (1) attachment.

*Agenda Item 4 b vii*

*November 14/23 EOC Meeting*

**FCAC's Launch of the Financial Literacy Month – SUMMARY**

On November 1/2023, the Financial Consumer Agency of Canada (FCAC) launched their 13<sup>th</sup> annual Financial Literacy Month. The launch took place in Ottawa at the Bank of Canada's Museum. CAFII's Research Analyst, Robyn Jennings, was able to attend in person, but virtual attendance was available to all CAFII members.

The launch began with a brief speech from the Bank of Canada's (BoC) governor, Tiff Macklem. He expressed that it is the Bank of Canada's job to promote the economic and financial wealth of Canadians, but this cannot be done alone; collaboration is key to achieving financial literacy in Canada. It is for this reason that this month's theme is *Managing Your Money in a Changing World*. Canadians are facing great economic changes, the housing crisis, to name one. Thus, now is a crucial time for Canadians to learn how to manage their money. T. Macklem concluded his speech by explaining that the goal of this month is to empower Canadians to save, manage debt, and learn more about finance so that they can be empowered in the future.

Before the next presenter spoke, the FCAC's moderator noted that a crucial aspect of this month's theme is the importance of financial literacy. Yet are Canadians in agreement? From on-the-ground research and interactions with Canadians in the Country's capital, the BoC found that: Yes, Canadians agree that financial literacy is very important and are eager to learn more. In fact, many of the people interviewed indicated that their financial education had been poor, inadequate, or incomplete, with many learning about money management from a family member, briefly in school, or through personal research.

While learning about finance and money management is daunting as is, it can be especially difficult as a first-generation Canadian. Where should you begin your financial literacy journey? What is a reliable source for financial information? What resources are available, and what languages are they in? Can online information and/or sources even be trusted? These are the kinds of questions that dissuade the average Canadian from learning more about finances. It is for this reason that financial literacy in Canada must be a collaborative commitment between all financial institutions to help Canadians from all walks of life.

After the Governor concluded his speech, FCAC's Commissioner Judith Robertson spoke next. She began her speech by noting how struck she had been by the common theme amongst Canadians that they wished they had begun learning about finances earlier. She summarized what she felt were the key factors of this year's theme - financial literacy education, managing debt, and saving money in a changing world – and echoed that this is, in fact, a collaborative

theme. J. Robertson stressed the need for organizations to work together through the national financial literacy strategy to help Canadians. Consumer protection mandate, regulatory attention, and research are, therefore, deeply important.

J. Robertson went on to talk about FCAC's monthly survey of Canadian financial well-being. She said that these surveys and their findings greatly influence the feedback and guidance FCAC gives to banks. They also influence the next rounds of research, including helping to determine an area and/or topic of interest. J. Robertson concluded her speech by stating that, thanks to the feedback from Canadians, FCAC will be taking steps to ensure Canadians have access to basic banking services.

The next presenter was Marianne Spear, a certified Trainee in Personal insurance. M. Spear's speech was succinct and to-the-point; she immediately stated that, at the moment, the most pressing issue plaguing Canadians is debt. Debt impacts the quality of life, from stress to employment opportunities to lifestyle. Therefore, knowledge of debt and debt management are crucial when it comes to the conversation on financial literacy. M. Spears shared three stories, all of which, while poignant, emphasized the importance and necessity of financial knowledge for Canadians. Each story highlighted that, with proper information and knowledge, Canadians are better equipped to handle the rapidly changing economy to protect themselves and their families. This is also why, as M. Spears notes, access to education cannot be limited because of language or accessibility; institutions must do better to cater to *all* Canadians.

M. Spears stressed exactly why the strategy for financial literacy must be a national responsibility and not solely an individual one; financial literacy (money management, debt, retirement, savings, etc.) impacts all of us individually, which in turn impacts us communally. A financially literate Canada is possible. It is possible if the ecosystem and the individual, as well as the financial institutions, work together to achieve financial literacy.

The next speaker was Rubina Ahmed-Haq. R. Ahmed-Haq is a journalist and has spent 15 years covering personal finance. During this time as a personal finance journalist, R. Ahmed-Haq would ask herself: why should Canadians care about this news? And what is the relevance to or impact on personal finance? She has, therefore, learned alongside Canadians about financial literacy and can speak to the on-the-ground ecosystem that has been previously mentioned. Because, while largely discussed in a theoretical context, this ecosystem exists, and it affects the lives of real Canadians.

Over the last few years, particularly since the beginning of the COVID-19 Pandemic, R. Ahmed-Haq has found that Canadians' top concerns are, in no particular order:

- Housing affordability,
- Mounting debt,
- Inability to save,

- low income regardless of education,
- Increased family costs, and
- Consistent feelings of despair caused by finances limiting lifestyle.

She went on to say that, in order to help mitigate the aforementioned concerns, financial institutions need to focus on the following:

- The current state of financial literacy in Canada and how it can be improved;
- Who needs financial literacy the most and how they can help; and,
- How financial institutions can improve their financial literacy communications in general.

There is good news R. Ahmed-Haq notes; more Canadians now than ever are interested in personal finance and financial literacy. In fact, the last three years have been the most revolutionary as can be seen with the growing importance of digitizing education since things have gone increasingly online. Money lessons, therefore, must go digital.

R. Ahmed-Haq went on to talk about how Canada's ecosystem is changing; more people are curious and engaged. In particular, she has found that young people are hungry for financial information. The caveat, however, is that they want information *quickly*; instead of detailed breakdowns, young people are looking for tips and tricks. While this is wonderful, there are a few major concerns that follow: online misinformation, lecherous digital practices, and unqualified people giving out info. These concerns are not reserved to one group of Canadians, all Canadians, at any age, can fall victim to these.

R. Ahmed-Haq, therefore, asked the crowd: how can we, the financial institutions, help reach people who need financial literacy the most? Echoing M. Spears, R. Ahmed-Haq concluded that we must be able to contact Canadians where they are and in the language they speak. Institutions need to understand that people's backgrounds are fundamentally influential to their financial knowledge and that this is not, in fact, a roadblock to better knowledge; rather, it is merely a part of their journey. Because of this, financial advisors need to know how to give impartial advice. R. Ahmed-Haq recommended financial advisors advise Canadians toward their actual realistic goals. This should also be paired with timing; advisors should be providing consumers with all the information *before* they decide to take on debt. This way, advice will be proactive rather than reactive.

Finally, R. Ahmed-Haq concluded her speech by noting a few things institutions can begin working on immediately:

- Provide info on how to negotiate a higher wage or promotion,
- How to set realistic financial goals,
- The dangers of shopping apps or spending habits,
- Provide more resources for first-time home buyers,

- Talk about the prioritization of parents vs children and how parents can take care of themselves while taking care of their kids, and
- Managing expectations without having to sacrifice individual enjoyment of life.

The final presenter of the launch was Supriya Syal, the deputy commissioner of research, policy and education at the FCAC. S. Syal began by commenting on the overwhelming amount of financial information available online that muddy Canada's financial ecosystem. Because of this, she explained that it is the responsibility of the financial institutions to help Canadians live better, financially literate lives and create an ecosystem that is built around the protection and education of consumers. Institutions must identify and then remove barriers impeding or halting Canadians from living better financial lives. This is what the 2021 national financial literacy strategy called to do.

S. Syal made an important observation that echoes some of the messages previously articulated; institutions must acknowledge gender, racial, economic status, and status gaps when it comes to financial literacy. It is well-established that environment influences individual resilience and mental fortitude. Therefore, increasing financial literacy and education across Canada cannot be simply pushed off onto the individual but falls onto the financial institutions and associations to support Canadians.

The FCAC's Launch of Financial Literacy Month concluded with an acknowledgement that great progress has been made, with incredible support through the adoption and implementation of the national financial literacy measurement plan. The continuation of these collaborative efforts is the goal for the next two and a half years.

Click [here](#) to watch the recording of FCAC's launch of Financial Literacy Month.

## **Briefing Note**

### **CAFII EOC Meeting: 14 November, 2023—Agenda Item 4(c)i**

#### **Committees and Working Groups – Quebec/AMF Issues - CAFII-Commissioned RSM Canada Study on Attrition Rate of Spousal Insurance Policies in Quebec and Related Projections to 2030**

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#### **Purpose of this Agenda Item – Update**

To update the EOC on the CAFII-Commissioned RSM Canada Study on the Attrition Rate of Spousal Insurance Policies in Quebec and Related Projections to 2030.

#### **Background Information**

Co-Executive Director Keith Martin will update the EOC on the CAFII-Commissioned RSM Canada Study on the Attrition Rate of Spousal Insurance Policies in Quebec and Related Projections to 2030.

In an October 18/23 meeting between Keith Martin and CAFII Board Chair Peter Thompson, Peter shared that Eric Jacob, the AMF's Superintendent, Client Services and Distribution Oversight, had expressed to him that, while CAFII did provide him with interesting statistics on the attrition rate of spousal insurance policies in Quebec (real attrition since 2019) with a rate of 10 % to 12% per year, Mr. Jacob and the AMF needed more detail, in terms of granularity. K. Martin further discussed this AMF request with Peter Thompson, EOC Chair Rob Dobbins, and EOC Vice-Chair Karyn Kasperski, and it was concluded that an actuarial firm, such as RSM Canada, would be able to produce a more granular and professional report from the findings. Additionally, it was agreed that having the report produced by an independent, third party actuarial firm will not only be received well by the AMF but it will also let the findings speak for themselves. Peter Thompson requested that RSM Canada be asked to project the findings to 2030, in order to track attrition progress better. Because of the rapidly approaching deadline (January 1/25), Keith Martin, with approval from Rob Dobbins, has moved quickly on this file by reaching out to RSM Canada and arranging for it to launch this project. The estimated budget is \$10-\$15K.

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

This is an update only.

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

No attachments.

## **Briefing Note**

### **CAFII EOC Meeting: 14 November, 2023—Agenda Item 4(c)ii**

**Committees and Working Groups – Quebec/AMF Issues** - Plans for Hybrid Get Acquainted and Dialogue Meeting with AMF's New CEO Yves Ouellet

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#### **Purpose of this Agenda Item – Update**

To update the EOC on the CAFII's Plans for a Hybrid Get Acquainted and Dialogue Meeting with the AMF's new CEO Yves Ouellet.

#### **Background Information**

Co-Executive Director Keith Martin will update the EOC on CAFII's Plans for a Hybrid Get Acquainted and Dialogue Meeting with the AMF's new CEO Yves Ouellet.

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

This is an update only.

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

No attachments.

## **Briefing Note**

### **CAFII EOC Meeting: 14 November, 2023—Agenda Item 4(d)i**

**Committees and Working Groups – Media Advocacy** - Welcome to and Dialogue with Wendy Bairos, New CAFII Media Consultant

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#### **Purpose of this Agenda Item – Introduction/Update**

To welcome and introduce CAFII's new Media Consultant, Wendy Bairos, to the EOC.

#### **Background Information**

Co-Executive Director Keith Martin will welcome and introduce Wendy Bairos, CAFII's new Media Consultant, to the EOC.

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

This is an Introduction and Dialogue/Discussion item, with Wendy Bairos.

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

Two (2) attachments.



# Agenda Item 4 d i (1) - November 14/23 EOC Meeting

Mail - Shanay Smith - Outlook

## Welcoming Wendy Bairos

Keith Martin <Keith.Martin@cafii.com>

Fri 2023-10-20 11:27 AM

To: Brendan Wycks <brendan.wycks@cafii.com>; Shanay Smith <Shanay.Smith@cafii.com>; Robyn Jennings <Robyn.Jennings@cafii.com>; Troy Woodland <Troy.Woodland@cafii.com>; Buni Mba <Buni@managingmatters.com>; Meighan Pears <events@cafii.com>; Ricky Nason <Ricky.Nason@cafii.com>

Everyone—please welcome Wendy Bairos as our new media consultant. I will introduce her to you virtually, meantime we should include her in the communications on website and strategic communications issues.

Wendy is preparing a news release for the appointment of Paul Cosgrove as our new Vice Chair, and is providing advice on some changes to our website, as a first set of inputs from her.

Wendy, we all look forward to working with you!

--Keith

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### Wendy Bairos Bio

**Wendy Bairos** is a highly accomplished communications specialist and exceptional team leader with over 20 years of outstanding experience. Her career has thrived in one of the most dynamic and rapidly changing industries, including 12 years at Google, where she played a pivotal role in shaping the tech narrative in Canada since 2003. Wendy possesses an innate understanding of what truly drives conversations. Her winning formula revolves around finding a common thread, establishing genuine connections with clients' desired audiences, and creating meaningful engagement that consistently delivers successful business results. Throughout her tenure as a PR professional for Google, Hubba, and top-tier agency clients, Wendy has partnered with CEOs, executives, and startups, driving the growth of their professional and corporate/consumer brands across North America. Her expertise spans a wide range of industries, including technology, non-profits, entertainment, small business, and finance. Some notable clients she has supported include Girls Who Code, [CanadaHelps.org](https://canadahelps.org), LowestRates, Hubba, RBC, TedXToronto, Perpetua, dapphaus, among others. In addition to her professional accomplishments, Wendy is dedicated to mentoring young professionals and startups, leveraging her expertise to help guide their careers and achieve success through effective communication strategies. With her exceptional storytelling abilities and talent for inspiring others, Wendy is poised to make a profound impact on any prospective client looking to elevate their brand and drive meaningful engagement.

### Keith Martin

Co-Executive Director / Co-Directeur général

Canadian Association of Financial Institutions in Insurance

L'association canadienne des institutions financières en assurance

[keith.martin@cafii.com](mailto:keith.martin@cafii.com)

T: 647.460.7725

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

[Visit the CAFII LinkedIn Page](#)



Making Insurance Simple and Accessible for Canadians

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# If your bank offers this product, the answer should be a hard no



[ROB CARRICK](#) PERSONAL FINANCE COLUMNIST

PUBLISHED 6 HOURS AGO UPDATED 3 HOURS AGO, October 31, 2023

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Banks know that the financial weight of a [mortgage](#) can scare people into thinking about what happens if they die suddenly, or develop a health condition that prevents them from working.

That's why they make this sales pitch to their mortgage customers: Buy our life, disability and/or critical illness [insurance](#) to protect you and your loved ones if you can't pay your mortgage. You should definitely consider insurance like this, but not the kind your bank sells. Instead, buy it from an insurance company.

Several reasons to not to buy bank mortgage insurance can be drawn from the experience of personal injury lawyer Nainesh Kotak. Mr. Kotak gets called by people who bought mortgage life, disability or CI insurance from a bank and had their claims denied.

A big reason for these denials is that only cursory attention is made to your medical background during the sales process by banks. "They rely solely on six or seven questions that are quite confusing, or they're quite broad," Mr. Kotak said. "So, there's a lot of room for denied claims."

## [How much insurance do I really need?](#)

CI and disability claims can be denied when an insurer decide the medical issue in question existed before you bought coverage. With a traditional insurer, a detailed questionnaire must be completed before coverage is set, and a medical exam may be required as well. No insurance offers guaranteed payouts when you make a claim,

but Mr. Kotak believes you have a better chance of success when dealing directly with an insurance company and not your bank.

Another reason cited by Mr. Kotak for passing on bank-sold mortgage insurance is that the money paid out in a successful claim goes back to the bank to cover your mortgage. You don't have the flexibility to use the money however you choose, as you would with a policy from an insurance company.

Also, the premiums for [mortgage insurance](#) from a bank stay level, even as the balance owing on your mortgage declines. When you buy a policy from an insurance company, you choose a level of coverage that remains constant. Mr. Kotak said his research has found that the cost of coverage from a bank or an insurance company are comparable.

Term life insurance, CI and disability are widely available from life and health insurance companies, and comparative quotes can be found online. Mr. Kotak said banks selling insurance have customers in a vulnerable spot. They've just taken on a big debt and are offered a way to protect their families by buying coverage.

"People will go and do it," Mr. Kotak said. "But I don't think it's a wise investment."

## Negative Article in Online Globe about Bank CPI

Keith Martin <Keith.Martin@cafii.com>

Wed 2023-11-01 9:23 AM

To: Nicole Benson <nicole.benson@valeyo.com>; Paul Cosgrove <paul.cosgrove@assurant.com>; Valerie Gillis <valerie.gillis@td.com>; Louie Georgakis <louie.Georgakis@canadalife.com>; Simon Lacroix-Hubert <simon.lacroixhubert@dsf.ca>; Ian Oncea <ian.oncea@cibc.com>; Peter Thompson <Peter.Thompson@bnc.ca>; Andrew Kugler <andrew\_kugler@manulife.ca>; Adam Vespi <adam.vespi@ctfs.com>; Wayne Hewitt <wayne.hewitt@scotiabank.com>; Nigel Branker <Nigel.Branker@securiancanada.ca>; Rahul Kakar <Rahul.Kakar@Chubb.com>; Rohit Thomas <rohit.thomas@bmo.com>; Heather McLachlin <heather\_mclachlin@cooperators.ca>; Julie Gaudry <julie.gaudry@rbc.com>; Nathalie Baron <nbaron@dsf.ca>; Martin Boyle <martin.boyle@bmo.com>; Isabelle Choquette <isabelle.choquette@dsf.ca>; Michelle Costello <michelle.costello@cumis.com>; Carmelina Manno <Carmelina\_Manno@manulife.ca>  
Cc: Wendy Bairos <wendy.bairos@gmail.com>; Brendan Wycks <brendan.wycks@cafii.com>; Shanay Smith <Shanay.Smith@cafii.com>; Robyn Jennings <Robyn.Jennings@cafii.com>; Troy Woodland <Troy.Woodland@cafii.com>

 1 attachments (23 KB)

October 31 2023 Rob Carrick Online Article--Responses.docx;

Hello CAFII Board, EOC, and Media Advocacy Members:

Please find attached a copy of a negative online article that appeared in yesterday's globe.

The article is not in today's print edition. It is a fairly light article quoting one source, a personal injury lawyer known in the industry, and its major claim is that bank CPI does not pay out claims to the extent that insurance company CPI does. The article actually says that the cost of bank or insurer CPI is similar: "Mr. Kotak said his research has found that the cost of coverage from a bank or an insurance company are comparable."

We are in discussion internally about the best response.

I have also attached the online responses to the article which are mostly agreeing with the article, but which do include comments supporting CPI including from one person whose brother had it and made a claim that paid off his mortgage. My copy of the online responses is not formatting well, but the content can be read.

## **Briefing Note**

**CAFII EOC Meeting: 14 November, 2023—Agenda Item 4(e)i**  
**Committees and Working Groups – Research and Education** - Update on EOC-Approved CAFII 2023 Research Project with LIMRA on CPI's Accessibility to and Utility for Canadian Consumer Segments

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### **Purpose of this Agenda Item – Update**

To update the EOC on the EOC-Approved CAFII 2023 Research Project with LIMRA on CPI's Accessibility to and Utility for Canadian Consumer Segments

### **Background Information**

Co-Executive Director Keith Martin will provide an update on the EOC-Approved CAFII 2023 Research Project with LIMRA on CPI's Accessibility to and Utility for Canadian Consumer Segments.

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

This is an update only.

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

No attachments.

## **Briefing Note**

### **CAFII EOC Meeting: 14 November, 2023—Agenda Item 4(f)i**

**Committees and Working Groups – Networking & Events** - Insights Gained from October 26/23 CAFII Webinar on “Words Matter” with Elissa Gurman, MacPhie Consulting

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#### **Purpose of this Agenda Item – *Update***

To update the EOC on insights gained from the October 26/23 CAFII Webinar on “Words Matter” with Elissa Gurman, MacPhie Consulting

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#### **Background Information**

Co-Executive Director Keith Martin will provide an update on insights gained from the October 26/23 CAFII Webinar on “Words Matter” with Elissa Gurman, MacPhie Consulting.

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

This is an update only.

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

No attachments.

## **Briefing Note**

### **CAFII EOC Meeting: 14 November, 2023—Agenda Item 6(a) Governance – Board Appointment of New CAFII Director from Manulife**

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#### **Purpose of this Agenda Item – Update**

To update the EOC on the CAFII Board's Appointment of a New CAFII Director from Manulife.

#### **Background Information**

CAFII's Operation Manager Shanay Smith will provide an update on the Board's Appointment of a New CAFII Director from Manulife.

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

This is an update only.

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

Two (2) attachments.

## CAFII Electronic Board Vote Results: Andrew Kugler Appointed To CAFII Board of Directors

Shanay Smith <Shanay.Smith@cafii.com>

Thu 2023-11-09 1:27 PM

To: Andrew Kugler <Andrew\_Kugler@manulife.ca>; Peter Thompson <Peter.Thompson@bnc.ca>; Paul Cosgrove <paul.cosgrove@assurant.com>; Thomas, Rohit <Rohit.Thomas@bmo.com>; Nigel Branker <Nigel.Branker@canadianpremier.ca>; Adam Vespi <adam.vespi@ctfs.com>; Rahul.Kakar@Chubb.com <Rahul.Kakar@Chubb.com>; Ian Oncea <ian.oncea@cibc.com>; Heather McLachlin <heather\_mclachlin@cooperators.ca>; Simon Lacroix-Hubert <simon.lacroixhubert@dsf.ca>; Wally Thompson <wallace\_thompson@manulife.ca>; Wayne Hewitt <wayne.hewitt@scotiabank.com>; Valerie Gillis <valerie.gillis@td.com>; Louie Georgakis <louie\_Georgakis@canadalife.com>; Nicole Benson <nicole.benson@valeyo.com>; Julie Gaudry <julie.gaudry@rbc.com>  
Cc: Keith Martin <Keith.Martin@cafii.com>; Brendan Wycks <brendan.wycks@cafii.com>; Robyn Jennings <Robyn.Jennings@cafii.com>; Rob Dobbins <rob.dobbins@assurant.com>; Karyn Kasperski <karyn.kasperski@rbc.com>; Jennifer Russell <Jennifer.russell@assurant.com>; Martin Boyle <martin.boyle@bmo.com>; Tejal Harri-Morar <Tejal.HarriMorar@bmo.com>; John Burns <john.burns@securiancanada.ca>; Deliska Beauregard <Deliska.Beauregard@canadianpremier.ca>; Farhad Eslah <Farhad.Eslah@ctfs.com>; Cynthia Golubic <Cynthia.Golubic@ctfs.com>; Catherine Latulippe <Catherine.Latulippe@ctfs.com>; Afzal Baig <afzal.baig@chubb.com>; John Juba <john.juba@chubb.com>; Konstance Allain <konstance.allain@cibc.com>; Lauren Ross <Lauren.Ross@cibc.com>; David Self <David.Self@wi.cibc.com>; Michelle Costello <michelle.costello@cumis.com>; Casandra Litniansky <casandra.litniansky@cumis.com>

 1 attachments (94 KB)

Andrew Kugler - Capsule Biography 2023.pdf;

I am pleased to announce that Andrew Kugler, Vice-President, Head of Distribution, Affinity Markets Canada, Manulife, has been appointed to the CAFII Board of Directors as the Director from Manulife, effective November 9, 2023.

Twelve (12) of the current fourteen (14) CAFII Directors have voted on the Motion proposed by Rohit Thomas and seconded by Wayne Hewitt In Favour, well in excess of the two-thirds majority affirmative vote required for a Motion to be passed under Article 5.14: Voting By Electronic Means, Outside of a Board Meeting as set out in CAFII's By-Law No.1.

Andrew - welcome to the CAFII Board of Directors! I know that your fellow CAFII Directors and everyone else involved in our Association looks forward to meeting you at the CAFII Board meeting on December 5, 2023, and to having the benefit of your experience and insights in the Board's deliberations.

**Shanay Smith**

Operations Manager

Canadian Association of Financial Institutions in Insurance

L'Association Canadienne des Institutions Financières en Assurance

[shanay.smith@cafii.com](mailto:shanay.smith@cafii.com)

T: 647.234.7090

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

[Visit the CAFII LinkedIn Page](#)



# Andrew Kugler

**VP, Head of Distribution**

**Affinity Markets Canada**

Andrew is the national head of Affinity Distribution in Canada having joined this team in August 2023. His current responsibility is to build new client relationships, nurture existing ones and establish new markets for Affinity Distribution's growth into the future. His primary areas of focus are in the following broad sales channels: Travel Agency Insurance (in both Canada and the US), mortgage creditor market, key association accounts, direct and broker channels and overall strategic new business development. Insurance products sold through channels primarily consist of individual health, dental, travel, mortgage creditor, term life and disability insurance.



Prior to this, Andrew was the national head of small business distribution for Manulife Group Benefits in Canada. He has also served as the Pricing Officer for Affinity Markets Canada and Group Benefits Canada and held the positions of AVP, Expense Management, Canadian Segment, AVP and Actuary, Canadian Risk Management and AVP for Manulife Reinsurance in Barbados.

Andrew joined Manulife at the end of 2004 and has spent half his career leading and interacting with the various group benefit distribution, pricing and underwriting teams.

Andrew holds a B.Sc. in Actuarial Mathematics from the University of Waterloo. He is a Fellow of the Canadian Institute of Actuaries (FCIA) and is a Fellow of the Society of Actuaries (FSA) in the United States.

## **Briefing Note**

**CAFII EOC Meeting: 14 November, 2023—Agenda Item 6(b)  
Governance – Implementation of New CAFII Management Structure, Including Development of  
Comprehensive “Policies and Procedures Manual”; and Development of Document Re CAFII Succession  
Plan**

---

### **Purpose of this Agenda Item – Update/Discussion**

To update the EOC on the Implementation of the New CAFII Management Structure, including the Development of a Comprehensive “Policies and Procedures Manual”; and the upcoming development of a document regarding a CAFII Succession Plan.

### **Background Information**

Co-Executive Director Keith Martin will provide an update on the Implementation of the New CAFII Management Structure, Including the Development of a Comprehensive “Policies and Procedures Manual”; and the upcoming development of a document regarding a CAFII Succession Plan.

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

This is an update item, with an opportunity for discussion.

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

No attachments.

## **Briefing Note**

### **CAFII EOC Meeting: 14 November, 2023—Agenda Item 6(c) Governance – Draft Minutes of October 10/23 Board Meeting**

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#### **Purpose of this Agenda Item – *Endorsement***

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To request EOC endorsement of the Draft Minutes of the October 10/23 CAFII Board Meeting.

#### **Background Information**

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Co-Executive Director Brendan Wycks will ask the EOC for its endorsement of the Draft Minutes of the October 10/23 CAFII Board Meeting, for subsequent presentation to the Board for approval at its own next meeting on December 5/23.

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

---

This is a request for endorsement.

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

---

One (1) attachment.

**Agenda Item 6 c**  
**November 14/23 EOC Meeting**

**CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE**  
**BOARD OF DIRECTORS MEETING**  
**In-Person/Hybrid Meeting Hosted by RBC Insurance at 1 Place Ville Marie, Montreal, Quebec**  
**Tuesday, October 10, 2023**  
**2:20 to 4:00 p.m. EDT**  
**Minutes**

**Board Members**

**Present In Person:**

Peter Thompson, National Bank Insurance  
Paul Cosgrove, Assurant Canada  
Heather McLachlin, CUMIS Services Inc./The Co-operators  
Louie Georgakis, The Canada Life Assurance Company  
Julie Gaudry, RBC Insurance

**Present Virtually:**

Adam Vespi, Canadian Tire Bank  
Ian Oncea, CIBC Insurance  
Rohit Thomas, BMO Insurance  
Rahul Kakar, Chubb Life Insurance Company of Canada  
Wayne Hewitt, Scotia Insurance  
Wally Thompson, Manulife; outgoing Board member  
Valerie Gillis, TD Insurance  
Nicole Benson, Valeyo  
Simon Lacroix-Hubert, Desjardins Insurance

**Regrets:**

Nigel Branker, Securian Canada

**Also Present:**

Andrew Kugler, Manulife; incoming Board member (Guest Observer present virtually)  
Rob Dobbins, EOC Chair and Board Secretary, Assurant Canada  
Karyn Kasperski, EOC Vice Chair, RBC Insurance  
John Burns, Securian Canada (Surrogate for Board Member Nigel Branker)  
Donald Hinnecke, Treasurer, RBC Insurance  
Brendan Wycks, Co-Executive Director, CAFII  
Keith Martin, Co-Executive Director, CAFII  
Robyn Jennings, Research Analyst, CAFII  
Shanay Smith, Operations Manager, CAFII (virtual-only)  
Pamela Hicks, Association Administrator, Managing Matters

**Item 1: Welcome, Call to Order, and Meeting Confirmation.**

CAFII Board Chair Peter Thompson welcomed all to this meeting of the CAFII Board of Directors, which was hosted by RBC Insurance in Montreal, Quebec, as well as virtually on the Microsoft Teams platform, and called the meeting to order at 2:24 p.m. Robyn Jennings acted as Recording Secretary.

**Item 1(a): Declaration of Meeting Properly Called and Constituted.**

Board Secretary Rob Dobbins confirmed that there was a quorum of Board members present for the meeting; and that the meeting had been properly called and constituted.

**Item 1(b): Welcome to New CAFII Staff Members and Managing Matters Support Team Member Robyn Jennings, Research Analyst; Shanay Smith, Operations Manager; and Pamela Hicks, Association Administrator.**

Board Chair Peter Thompson welcomed and introduced CAFII's two new staff members, Robyn Jennings (Research Analyst) and Shanay Smith (Operations Manager), along with Managing Matters' on-site support team member Pamela Hicks (Association Administrator).

**Item 1(c): Approval of Agenda.**

*On a motion duly made, seconded, and unanimously carried, IT WAS RESOLVED that the meeting Agenda be and is approved.*

**Item 2: Consent Items.**

*On a motion duly made, seconded, and unanimously carried, IT WAS RESOLVED that the Consent Agenda items itemized below be and are approved or received for the record, as indicated in the Action column in the Consent section of the agenda.*

- a. Draft Board Meeting Minutes, June 6, 2023
- b. May 31/23 CAFII Submission to FSRA on "Proposed Guidance: Administrative Monetary Penalties"
- c. Summary of Board and EOC Action Items
- d. June/July 2023 Regulatory Update
- e. September 2023 Regulatory Update
- f. Consultations/Submissions Timetable
- g. Regulator and Policy-Maker Visit Plan Recap
- h. Committee Reports Addressing CAFII Priorities
- i. Board-Approved CAFII 2023 Schedule of Meetings and Events

*Further, IT WAS RESOLVED that the minutes of the meeting of the CAFII Board of Directors held June 6, 2023, be and are adopted in the form presented and that copies of those minutes be signed and placed in the minute book of the Corporation.*

**Item 3: Governance Matters**

**Item 3(a): Retirement of Wally Thompson, Manulife Financial; and Appointment of Andrew Kugler, Vice President, Head of Distribution, Affinity Markets Canada, Manulife as New CAFII Board Member.**

Peter Thompson called upon CAFII Director and current Board Vice-Chair Wally Thompson (Manulife) to update the Board on his plans to retire imminently, effective Friday, October 13, 2023.

Wally Thompson thanked his fellow CAFII Directors, other member company representatives, and the Association's staff team for the experience he had very much enjoyed in serving as a CAFII Board member for the past five-plus years. He advised that he will be succeeded at Manulife and on the CAFII Board by Andrew Kugler.

Peter Thompson advised that Andrew Kugler's appointment to the CAFII Board would be implemented via the *Electronic Vote of the Board, Outside of a Board Meeting* provision set out in the Association's Bylaw.

All Board members joined Mr. Thompson in a warm round of applause for Wally Thompson for his distinguished service on the CAFII Board, and to the Association more generally.

**Item 3(b): Appointment of Paul Cosgrove, President & CEO, Assurant Canada, as New CAFII Board Vice-Chair.**  
Chair Peter Thompson provided an update on the Association's current Board Vice-Chair situation and the related, recent deliberations of the Board Chair and Vice-Chair Nominating Committee; and he sought the Board's approval for the appointment of Paul Cosgrove (President and CEO, Assurant Canada) as the new Vice-Chair of the Board.

*On a motion duly made, seconded, and unanimously carried, IT WAS RESOLVED that Paul Cosgrove be and is appointed as Vice-Chair of the CAFII Board of Directors.*

**Item 3(c): Implementation of Board-Approved "New CAFII Management Structure (Post 2023)."**  
CAFII Co-Executive Director Keith Martin provided an update on implementation of the Board-approved new CAFII management structure (post-2023). This new structure is in response to Co-Executive Director Brendan Wycks' impending retirement. As a result, CAFII has hired two new staff members – Shanay Smith (Operations Manager) and Robyn Jennings (Research Analyst) -- reporting to Keith Martin as the sole Executive Director.

One key outcome of the new management structure is the creation of a Policies & Procedures Manual (P&Ps), currently being developed by Shanay Smith. This will act as a repository of documentation on all CAFII deliverables and processes. The goal of the P&Ps Manual is to have a permanent record of all CAFII procedures, policies, timelines and deadlines, key terms, and general information.

**Item 3(d): Proposed 2024 Schedule of CAFII Meetings and Events**  
CAFII Co-Executive Director Brendan Wycks presented to the Board a Proposed 2024 Schedule of CAFII Meetings and Events.

He advised that in 2024, in keeping with member requests, there will be no EOC or Board meetings on a day immediately following a statutory holiday or on the Tuesday following a long, holiday weekend. The recommended dates for the four Board meetings to be held in 2024 were set out prominently in the Proposed Schedule that had been circulated.

*On a motion duly made, seconded, and unanimously carried, IT WAS RESOLVED that the Proposed 2024 Schedule of CAFII Meetings and Events be and is approved, as presented.*

#### **Item 4: Financial Management**

**Item 4(a): CAFII Financial Statements as at August 31/23**  
Treasurer Donald Hinnecke provided an overview of CAFII's financial position as at August 31, 2023, noting that the Association was in a strong financial position and would finish the 2023 fiscal year with a significant surplus, mainly due to the fact that some budgeted expenses -- such as legal fees, travel, and event costs -- will not be incurred.

**Item 4(b): Forecast for CAFII 2023 Fiscal Year as at August 31/23.**

Treasurer Donald Hinnecke provided an update on the forecast for CAFII's 2023 fiscal year as at August 31, 2023, noting that the Association was in a very strong cash and overall financial position; and will be well-situated for the upcoming 2024 fiscal year.

**Item 4(c): Critical Path for Development of 2024 CAFII Operating Budget, Including Proposal from Operatic Agency for Development of New Back End of CAFII Website**

Co-Executive Director Brendan Wycks updated the Board on the critical path for the development of the Association's proposed 2024 operating budget. A proposed budget would be presented to the EOC for endorsement, following which it will be presented to the Board for approval at its next meeting on December 5/23, he advised.

Co-Executive Director Keith Martin noted that the 2024 budget will include a one-time \$40,000 expense for a rebuilding of the CAFII intranet, or website back-end. Because this is a sizeable one-time expense, the Board is being asked to support, separately, the Association's proceeding with this investment in its 2024 budget, he indicated.

*On a motion duly made, seconded, and unanimously carried, IT WAS RESOLVED that the CAFII-requested Proposal from Operatic Agency for the Development of a New Back End of the CAFII Website be and is approved, as presented.*

**Item 5: Strategic and Regulatory Matters**

**Item 5(a): Debrief Discussion on Just-Completed 'Industry Issues Dialogue' with AMF Staff Executives**

See item 5(b).

**Item 5(b): Insights Gained from July 4/23 and Plans for September 29/23 Quarterly Virtual Liaison Meetings Between CAFII Board Chair P. Thompson and AMF Superintendent E. Jacob**

Chair Peter Thompson and Co-Executive Director Keith Martin addressed agenda items 5(a) and 5(b) in tandem, as they were integrally related.

Peter Thompson stated that the just-concluded Industry Issues Dialogue was very different from last year's parallel meeting in that it was positive, amicable, and collaborative. He noted that, though there are still issues to discuss with the AMF, the clear difference in approach and tenor indicates that we have turned a corner in the relationship.

Keith Martin noted that this positive change can be largely attributed to the benefits that have flowed out of the quarterly meetings that Peter Thompson has been holding with AMF Superintendent of Client Services and Distribution Éric Jacob.

The most important ongoing topic of discussion between the AMF and CAFII at this time is spousal insurance, Mr. Martin indicated. CAFII members have made it clear that their ideal and desired course of action would be to let all remaining spousal insurance policies be naturally run off; however, with the deadline of January 1/25 fast approaching, there is a need to quickly gain clarity on the expectations of the AMF on this issue.

The general sentiment from the AMF is that they are willing to listen to CAFII and consider a natural attrition approach, if CAFII can demonstrate that member companies are making progress in running down the number of those policies.

**Item 5(c): Insights Gained from September 28/23 Presentation of CAFII's 2023 Research Results-Focused PowerPoint Deck to AMF Staff Executives in a Special Purpose In-Person (in Quebec City)/Hybrid Meeting in French Only**

Keith Martin reported that the AMF was appreciative of the clear efforts made by CAFII to present its research results-focused PowerPoint deck to a group of the Autorité's staff executives in-person and in French only on September 28/23. The engagement level displayed by the AMF staff executives at that session was high and positive; conversations were amicable, and the AMF attendees expressed curiosity about CAFII's research results, particularly the findings on consumer satisfaction. Further sharing of such research results, in future, may be an avenue for continuing CAFII's relationship development with the AMF.

**Item 5(d): Insights Gained from June 8/23 CAFII Special Purpose Virtual Meeting with Christian Beaulieu and Mario Beaudoin on AMF's Gathering of Industry Statistics on Claims Denials, and Utilization Intentions**

Keith Martin reported that his June 8/23 special purpose meeting with the AMF's Christian Beaulieu and Mario Beaudoin on the Autorité's gathering of industry statistics on claims denials, and related utilization intentions with respect to those statistics, was a very productive meeting. Mario Beaudoin provided additional clarity around the AMF's gathering of statistics and how it intends to use them. The meeting made it clear that this was a long-term project for the AMF and not an immediate priority.

**Item 5(e): Insights Gained from June 21/23 CAFII Special Purpose Virtual Meeting with Louise Gauthier and Melissa Perreault on AMF's Regulation on Complaints Handling and Dispute Resolution; and Ensuing Correspondence Exchange**

Keith Martin informed the Board that, overall, his June 21/23 special purpose virtual meeting with AMF staff executives Louise Gauthier and Melissa Perreault on the Autorité's Regulation on Complaints Handling and Dispute Resolution (along with the ensuing correspondence on this matter) had been very productive, with Ms. Gauthier concluding the meeting by saying that she understands the industry's concerns and that the AMF would do what it could to adjust the draft Regulation accordingly.

**Item 5(f): Insights Gained from Recent CAFII Insurance Regulator and Policy-Maker Tour Visits:**

With respect to CAFII's recently completed insurance regulator and policy-maker visits tours (Phases 1 and 2 of Western Canada Tour in May and June 2023; and Phase 1 of Atlantic Canada Tour in September 2023), Keith Martin provided the following thematic observations:

- in-person meetings in each regulator/policy-maker's province are highly beneficial for dialogue and building a strong foundation for collaboration;
- regulators and policy-makers are starved for information and are eager to learn what is going on in the industry;
- it is beneficial for CAFII to continue to bring member company representatives on the tours, as doing so allows insurance regulators and policy-makers to speak to industry participants with operational responsibilities; and
- there is an older generation of regulators and policy-makers who carry a somewhat jaundiced view of credit protection insurance. Both Robert Bradley from PEI and Angela Mazerolle from New Brunswick, for example, said that they would not purchase credit protection insurance themselves. CAFII will



continue to focus on providing credible research results and information to regulators and policy-makers so that they can understand the benefits of these products.

Brendan Wycks added that another insight gained from these meetings is that some regulators are receptive to harmonization and seemed to understand industry concerns around the differences from province-to-province, particularly with respect to restricted insurance agent licensing regimes.

**Item 5(g): EOC-Approved CAFII 2023 Research Project with LIMRA on CPI's Accessibility to and Utility for Canadian Consumer Segments**

Keith Martin reported on the status of the EOC-Approved CAFII 2023 Research Project with LIMRA on *CPI's Accessibility to and Utility for Canadian Consumer Segments*. He noted that this research will identify whether homeowners in different income bands have different rates of purchasing CPI versus other types of life insurance. The hypothesis is that lower income groups among homeowners will have higher enrolment rates in CPI as an insurance protection product, which would indicate that this product is especially important for lower and middle income consumers in the marketplace.

**Item 5(h): Recruitment of and Transition to New Media Consultant**

Keith Martin updated the Board on CAFII's search for a new Media Consultant.

**Item 5(i): Insights Gained from September 26/23 CAFII Webinar with Stuart Wilkinson, Director, Consumer Office, FSRA**

Keith Martin provided an update on insights gained from a September 26/23 CAFII webinar with Stuart Wilkinson, Director of the Financial Services Regulatory Authority of Ontario (FSRA)'s Consumer Office. He also noted that he has consistently received messages from insurance regulators and policy-makers that they find great value in being invited to attend CAFII webinars. It is also an excellent way to give a raise the profile of selected, often recently appointed, regulators and policy-makers, and to give them a platform to share their views and priorities to industry representatives. Stuart Wilkinson was highly appreciative of the platform which CAFII gave him to share the priorities of the FSRA Consumer Office which he is responsible for.

**Item 6: Meeting Termination**

*On a motion duly made, seconded, and unanimously carried, IT WAS RESOLVED that this meeting of the CAFII Board of Directors be terminated at 3:50 p.m.*

## **Briefing Note**

### **CAFII EOC Meeting: 14 November, 2023—Agenda Item 6(d) Governance – Draft Minutes of October 24/23 EOC Meeting**

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#### **Purpose of this Agenda Item – *Approval***

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To request EOC approval of the Draft Minutes of the October 24/23 EOC Meeting.

#### **Background Information**

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Co-Executive Director Brendan Wycks will ask the EOC for its approval of the Draft Minutes of the October 24/23 EOC Meeting.

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

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This is a request for approval.

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

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One (1) attachment.

**EXECUTIVE OPERATIONS COMMITTEE VIRTUAL MEETING  
CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE**

**Tuesday, October 24, 2023, 2:00-3:30 pm**

**MINUTES**

**EOC Present**

Rob Dobbins	Assurant and EOC Chair
Karyn Kasperski	RBC Insurance and Vice Chair
Donald Hinnecke	RBC Insurance and Treasurer
Jennifer Russell	Assurant
Martin Boyle	BMO Insurance
Tejal Harri-Morar	BMO Insurance
Catherine Latulippe	Canadian Tire Bank
Afzal Baig	Chubb Life Insurance Company of Canada
Casandra Litniansky	CUMIS/The Co-operators
Michelle Costello	CUMIS/The Co-operators
Isabelle Choquette	Desjardins Insurance
Carmelina Manno	Manulife Financial
Janet Pacini-Thibodeau	Manulife Financial
Suzie Blanchard	Manulife Financial
Jonathan Poulin	National Bank Insurance
Fernando Heleno	RBC Insurance
Iman Muntazir	RBC Insurance
Charles MacLean	RBC Insurance
Prithipal Rajasekaran	Scotia Insurance
Brad Kuiper	Scotia Insurance
John Burns	Securian Canada
Deliska Beauregard	Securian Canada
Fay Coleman	TD Insurance
Andrea Stuska	TD Insurance
Peter Thorn	TD Insurance
Dallas Ewen	The Canada Life Assurance Company
Jason Beauchamp	The Canada Life Assurance Company

**Regrets:**

Farhad Eslah	Canadian Tire Bank
Cynthia Golubic	Canadian Tire Bank
John Juba	Chubb Life Insurance Company of Canada
David Self	CIBC Insurance
Konstance Allain	CIBC Insurance
Lauren Ross	CIBC Insurance
Almas Satwat	CUMIS/The Co-operators
Diane Quigley	CUMIS/The Co-operators
Nathalie Baron	Desjardins Insurance
Pierre-Olivier Cyr	Desjardins Insurance
Sharon Murrell-Foster	Manulife Financial
Katia Umutoniwase	Manulife Financial

Ivan Murray	National Bank Insurance
Shannon Dowe	RBC Insurance
Stacey Hughes-Brooks	RBC Insurance
Alfonso Movilla	Scotia Insurance
Sean Kradjian	Scotia Insurance
Asma Desai	Securian Canada
Fergal Murphy	TD Insurance
Moir Gill	TD Insurance
Catherine Laspina	The Canada Life Assurance Company
Jacqlyn Marcus	Valeyo
Marco DeiCont	Valeyo

**Also Present:** Brendan Wycks, *Co-Executive Director*  
Keith Martin, *Co-Executive Director*  
Troy Woodland, *Association Coordinator*  
Robyn Jennings, *Research Analyst*  
Shanay Smith, *Operations Manager*

## **Item 1: Welcome, Call to Order, and Priority Matters**

### **Item 1 (a): Call to Order**

The meeting was chaired by EOC Chair Rob Dobbins, who called the meeting to order.

### **Item 2: Consent Items**

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

- Consultations/Submissions Timetable;
- October 2023 Regulatory Update;
- Summary of Board and EOC Action Items;
- Board-Approved Schedule of CAFII 2023 Meetings and Events;
- Board-Approved Schedule of CAFII 2024 Meetings and Events.

## **Item 3: Financial Management Matters**

### **Item 3 (a): CAFII Financial Statements as at September 30/23**

CAFII Treasurer Donald Hinnecke provided an update on CAFII's financial position as at September 30/23, noting that the Association is in a strong financial position at the three-quarters point in the 2023 fiscal year. CAFII is spending well within expected levels and is, therefore, in a strong cash position thanks to unbudgeted interest income, unbudgeted member dues from one additional member (Chubb Life), and lower spending than anticipated year-to-date (no legal fees, cancelled or deferred meetings, minimal office expenses, etc.). There will be some significant expenses in the final quarter due to regulator and policy-maker visits travel, but they will not have a material impact on the Association's 2023 year-end financial position.

### **Item 3 (b): Forecast for CAFII 2023 Fiscal Year as at September 30/23**

CAFII Treasurer Donald Hinnecke projected that CAFII will end the 2023 fiscal year in a strong financial position, thanks to modest incremental revenue (higher member dues and interest income) and prudent expense management. There are a few new, one-time expenses now embedded in the forecast, including a retirement party for Brendan Wycks and the hiring of a new media consultant. The forecast now calls for the Association to end the 2023 fiscal year with a 58% level of financial reserves as a percentage of annual operating expenses, if expense levels continue to play out as anticipated. CAFII will continue to monitor any additional new staffing and management structure costs, the new RSM Canada research project, and regulatory tour expenses.

### **Item 3 (c): Proposed CAFII Electronic Payables and Cheque Signing Authorities Policy**

Co-Executive Director Brendan Wycks presented to the EOC a second draft of CAFII's Proposed Electronic Payables and Cheque Signing Authorities Policy.

At the September EOC meeting, he recalled, EOC members had provided excellent feedback on the first draft of the Policy, which was incorporated into the second draft. Thus, the new policy now stipulates:

- A Managing Matters representative cannot be an approver of an electronic payables item payable to that company;
- A Managing Matters representative can be one of the two signatories on cheques in amounts of up to \$2,500, with a CAFII staff member or Officer of the Association as the second signatory. If the amount of a cheque is over \$2,500, then both signatories must be a CAFII staff member or Officer of the Association. (Since 2021, the Association has been moving towards electronic payables, but occasionally CAFII still uses cheques; therefore, this provision must remain in the Policy);
- the Policy now contains a sunset provision, requiring that it be reviewed at least once every five years.

The EOC unanimously endorsed Draft 2 of the Proposed Electronic Payables and Cheque Signing Authorities Policy, for presentation to the Board for approval at its upcoming December 5/23 meeting.

### **Item 3 (d): Critical Path for Development of 2024 CAFII Operating Budget**

Co-Executive Director Brendan Wycks reported that the critical path for development of the 2024 CAFII operating budget was presented to the Board at the October 10/13 meeting in Montreal. He advised that CAFII's Accountant/Controller Ricky Nason was in the process of reaching out to the CAFII committee chairs and vice-chairs for their input for the 2024 CAFII Operating Budget; and that Treasurer Donald Hinnecke would be involved in the decisions around the proposed operating budget. An advanced draft of the Proposed 2024 Operating Budget will be ready for presentation at the November 14/23 EOC meeting. If subsequently endorsed by the EOC via an email assent process, the Proposed 2024 CAFII Operating Budget will then be included in the December 5/23 Board meeting materials for approval by the Board.

**ACTION:** Create a revised Critical Path for Development of the 2024 CAFII Operating Budget to present at the next EOC meeting (November 14/23) for review and approval [B. Wycks; November 10, 2023].

#### **Item 4: Committee and Working Group Updates**

##### **Item 4 (a): Diversity, Equity and Inclusion**

###### **i. Current Priorities and Initiatives for the Working Group**

Co-Executive Director Keith Martin and Chair of the Diversity, Equity, and Inclusion Working Group Tejal Harri-Morar updated the EOC on the October 16/23 Working Group meeting, in which it was agreed that CAFII would consider developing an HR policy to outline the Association's DEI principles and objectives. There was also a lengthy discussion at the Working Group's meeting of DEI advancements at the Board-level as well as Board succession plans in relation to DEI considerations. Finally, during the meeting, there was a productive conversation on the upcoming DEI survey of member companies, which will probe companies on their DEI policies and allow members the opportunity to advance any DEI principles or practices they believe should be incorporated at a CAFII level.

K. Martin noted that the Working Group is still in the exploratory stage of its mandate; hence, the importance of a survey to understand the policies and priorities of CAFII member companies around DEI initiatives. Therefore, the primary focus of the Working Group is on research findings and information-gathering, rather than developing recommendations, at this time.

##### **Item 4 (b): Marketing Conduct & Licensing**

###### **i. FSRA Significant Rewrite of "Proceeds of Enforcement Guidance," Including to Reflect Feedback in CAFII Written Submission**

Chair of Market Conduct & Licensing Group Brad Kuiper reported that CAFII had received a very positive response from FSRA on CAFII's submission regarding FSRA's consultation on proceeds of enforcement. FSRA said that it had taken to heart much of CAFII's recommendations. B. Kuiper noted that this is a result of the effectiveness of the Market Conduct & Licensing Committee and the EOC, as well as the excellent regulatory relationships that CAFII's Co-Executive Directors have developed. EOC Chair Rob Dobbins re-echoed B. Kuiper's views and emphasized the importance of relationship-building with insurance regulators and policy-makers.

###### **ii. CCIR Consultation on Type and Nature of Complaints to Be Disclosed Through Annual Statement on Market Conduct (ASMC) via Complaint Report Tool (Submission Deadline: November 3/23)**

Co-Executive Director Brendan Wycks reported that CAFII will organize some meetings of the Market Conduct & Licensing Committee to discuss CCIR's *Consultation on the Type and Nature of Complaints to be Disclosed through the Annual Statement on Market Conduct (ASMC) via Complaint Report Tool*. Martin Boyle indicated that, in his view, a very robust, impactful CAFII submission on this CCIR initiative would be critically important.

###### **iii. FSRA Consultation on "2024-25 Statement of Priorities and Budget" (Submission Deadline: November 13/23)**

Co-Executive Director Keith Martin reported that he would be attending a November 2, 2023, meeting of the FSRA Life & Health Insurance Sectoral Advisory Committee (SAC) on the Authority's 2024-2025 Statement of Priorities and Budget; and that CAFII would make a submission to FSRA in response to its related consultation, which has a deadline of November 13, 2023. He also noted that he had recently had a preparatory meeting with Erica Hiemstra (Head, Insurance Conduct) and her team on 13 October, 2023 to discuss the upcoming SAC meeting; and that Ms. Hiemstra had expressed FSRA's appreciation for CAFII's support of FSRA's recent consumer protection work which focused on the MGA distribution channel in the life and health insurance sector.

#### **Item 4 (c): Quebec/AMF Issues**

##### **i. Insights Gained from September 28/23 French Presentation of CAFII's 2023 Research Results-Focused PowerPoint Deck to AMF Staff Executives in Quebec**

Co-Executive Director Keith Martin reported to the EOC that his presentation to the AMF was very successful. The AMF was appreciative of CAFII's efforts to make the presentation in-person in Quebec and in French. He noted his view that presentations in Quebec would increasingly need to be made in French.

#### **Item 4 (d): Media Advocacy**

##### **i. Engagement of New Media Consultant**

Co-Executive Director Keith Martin reported that the Media Advocacy Committee's primary recent activity has been the recruitment of a new media consultant. He expressed appreciation to Media Advocacy Chair Jacqlyn Marcus for her help in finding a new media consultant, Wendy Bairos. He indicated that he would be introducing Ms. Bairos to the EOC at the November 14/23 EOC meeting.

#### **Item 4 (e): Research & Education**

##### **i. Launch of EOC-Approved CAFII 2023 Research Project with LIMRA on CPI's Accessibility to and Utility for Canadian Consumer Segments**

Chair of the Research & Education Committee Andrea Stuska reported that the final, approved version of the survey questionnaire developed with LIMRA had recently been released into the field with online consumer respondents; and that final questionnaire was included in the meeting materials package.

K. Martin advised that there would be a short delay in LIMRA's compiling of the survey results, which was attributable to the importance of getting full Research & Education Committee engagement in the development of the survey, which will, in the end, result in stronger research insight outcomes. CAFII is on track to receive the survey results in late November or December 2023; and, after EOC and Board approvals, could release the research publicly, if that is the desired approach, early in 2024.

##### **ii. Proposal That CAFII Present Its 2023 Research Results-Focused PowerPoint Deck to Financial Consumer Agency of Canada (FCAC) Staff Executives**

Keith Martin reported that CAFII has completed its planned 2023 Insurance Regulator and Policy-Maker Visit Tours, with visits to the four Atlantic Canada provinces in September and October 2023. The tour in Atlantic Canada was very successful and generated positive feedback from the regulatory decision-makers that CAFII met.

He noted that one major regulator that CAFII has not met with in 2023 is the Financial Consumer Agency of Canada (FCAC).



There was strong support among EOC members to move forward with arranging a regulatory presentation to a group of CAFII-relevant FCAC staff executives in early 2024, in Ottawa.

R. Dobbins requested that this issue be further discussed at the November 14, 2023 EOC meeting, before a 2024 meeting with FCAC is arranged thereafter.

#### **Item 4 (f): Networking & Events**

Networking and Events Committee Chair Carmelina Manno and Vice-Chair Marco DeiCont provided a written update on the Committee's recent activities.

#### **Item 5: Strategic and Regulatory Initiatives**

##### **Item 5 (a): Insights Gained from October 10/23 CAFII/AMF Informal Liaison Lunch; and CAFII/AMF 'Industry Issues Dialogue', Including:**

##### **i. CAFII Plans for Further Dialogue with AMF on Spousal Insurance Issue**

Keith Martin reported that CAFII's Industry Issues Dialogue meeting with the AMF on October 10, 2023 had been very positive and markedly different from the tense 2022 meeting. The quarterly meetings between Éric Jacob and Peter Thompson have been impactful and resulted in a series of related meetings that were also very productive. In total, 11 meetings have been held with the AMF over the course of 2023, which have resulted in important opportunities to share information.

K. Martin reported that Peter Thompson presented statistics to Éric Jacob that indicated that spousal insurance policies were naturally running off at a rate of 10-12% a year but that there would still be hundreds of thousands of these policies by the 1 January, 2025 deadline for these policies to be cancelled. Mr. Jacob said he found the statistics informative, but that a more formal report on the attrition of these policies would be helpful to him. K. Martin suggested to Peter Thompson that an actuarial firm like RSM Canada could produce such a report, and it was agreed that this was an appropriate next step. An expedited approval process was used to move forward on this project, and RSM Canada is aiming to have a report to CAFII on spousal insurance run-off by November, 2023.

EOC Chair Rob Dobbins echoed Keith Martin's views that the October 10/23 meeting with the AMF had gone very well. Overall, CAFII's interactions with the AMF over the past year have been very positive and encouraging in terms of future interactions and relationship-building, he indicated.

##### **Item 5 (b): Insights Gained from In-Person CAFII 2023 Atlantic Canada Insurance Regulators and Policy-Makers Visits Tour: Phase 1 (PEI and New Brunswick) and Phase 2 (Nova Scotia and Newfoundland)**

This item was deferred to the November 14/23 EOC meeting.

**ACTION:** Present Insights Gained from In-Person CAFII 2023 Atlantic Canada Insurance Regulators and Policy-Makers Visits Tour: Phase 1 (PEI and New Brunswick) and Phase 2 (Nova Scotia and Newfoundland). [*R. Jennings and K. Martin; November 10, 2023*].



**Item 5 (c): Insights Gained from October 23/23 Saskatchewan Restricted Insurance Agent Advisory Committee (RIAAC) Meeting**

Keith Martin reported that the October 23/23 Saskatchewan Restricted Insurance Agent Advisory Committee (RIACC) meeting has been very productive. One particularly encouraging development was that April Stadnek, Executive Director of the Insurance Councils of Saskatchewan, had expressed a willingness to be a regulator leader in exploring the development of a Western Canada multi-jurisdiction Restricted Insurance Agency Advisory Committee -- so that, instead of trying to develop four advisory committees (Alberta, Manitoba, British Columbia, and Saskatchewan), there would be the creation of one body meeting together.

He also indicated that because CAFII had been unable to meet with her and her Insurance Councils of Saskatchewan staff colleagues during its Spring 2023 Western Canada Insurance Regulators and Policy-Makers Visits Tour, April Stadnek was interested in finding an alternative way for CAFII to make its presentation to her organization.

**Item 6: Governance**

**Item 6 (a): Implementation of New CAFII Management Structure, Including Development of Comprehensive “Policies and Procedures Manual”**

See item 6(b) below for the update on the Plans for Document on CAFII’s Succession Plan.

**Item 6 (b): Plans for Document on CAFII Succession Plan**

Keith Martin provided an update on CAFII’s new management structure, including the hiring of two new employees: Shanay Smith (Operations Manager) and Robyn Jennings (Research Analyst). As part of the new management structure, CAFII is developing a Policies & Procedures (P&P) manual to document all critical procedures, policies, and outputs. A succession plan for CAFII will also be developed by Keith Martin and brought forward at a subsequent EOC meeting.

**Item 6(c): Draft Minutes of September 19/23 EOC Meeting**

The EOC approved the minutes of the September 18/23 EOC meeting.

## **Briefing Note**

**CAFII EOC Meeting: 14 November, 2023—Agenda Item 7(a)**

**Read Only Items – CAFII Media Release Announcing Paul Cosgrove as Board Vice-Chair**

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### **Purpose of this Agenda Item – Read Only**

To inform the EOC of CAFII's recently issued Media Release Announcing Paul Cosgrove as the new CAFII Board Vice-Chair.

### **Background Information**

Two (2) documents will be provided with respect to this Read Only agenda item.

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

No action is required.

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

Two (2) attachments.

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# Paul Cosgrove Appointed Board Vice Chair of the Canadian Association of Financial Institutions in Insurance (CAFII)

November 7, 2023

FOR IMMEDIATE RELEASE

**Paul Cosgrove Appointed Board Vice Chair of the Canadian Association of Financial Institutions in Insurance (CAFII)**

[Toronto, Ontario, November 6, 2023] – The Canadian Association of Financial Institutions in Insurance (CAFII) is pleased to announce the appointment of Paul Cosgrove, President and CEO of Assurant Canada, as Vice Chair of its board of directors.

In his capacity as Vice Chair, Paul Cosgrove will work closely with CAFII's board of directors and member companies to advance the association's mission of advocating for federal and provincial/territorial insurance policy and regulations which optimise the fair treatment of customers, foster industry innovation, and facilitate the development and offering of simple accessible, and affordable insurance protection for Canadians.

Commenting on his appointment, Mr. Cosgrove stated, “I am honoured to serve as Board Vice Chair of CAFII and look forward to working alongside industry leaders to advance the association’s focus on achieving a regulatory environment that enables industry players to meet consumers’ expectations for how they want to access life and health insurance options; and on building consumer protection into the life and health and travel insurance coverage offered by CAFII members.”

Peter Thompson, Chair of the CAFII board of directors and National Bank Insurance CEO, welcomed Mr. Cosgrove’s appointment, saying, “Paul Cosgrove’s extensive experience and strong commitment to industry excellence will undoubtedly enhance CAFII’s ability to serve our members and consumers by strengthening the association’s mutually beneficial working relationship with insurance policy-makers and regulators across the country.”

CAFII, a not-for-profit industry association established in 1997, unites financial institutions involved in selling insurance across various channels, including client contact centres, agents, brokers, travel agents, direct mail, branches of financial institutions, and online platforms. CAFII’s membership comprises the insurance arms of Canada’s leading banks and credit unions, along with their life insurance company underwriter partners, collectively dedicated to promoting transparency, consumer-focused practices, and excellence in the insurance industry.

The association works collaboratively with governments and regulators, at both the federal provincial territorial levels, to establish a legislative and regulatory framework for the insurance sector which ensures that Canadian

consumers have access to insurance products that suit their needs. CAFII is committed to ensuring that appropriate standards are in place for the distribution and marketing of all insurance products and services.

**About CAFII:** The Canadian Association of Financial Institutions in Insurance (<https://c212.net/c/link/?t=0&l=en&o=3198976-1&h=1498371208&u=https%3A%2F%2Fwww.cafii.com%2F&a=Canadian+Association+of+Financial+Institutions+in+Insurance>) is a not-for-profit industry association dedicated to the development of an open and flexible insurance marketplace. CAFII believes that consumers are best served when they have meaningful choice in the purchase of insurance products and services. CAFII's 15 members include the insurance arms of Canada's major financial institutions—BMO Insurance, CIBC Insurance, Desjardins Insurance, National Bank Insurance, RBC Insurance, Scotia Insurance, and TD Insurance, along with major industry players Assurant Canada, The Canada Life Assurance Company, Canadian Tire Bank, Chubb Life Insurance Company of Canada, CUMIS Services Incorporated, Manulife (The Manufacturers Life Insurance Company), Securian Canada, and Valeyo.

**For further information and media requests:**

Contact: Wendy Bairos, Media Consultant

Email: [wendy.bairos@cafii.com](mailto:wendy.bairos@cafii.com) (<mailto:wendy.bairos@cafii.com>)

Phone: 416-831-9820

[Previous](#)

[CAFI Appoints Manulife VP as Board Vice-Chair](#)

(<https://www.cafii.com/cafii-appoints-manulife-vp-as-board-vice-chair/>).

[Retour à Nouvelles](https://www.cafii.com/fr/category/nouvelles/) (<https://www.cafii.com/fr/category/nouvelles/>).

# **Paul Cosgrove est nommé vice-président du conseil d'administration de l'Association canadienne des institutions financières en assurance**

7 novembre 2023

## **POUR DIFFUSION IMMÉDIATE**

**Paul Cosgrove est nommé vice-président du conseil d'administration de l'Association canadienne des institutions financières en assurance**

[Toronto (Ontario), le 6 novembre 2023] – L'Association canadienne des institutions financières en assurance (ACIFA) est heureuse d'annoncer que Paul Cosgrove, président et directeur général d'Assurant Canada, a été nommé vice-président de son conseil d'administration.

En tant que vice-président, M. Cosgrove collaborera étroitement avec les membres du conseil d'administration de l'ACIFA et les entreprises membres pour faire progresser la mission de l'Association, qui est de promouvoir les politiques et les réglementations fédérales, provinciales et territoriales en matière d'assurance afin d'optimiser le traitement équitable des

consommateurs, pour favoriser l'innovation dans l'industrie ainsi que pour faciliter le développement et l'offre d'une protection simple, accessibles et abordables aux Canadiens.

Après sa nomination, M. Cosgrove a indiqué qu'il était « honoré d'avoir été choisi pour le poste de vice-président du conseil d'administration de l'ACIA et je suis impatient de collaborer avec les chefs de file de l'industrie pour faire progresser les priorités de l'Association pour créer un environnement de réglementation qui permet aux parties prenantes de répondre aux attentes des consommateurs quant à la façon dont ils veulent avoir accès aux options d'assurance de personnes; et d'intégrer la protection des consommateurs à l'assurance de personnes et l'assurance voyage offertes par les membres de l'ACIFA ».

Peter Thompson, président du conseil d'administration de l'ACIFA et président-directeur général de Banque Nationale Assurances, a indiqué que « la riche expérience de Paul Cosgrove et son fort engagement à l'égard de l'excellence de l'industrie amélioreront sans aucun doute la capacité de l'ACIFA à servir ses membres et les consommateurs en renforçant la relation mutuellement avantageuse de l'Association avec les organismes de réglementation et les responsables des politiques dans le domaine de l'assurance dans l'ensemble du pays ».

L'ACIFA est une association industrielle sans but lucratif créée en 1997. Elle a pour but d'unifier les institutions financières impliquées dans la vente d'assurance grâce à diverses méthodes de distribution, comme les centres d'appels, les agents et courtiers, les agences de voyages, le publipostage, les succursales d'institutions financières et les plateformes en ligne. Les

membres de l'ACIFA comprennent les branches d'assurance des principales banques et institutions financières ainsi que leurs partenaires-souscripteurs en matière d'assurance vie, qui œuvrent à promouvoir la transparence, les pratiques axées sur les consommateurs et l'excellence dans l'industrie de l'assurance.

L'Association collabore avec les gouvernements et les organismes de réglementation (tant au niveau fédéral que provincial/territorial) afin d'élaborer un cadre législatif et réglementaire pour le secteur de l'assurance qui contribue à garantir que les consommateurs canadiens obtiennent les produits d'assurance qui répondent à leurs besoins. L'ACIFA s'est engagée à assurer la mise en place de normes appropriées pour la distribution et la commercialisation de tous les produits et services d'assurance.

**À propos de l'ACIFA :** L'Association canadienne des institutions financières en assurance (<https://www.cafii.com/fr/>) (ACIFA) est une association sectorielle à but non lucratif qui se consacre au développement d'un marché de l'assurance ouvert et flexible. L'ACIFA croit que les consommateurs sont mieux servis lorsqu'ils ont un choix significatif dans l'achat de produits et services d'assurance. Les membres de l'ACIFA comprennent les branches d'assurance des principales institutions financières du Canada – BMO Assurance, Assurance CIBC, Desjardins Assurances, Banque Nationale Assurances, RBC Assurances, Assurance Scotia et TD Assurance ainsi que les principaux acteurs de l'industrie : Assurant, Assurance-vie Canada, Banque Canadian Tire, Chubb du Canada Compagnie d'assurances, CUMIS Services Incorporated, Manuvie (La Compagnie d'Assurance-Vie Manufacturers), Securian Canada et Valeyo.



**Pour obtenir de plus amples renseignements ou pour toute demande des médias, veuillez communiquer avec la personne-ressource suivante :**

Wendy Bairos, conseillère pour les médias

Courriel : [wendy.bairos@cafii.com](mailto:wendy.bairos@cafii.com) (<mailto:wendy.bairos@cafii.com>)

Téléphone : 416-831-9820

Précédente

L'ACIFA

nomme le

vice-président

de Manuvie au

poste d...

(<https://www.cafii.com/fr/lacifa-nomme-le-vice-president-de-manuvie-au-poste-de-vice-president-du-conseil/>)

Suivante

Paul Cosgrove est nommé vice-président du conseil d'...

## **Briefing Note**

**CAFII EOC Meeting: 14 November, 2023—Agenda Item 7(b)**

**Read Only Items – Plans for November 22/23 Webinar on “Travel Insurance Trends” with Katia Umutoiwase (Manulife), Helen Cosburn (Allianz Global Assistance), and Sheila Burns (CLHIA)**

---

### **Purpose of this Agenda Item – Read Only**

To inform the EOC of CAFII’s plans for a November 22/23 Webinar on “Travel Insurance Trends” with Katia Umutoiwase (Manulife), Helen Cosburn (Allianz Global Assistance), and Sheila Burns (CLHIA)

### **Background Information**

A document will be provided for this Read Only agenda item.

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

No action is required.

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

One (1) attachment.

Dear Jake,

We are pleased to invite you to attend our upcoming 2023 CAFII Webinar on

***Travel Trends and Travel Insurance Developments in 2023***

***A Virtual Fireside Chat with Katia Umutoniwase, Helen Cosburn, and, Sheila Burns***

Wednesday, November 22, 2023  
from 1:00pm - 2:00pm ET  
via Zoom Webinar



**Katia Umutoniwase**

Head Of Sales Operations & Digital Enablement  
Manulife  
and Chair, CAFII Travel Health Insurance Committee

(For capsule biography, [click here](#))



**Helen Cosburn**

Chair, Strategic Partnerships  
Allianz Global Assistance  
and Director, Travel Health Insurance Association (THIA)

(For capsule biography, [click here](#))



**Sheila Burns**

Director, Health and Disability Policy  
Canadian Life and Health Insurance Association (CLHIA)

(For capsule biography, [click here](#))

*In this fireside chat webinar, expert panelists from CAFII, THIA, and CLHIA will dialogue with moderator Keith Martin on topics such as*

- Has travel fully returned to pre-pandemic levels?
- What has changed from pandemic days around travel and travel insurance?
- Have Canadian habits changed around travel insurance—are Canadians more aware of the risks of travelling without travel health insurance?
- Media reports suggest Pearson Airport is one of the worst in the world—is this vital Canadian transportation hub really that bad?
- Have the travel aspirations of Canadians changed? – for example, desiring more experience-oriented or thematic travel?
- How have travel health insurance, trip cancellation insurance, and baggage loss insurance changed and improved in response to the pandemic and in response to resurgent travel?
- What developments do you see around travel and travel insurance in 2024?

[Click Here to Register](#)

For further information or assistance, please email [events@cafii.com](mailto:events@cafii.com) or call 416-494-9224 ext. 3.

We look forward to welcoming you to this 2023 CAFII webinar .

Sincerely,

Brendan Wycks, BA, MBA, CAE  
Co-Executive Director  
Canadian Association of Financial  
Institutions in Insurance  
T: (647) 218-8243  
Office: (416) 494-9224  
[brendan.wycks@cafii.com](mailto:brendan.wycks@cafii.com)  
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Keith Martin  
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Canadian Association of Financial Institutions in Insurance  
Tel: 416-494-9224 | [info@cafii.com](mailto:info@cafii.com) | [www.cafii.com](http://www.cafii.com)

## **Briefing Note**

**CAFII EOC Meeting: 14 November, 2023—Agenda Item 7(c)**

**Read Only Items – Responses Received from Atlantic Canada Insurance Regulators and Policy-Makers to CAFII Dissemination of Physical Copy of its 2023 Research Results-Focused Presentation Deck  
(Utilized in 2023 Atlantic Canada Tour Visits)**

---

### **Purpose of this Agenda Item – Read Only**

To inform the EOC of the Responses Received from Atlantic Canada Insurance Regulators and Policy-Makers to CAFII's Dissemination of a Physical Copy of its 2023 Research Results-Focused Presentation Deck (Utilized in 2023 Atlantic Canada Tour Visits).

### **Background Information**

A document will be provided for this Read Only agenda item.

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

No action is required.

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

One (1) attachment.


## CAFII Regulatory Presentation to Nova Scotia

Keith Martin <Keith.Martin@cafii.com>

Mon 2023-10-30 10:19 AM

To: McCarron, David <David.McCarron@novascotia.ca>; Deshmukh, Rahul P <Rahul.Deshmukh@novascotia.ca>; MacLeod, Angela L <Angela.MacLeod@novascotia.ca>

Cc: Brendan Wycks <brendan.wycks@cafii.com>; Shanay Smith <Shanay.Smith@cafii.com>; Robyn Jennings <Robyn.Jennings@cafii.com>

 1 attachments (9 MB)

CAFII Presentation Atlantic Tour Nova Scotia October 2023 FINAL.pptx;

Hello David, Rahul, and Angela,

On behalf of Brendan, myself, our CAFII colleagues, and the CAFII member company representatives in our delegation, thank you for meeting with us on October 18, 2023. We found the opportunity to share our presentation, hear your thoughts, and engage in a mutually beneficial dialogue to be extremely valuable and worthwhile.

As promised, I am pleased at this time to provide you with a copy of the Powerpoint deck we presented during our meeting.

As noted during the meeting, there are some parts of this CAFII Powerpoint that require contextual background and explanation, so please do not hesitate to reach out to me if you have any questions.

In addition, I would be pleased to present the deck again to any members of your policy-maker/regulatory Authority, if there is interest in that CAFII offer.

Our Association does request, however, that you only share the presentation internally, with those within your organization.

Thank you again, and we look forward to keeping in touch. If any of you are ever in Toronto, please do reach out to me as I would be delighted to have you as my guest over lunch.

--Keith

**Keith Martin**

Co-Executive Director / Co-Directeur général

Canadian Association of Financial Institutions in Insurance

L'association canadienne des institutions financières en assurance

[keith.martin@cafii.com](mailto:keith.martin@cafii.com)

T: 647.460.7725

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

[Visit the CAFII LinkedIn Page](#)



*Making Insurance Simple and Accessible for Canadians*

*Rendre l'assurance simple et accessible pour les Canadiens*

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## RE: Follow up from CAFII regarding Presentation to PEI

Lauren Keefe-Hogan <lkeefehogan@gov.pe.ca>

Mon 2023-10-30 10:35 AM

To: Keith Martin <Keith.Martin@cafii.com>; Robert Bradley <RABRADLEY@gov.pe.ca>; Curtis Toombs <catoombs@gov.pe.ca>  
Cc: Steve Dowling <SDDOWLING@gov.pe.ca>; Brendan Wycks <brendan.wycks@cafii.com>; Shanay Smith  
<Shanay.Smith@cafii.com>; Robyn Jennings <Robyn.Jennings@cafii.com>

Hi Keith,

Thank you for forwarding the presentation. It was nice to meet you all. Hope you enjoyed the rest of your stay in PEI.

Regards,  
Lauren

### Lauren Keefe Hogan

Registry and Licensing Counsel  
Manager, Registry and Licensing Services  
Financial and Consumer Services Division  
Office: 902-368-5653  
Cell: 902-218-1389  
Email: [lkeefehogan@gov.pe.ca](mailto:lkeefehogan@gov.pe.ca)

Justice and Public Safety  
Government of Prince Edward Island  
1<sup>st</sup> Floor, Shaw Building (North Entrance)  
105 Rochford Street  
PO Box 2000  
Charlottetown, PE C1A 7N8  
[www.PrinceEdwardIsland.ca](http://www.PrinceEdwardIsland.ca)

**From:** Keith Martin <Keith.Martin@cafii.com>

**Sent:** Monday, October 30, 2023 11:18 AM

**To:** Robert Bradley <RABRADLEY@gov.pe.ca>; Lauren Keefe-Hogan <lkeefehogan@gov.pe.ca>; Curtis Toombs <catoombs@gov.pe.ca>

**Cc:** Steve Dowling <SDDOWLING@gov.pe.ca>; Brendan Wycks <brendan.wycks@cafii.com>; Shanay Smith <Shanay.Smith@cafii.com>; Robyn Jennings <Robyn.Jennings@cafii.com>

**Subject:** Follow up from CAFII regarding Presentation to PEI

Hello Robert, Lauren, and Curtis,

On behalf of Brendan, myself, our CAFII colleagues, and the CAFII member company representatives in our delegation, thank you for meeting with us on September 21, 2023. We found the opportunity to share our presentation, hear your thoughts, and engage in a mutually beneficial dialogue to be extremely valuable and worthwhile.

As promised, I am pleased at this time to provide you with a copy of the Powerpoint deck we presented during our meeting.

As noted during the meeting, there are some parts of this CAFII Powerpoint that require contextual background and explanation, so please do not hesitate to reach out to me if you have any questions.

## RE: CAFII Regulatory Presentation to Nova Scotia

McCarron, David <David.McCarron@novascotia.ca>

Mon 2023-10-30 10:29 AM

To: Keith Martin <Keith.Martin@cafii.com>; Deshmukh, Rahul P <Rahul.Deshmukh@novascotia.ca>; MacLeod, Angela L <Angela.MacLeod@novascotia.ca>

Cc: Brendan Wycks <brendan.wycks@cafii.com>; Shanay Smith <Shanay.Smith@cafii.com>; Robyn Jennings <Robyn.Jennings@cafii.com>

Thank you Keith,

We certainly enjoyed having you all here at our offices. We appreciated CAFII's approach to an engaging conversation. The polling information was also insightful and helps us to better understand consumers from our side of the table as well.

We will reach out should anyone else within our Department be interested in your presentation.

Regards,

Dave



5<sup>th</sup> Floor, Provincial Building  
1723 Hollis Street  
Halifax, NS

**David McCarron, CPA**  
Executive Director, Financial Institutions  
Superintendent of Credit Unions, Trust and  
Loan Companies, Insurance and Pensions

☎ 902-424-7552  
📞 902-220-5602  
🖨 902-424-1298  
✉ [david.mccarron@novascotia.ca](mailto:david.mccarron@novascotia.ca)

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---

**From:** Keith Martin <Keith.Martin@cafii.com>

**Sent:** Monday, October 30, 2023 11:19 AM

**To:** McCarron, David <David.McCarron@novascotia.ca>; Deshmukh, Rahul P <Rahul.Deshmukh@novascotia.ca>; MacLeod, Angela L <Angela.MacLeod@novascotia.ca>

**Cc:** Brendan Wycks <brendan.wycks@cafii.com>; Shanay Smith <Shanay.Smith@cafii.com>; Robyn Jennings <Robyn.Jennings@cafii.com>

**Subject:** CAFII Regulatory Presentation to Nova Scotia

**\*\* EXTERNAL EMAIL / COURRIEL EXTERNE \*\***

Exercise caution when opening attachments or clicking on links / Faites preuve de prudence si vous ouvrez une pièce jointe ou cliquez sur un lien

Hello David, Rahul, and Angela,

On behalf of Brendan, myself, our CAFII colleagues, and the CAFII member company representatives in our delegation, thank you for meeting with us on October 18, 2023. We found the opportunity to share our



## RE: CAFII Regulatory Presentation to Nova Scotia

Deshmukh, Rahul P <Rahul.Deshmukh@novascotia.ca>

Mon 2023-10-30 11:40 AM

To: Keith Martin <Keith.Martin@cafii.com>

Cc: Brendan Wycks <brendan.wycks@cafii.com>; Shanay Smith <Shanay.Smith@cafii.com>; Robyn Jennings <Robyn.Jennings@cafii.com>; McCarron, David <David.McCarron@novascotia.ca>

Hello Keith,

Thank you for sharing the presentation. It was great to meet all of you in our office.

Best regards

Rahul

Rahul Deshmukh  
Manager(Acting), Financial Institutions  
NS Finance and Treasury Board,  
Office of the Superintendent of Insurance/Credit Union  
T:902-424-5240  
F:902-424-1298

Courier: 1723 Hollis Street, 5th Floor, Halifax, NS B3J 1V9  
Mailing: PO Box 2271, Halifax, NS B3J 3C8

**From:** McCarron, David <David.McCarron@novascotia.ca>

**Sent:** Monday, October 30, 2023 11:30 AM

**To:** Keith Martin <Keith.Martin@cafii.com>; Deshmukh, Rahul P <Rahul.Deshmukh@novascotia.ca>; MacLeod, Angela L <Angela.MacLeod@novascotia.ca>

**Cc:** Brendan Wycks <brendan.wycks@cafii.com>; Shanay Smith <Shanay.Smith@cafii.com>; Robyn Jennings <Robyn.Jennings@cafii.com>

**Subject:** RE: CAFII Regulatory Presentation to Nova Scotia

Thank you Keith,

We certainly enjoyed having you all here at our offices. We appreciated CAFII's approach to an engaging conversation. The polling information was also insightful and helps us to better understand consumers from our side of the table as well.

We will reach out should anyone else within our Department be interested in your presentation.

Regards,

Dave



Finance and Treasury Board  
Financial Institutions

5<sup>th</sup> Floor, Provincial Building

**David McCarron, CPA**

Executive Director, Financial Institutions  
Superintendent of Credit Unions, Trust and  
Loan Companies, Insurance and Pensions

☎ 902-424-7552

**RE: CAFII Presentation to Newfoundland and Labrador**

Bishop, Jean E <JeanBishop@gov.nl.ca>

Mon 2023-10-30 10:31 AM

To: Keith Martin <Keith.Martin@cafii.com>; Adams, Kris <KrisAdams@gov.nl.ca>; Jones, Scott <ScottJones@gov.nl.ca>; Dutton, Sean <sdutton@gov.nl.ca>

Cc: Brendan Wycks <brendan.wycks@cafii.com>; Shanay Smith <Shanay.Smith@cafii.com>; Robyn Jennings <Robyn.Jennings@cafii.com>

Keith

Thank you for a copy of the deck. Your briefing was very informative. Should you have any questions or wish to discuss any issues, please reach out to me anytime.

Kindest regards,  
Jean

**Ms. Jean Bishop, Director (she/her)**

**Consumer and Financial Services Division**

Administrator of Private Investigations and Security Services

Director of Charitable Lottery Licencing

Director of Residential Tenancies

Registrar of Collection Agencies and Collectors

Registrar of Credit Reporting Agencies

Registrar of Direct Sellers

Registrar of Mortgage Brokers

Registrar of Payday Lenders

Registrar of Prepaid Funeral Services Sellers

Superintendent of Insurance

Superintendent of Real Estate Brokers and Salesperson

Department of Digital Government and ServiceNL

Government of Newfoundland and Labrador

P.O. Box 8700

St. John's, NL

A1B 4J6

Tel: 709-729-2717

**From:** Keith Martin <Keith.Martin@cafii.com>

**Sent:** Monday, October 30, 2023 11:53 AM

**To:** Bishop, Jean E <JeanBishop@gov.nl.ca>; Adams, Kris <KrisAdams@gov.nl.ca>; Jones, Scott <ScottJones@gov.nl.ca>; Dutton, Sean <sdutton@gov.nl.ca>

**Cc:** Brendan Wycks <brendan.wycks@cafii.com>; Shanay Smith <Shanay.Smith@cafii.com>; Robyn Jennings <Robyn.Jennings@cafii.com>

**Subject:** CAFII Presentation to Newfoundland and Labrador

**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hello Jean, Sean, Scott, and Kris,

On behalf of Brendan, myself, our CAFII colleagues, and the CAFII member company representatives in our delegation, thank you for meeting with us on October 19, 2023. We found the opportunity to share our

## Re: Thank you from CAFII

Steve Dowling <SDDOWLING@gov.pe.ca>

Mon 2023-10-30 10:46 AM

To: Keith Martin <Keith.Martin@cafii.com>

Cc: Brendan Wycks <brendan.wycks@cafii.com>; Shanay Smith <Shanay.Smith@cafii.com>; Robyn Jennings <Robyn.Jennings@cafii.com>

Thanks Keith. Happy to have assisted. Sounds good.

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---

**From:** Keith Martin <Keith.Martin@cafii.com>

**Sent:** Monday, October 30, 2023 11:15 AM

**To:** Steve Dowling <SDDOWLING@gov.pe.ca>

**Cc:** Brendan Wycks <brendan.wycks@cafii.com>; Shanay Smith <Shanay.Smith@cafii.com>; Robyn Jennings <Robyn.Jennings@cafii.com>

**Subject:** Thank you from CAFII

Hello Steve,

I am long overdue to send you a sincere "thank you" for helping me and my colleagues in our visit to PEI on 21 September, 2023.

As it turned out, we had a very productive session with Robert Bradley, Lauren Keefe-Hogan, and Curtis Toombs, all of whom came to the session in person for 90 minutes. I was accompanied by my staff colleagues Brendan Wycks, Shanay Smith and Robyn Jennings, as well as a senior volunteer group, some in-person and some hybrid.

I know it would not have turned out this way if it were not for your intervention, and we are all very grateful to you.

I let your colleagues know that I would share the presentation with them, and I am going to send it to them, copy to you, by separate email in a few moments. If you or your colleagues ever have any questions, or would like me to make the presentation to some others in your team, please do not hesitate to reach out to me.

Also Steve, if ever you find yourself in Toronto, please do reach out to me as I would be pleased for you to be my guest over lunch.

Regards,

--Keith

**Keith Martin**

Co-Executive Director / Co-Directeur général

Canadian Association of Financial Institutions in Insurance

L'association canadienne des institutions financières en assurance

[keith.martin@cafii.com](mailto:keith.martin@cafii.com)

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[Visit the CAFII LinkedIn Page](#)

## **Briefing Note**

### **CAFII EOC Meeting 14 November 2023—Agenda Item 7(d)**

#### **Read Only Items – Results of FSRA Survey of Sectoral Advisory Committee on FSRA's Performance**

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#### **Purpose of this Agenda Item – *Read Only***

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To inform the EOC of the Results of the FSRA Survey of the Sectoral Advisory Committee on FSRA's Performance.

#### **Background Information**

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A document will be provided for this Read Only agenda item.

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

---

No action is required.

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

---

One (1) attachment.

# Financial Services Regulatory Authority of Ontario Stakeholder Audit Research - CAP/SAC

September 25, 2023 – Executive Summary

**FSRA**

Financial Services Regulatory  
Authority of Ontario



**FORUM  
RESEARCH**

# Background and Research Objectives

---

## Background

This project is part of Financial Services Regulatory Authority of Ontario's (FSRA) ongoing efforts to track engagement with their Stakeholder Advisory Committees and Consumer Advisory Panel. The aim of this research, through gathering feedback from these stakeholder groups, is to help FSRA continue its mission of delivering on their brand promises, mission, and track their progress over time. The preceding research took place two years prior to this study.

## Research Objectives

- Understand stakeholder perceptions of FSRA in terms of:
  - Their relationship with FSRA as a member of their SACs or CAP
  - FSRA's engagement with the participant's sector
  - Provide trends analysis from the last 2021 survey
  - How valuable the engagement with them is
  - Participants' perception of FSRA's reputation
  - Participants' perception of FSRA's delivery on their brand promises
  - Participants' perception of FSRA's delivery on their mission statement
- Thus, identifying FSRA's strengths and any areas of improvement that would help FSRA's engagement with participants' respective sectors.

# Methodology



## DESIGN

- 77 In-depth interviews were conducted through Zoom.
- FSRA sent email communications to SAC and CAP members, and Forum Research followed up with each member to schedule an interview
  - Participants recruited participated on a voluntary basis
  - Participants recruited came from a mix of different sectors



## DATE AND LENGTH

- In-depth Interviews took place between June 15th - July 7th, 2023
  - Each in-depth interview lasted between 15-45 minutes



## PARTICIPANT QUALIFICATION

- Participants must be a member of either one of FSRA's Stakeholder Advisory Committees or Consumer Advisory Panel
  - Participants must have access to highspeed internet and a personal device in order to participate



## PARTICIPANTS CONTACTED

- Credit Union - 12 contacted, 7 completed interviews
- Financial Planners and Financial Advisors - 13 contacted, 12 completed interviews
- Health Service Providers - 11 contacted, 11 completed interviews
- Life and Health Stakeholder - 16 contacted, 13 completed interviews
- Mortgage Brokering - 15 contacted, 11 completed interviews
- Pensions Stakeholder - 19 contacted, 9 completed interviews
- Property and Casualty Stakeholder - 12 contacted, 9 completed interviews
- CAP - 13 contacted, 5 completed interviews

139 In the 2021 study, they conducted 60 interviews of 86 (70%) contacted.  
In the 2023 study, 77 interviews were conducted of 111 (69%) contacted

# Overall

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## KEY FINDINGS



# Key Finding #1

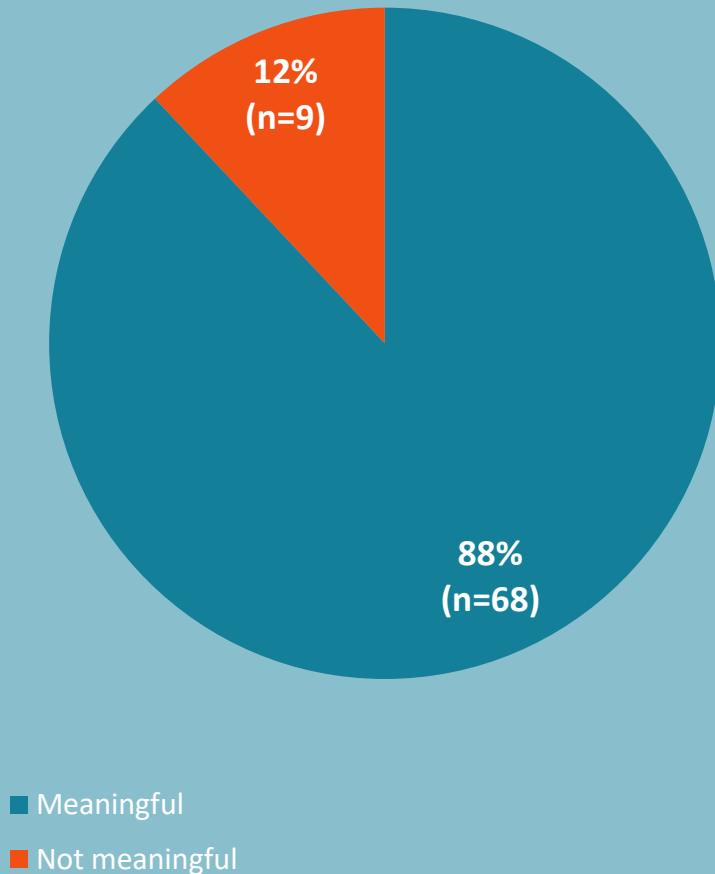
## Engagement with FSRA's Management Team

- FSRA develops meaningful interactions at meetings through their willingness to set an agenda where issues get addressed.
- Participants mentioned the prepared materials FSRA sends before meetings as key to having smooth and productive discussions.
- Moreover, participants felt FSRA management was receptive to feedback and open to ideas.
- Furthermore, participants were appreciative of FSRA's responsiveness. Most participants felt that FSRA is always quick and informed with their communication.
- Some participants felt the diversity of SAC members' backgrounds further added to the quality and value of the discussions.
- When compared to the 2021 research, the above points show a noticeable improvement in transparency, engagement, and relationships with managers, which were areas of improvement from 2021.

How would you characterize your involvement with management as a SAC/CAP member? Would you say it is meaningful? Not meaningful? (Probe: what are the most meaningful parts of those meetings? What did you like? What could be better?)

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### Meaningful v. Not Meaningful Engagement



## Key Finding #2

### Engagement with FSRA's Board of Directors



- Many participants felt the yearly meetings with the Board are meaningful. Was seen as open to ideas and the agendas and meetings are engaging with all attending members, well prepared, with lots of great questions. Interactions were collegial and professional.
- Participants mentioned the Board's sincere desire to listen and engage in productive discussions with the SACs/CAP.
- Moreover, many participants were sympathetic to the challenges the Board faces by having meetings only once a year and covering many topics. Despite this limitation, many participants felt the Board was very interested in their insights and were able to cover important topics with sufficient depth.
- Stakeholders thought it was important for the board to welcome all communications from different companies, and not filter it through another organization who speaks on their behalf. For example, members of the Property and Casualty SAC worried about the IBC (Insurance Bureau of Canada) speaking on their behalf.
- The board mostly consults on the right materials and there is sufficient transparency in their processes.

# Engagement with FSRA – Per Sector

Agenda Item 7 d - November 14/23 EOC Meeting

## Credit Union

Some participants found meetings with FSRA management and the Board valuable for sharing perspectives and understanding the Board's views. FSRA is seen as receptive, open, and effective in communication. Additionally, participants appreciate receiving meeting agendas well in advance, allowing for better preparation and more productive discussions.

## Financial Planners and Advisors

Most participants felt their engagement with FSRA through their SAC was meaningful. They highlighted the good atmosphere and good communication as the reasons the conversations are productive.

## Health Service Providers

Most SAC participants found meetings with FSRA management and the Board meaningful, with both entities demonstrating active listening and interest in their insights. Some participants noted that the diversity among SAC members enriched discussions.

## Life and Health

Most SAC participants found interactions with FSRA meaningful and appreciated the sincerity and importance FSRA placed on their engagement. Experienced participants viewed SAC meetings with management as valuable for sharing insights gained over the years, while less experienced participants saw them as opportunities to share perspectives and learn simultaneously.

# Engagement with FSRA – Per Sector

Agenda Item 7 d - November 14/23 EOC Meeting

## Mortgage Brokers

Many participants found their interaction with management and the Board to be meaningful. FSRA listens and many participants enjoyed their interactions in meetings. Some were interested in having more meetings.

## Pensions

Participants felt that the interactions with management and the board were meaningful. There are great discussions and SAC members enjoy hearing what is going on with each other. FSRA listens and are flexible.

## Property and Casualty

Many participants felt their meetings with management and the FSRA Board were meaningful. FSRA's leadership was seen as being transparent with issues. FSRA listens well. For some, there is a collegial and professional dialogue with good engagement back and forth.

## Consumer Advisory Panel

Most participants felt their engagement with FSRA is meaningful. They felt that they were welcome to directly raise topics and express concerns and that those topics and concerns were listened to.

# Key Finding #3

## FSRA's Strengths

- Stakeholders applaud FSRA's excellent communication style, transparency, and responsiveness. FSRA's communication has continued to improve over time. The regular correspondence, updates, and bulletins are appreciated.
- Several participants felt FSRA's transparency created an atmosphere of openness which allowed SAC/CAP members to feel comfortable sharing feedback.
- FSRA's principle-based approach is a welcome change from the rigidity of past regulators.
- Many participants pointed to FSRA's flexibility as a major benefit of being a newly established regulator. These participants argued it is necessary to evolve with the industry and that FSRA's flexibility and openness to new ideas is part of what sets FSRA positively apart from other regulators.
- Several participants pointed to the creation of the SAC/CAP groups as positive signs of FSRA's sincere desire to understand the industry and get expert insight. Many felt FSRA's interest is sincere.
- FSRA wants to hear the voices of stakeholders. There was a strong desire by sectors to have their voices heard. FSRA has responded well in this capacity.





# FSRA's Strengths – Per Sector

## Credit Union

Some participants noted FSRA's strengths in communication and information sharing. Others commended FSRA's efforts to ensure proper regulation, and a few mentioned the establishment of advisory committees as a sign of their interest in industry collaboration.

## Financial Planners and Advisors

FSRA was perceived by some as receptive, engaged, and knowledgeable. Others were impressed with the experienced staff and commitment to doing the right thing. Several participants highlighted FSRA's organization and preparation, including well-structured meeting materials. Additionally, some recognized FSRA's passion and determination as another core strength.

## Health Service Providers

Many participants felt that FSRA's strength lay in its articulate communication and openness to new ways of thinking. Furthermore, some participants who had experience with FSCO felt FSRA's openness is what set them apart from their predecessor. They felt this distinction signaled a bright future for FSRA.

## Life and Health

Several participants from this stakeholder group felt FSRA's greatest strengths was FSRA's openness. Participants felt FSRA was open to feedback, encouraged an open dialogue, and transparent. Furthermore, that openness made participants feel that FSRA listens.

# FSRA's Strengths – Per Sector

## Mortgage Brokers

FSRA by some is seen as respectful, attentive listeners who are dedicated to making a difference and value industry input. They believe FSRA is uniquely knowledgeable about the mortgage sector and plays a crucial role in safeguarding it from misconduct and fraud. Many participants view FSRA as well-organized, knowledgeable, with highly respected staff in the industry.

## Pensions

Many participants find FSRA to be open and great with communication. FSRA is willing to listen. They are responsive and adept at bringing people together. FSRA is focused.

## Property and Casualty

Some participants see FSRA as engaging and communicating well. Another perspective is that they have become more pragmatic. They are also perceived as adaptive. They meet deadlines. FSRA asks for a lot of input.

## Consumer Advisory Panel

Several participants pointed to FSRA's responsive replies to inquiry, encouragement of feedback, and active listening, as strengths which made participants feel FSRA's sincerity in engaging with CAP members.

# Verbatim - Strengths

## FSRA has good communication

*"They are very good communicators and are very open to discussing their approach. They are very clear about what their role is." –Pensions*

## FSRA is transparent and open

*"I think there's, they're open, they're approachable. They are transparent in as far as they can go with that. So, I think that's been quite good. And they've created opportunities to interact with other sectors or groups. So that's all been quite positive." –Health Service Providers*

*"I mean, I think their strength is that they're very collaborative and open. I've written senior leaders on numerous occasions; I always get a very immediate and open response. They're also wanting to engage in honest dialogue. So, they're really collaborative and transparent." –Life and Health*

*"I have observed a shift in the culture to be more open and more engaging with stakeholders." –Life and Health*

## FSRA asks for and listens to feedback

*Well, I like the approachability, I like they're willing to connect and chat and ask questions and learn. And that they're also you know, they're very accessible. So, I think those are very positive things. –Financial Planners and Advisors*

*"They do contact us which is great. When creating policies or guidance, they seek our input which I think is great." –Credit Unions*

*"They are responsive when you communicate to them. They always get back to you quickly. They sent out a questionnaire and it was on a proposed strategy deck. In the response back, we could see our feedback." –Financial Planners and Advisors*

## FSRA is responsive

*"[FSRA's] very responsive. And there's a respect for stakeholders' time, and if you no detail is just thrown overboard, like emails get responded to, imputes get reviewed, and you get feedback. So, you feel like you're heard here, right? Instead of just speaking and then it just goes into a pile somewhere." –CAP*



# Key Finding #4

## FSRA's Weaknesses

- While many participants agreed about what FSRA's strengths are there was less cohesion, even within the same SAC, about what FSRA's weaknesses are. Moreover, many participants were reluctant to use the term and preferred to think of these as "areas of improvement."
- Many participants were sympathetic to the multiple challenges FSRA faces such as resource limitations, scope limitations, and being a recently established entity. However, participants felt FSRA needs to be more proactive in advocating for their goals when tackling bigger industry issues that may need collaboration outside industry and other regulating entities.
- Additionally, some participants felt FSRA needed to be more proactive and efficient in identifying and punishing bad actors in the industry.
- Furthermore, some participants felt that FSRA has conflicting interests, red tape, and bureaucracy which limit FSRA's ability to take action and be effective.
- A few participants felt there was a lack of internal cohesion between different departments within FSRA which led those participants to feel issues raised were never addressed or followed up on.



# Key Finding #4 – Cont'd

## FSRA's Weaknesses

- Stakeholders feel that FSRA is trying to accomplish a lot in a short period of time without considering the needs and ability of sectors to respond to regulatory demands.
- Moreover, several participants mentioned problematic timelines. Some felt FSRA allows themselves long timelines to accomplish tasks while demanding short turnaround for getting information from stakeholders. This stood out particularly for those from smaller companies who felt the short timeliness required much more time and manpower than FSRA accounts for.
- A few participants felt that FSRA is not up to date with new technology prevalent in their industry.
- A few felt the management team lacked expertise in their industry and is thus unable to account for their needs and lack knowledge about what can be reasonably expected from them. Notably, this criticism was most prominent among members of the Credit Union and Pensions SACs.



# FSRA's Areas of Improvement – Per Sector

## Credit Union

Some participants expressed concerns about FSRA's perspective on the credit union industry, particularly regarding changes leading to larger credit unions becoming federal entities. Also, some participants feel FSRA is less likely to engage or listen to credit union SAC members, and they perceive the regulator as working in silos. There's also a call for FSRA to adopt a more future-oriented approach.

## Financial Planners and Advisors

Challenges in FSRA's approach include the difficulty of treating all financial planners and advisors equally. They suggested considering variations in licenses and career stages. Some found FSRA bureaucratic and believed it could be more proactive in driving outcomes like nationwide regulation harmonization. Participants also want for more proactive communication regarding regulatory matters.

## Health Service Providers

Some SAC participants sought better meetings with management due to their brevity and infrequency, understanding the challenges FSRA faces in the complex healthcare sector. Others felt their insights might not be effectively acted upon, possibly due to internal issues. There were also concerns about the principles-based approach leading to confusion and insufficient action.

## Life and Health

Overall, participants from the Life and Health SAC had more difficulty thinking of "weaknesses" than "strengths." However, a few participants from this sector felt that FSRA lacked some internal cohesion. Participants described feeling that their issues or complaints went unresolved because their issue got passed around to different groups internally without getting addressed.

# FSRA's Areas of Improvement – Per Sector

## Mortgage Brokers

FSRA could establish clear standards and stricter training standards within the mortgage sector in some areas. Some felt that FSRA could be more stringent in terms of licensing in the sector. There are opinions among a few participants that some people at FSRA are responsible for regulating the sector without as much knowledge and experience. This could lead to miscommunication.

## Pensions

FSRA has faced some turnover and lost some expertise. Some participants also suggested that FSRA could be more proactive with their mandate and administering their act. They could be less rigid and continue to pursue a principle-based approach.

## Property and Casualty

FSRA could be bolder in their approach on proposals. Some participants feel that FSRA must represent all the voices in the industry. While recognizing that FSRA has big projects, they can be slow. Some participants felt that communication should continue to be open and flexible. FSRA could bring more urgency and attention to the issues the industry is facing.

## Consumer Advisory Panel

Several participants felt there wasn't strong enough enforcement of FSRA's regulations. This criticism was voiced in several times. Others felt there was little to no follow up on individuals who have been reported, and if action against those individuals has been taken it isn't relayed back to the person who made the report and thus the issue feels unresolved.



# Verbatim - Weaknesses

## FSRA doesn't follow through with concerns raised

*"The interactions have been very positive. But I think people just feel like the constraints of FSRA being too rigid. And when things are brought up, when constructive recommendations are brought up, people feel like it just dies on a vine. Right? Like it just feels like there isn't really, you know, a place where it goes that is having some sort of impact in the end." –Health Service Providers*

## FSRA's timelines aren't adequate

*"You know when people get hurt and insurance claims become something they need to deal with while covering it's difficult. These people are vulnerable, they experienced an injury which could change their lives. So having to deal with paperwork and getting it done on a timeline is hard. They're trying to recover, you know? I wish FSRA could be more understanding about that." –CAP*

*"Their time frame for the request of information sometimes seems to be a little short." –Credit Unions*

*"They are trying to leapfrog ahead of what some other regulators are doing. It can be very taxing on the sector to keep up with demands and timelines." –Credit Unions*

## FSRA is behind technologically

*"We have an API that we would like to use with FSRA to be able to cut down on manual processing of students and tracking student progress if they have been licensed. FSRA has an API but are not willing or capable of sharing the information via that technology at this point." –Mortgage Brokers*

*"Certain areas of the of the organization like technological and the operational side will need to enhance to develop better service." –Credit Unions*

## FSRA is not proactive enough with complaints

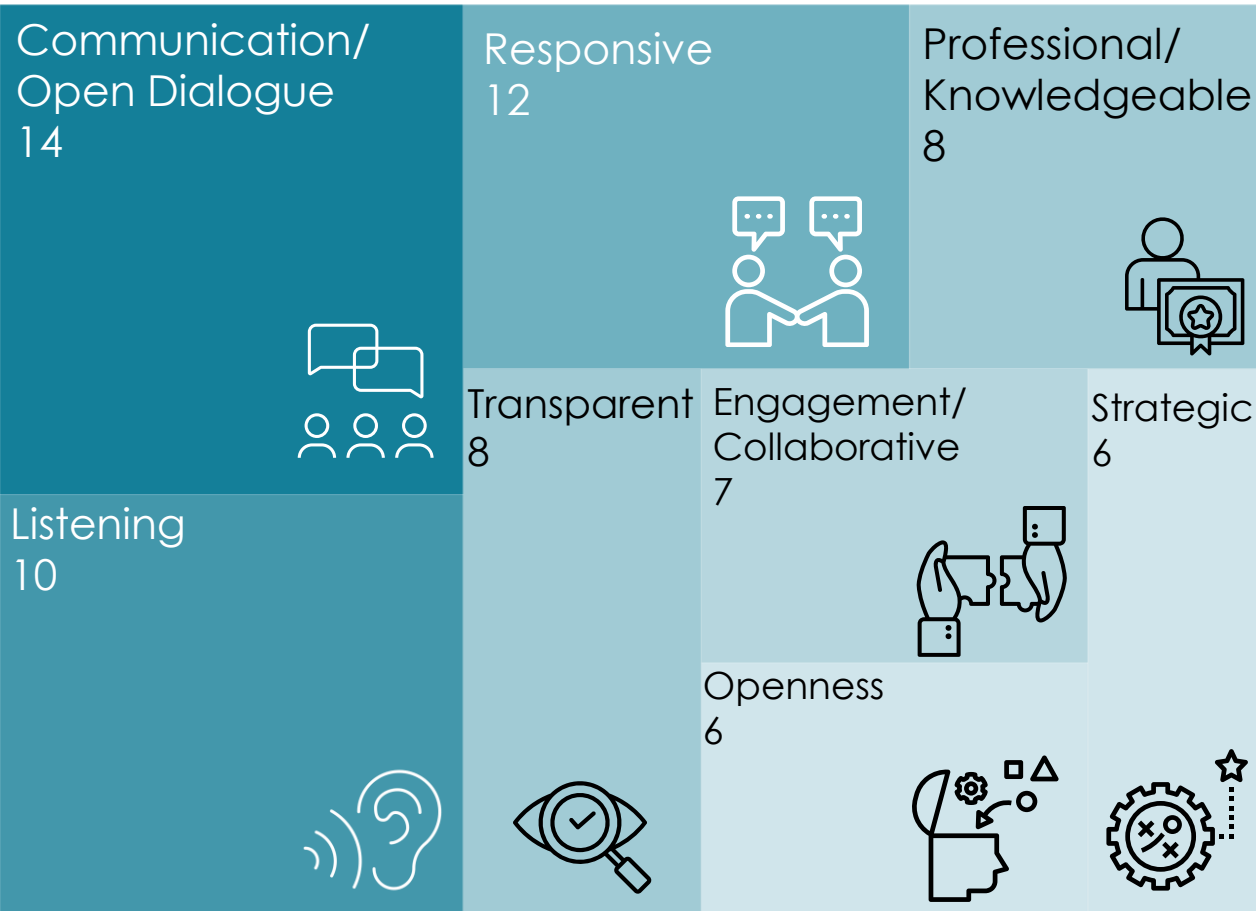
*"Sometimes it is very hard to defend FSRA because it can take two to three years to get a complaint dealt with here. I think they should be more aggressive with their mandate and administering the act." –Pensions*

## FSRA staff lacks expertise

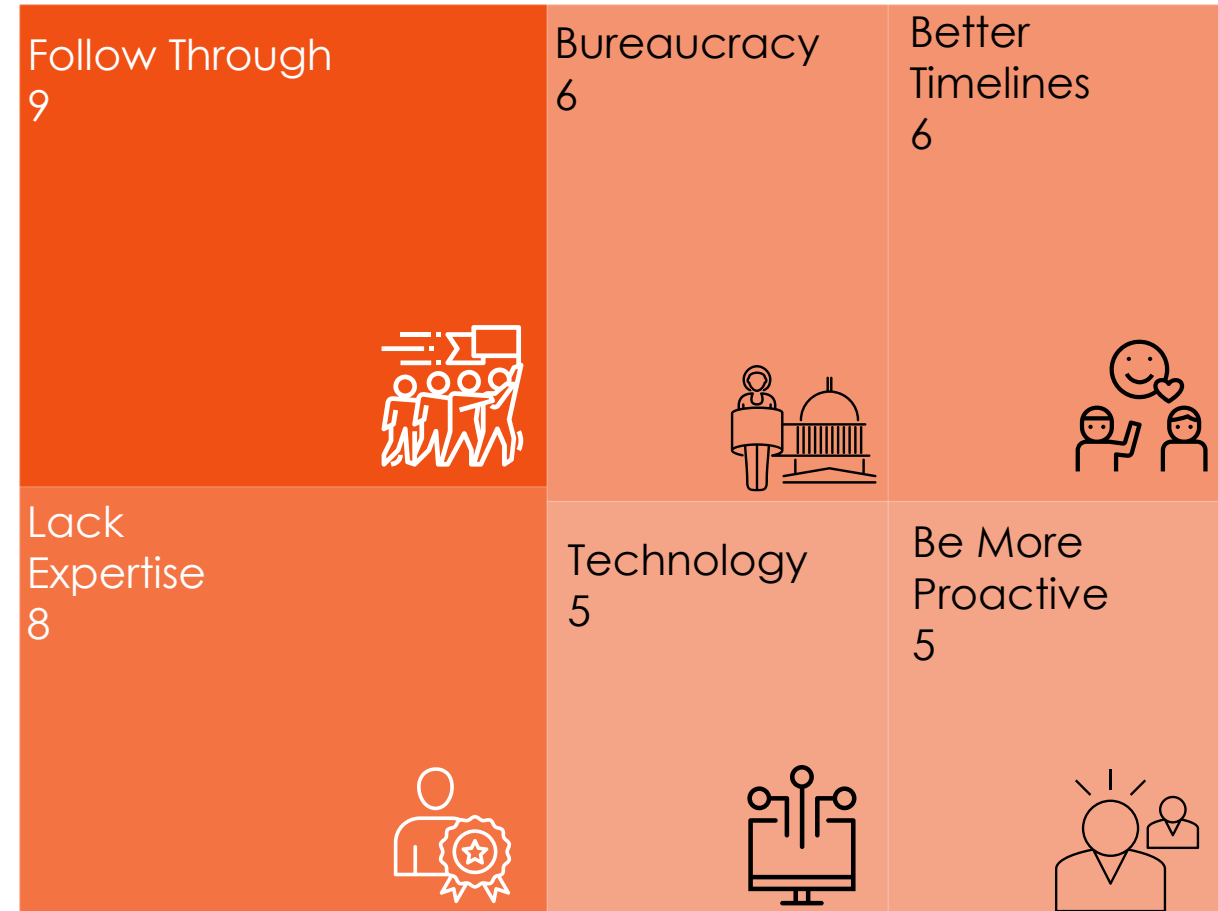
*"They have some learning to do about the breadth of industries that they are regulating. Because they are spending a lot of time pushing out guidance and interpretation that has a strong consumer protection focus." –Property and Casualty*

# Commonly Mentioned Strengths & Weaknesses

## Common Strengths

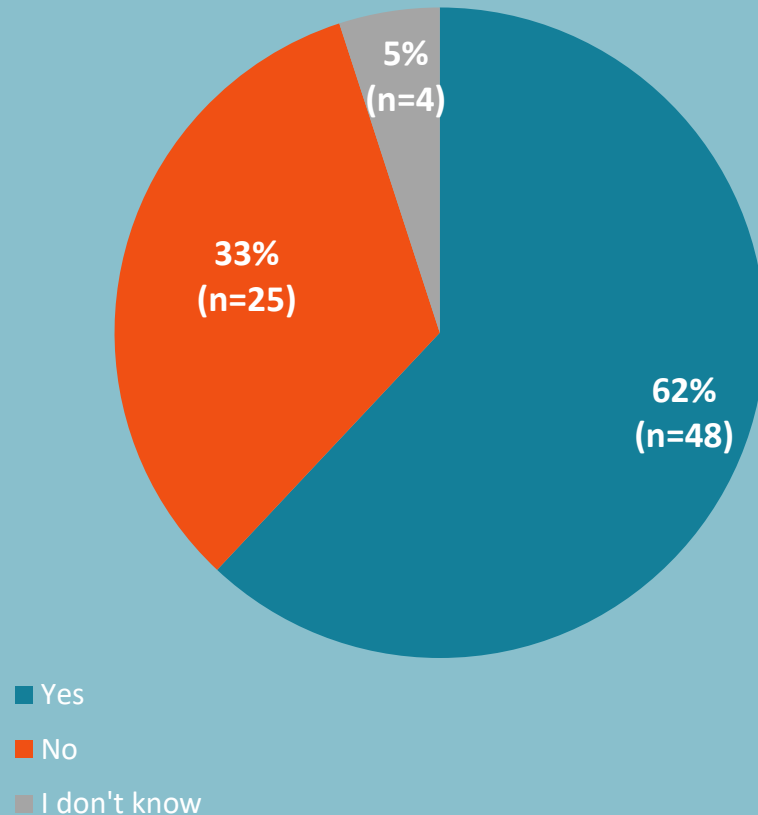


## Common Weaknesses



Thinking of how FSRA interacts with you and with other stakeholders, what do you see as their strengths and weaknesses?

## Living up to Brand Promise



\* Note about these undecided: there were a few participants who felt they couldn't really answer the question because they felt it was out of their scope, and thus they felt uncomfortable making a judgement on that from their limited perspective.

## Key Insight #5

### Brand Promise and Vision

- **FSRA's vision is to be a regulator which financial safety, fairness, and choice to Ontarians. FSRA's brand promise is to protect consumers, be effective, and be trustworthy.**
- There was mixed reaction from participants about whether FSRA has delivered on its brand promise.
- For some participants, there was an easy, wholehearted agreement that FSRA has delivered on its brand promise. Several felt FSRA is doing a lot of work while always keeping its mandate front and center, particularly, protecting consumers.
- However, others felt the nature of FSRA's brand promises means they need to be constantly evolving alongside the industry in order to consistently deliver those promises.
- Some felt FSRA is too young a regulator to have built up enough trust to be considered trustworthy but generally stakeholders agreed that FSRA delivered on this promise.
- Being effective is still a work in progress. Stakeholders believe it is sometimes hard to be effective with such diverse views; but FSRA is on the right path to effectiveness.
- A few participants felt consumers weren't being protected because consequences and disciplinary action against bad actors in the industry hasn't been enforced with enough rigor.
- Further, several participants were confused about what FSRA's vision of offering choice to Ontarians meant. But overall, participants agreed FSRA is working towards its vision.

Would you say it is living up to its brand promise – protecting consumers, being effective and being trustworthy?

# Brand Promise— Per Sector

## Credit Union

Some participants believe FSRA fulfills its consumer protection mission, despite handling sensitive issues. Others suggest amending the slogan to include "in collaboration with the sector." However, there is concern that FSRA's focus on meeting objectives may lead to neglecting the regulated sector. Additionally, there's a noted disconnect between consumer expectations and reality.

## Financial Planners and Advisors

Some participants believe FSRA has succeeded in fulfilling their brand promises, while others felt FSRA's intentions are there but had some uncertainty on if they're actually delivering. A few felt FSRA has a direction from the provincial government they must follow. There is another perception that FSRA is moving in the right direction towards fulfilling that promise over time. It is a work in progress.

## Health Service Providers

Participants that felt FSRA had room for improvement in delivering on their brand promise were sympathetic to the difficulty of the task. A reoccurring theme is the interaction across disciplines, across internal divisions, across sectors, and in this case across organizations. Several participants expressed that more cohesion across government entities is needed in order to achieve FSRA's goals.

## Life and Health

Many participants felt that FSRA is living up to its brand promise of being effective, trustworthy, and protecting consumers. A few who were unsure if FSRA delivered, but they felt FSRA was making an honest effort.



# Brand Promise— Per Sector

## Mortgage Brokers

Some participants felt FSRA had more to accomplish in this area. There are limits to FSRA's oversight and regulatory powers in the mortgage sector. Most participants perceived FSRA to be trustworthy and strive to be effective and be a strong advocate for Ontario consumers.

## Pensions

Many participants from this sector addressed each brand promise separately. Overall, FSRA is perceived widely to be trustworthy. Participants felt being effective is an area where improvement could be made. A few participants thought the consumer aspect did not relate to the pension industry.

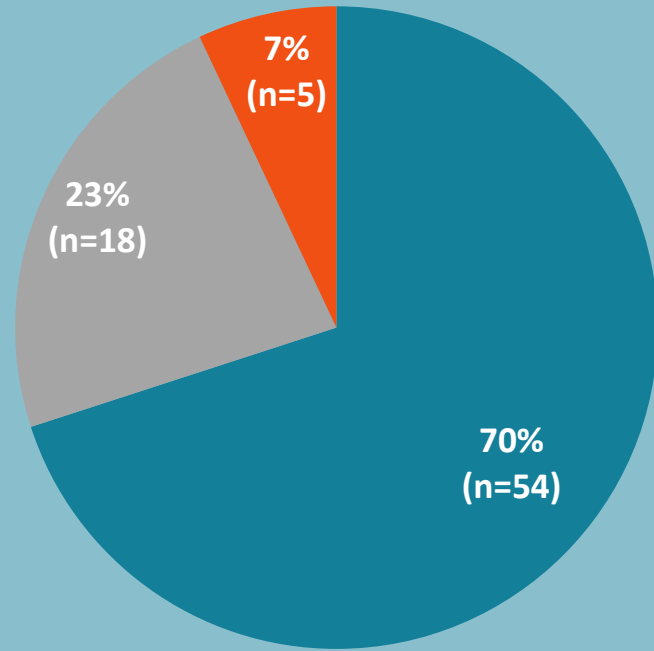
## Property and Casualty

Some participants feel that FSRA has helped businesses. Others feel that FSRA must continue to address other key priorities even though there is a lot of alignment about objectives between the sector and FSRA. They are perceived as trustworthy and well on the road to protecting consumers. Being effective is a work in progress. They are living up to their mandate but need more time.

## Consumer Advisory Panel

Participants were divided on this topic. Some felt due to the above criticism, FSRA isn't delivering on its goal of protecting consumers or being effective. While others felt FSRA is too new to have established strong trust between consumers and itself.

## Overall Impression of FSRA



■ Positive  
■ Neutral  
■ Negative

## Key Insight #6

### Respect and Reputation

- As a regulator, stakeholders admire FSRA's strong executive leadership, including the Board. Furthermore, stakeholders believe that FSRA is quite exceptional in comparison to its predecessor, FSCO, and have made improvements to their processes in the short four years since becoming a regulator.
- Perceptions are positive regarding the wealth of experience and expertise that the leadership team possess.
- Some participants who had experience with FSCO felt FSRA's openness is what set them apart from their predecessor.
- For a young regulator, FSRA's reputation is excellent and compares favorably to provincial and federal regulators in Ontario and other provinces in Canada. Several participants felt that, despite its youth, FSRA is a leader in Ontario.
- However, a few participants felt it was too early in FSRA's existence to make a judgment about FSRA's reputation.
- Among the 5 CAP members who participated, 2 members have a negative overall impression while 3 members have a positive impression.

Note: there were only a few references to DICO; there were mentions of OSFI and other unnamed national regulators. DICO was mentioned by name but not commented on.

FSRA is a young regulator having been launched in 2019. With respect to reputation, how does it compare to other regulators provincially or nationally? Do you think FSRA is a well-respected organization?

# Reputation – Per Sector

Agenda Item 7 d - November 14/23 EOC Meeting

## Credit Union

FSRA is perceived to be a young regulator so they may tend to lack some maturity in their approach. Some participants credit them as being average. Most of the credit unions would not tend to rate their reputation very highly.

## Financial Planners and Advisors

Overall, perceptions varied but FSRA's reputation continues to improve over time. Some participants feel that the leadership team is doing a lot of good work and that FSRA is well respected. Others agree that FSRA is well respected without expressing any doubts or reservations. Some participants felt that FSRA is well respected by people who are familiar with the regulator. A few participants had no answer to the question.

## Health Service Providers

Participants had mixed feelings when asked about FSRA's reputation. It was clear that participants who felt FSRA had room to grow viewed themselves as part of helping FSRA achieve that growth. Furthermore, some participants felt FSRA was doing a good job, particularly, considering FSRA's relative newness as a regulator.

## Life and Health

Overall, participants from this SAC felt FSRA is well respected due to FSRA's engagement, communication, and openness.

# Reputation – Per Sector

Agenda Item 7 d - November 14/23 EOC Meeting

## Mortgage Brokers

FSRA is perceived by many participants to be proactive, communicate well and are transparent. They are well respected within the industry. Some participants believe that FSRA's educational requirements could be stronger, and they need more teeth.

## Pensions

Many participants felt FSRA compares favorably to other regulators, if not better, despite being a young regulator. They are respected across the sector, are professional, and do their job. FSRA is open to change and have the right agenda.

## Property and Casualty

Many participants view FSRA as a top regulator. Being a young regulator, it is not always a fair comparison but "they stand out on their own." They are respected within the industry. Some participants also see them as flexible and less rigid than their predecessor, FSCO.

## Consumer Advisory Panel

Some participants couldn't assess FSRA's reputation due to limited experience with other regulators. However, when asked to evaluate FSRA independently, participants were satisfied with the work FSRA is doing. Other participants interpreted reputation as a reflection of consumer awareness and thus, felt that FSRA doesn't have much of a presence to the average consumer.

# Differences in CAP & SAC Members



- The main difference between CAP and SAC members was around follow up with enforcement issues. Both felt there could be more enforcement of FSRA's regulations. The CAP went further and mentioned situations where there had been no follow up on individuals who were reported. The issue felt unresolved if there was no follow up with the person who made the report.
- In terms of FSRA's strengths, some CAP members rated FSRA positively on responsiveness and listening well.
- In terms of weaknesses, some CAP members needed to show more rigor with enforcement and continue to provide strong oversight where consumer interests were concerned.



# Key Concerns for Each Sector



- **Credit unions** are struggling under the burden of regulations. There are challenges dealing with all the regulatory changes. There are some concerns with execution with many requests being disjointed. FSRA is not considering the limitations of some of the smaller credit unions.
- **Mortgage brokers** have concerns about licensing the different levels of mortgage agents and brokers. The industry oversight is good but could be more stringent, in terms of entry into the business, in the sector in terms of licensing.
- Among **Financial Planners and Financial Advisors** there are concerns about the “competency profiles” of financial advisors, in providing advice. It needs to be more robust.
- Stricter enforcement of regulation against bad actors was a key area of improvement for members of the **Consumer Advisory Panel**.
- Both **Life and Health** and **Health Service Providers** felt there needs to be better understanding from FSRA of the nuances of their sector.

# Recommendations from our Stakeholders

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- 1. Emphasize and Uphold the Mandate:** FSRA must unwaveringly prioritize and champion its mandate. The unwavering commitment to the FSRA mission has instilled a strong sense of shared purpose among participants. However, it is important to notify when disciplinary actions are taken and that there is recourse for bad actors.
- 2. Continue Tailored Sector-specific Collaboration:** To show that FSRA has a deep understanding of the intricate nuances of each sector, FSRA should continue tailoring its collaborations accordingly. The remarkable success of FSRA's collaboration with the pensions sector during "Pension Awareness Day" serves as a shining example of the agency's ability to align its actions with sector-specific requirements.
- 3. Foster Unwavering Openness and Transparency:** FSRA's commendable commitment to open dialogue and transparency has been repeatedly praised as a cornerstone of fruitful and candid discussions. The agency should not only sustain but also intensify this approach, actively sharing its perspectives and decision-making processes with stakeholders.
- 4. Strengthen Management-Participant Relations:** The establishment of robust connections between FSRA management and SAC/CAP members has significantly improved perceptions of FSRA staff quality and the agency's sincerity in fostering collaboration. FSRA must persistently promote and nurture this essential relationship to fortify stakeholder trust and cooperation.

# Recommendations Per Sector

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## Credit Unions

**Consider Resource Implications:** FSRA should be aware of the resource implications that accompany regulatory changes and assess their impact on organizational manpower requirements.

**Embrace Forward-Thinking Strategy:** To capitalize on their strategic strengths, FSRA should adopt a future-oriented perspective, actively exploring opportunities and potential advancements within the credit union sector.

## Financial Planners and Advisors

**Pursue Licensing Harmonization:** FSRA should take the lead in investigating opportunities for licensing rule harmonization across the country, streamlining processes and promoting consistency.

**Elevate Industry Credibility:** Recognizing the need for enhanced credibility in the financial planning and advisory sector, FSRA should proactively take on the role of bolstering the industry's reputation and integrity through stringent oversight and professional development initiatives.

## Health Service Providers

**Examine Healthcare Industry Nuances:** FSRA should inspect the intricate details and nuances of the healthcare industry, to ensure effective and tailored regulation.

**Strengthen Collaboration with Providers:** FSRA should seize the opportunity to forge closer collaborations with health service providers, actively engaging them in the regulatory process to refine and enhance regulations for the sector's benefit.



# Recommendations Per Sector – Cont'd

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## Life and Health

**Foster Collaborative Solutions:** FSRA and the life and health sector share a common goal of safeguarding consumers' interests. The agency is urged to foster a collaborative environment to generate innovative ideas and solutions that empower the industry to efficiently serve its customers.

**Practical Considerations:** FSRA must remain rooted in real-world issues when dealing with this sector, carefully evaluating the implications of its decisions on the industry's operations and its ability to meet customer needs.

## Mortgage Brokers

**Elevate Entry Barriers:** Given concerns about low entry barriers in the mortgage industry, FSRA should establish and enforce clear, stringent standards, including more rigorous training requirements and licensing protocols, to enhance professionalism and industry reputation.

**Enhance Educational Standards:** FSRA should take proactive measures to enhance educational standards within the mortgage industry, prepared to take a firm stance to raise the industry's standing and ensure consumers receive the highest level of service and protection.

## Pensions

**Energize Mandate Implementation:** FSRA should adopt a more assertive stance in executing its mandate, demonstrating a proactive commitment to administering the Pension Act effectively.

## Recommendations Per Sector – Cont'd

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### Pensions -continued

**Preserve Principle-Based Approach:** FSRA should steadfastly adhere to its principle-based regulatory approach and avoiding excessive prescription in guidance.

**Sustain Successful Initiatives:** FSRA's effective execution of Pension Awareness Day serves as a model for success. It is imperative that the agency continues to organize and promote such events to enhance engagement.

### Property and Casualty

**Pay attention to who is at the table:** FSRA is urged to represent all the different voices in the sector to ensure each position is heard. The Property and Casualty SAC do have a deliberate strategy and desire to work closely with FSRA. Ensure that all companies, of all sizes are heard and represented.

### Consumer Advisory Panel

**Strengthen Regulatory Enforcement:** The consumer advisory sector prioritizes robust regulatory enforcement while maintaining a principle-based approach. FSRA should bolster its enforcement efforts, demonstrating a more forceful commitment to upholding regulations.

**Prioritize Consumer Protection:** To be truly effective and gain recognition among consumers, FSRA must consistently prioritize consumer protection, raising its profile as a dedicated advocate for consumers' rights and well-being.

# Recommendations - Verbatim

## Strict enforcement of disciplinary action

*"Yes, the regulators should be going out to all the financial institutions that the regulator has to regulate, use a risk-based approach to ensure that your company is complying with the rules that are in place." — CAP*

## Dedicate time to learning sector intricacies

*"I think really just realizing that the system is complex. And it's not as simple as having these little committees, piece out this one little thing because the system is complex, and really hearing what we have to say, even though it might not be within the scope of what we're saying, because I don't think that there's follow through support." — Health Service Providers*

*"I think it's always important to ensure that a regulator has a deep and material understanding of the businesses that it's regulating. So, whether that means that they should have some comments from some of the companies or they should have more engagement to make sure that they understand, you know, the regulatory landscape and the operational realities." — Life and Health*

## Take on a boarder perspective

*"Like I said, beyond the committee FSRA needs to sort of be more broad or forward looking in terms of what sector stakeholders are suggesting to them about how the sector, and overall industry, can be made better. But I think that requires them to have some form of a broader advocacy or lens than what they do currently with the committee that I sit on." — Health Service Providers*

## Keep consumer protection front and center

*"I think that sort of implicit in everything that I've said in this interview I would like to see FSRA adopt a much more balanced approach to all of its key stakeholders. And in that regard, as I've indicated, I think there has been in its early years, and understandably so, I'm not being horrifically critical, only moderately critical. I think there has been a disproportionate focus on two of the stakeholder groups, namely, the government and industry, and inadequate focus and attention to a very important stakeholder group, namely the consumer." — Financial Planners and Financial Advisors*

# 2021 v. 2023 Study Comparison Per Theme – Overview

Theme	Change since 2021
Responsiveness	↑
Internal cohesion	—
Engagement	↑
Communication	↑
Transparency	↑
Efficiency	—
SAC dynamics	↑
Overall impression	↑
FSRA Compared to Past Regulators	↑
Talent and Leadership	—
Approach 168	—






Positive change







No change





# 2021 v. 2023 Study Comparison Per Theme

Theme	2021	2023	Change since 2021
<b>Responsiveness</b>	In <b>2021</b> , certain stakeholders across various sectors encountered challenges related to the lack of follow-up on issues or concerns conveyed to FSRA.	The <b>2023</b> stakeholder audit presents a transformed scenario wherein FSRA exhibits a notably high level of responsiveness. Numerous stakeholders participating in the study expressed satisfaction with FSRA's proactive engagement, including prompt responses through phone calls and emails.	
<b>Internal cohesion</b>	In <b>2021</b> , bureaucratic processes were identified as a contributing factor to concerns not being follow-up on, compounded by instances where FSRA operated in isolated segments, impeding effective communication with internal departments in specific areas.	In <b>2023</b> , the perception that FSRA works in silos remains the same. This issue was cited again a potential reasoning for why concerns aren't addressed.	
<b>Engagement</b>	In <b>2021</b> , FSRA's engagement with SACs and the CAP was noted as a promising indication of FSRA's willingness to engage with industry. At this time, this engagement was seen as a work in progress.	In <b>2023</b> FSRA's willingness to actively engage with SACs and CAPs was widely acknowledged and appreciated. This positive shift does not appear to be an isolated trend, as many stakeholders commented on FSRA's receptiveness to concerns and issues, comparing it favorably to the previous regulator, FSCO	

# 2021 v. 2023 Study Comparison Per Theme – Cont'd

Theme	2021	2023	Change since 2021
<b>Communication</b>	In <b>2021</b> , there are mentions of some negative interactions with management and difficulty getting in touch.	In <b>2023</b> , stakeholders largely praised their interactions with management. Stakeholders referred to management as responsive and knowledgeable showing FSRA has made a major improvement in this area.	
<b>Transparency</b>	In <b>2021</b> transparency about FSRA's decision making and FSRA's ability to act autonomously were questioned.	However, in <b>2023</b> what was a challenge, has now become a strength. Many participants cited FSRA's transparency as a strength owing this shift to regular responsive communication with FSRA and the meetings between SAC/CAP members FSRA management and the Board.	
<b>Efficiency</b>	There were mentions in <b>2021</b> of frustration and difficulty with operational dealings such as wait times for licensing and backlogs.	In <b>2023</b> the need for efficiency remains an issue. For example, some feel FSRA needs to be more efficient in adopting new technology. Others feel licensing and processing timelines need to be more efficient echoing concerns from the previous study.	
<b>SAC dynamics</b>	In <b>2021</b> , there appeared to be a strong dissatisfaction with SAC dynamics.	In <b>2023</b> , concerns seems to have decreased and shifted to follow-through and expertise retention within FSRA, ultimately reflecting the organization's evolving performance.	

# 2021 v. 2023 Study Comparison Per Theme – Cont'd









Theme	2021	2023	Change since 2021
Overall impression	In <b>2021</b> expressed a favorable overall impression of the FSRA.	And in <b>2023</b> , stakeholders <b>continued to highlighted</b> their favorable impression pointing to FSRA's strengths in communication and attentive listening.	
FSRA Compared to Past Regulators	The stakeholders interviewed in <b>2021</b> it appears that stakeholders felt that FSRA's predecessors (FSCO and DSCO) were rigid and adversarial.	This perception of FSRA continues in <b>2023</b> . Stakeholders emphasize the positive shift from predecessors. The findings from <b>2023</b> highlight the regulator's increased strengths in developing relationships, demonstrated by satisfaction levels in management and Board meetings. FSRA has is seen as "a breath of fresh air" from prior incarnations.	
Talent and Leadership	FSRA was perceived as having a group of talented individuals who were becoming experts in <b>2021</b> .	While in <b>2023</b> there was some mention of losing expertise, most participants felt FSRA staff were knowledgeable and dedicated.	
Approach	In <b>2021</b> FSRA was praised for taking on a principles-based approach.	Still in <b>2023</b> , many welcomed the principles-based approach as the innovative way forward in regulating. Notably, certain sectors conveyed encouragement for FSRA to maintain its future-oriented approach and remain vigilant in monitoring changes and trends across all the sectors under its regulatory purview.	

# Appendix A

## Participant Profiles



# Participant Summary (n=77)

Stakeholder Group	Number of Participants	
Credit Union SAC	7	
Financial Planners and Financial Advisors SAC	12	
Health Service Providers SAC	11	
Life and Health SAC	13	
Mortgage Brokering SAC	11	
Pensions SAC	9	
Property and Casualty SAC	9	
Consumer Advisory Panel	5	

# Appendix B

## Interview Discussion Guide



May 25, 2023

## FSRA: Sector Study IDI Discussion Guide

### I. Introduction to Discussion (2 minutes)

1. Hello, I am [NAME OF MODERATOR] from Forum Research. We are an independent research company, and today we are here on behalf of the Financial Services Regulatory Authority (FSRA) who wants to hear from you on your experiences on the [IF INTERVIEWEE IS FROM ANY SECTOR STAKEHOLDER ADVISORY COMMITTEE] Stakeholder Advisory Committee/ [IF INTERVIEWEE IS FROM CONSUMER ADVISORY PANEL] Consumer Advisory Panel.
  - a. [IF OTHER FORUM EMPLOYEES PRESENT, ALSO MENTION THE FOLLOWING] One of my colleagues is also present who will be observing the discussion, and will be helping me with note-taking so I can focus more on our discussion and less on taking notes.
2. This interview will last between 15 to 30 minutes, depending on your responses.
3. As a way of FSRA's appreciation of your participation, FSRA will be providing you with a copy of the executive summary of the results from this research.
4. I should also inform you that this session is being recorded for transcription purposes for accuracy when I write up the report. Rest assured that your responses are confidential, and will not be linked to you or to your organization. All responses will be reported in aggregate only.

### II. Participant Introductions (1 minute)

1. So to start us off why do you tell me a bit about yourself and the organization you represent.

### III. Warm Up (3 minutes)

1. What is the nature of your relationship with FSRA? How do you typically interact with FSRA? (Probe/context: do you just obtain information about them, get an examination from the regulator, was it through a function, did you have to seek consent for something, or just read information sent to you?) Tell me about your sectors and how does that relate to FSRA?
  - o Alternative question for veterans/higher management level: Looking back to when you first started being a member of the SAC/CAP, what was your



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*motivation/reason for joining the committee? Since you've joined, do you feel that being on the committee has fulfilled your goals? Do you feel you have made a difference?*

- o *[Probe for non-new members] How has the nature of your relationship with FSRA changed since you joined the committee? Have your interactions with FSRA changed over the course of your membership? [Were there more interactions with FSRA, less interactions? Do you feel you have a better understanding of the role of the regulator?]*

### IV. Body (13 minutes)

1. How would you describe your overall impression of FSRA? (Positive/negative/neutral? Probe: Why?) Would you say it is living up to its brand promise – protecting consumers, being effective and being trustworthy?
  - o *[Probe for members with more the 1-year engagement with FSRA] Has your impression of FSRA changed over the years? Since you have been on the Committee? (Probe: Why/how has it changed?)*
2. Thinking of how FSRA interacts with you and with other stakeholders, what do you see as their strengths and weaknesses?
  - o *[Probe for non-new members] Have you noticed any improvements since you have been on the committee/panel?*
  - o *[For new members] So far, since joining the committee/panel, what would you like to see FSRA doing more of?*
3. *[For new members]* Since being a SAC/CAP member, have you had any involvement with management as a SAC/CAP member? *[Ask for all non-new members, and new members who said yes on having involvement]* How would you characterize your involvement with management as a SAC/CAP member? Would you say it is meaningful? Not meaningful? (Probe: what are the most meaningful parts of those meetings? What did you like? What could be better?)
4. SACs/CAP now meet with the Board once a year, how would you characterize your involvement with the Board? Would you say it is meaningful? Not meaningful? (Probe: what are the most meaningful parts of those meetings? What did you like? What could be better?) Would it be better to focus on a specific topic (deeper dive) rather than talking about several items?
5. Does the SAC/CAP process enable effective engagement?

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6. Do you find that FSRA consults on the right materials? Is there too much, too little or the right amount of engagement? Is there sufficient transparency in their processes? Do they give you sufficient time to discuss important issues? Do they encourage feedback? Do you feel they act on or adopt that feedback? Have they communicated back to you what has changed as a result of your feedback?
7. When it was launched, it was FSRA's vision to be a regulator that provides financial safety, fairness and choice for Ontarians. Overall, how well would you say FSRA is doing when it comes to delivering on this vision? (Probe: why do you say that? If low rating, how can FSRA improve? Has FSRA's delivery on this vision changed over the last few years?)
8. FSRA is a young regulator having been launched in June 2019. With respect to reputation, how does FSRA compare to other regulators provincially or nationally? Do you think FSRA is a well-respected organization?
9. Do you have any final advice or suggestions for FSRA that would help it improve its engagement with you or your sector? Was there anything you expected might be covered in this interview that was not?

(MODERATOR TO CHECK WITH CLIENT TEAM FOR ANY LAST QUESTIONS TO ASK PARTICIPANTS).

### V. Thanks and Wrap (1 minute)

That brings us to the end of this session. Thank you, once again, for your time and all the valuable information that you have shared. Again, rest assured that all information gathered will remain confidential and will solely be used for this research.

Have a great day/ evening, everyone!

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