

CAFII Executive Operations Committee Meeting

Date: Tuesday, November 15, 2016

Location: TD Insurance
320 Front Street
2nd floor, Jasper Room
Toronto, ON

Chair: J. Lewsen, Acting Chair

Time: 2:00 – 4:00 p.m.

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

Participant: 4532491#

Moderator: 5829171#

Agenda

Item	Presenter	Action	Document
1. Call to Order	J. Lewsen		
2. Approval of Agenda and Previous Minutes			
a. EOC Minutes of October 25/16	All	Approval	✓
b. Summary of Board and EOC Action Items	B. Wycks	Update	✓
3. Strategy and Governance			
a. Balanced Scorecard	B. Wycks	Update	✓
4. CAFII Financial Management			
a. Financial Statements as at October 31/16	R. Rajaram	Approval	✓
b. Draft 2017 CAFII Operating Budget	R. Rajaram/B. Wycks	Review	✓
5. Regulatory			
a. Consultations/Submissions Timetable	B. Wycks	Update	✓
i. BC 'Effecting' of CGI Issue: Legal Opinion on Auto Dealers are Creditors for a Moment-in-Time	B. Wycks	Review/ Decision	✓
ii. CAFII Engagement of Specialized Legal Counsel Re Quebec Omnibus Bill on Insurance/Distribution Act	R. Beckford/ I. Choquette	Update	✓
iii. Saskatchewan Insurance Regulations Consultation	R. Beckford/B. Wycks	Update	
iv. Alberta Decision on CI Sold Under a Restricted Certificate	R. Beckford/ B. Wycks	Discussion	✓
b. Regulatory Update	B. Wycks	Update	✓
i. AMF Rendez-Vous Event: November 14/16			
ii. Ontario Replacement of FSCO with Financial Services Regulatory Authority			
c. Regulator and Policy-Maker Visit Plan	B. Wycks	Update	✓
i. Annual Stakeholder Dialogue With CCIR On December 12/16			
6. EOC Committee Updates			
a. Research & Education	D. Quigley	Update	
b. Media Advocacy	C. Blaquiere	Update	
i. Implementation of Board-approved Media Strategy			
c. Market Conduct	R. Beckford	Update	
d. Licensing Efficiency Issues	M. Gill	Update	
7. Other Business			
a. Proposed 2017 Board & EOC Meeting Calendar	B. Wycks	Approval	✓
b. Possible Speakers for 2017 Annual Members' Luncheon	B. Wycks	Discussion	
c. CAFII 20 th Anniversary Celebration in 2017	B. Wycks	Update	

Next Board Meeting: Tuesday, November 29/16, 2:30 to 4:30 p.m.; hosted by BMO Insurance at 60 Yonge St., Main Boardroom, 6th Floor, Toronto; followed by CAFII Year-End Reception, 5:00 to 7:30 p.m., at First Canadian Place, 100 King St W, 40th Floor, Toronto

Next EOC Meeting: Tuesday, January 17/17; Location: TBD; followed immediately by Annual EOC Appreciation Dinner

CAFII Executive Operations Committee Meeting Minutes

Tuesday, October 25, 2016

Location: TD Insurance

320 Front Street, Jasper Room, 2nd Floor

Toronto, ON

DRAFT

EOC Present:	Carol Allen	Assurant Solutions (<i>by teleconference</i>)
	Jason Beauchamp	BMO Insurance
	Rose Beckford	ScotiaLife Financial (<i>by teleconference</i>)
	Charles Blaquiere	Canadian Premier Life Insurance Co. (<i>by teleconference</i>)
	Isabelle Choquette	Desjardins Financial Security (<i>by teleconference</i>)
	Eleanore Fang	TD Insurance Chair
	Moirra Gill	TD Insurance (<i>by teleconference, for part</i>)
	Charles MacLean	RBC Insurance
	Sue Manson	CIBC Insurance
	Andrea Stuska	TD Insurance
	Raja Rajaram	CIBC Insurance (<i>by teleconference, for part</i>)

Also Present:	Emily Cloutier	T•O Corporate Services Recording Secretary
	Brendan Wycks	CAFII Executive Director

Regrets:	John Lewsen	BMO Insurance
	Katherine Geisler	CIBC Insurance
	Diane Quigley	The CUMIS Group
	Jerome Savard	Desjardins
	Ana Vu	BMO Insurance

1. Call to Order

The meeting was called to order at 2:06 p.m. E. Fang acted as Chair; E. Cloutier acted as Recording Secretary.

2. Approval of Agenda and Previous Minutes

a. Agenda

The agenda for this October 25, 2016 Executive Operations Committee meeting was approved as circulated.

b. EOC Meeting Minutes of September 20, 2016

The Executive Operations Committee meeting minutes of September 20, 2016 were approved as presented.

c. Board Meeting Minutes of October 4, 2016

The Board meeting minutes of October 4, 2016 were approved as presented.

d. Summary of Board and EOC Action Items

B. Wycks provided updates on the following, as detailed in the circulated Summary of Board and EOC Action items document:

- #1: CAFII's presentation on "Seven Point Guide to the Creditor Insurance Regulatory Regime" has been updated, and would be discussed under a separate agenda item later in this meeting.
- #11: Six CAFII representatives had a successful liaison lunch with CCIR Policy Managers M. Boyle and S. Jacobs on October 24/16.
- #14: B. Wycks communicated the Board's Resolution of Appreciation to G. Grant by email; G. Grant responded immediately with a "Much Appreciated" thank you message.

3. CAFII Financial Management

a. Financial Statements as at September 30, 2016

Treasurer R. Rajaram commented on the Statement of Operations, noting that CAFII had a surplus year-to-date of approximately \$55,400. However, it was expected that a higher level of spending over the final quarter of the year -- in particular in the line item of Media Outreach, which includes the redevelopment of the CAFII website -- would move the Association closer to a \$25,000 deficit at the end of the fiscal year. While the \$71,000 budgeted deficit for the year would certainly not materialize, a smaller deficit was likely to occur and would serve to draw down the Association's financial reserves to some degree.

Turning to the Balance Sheet, R. Rajaram advised that CAFII currently had unrestricted net assets of just over \$414,000, which means that financial reserves are at 82% of the Association's annual operating expenses. But with the expected spending over the fourth quarter, the reserves at the end of fiscal year 2016 should be closer to the 72% of annual operating expenses which was forecast in the recent Quarterly Financial Forecast report.

C. Maclean asked what strategies were in place to ensure that the financial reserves did not continue to grow and thereby potentially jeopardize CAFII's non-profit Association status with Canada Revenue Agency.

B. Wycks responded that from the perspective of CAFII's auditor, the Association would not be in a "danger zone" position with CRA until reserves were in the range of 200% of annual operating expenses. Now that the Board had approved the creation of a new Co-Executive Director staff position, Management Fees expenses would increase significantly in the near future. By the end of fiscal year 2017, the Association's financial reserves should be significantly diminished and trending much closer to the target range of between 25% and 50% of annual operating expenses.

In terms of Member and Associate dues, all 2016 dues have now been paid and none remain outstanding, R. Rajaram concluded.

b. Development of 2017 CAFII Operating Budget

B. Wycks reported that development of the 2017 CAFII Operating Budget was now underway. Committee Chairs would be contacted to provide input regarding the expense amounts that will be required to fund strategic initiatives over the course of 2017.

ACTION: Send request for input on 2017 CAFII Operating Budget to Committee Chairs [Emily: Oct 26/16]

ACTION: Provide input for development of 2017 CAFII Operating Budget [Committee Chairs: Nov 2/16]

ACTION: Develop 2017 CAFII Operating Budget for EOC review and feedback at November 15/16 EOC meeting, prior to its presentation to the Board at November 29/16 meeting for approval [R. Rajaram, B. Wycks, E. Cloutier: Nov 15/16]

4. Regulatory

a. Consultations/Submissions Timetable

B. Wycks highlighted recent updates to expected timelines for the following consultation/submission opportunity currently on CAFII's timetable: Regulations in support of Bill 177, The Insurance Act (Saskatchewan).

i. BC Effecting of CGI Issue: Legal Opinion on Auto Dealers are Creditors for a Moment in Time

E. Fang reported that CAFII had recently received a requested draft legal opinion from J. McCutcheon of Borden Ladner Gervais on the *auto dealers are creditors for a moment in time* issue. Because this issue, arising from BC FICOM's September 2015 Information Bulletin on the effecting of Creditor's Group Insurance, is directly relevant to the business operations of members CUMIS Group Ltd. and Assurant Solutions, those two members had been asked to review the draft opinion initially and assist in the formulation of a recommendation to the EOC on how CAFII should utilize the opinion, if at all, in terms of further communication with FICOM.

The draft legal opinion would be posted in connection with the subsequent EOC meeting on November 15/16, and a recommendation on its utilization discussed at that meeting, Ms. Fang advised.

ACTION: Post J. McCutcheon's draft legal opinion on auto dealers are creditors for a moment-in-time issue, for review at November 15/16 EOC meeting. [E. Fang/B. Wycks: Nov 10/16]

ACTION: Prepare recommendation to EOC on how CAFII should utilize J. McCutcheon's draft legal opinion, if at all, in terms of further communication with FICOM, for discussion at November 15/16 meeting. [E. Fang/B. Wycks: Nov 15/16]

ii. CAFII Engagement of Specialized Legal Counsel

B. Wycks reported that an October 20/16 teleconference meeting which R. Beckford, I. Choquette, and he had with S. Bourdeau of Fasken Martineau had provided reassurance and comfort that she and her firm were prepared to accommodate CAFII's concerns about potential conflict-of-interests arising if the firm was to represent a group holding views on Quebec's Insurance Act and/or Distribution Act which are opposed and adverse to those of CAFII, while at the same time representing our Association. S. Bourdeau committed to have her firm's "conflicts officer" research the possible conflict-of-interest entities which CAFII had identified; and subsequently to accommodate CAFII's concerns directly in a draft letter of engagement.

iii. Saskatchewan Insurance Regulations Consultation

R. Beckford, Chair of the Market Conduct Committee, reported that her committee and the Licensing Committee would be working jointly to review and respond to the Saskatchewan Financial Consumer Affairs Authority's recently released Insurance Regulations Consultation Document by the December 2/16 deadline. Two teleconference meetings had been scheduled for that purpose.

A. Stuska advised that from the perspective of TD insurance, the consultation period is not providing sufficient time if all comments need to be submitted by a December 2/16 deadline; and the intended implementation date of sometime in April 2017 is also not realistic.

In addition, the FCAA's embargo on sharing the consultation document limited the number of people who could review it and provide comments.

There was general agreement with E. Fang's suggestion that CAFII should communicate an initial reaction to the FCAA that our Association has serious concerns that (i) the less than two months of response time provided for this consultation does not provide sufficient time and will not allow stakeholders – particularly those that are industry Associations, which need to work through a member-based review and consensus-building process -- to prepare and submit thorough and informed feedback; (ii) the plan to have the new Saskatchewan Insurance Act and its Regulations proclaimed into force in April 2017 does not allow sufficient lead time for insurers and distributors to adapt to mandated changes, especially those which will have systems implications.

ACTION: Send a note to J. Seibel, FCAA, expressing CAFII's concern about the insufficient and compressed time being allowed for submissions on the draft Regulations and for preparing for and adapting to the new Insurance Act and related Regulations. [B. Wycks: Nov 11/16]

ACTION: Obtain from J. Seibel, FCAA, a copy of the amended Bill 177, The Insurance Act as actually passed by the Saskatchewan legislature in May 2015 [B. Wycks: Oct 28/16]

iv. FCAC Consultation on Proposed Supervision Framework and Publishing Principles for Decisions

R. Beckford provided background on this Financial Consumer Agency of Canada consultation and raised the question of whether or not it was "in scope" for CAFII, such that the Association should make a response submission.

In EOC discussion of this matter, there was general agreement that (i) there were no issues raised in the consultation that are of direct relevance to CAFII members; and (ii) CAFII should communicate to the Canadian Bankers Association that it does not intend to respond to this FCAC consultation, but would be happy to provide input for any insurance matter related to federally regulated financial institutions which the CBA may choose to comment on in its submission.

v. Alberta Decision on CI Sold Under a Restricted Certificate

B. Wycks reported that in a October 11/16 letter to CAFII, J. Abram, CEO of the Alberta Insurance Council, communicated the news that the Life Insurance Council had decided that creditor's group critical illness insurance can be sold under an existing Restricted Certificate of Authority in the province, conditional upon the LIC's adoption of an appropriate definition of creditor's group critical illness insurance. CAFII's input on that definition was requested by October 31, 2016.

The joint Market Conduct and Licensing Committees had a productive teleconference meeting on October 20/16, which produced a high level CAFII-proposed definition which was flexible enough to allow for future product and/or distribution innovation without having to go back to the regulator for a legislative or regulatory change. The definition will be vetted with J. McCutcheon for her legal feedback, followed by a comparison discussion with CLHIA to ensure that the two Associations' proposed definitions are well-aligned.

ACTION: Obtain legal review feedback from J. McCutcheon on CAFII's proposed definition of creditor's group critical illness insurance; talk to E. Hiemstra of CLHIA to ensure that the CAFII and CLHIA proposed definitions are well-aligned; and circulate the revised definition to Market Conduct, LEIC, and EOC members for final review and approval before submission to J. Abram. [B. Wycks: Oct 31/16]

b. Regulatory Update

B. Wycks highlighted Regulatory Update items for which new developments had recently occurred; and also noted new items which had emerged since its publication. EOC discussion ensued on the following matter:

i) CCIR Annual Statement on Market Conduct

B Wycks reported that at the October 24/16 liaison lunch with the CCIR policy managers, M. Boyle and S. Jacobs indicated that the initial implementation version of the Annual Statement on Market Conduct should be finalized and distributed to the industry, for information, by the end of 2016. Thereafter, the AMF would be developing, for CCIR, an online secure system for insurers to submit their Annual Statement response data; and that portal should be ready for insurers to review and begin using at some point in February or March 2017. The deadline for insurers to make their first Annual Statement submission – based on their 2016 fiscal year-end – will be May 1, 2016.

The CCIR Policy Managers stressed that there will always be a significant notice period to the industry if there is ever any significant change to the Annual Statement's requirements. They also noted that the attestation in the Annual Statement had been reworked to remove any reference to adherence to all applicable laws and regulations; and to provide as much protection and immunity as possible from Freedom of Information requests.

The CCIR Policy Managers also advised that the Council would not be taking a phased-in implementation approach with the Annual Statement, i.e. it will not be rolled out in discreet phases with certain sections of data being required at a later date than other sections. Rather, the entire Annual Statement will have a May 1/16 response deadline under a "best attempts" approach. "Best attempts" will mean that if an insurer is not capable of responding to one or more sections of the Annual Statement by the May 1/16 deadline, for whatever reason, it will need to explain why it is incapable of doing so at this time and state an action plan for rectifying the situation by a year hence, the next time it is required to submit.

In this connection, R. Beckford recommended that given that the existing National Complaint Reporting System is to be absorbed within the Annual Statement, CAFII should find out from CCIR (i) if the semi-annual SRP-CRS complaint report filing requirement, which has had a January 30 and July 30 deadline each year, will now not be required on January 30/17 because it will be absorbed within the Annual Statement filing which has a May 1/17 deadline?; and (ii) will the provincial/territorial jurisdictions which previously were not included in the PARC filing requirement now be included under the Annual Statement regime?

ACTION: Send a note to CCIR Policy Managers M. Boyle and S. Jacobs to find out (i) if the semi-annual SRP-CRS complaint report filing requirement, which has had a January 30 and July 30 deadline each year, will now not be required on January 30/17 because it will be absorbed within the Annual Statement filing which has a May 1/17 deadline?; and (ii) will the provincial/territorial jurisdictions which previously were not included in the SRP-CRS filing requirement now be included under the Annual Statement regime? [B. Wycks: Nov 10/16]

J. Beauchamp noted that (i) the language in CCIR's Memorandum of Understanding for its Co-operative Market Conduct Supervision Framework may not be strong enough to ensure the confidentiality of insurer data that is submitted as part of an Annual Statement filing; and (ii) if not all provinces and territories have signed the MOU by the time the Annual Statement is implemented, that could create an untenable, make-work situation requiring an insurer to extract data related to those not-included jurisdictions, which would be a difficult and time-consuming chore.

He recommended that CAFII send a written request to M. Boyle and S. Jacobs asking that the confidentiality protection language in the Memorandum of Understanding be shared with the industry; and stressing the importance of all jurisdictions being signatories to the MOU by the time the Annual Statement is implemented.

ACTION: Send a note to CCIR Policy Managers M. Boyle and S. Jacobs asking that the confidentiality protection language in the Memorandum of Understanding be shared with the industry; and stressing the importance of all jurisdictions being signatories to the MOU by the time the Annual Statement is implemented. [B. Wycks: Dec 5/16]

c. Regulatory and Policy-Maker Visit Plan

B. Wycks highlighted opportunities for upcoming visits with regulators and policy-makers, as proposed in the updated Regulator and Policy-Maker Visit Plan.

5. EOC Committee Updates

a. Research & Education

i. Seven Point Guide to Creditor Insurance Regulatory Regime

The EOC reviewed the updated Seven Point Guide to the Creditor Insurance Regulatory Regime, prepared by the Research & Education Committee. There was general agreement that the edits and enhancements made to the previous version of this material were sufficient, and the document was approved for use in CAFII's future regulatory communications and advocacy work.

b. Media Advocacy

i. Implementation of Board-approved Media Strategy

C. Blaquiere, Chair of the Media Advocacy Committee, advised that he and B. Wycks were currently in the process of reviewing and providing feedback to consultant D. Moorcroft and RankHigher on their proposal for a new CAFII website structure.

A follow-up meeting with D. Moorcroft and RankHigher was being arranged to gain greater understanding of the rationale behind the proposed new structure, how it relates to the current CAFII website, and how content will be generated for the new structure.

Thereafter, the proposed new structure will also be reviewed by Media Advocacy Committee members E. Fang and S. Manson before being presented to the EOC for approval, he advised.

c. Market Conduct

R. Beckford, Chair of the Market Conduct Committee, advised that the Alberta Insurance Council had recently sent a letter to the CEOs of p&c and life insurance companies, stating that it would soon be undertaking market conduct field examinations which would include media monitoring; and to that end it would be selecting one insurer to be the subject of a market conduct field examination pilot test.

d. Licensing Efficiency Issues

On behalf of M. Gill, Chair of the Licensing Committee, B. Wycks reported that the Financial and Consumer Services Commission of New Brunswick had recently sent out a number of communiques to indicate that effective November 1/16, it would only be accepting online applications for insurance agent, broker, adjuster, and damage appraiser licences.

6. Other Business

a. CAFII 20th Anniversary Celebration

In a discussion of possible central Toronto locations for CAFII's 20th Anniversary Celebration on April 5, 2017, there was general EOC agreement that Ripley's Aquarium would be the first-choice venue for the event.

ACTION: Contact event coordinators at Ripley's Aquarium and set-up a site-visit for B. Wycks and E. Cloutier; and determine the deposit amount and next steps for securing the space. [E. Cloutier: Oct 28/16]

b. CAFII Co-Executive Director Position

E. Fang briefly updated EOC members on the CAFII Board's decision to create and recruit for a CAFII Co-Executive Director position. She noted that the new position had been advertised on LinkedIn for nearly a month and had generated a large number of candidates from outside the industry. However, there had been few referrals of candidates from Board and EOC members. She therefore requested that EOC members forward the position posting to candidates whom they feel would be suitable.

ACTION: Send the LinkedIn posting for the CAFII Co-Executive Director position and a PDF of the job description to all EOC members for review and sharing with potential candidates [E. Cloutier: Oct 25/16]

7. Termination

There being no further business, the meeting was terminated at 3:43 p.m. It was also noted that the next EOC meeting was scheduled for Tuesday, November 15, 2016, 2:00 p.m. at TD Insurance, 320 Front St., 2nd Floor, Jasper Room, in Toronto.

It was also noted that the next CAFII Board meeting was scheduled for Tuesday, November 29, 2016 hosted by BMO Insurance at First Canadian Place, 100 King St. West, 40th Floor, Toronto, to be followed immediately by the CAFII Year-End Reception.

Date

Chair

Recording Secretary

Summary of CAFII Board and EOC Action Items					
	Source	Action Item	Responsible	Deadline	Status 10-Nov-2016
		Alberta Regulatory Issues			
1	EOC October 25, 2016	• Obtain legal review feedback from J. McCutcheon on CAFII's proposed definition of creditor's group critical illness insurance; talk to E. Hiemstra of CLHIA to ensure that the CAFII and CLHIA proposed definitions are well-aligned; and circulate the revised definition to Market Conduct, LEIC, and EOC members for final review and approval before submission to J. Abram.	Brendan	31-Oct-16	Complete
		Atlantic Canada Regulatory Issues			
2	EOC May 24, 2016	• Update CAFII presentation on "Seven Point Guide to the Creditor Insurance Regulatory Regime," for possible use as an educational communication to New Brunswick and/or other insurance regulators	Diane	30-Jun-16	Complete
		BC Ministry of Finance & FICOM Regulatory Issues			
3	EOC October 25, 2016	• Post J. McCutcheon's draft legal opinion on auto dealers are creditors for a moment-in-time issue, for review at November 15/16 EOC meeting.	Eleanore, Brendan	10-Nov-16	Complete
4		• Prepare recommendation to EOC on how CAFII should utilize J. McCutcheon's draft legal opinion, if at all, in terms of further communication with FICOM, for discussion at November 15/16 meeting.	Eleanore, Brendan	15-Nov-16	In progress
5	EOC Apr 26, 2016	• Conduct further research and provide additional information on auto dealers are creditors for a moment-in-time argument, to enable further CAFII discussion with FICOM.	Diane	31-May-16	In progress
6	EOC Feb 16, 2016	• Investigate opportunities to engage with BC Ministry of Finance to provide information and find out more about what will be included in the Policy Paper to be released in late 2016.	Brendan	30-Apr-16	In progress
		Saskatchewan Insurance Regulations Issues			
7	EOC October 25, 2016	• Obtain from J. Seibel, FCAA, a copy of the amended Bill 177, The Insurance Act as actually passed by the Saskatchewan legislature in May 2015	Brendan	28-Oct-16	Complete
8		• Send a note to J. Seibel, FCAA, expressing CAFII's concern about the insufficient and compressed time being allowed for submissions on the draft Regulations and for preparing for and adapting to the new Insurance Act and related Regulations.	Brendan	11-Nov-16	In progress
		Quebec Ministry of Finance & AMF Regulatory Issues			
9	Board October 4, 2016	• Implement Board-approved motion to engage Sylvie Bourdeau of Fasken Martineau DuMoulin through a letter of engagement with a fee estimate of approximately \$15,000 plus HST.	Rose, Isabelle, Brendan, Eleanore	31-Oct-16	Complete
		CCIR			
		Annual Statement on Market Conduct			
10	EOC October 25, 2016	• Send a note to CCIR Policy Managers M. Boyle and S. Jacobs to find out (i) if the semi-annual SRP-CRS complaint report filing requirement, which has had a January 30 and July 30 deadline each year, will now not be required on January 30/17 because it will be absorbed within the Annual Statement filing which has a May 1/17 deadline?; and (ii) will the provincial/territorial jurisdictions which previously were not included in the SRP-CRS filing requirement now be included under the Annual Statement regime?	Brendan	10-Nov-16	In progress
11		• Send a note to CCIR Policy Managers M. Boyle and S. Jacobs asking that the confidentiality protection language in the Memorandum of Understanding be shared with the industry; and stressing the importance of all jurisdictions being signatories to the MOU by the time the Annual Statement is implemented.	Brendan	5-Dec-16	In progress
		Regulator and Policy-Maker Visit Plan			
12	EOC June 21, 2016	• Update and circulate CAFII's Lobbyist Registration Regime Matrix to EOC members	Brendan	30-Jul-16	In progress

	Source	Action Item	Responsible	Deadline	Status 10-Nov-2016
		Association Admin			
13	EOC October 25, 2016	• Send request for input on 2017 CAFII Operating Budget to Committee Chairs	Emily	26-Oct-16	Complete
14		• Provide input for development of 2017 CAFII Operating Budget	Committee Chairs	02-Nov-16	In progress
15		• Develop 2017 CAFII Operating Budget for EOC review and feedback at November 15/16 EOC meeting, prior to its presentation to the Board at November 29/16 meeting for approval	Raja, Brendan, Emily	15-Nov-16	In progress
		• Contact event coordinators at Ripley's Aquarium and set-up a site-visit for B. Wycks and E. Cloutier; and determine the deposit amount and next steps for securing the space.	Emily	28-Oct-16	Complete
16		• Send the LinkedIn posting for the CAFII Co-Executive Director position and a PDF of the job description to all EOC members for review and sharing with potential candidates	Emily	25-Oct-16	Complete
17	Board October 4, 2016	• Submit Board-approved resolution on appointment of CAFII Cheque Signing Authorities to TD Bank and follow-up to ensure that CAFII's signing authorities are brought up-to-date in the bank's systems.	Emily	24-Oct-16	In progress
18		• Ask Oscar Zimmerman, founding CAFII Board member, who was in the founders group in 1997 and should be invited to the CAFII 20th Anniversary event on April 5, 2017 and communicate that information to B. Wycks and E. Cloutier	Bob Grant	22-Nov-16	Complete

CAFII - 2016 Executive Director Balanced Scorecard					
	H = High Priority; M = Medium; L = Low				
Priority	Objectives	Measures	Timing	Status As At November 7/16	Outcome
	Regulatory and Advocacy (60% of ED and EOC focus/time)				
#1	Overall: Draft and deliver highly quality regulatory submissions and follow-up with regulators and policy-makers, as appropriate.	Overall: Regulatory submissions are well-written, impactful, and produced on time; consultation issues are reviewed with relevant CAFII committee and input and feedback incorporated into draft submission; Board and EOC have sufficient time to review and provide input, which is given due and equitable consideration and included where appropriate; submissions reflect consultation with allied industry Associations where appropriate. ED monitors, gathers intelligence, and reports on key regulatory developments; any hot button issues dealt with in timely, appropriate manner.	Ongoing		
H	British Columbia Consultation on 10-Year Review of Financial Institutions Act (FIA)	ED monitors progress/status through regular contact with Ministry of Finance. Follow-up educational material on CGI, alternate distribution, and travel insurance prepared and sent to Ministry. CAFII communicates with and influences Ministry thinking following release of Public Report on Input Received In Response To Initial Public Consultation Paper, as appropriate. Ministry's subsequent Policy Paper takes CAFII's positions into account	Q1 thru Q2 2017	Awaiting Ministry's release of Policy Paper on proposals for change (expected Q1 or Q2 2017)	On March 24/16, Ministry of Finance released Public Report on input received in response to Initial Consultation Paper; and all stakeholder submissions published on its website
H	BC FICOM's 'effecting' of creditor's group insurance issue	ED monitors progress/status through regular contact with Chris Carter, FICOM. FICOM takes CAFII's issues and positions into account in clarifying Information Bulletin on CGI	Q1 thru Q4 2016	CAFII review/discussion underway to decide how to utilize, if at all, legal opinion obtained on auto dealers are creditors for a moment-in-time issue. FICOM expecting CAFII to provide further information in support of auto dealers are creditors for a "moment-in-time" argument.	Favourable clarification on other major issues received from FICOM via April 14/16 teleconference and April 20/16 response letter from H. James
H	Quebec Ministry of Finance consultation on "Report on the Application of the Act respecting the Distribution of Financial Products and Services" (Bill 188)	ED makes recommendation to EOC and Board Chair re meeting with Ministry officials to communicate CAFII position on online distribution of insurance; prepares project plan and secures EOC Chair approval; executes project plan. Ministry takes CAFII's positions into account in final decisions on modernizing Distribution Act	Q1 thru Q4 2016	CAFII preparing to sign letter of engagement with specialized legal counsel, to be optimally prepared to make authoritative submission on this matter. Recommendation made and approved. Project plan prepared and approved. Project executed through to written meeting request and follow-up phone calls. Favourable, reassuring position conveyed by Ministry official in Feb. 25/16 call. Awaiting Ministry's release of omnibus Bill on modernizing Quebec's financial services sector, incl. Distribution Act (expected Fall 2016).	CAFII received verbal assurance from Ministry official on Feb. 25/16 that Quebec will be implementing measures to support online distribution of insurance without need for involvement of a licensed advisor
H	CCIR Annual Statement on Market Conduct	ED monitors progress/status through regular contact with Martin Boyle, CCIR. CAFII continues to communicate its views to CCIR as plans for Annual Statement evolve; CCIR takes CAFII's views into account in final design of Annual Statement and related implementation plan	Q1 thru Q4 2016	Awaiting CCIR's release of implementation-ready, final draft of Annual Statement in December 2016. Related implementation timeline informally shared with CAFII in October 24/16 meeting with CCIR Policy Managers.	CAFII made strong submission on Draft 3 of Annual Statement on August 26/16. CAFII staged May 19/16 webinar for members with Laurie Balfour, CCIR ICPIC Chair.
H	Ontario government review of FSCO mandate	ED monitors progress/status through regular contact with David McLean, Ministry of Finance. CAFII responds quickly to Expert Panel's final recommendations; communicates its positions to Minister of Finance, as appropriate. Minister takes CAFII's views into account in final decisions on FSCO's future mandate	Q1 thru Q4 2016	Awaiting Government's response to Expert Panel's final recommendations released in late June 2016.	
H	CCIR Review of Travel Health Insurance	ED monitors progress/status through regular contact with Sean Jacobs, CCIR and Joan Weir, CLHIA. ED supports work of CAFII internal group on travel insurance. CAFII in a position of readiness to make regulatory submission or otherwise make its views known, as distributors of travel insurance, should need arise. CAFII communicates views on TIWG Issues/Discussion Paper in timely, persuasive, effective manner. CCIR takes CAFII's views into account in final decisions on travel insurance regulatory reforms	Q1 2016 thru Q2 2017	Awaiting possible release of CCIR Position Paper in Q2 2017.	CAFII submitted response to CCIR TIWG's Issues Paper on Travel Health Insurance for September 30/16 deadline. CAFII held productive stakeholder meeting with CCIR TIWG on Issues Paper on August 10/16. On May 4/16, C. Rogers advised CAFII that because the industry had demonstrated significant movement in terms of reforms, at its April 7-8/16 meeting the Council decided that the Paper (which was slated for release in the spring) would be revised to reflect the latest industry input and released in the summer instead.
H	Bill 177, The Insurance Act (Saskatchewan)	ED monitors progress/status through regular contact with Jan Seibel, FCAA. CAFII communicates views on draft Regulations in timely, persuasive, effective manner. FCAA takes CAFII's views into account in final Regulations	Q1 thru Q2 2017	CAFII preparing to respond to FCAA's Insurance Regulations Consultation document by December 2/16 deadline.	FCAA released Insurance Regulations Consultation document on October 7/16. On April 18/16, J. Seibel advised that FCAA plans to conduct consultation on Regulations in two parts: Part 1 - "more complex issues"; Part 2 - actual draft Regulations.
M	Financial Consumer Agency of Canada "Compliance Framework"	CAFII communicates views on questions/issues in consultation document in timely, persuasive, effective manner. FCAC takes CAFII's views into account in final decisions	Q2 thru Q4 2016	On October 25/16, EOC decided not to respond to this consultation -- as no issues raised are of direct relevance to CAFII members -- and instead to provide input/review for CBA submission, if requested.	On September 29/16, FCAC released its consultation document on Proposed Supervision Framework and Publishing Principles for Decisions
M	AMF's Distribution Guide template initiative	ED monitors progress/status through regular contact with AMF. CAFII communicates views on draft Distribution Guide Regulation in timely, persuasive, effective manner. AMF takes CAFII's views into account in final Distribution Guide template and related Regulation	Q1 thru Q4 2016	Awaiting reactivation of this initiative via AMF's circulation of a draft Regulation on the Distribution Guide for industry consultation	
M	New Brunswick's "Modernizing the Insurance Licensing Framework" for Other-than-Life Agents and Brokers	ED monitors progress/status through regular contact with David Weir, FCNB. FCNB takes CAFII's views into account in final positions on new licensing framework	Q1 thru Q4 2016	Awaiting release of FCNB's final recommendations to Government re change proposals, especially re implications for life agents' licensing framework	
M	New Brunswick's "Online Insurance Licensing System"	ED monitors progress/status through regular contact with David Weir, FCNB. FCNB takes CAFII's views into account in functionality and features decisions for Phase 2 of online licensing system, especially administrator rights for applicant's insurer sponsor	Q1 thru Q4 2016	FCNB launched Phase 2 of online insurance licensing portal in October 2016. Effective November 1/16, will only accept online applications for insurance agent, broker, adjuster, and damage appraiser licences.	
M	Secure Insurance Council representation for CAFII members as Restricted Insurance Agents in Saskatchewan	CAFII communicates and engages with Ron Fullan, ICS Executive Director, in a timely, persuasive, effective manner. CAFII's proposed model for a Restricted Insurance Agent Advisory Committee is adopted in Saskatchewan	Q1 thru Q4 2016	CAFII submission pending re proposed Terms of Reference for RIA Advisory Committee, to augment Concept Proposal sent in October 2014	

	H = High Priority; M = Medium; L = Low				
Priority	Objectives	Measures	Timing	Status As At November 7/16	Outcome
#2 H	Develop and execute on Regulator and Policy-Maker Visit Plan in support of CAFII positions on legislative and regulatory issues	CAFII investments in regulator and policy-maker visits are appropriately scheduled; well-organized and executed, including briefing/preparation of CAFII participants	Ongoing	Liaison lunch and Industry Issues Dialogue with AMF staff executives secured for October 4/16; May 4/16 meetings secured and executed with Carolyn Rogers, CEO, BC FICOM, and CCIR Vice-Chair; and with Atlantic Canada regulators; April 12/16 liaison lunch with CCIR Policy Managers secured and executed; joint CAFII/CLHIA stakeholder meeting with CCIR Travel Insurance Working Group secured and executed on March 16/16	
#3 H	Maintain ongoing monitoring of and liaison/communications with regulators, policy-makers, allied Associations, and other industry stakeholders for relationship-building and intelligence gathering	EOC and Board members are kept well-informed of hot button, urgent, time-sensitive issues through CAFII "Alerts"	Ongoing	<u>Productive, intelligence-gathering liaison lunch with CCIR Policy Managers executed on October 24/16. Executive Director became a member of THIA and gathered intelligence re its plans re travel health insurance regulation by attending its AGM on September 27/16.</u> Two productive, intelligence-gathering teleconferences secured with AIC staff executives on July 12/16 and September 12/16 re Selling of CI Benefits Under A Restricted Certificate Of Authority issue. CAFII interactions and communications with AIC management on this issue, including July 22/16 formal submission, appear to have been persuasive in support of an outcome favourable to CAFII members.	

	H = High Priority; M = Medium; L = Low				
Priority	Objectives	Measures	Timing	Status As At November 7/16	Outcome
	Media and Communications (20% of ED and EOC focus/time)				
#1 H	Move CAFII into a position of readiness and confidence to respond to media opportunities re Creditor's Group Insurance and Alternate Distribution	Successful execution of Communications Plan tactics within specified timelines	Q2 thru Q4 2016	Contractual terms with media consultant finalized.	CAFII Board approved Media Strategy at its June 7/16 meeting
#2 H	Monitor media coverage re CGI, travel insurance, and alternate distribution	Any hot button issues related to media coverage are identified and dealt with in a timely, appropriate manner	Ongoing	In process, in concert with Media Committee	
#3 M	Monitor Consumer Interest Groups	Include intelligence on Consumer Interest Groups' issues and activities in Regulatory Updates for EOC and Board meetings	Ongoing	Consumers Association of Canada, Consumers Council of Canada, and Public Interest Advocacy Centre web sites monitored regularly for issues/activities related to insurance and alternate distribution	
	Association Oversight and Management (20% of ED and EOC focus/time)				
#1 H	Produce an "industry intelligence" Regulatory Update monthly, for each EOC and Board meeting	Regulatory Update is produced for each EOC and Board meeting, containing outside-of-the-public-domain information on regulatory actions, pronouncements, trends and leading indicators	Ongoing	<u>September and October Regulatory Updates included new intelligence on issues in CAFII Regulatory Consultations/Submissions Timetable</u>	
#2 H	Efficient, effective CAFII meetings: with EOC Chair and standing committee Chairs, ensure agendas are focused and goal-oriented and meetings are well-managed	Agendas and meeting materials are distributed with appropriate lead time. Board and committee members are engaged in meeting discussions and feel meetings are productive and advance CAFII's objectives	Ongoing	<u>September and October EOC meetings; and October Board and AMF liaison meetings in Montreal well-managed; executed successful 2016 Annual Members' Luncheon; liaised with Assurant Solutions re venue for June Board meeting and with CUMIS re venue for April Board meeting and solutions achieved</u>	
#3 H	Ensure that CAFII prepares an annual operating budget that is well-grounded in approved strategic and operational plans; funds are spent according to plan; and financial control policies and procedures -- including monthly financial statements -- are adhered to	Play a leadership role in development, management, and tracking/monitoring of CAFII's annual operating budget, and committee and project budgets. Budget targets are met, except for explainable/approved variances	Ongoing	<u>Development of 2017 CAFII Operating Budget underway, led by Executive Director; new quarterly financial reporting document with CAFII Treasurer. Planning and budgeting for CAFII 20th Anniversary Celebration well underway, led by Executive Director.</u>	
#4 H	Provide strategic and operational support to the EOC Chair in management of CAFII priorities and activities, and accountability reporting thereon	Engaged strategic and operational support to EOC Chair; appropriate matters escalated to EOC Chair for review and decision-making	Ongoing	<u>ED engaged TO Corp President in discussion of service delivery performance; is leading CAFII trademark registration initiative, in planning for 20th Anniversary Celebration in 2017; and in securing a CAFII domain under .insurance registry</u>	

CAFI

21 St Clair Ave East, Suite 802

Toronto, ON M4T 1L9

Balance Sheet

As at October 31, 2016

ASSETS	Current 2016
Current Assets	
Bank Balance	\$430,728
Investments ^A	\$54,077
Accounts Receivable	\$0
Interest Receivable	\$72
Prepaid Expenses	\$3,056
Computer/Office Equipment	\$2,334
Accumulated Depreciation -Comp/Equip	(\$1,828)
Intangible Assets-Trademarks	\$0
Accumulated Amortization-Trademark	\$0
Total Current Assets	\$488,439
TOTAL ASSETS	\$488,439
LIABILITIES	
Current Liabilities	
Account Payable ^B	\$6,133
Deferred Revenue	\$72,620
Total Current liabilities	\$78,753
TOTAL LIABILITIES	\$78,753
UNRESTRICTED NET ASSETS	
Unrestricted Net Assets, beginning of year	\$358,991
Excess of revenue over expenses	\$50,696
Total Unrestricted Net Assets	\$409,686
Total Unrestricted Net Assets	\$409,686
TOTAL LIABILITIES AND UNRESTRICTED NET ASSETS	\$488,439

Financial Reserves Targets as per 2016 Budget:

Minimum 3 months (25%) of Annual Operating Expenses=	\$ 126,909
Maximum 6 months (50%) of Annual Operating Expenses=	\$ 253,817
Current Level of Financial Reserves (total unrestricted net assets):	\$409,686
Current Level of Financials Reserve (%):	81%

C A F I I
21 St Clair Ave east, Suite 802
Toronto, ON, M4T 1L9
Balance Sheet Items
As at October 31, 2016

Item A

Investment Portfolio

Investment Type	Issue Date	Principal	Rate	Deemed Interest	Maturity Date
Cashable GIC #0087-8019718-13	June-16-16	\$54,077.01	0.40%	\$216.31	June-16-17
Total		\$54,077.01		\$216.31	

Item B

Accounts Payable

	Total
	1,589.35
	23.25
	4,520.00
Total outstanding:	<u>6,132.60</u>

CAFII

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

Statement of Operations As at October 31, 2016

	Current Month	Current YTD	Budget 2016	Variance Budget to YTD
Revenue				
Membership Fees	36,313	363,130	435,750	72,620
Interest Revenue	18	195	500	305
TOTAL REVENUE	36,331	363,325	436,250	72,925
Expenses				
Management Fees	22,016	218,079	256,742	38,663
CAFII Legal Fees/Corporate Governan	1,973	5,988	5,000	- 988
Audit Fees	0	0	14,000	14,000
Insurance	437	4,365	5,374	1,009
Website (incl translation)	5,373	9,478	30,000	20,522
Telephone/Fax/Internet	479	2,714	8,000	5,286
Postage/Courier	1	163	500	337
Office Expenses	99	2,347	3,000	653
Bank Charges	0	25	50	25
Miscellaneous Expenses	0	0	0	-
Amortization Expense	0	0	468	468
Depreciation Computer/Office Equipm	39	389	0	- 389
Board/EOC/AGM	0	0		
Annual Members Lunch	0	12,043.69	15,000	2,956
Board Hosting (External)	0	14,516.90	15,000	483
Board/EOC/Meeting Expenses	148.35	6,480.85	5,000	- 1,481
Industry Events	0	0	1,500	1,500
EOC Annual Lunch	0	2,079.05	2,000	- 79
Sub Total Board/EOC/AGM	148	35,120	38,500	3,380
Provincial Regulatory Visits	0	10,395	10,000	- 395
Research/Studies	1,356	1,356	50,000	48,644
Regulatory Model(s)	0	0	12,000	12,000
Federal Financial Reform	0	0	10,000	10,000
Media Outreach	9,040	21,809	50,000	28,191
Marketing Collateral	0	0	5,000	5,000
Tactical Communications Strategy	0	180		- 180
Networking Events	0	0		
Speaker fees & travel	0	0	8,000	8,000
Gifts	75	220.5	1,000	780
Sub Total Networking & Events	75	221	9,000	8,780
15th Anniversary Event	0	0	0	-
TOTAL EXPENSE	41,035	312,629	507,634	195,005
NET INCOME	-4,704	50,696	-71,384	- 122,080

Explanatory Notes:

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

CAFII

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

Membership Fees As At October 31, 2016

	<u>Jan-16</u>		<u>Jul-16</u>	
	<u>Billed</u>	<u>Received</u>	<u>Billed</u>	<u>Received</u>
BMO Bank of Montreal	\$ 23,500.00	7-Apr-16	\$ 23,500.00	29-Aug-16
CIBC Insurance	\$ 23,500.00	6-May-16	\$ 23,500.00	12-Aug-16
RBC Insurance	\$ 23,500.00	15-Mar-16	\$ 23,500.00	10-Aug-16
ScotiaLife Financial	\$ 23,500.00	4-Mar-16	\$ 23,500.00	22-Jul-16
TD Insurance	\$ 23,500.00	15-Mar-16	\$ 23,500.00	29-Jul-16
AMEX Bank of Canada	\$ 11,750.00	6-Apr-16	\$ 11,750.00	5-Aug-16
Assurant Solutions	\$ 11,750.00	15-Mar-16	\$ 11,750.00	22-Jul-16
Canadian Premier Life Insurance Company	\$ 11,750.00	4-Mar-16	\$ 11,750.00	9-Sep-16
Desjardins Financial Security Life Assurance Company	\$ 11,750.00	6-Apr-16	\$ 11,750.00	12-Aug-16
National Bank Insurance Company	\$ 17,625.00	10-Jun-16	\$ 17,625.00	10-Jun-16
Cumis Group Ltd/Co-operators Life Insurance Co.	\$ 11,750.00	6-Apr-16	\$ 11,750.00	9-Sep-16
Willis Towers Watson	\$ 4,800.00	6-Apr-16		
Aimia	\$ 4,800.00	15-Jul-16		
Collins Barrow Toronto Actuarial Services	\$ 4,800.00	28-Apr-16		
CSI Brokers Inc.	\$ 4,800.00	12-Apr-16		
KPMG LLP	\$ 4,800.00	9-Sep-16		
Laurentian Bank of Canada	\$ 4,800.00	6-Apr-16		
Munich Reinsuranace Company Canada Branch (Life)	\$ 4,800.00	30-Jun-16		
Optima Communications	\$ 4,800.00	4-Mar-16		
RGA Life Reinsurance Company of Canada	\$ 4,800.00	4-Mar-16		
The Canada Life Assurance Company	\$ 4,800.00	15-Mar-16		
January Invoices	\$241,875		\$193,875	
July Invoices	\$193,875			
Total Membership Fees	\$435,750			
Total amount to realocate monthly Jan-Dec	\$36,313			

CAFII Consultations/Submissions Timetable 2016-17

Regulatory Issue	Deliverable	Deadline	Accountable
BC FICOM 10-Year Review of FIA (consultation paper released June 2, 2015)	<ul style="list-style-type: none"> CAFII Response to Initial Consultation Paper Meetings with Ministry of Finance officials Public Report on input received on Initial Consultation Paper Policy Paper on proposals for change CAFII Response to Policy Paper <i>Meeting with Ministry of Finance officials, if necessary</i> Amendments to Act and drafting of Regulations 	<ul style="list-style-type: none"> Sep 15, 2015 Nov 10, 2015 Issued March 23, 2016 Q1 or Q2 2017 Q2 or Q3 2017 <i>Q2 or Q3 2017</i> Q4 2017 	<ul style="list-style-type: none"> Joint Market Conduct/Licensing Committee; ED to monitor
BC "Effecting" of CGI Issue	<ul style="list-style-type: none"> FICOM Information Bulletin on CGI Meeting with FICOM officials re Bulletin's directives CAFII follow-up letter seeking clarification on key Bulletin issues CAFII teleconference with FICOM officials re follow-up letter CAFII obtains legal opinion re auto dealers as creditors issue CAFII to communicate with FICOM re auto dealers, if warranted 	<ul style="list-style-type: none"> Issued Sep 14, 2015 Nov 10, 2015 March 15, 2016 April 14, 2016 Oct 2016 <u>Nov or Dec 2016</u> 	<ul style="list-style-type: none"> EOC; ED to monitor
QC Ministry of Finance Review of Distribution Act	<ul style="list-style-type: none"> CAFII Response to June 12/15 Consultation Report Dialogue with Ministry re meeting re online distribution CAFII secures specialized legal counsel, in preparation for draft Bill Draft omnibus Bill to be tabled, for industry consultation CAFII Response to draft legislation 	<ul style="list-style-type: none"> Sep 30, 2015 Completed March 2016 Nov 2016 Expected Q4 2016 <u>Q4 2016 or Q1 2017</u> 	<ul style="list-style-type: none"> Joint Mkt Cndct/ Lcnsing Cttee; ED to monitor
CCIR Annual Statement on Market Conduct	<ul style="list-style-type: none"> CAFII Response to Draft Annual Statement (released Oct 28/15) Revised Draft released for 45 day consultation period CAFII Response to Draft 3 <u>CCIR to release implementation-ready final version of Statement</u> <u>AMF to develop secure online system for data submissions</u> <u>Insurers submit "best attempts" data based on 2016 fiscal year-end</u> 	<ul style="list-style-type: none"> Dec 4, 2015 July 12, 2016 August 26, 2016 <u>Dec 2016</u> <u>Feb, March 2017</u> <u>May 1, 2017</u> 	<ul style="list-style-type: none"> Market Conduct Cttee; ED to monitor
CCIR Review of Travel Health Insurance	<ul style="list-style-type: none"> CAFII/CLHIA joint update meeting with CCIR TIWG Issues Paper released for 90 day consultation Meeting with CCIR TIWG re Issues Paper CAFII Response to Issues Paper CCIR releases Position Paper <i>Meeting with CCIR TIWG Re Position Paper, if necessary</i> 	<ul style="list-style-type: none"> March 2016 July 4, 2016 Aug 10, 2016 Sep 30, 2016 <u>Q2 2017</u> <u>Q2 2017</u> 	<ul style="list-style-type: none"> EOC; ED to monitor
SK Bill 177	<ul style="list-style-type: none"> FCAA releases Draft Regulations for industry consultation CAFII Response to Draft Regulations <i>Meeting with FCAA officials re CAFII submission, if necessary</i> 	<ul style="list-style-type: none"> Oct 7, 2016 <u>Dec 2, 2016</u> <u>Dec 2016 or Jan 2017</u> 	<ul style="list-style-type: none"> Market Conduct Cttee; ED to monitor
"Modernizing the New Brunswick Insurance Licensing Framework"	<ul style="list-style-type: none"> CAFII Response to Position Paper on aspects related to life agents FCNB delivers final recommendations to Minister 	<ul style="list-style-type: none"> Jan 22, 2016 ? 	<ul style="list-style-type: none"> Licensing Cttee; ED to monitor

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

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October 12, 2016

Ms. Eleanore Fang
Secretary and Chair
Executive Operations Committee
Canadian Association of Financial Institutions in Insurance
21 St. Clair Avenue East Suite 802
Toronto, Ontario
M4T 1L9

Via email: eleanore.fang@td.com

[Determine to whom the letter should be addressed. Just CAFII or someone in particular or directly to FICOM]

Dear Ms. Fang:

Re: Creditor's Group Insurance in British Columbia

Background

Bulletin-INS-15-002 CREDITOR'S GROUP INSURANCE (the "**Bulletin**") issued by the Financial Institutions Commission of British Columbia ("**FICOM**") states, among other things, that in respect of creditors' group insurance a creditor must play an active and substantial role in the procurement of a contract of creditors' group insurance.

Issue

You have asked whether an automobile dealer is a creditor for the purposes of procuring a contract of creditor's group insurance, as described in the Bulletin.

Conclusion

In our opinion, automobile dealers are properly characterized as “creditors” when they enter into agreements with purchasers for the purchase and sale of vehicles (“PSA”) except in the rare instances when the purchaser pays in cash for the vehicle at the time of signing the PSA. As such, an automobile dealer is properly a “creditor” for the purposes of the definition of creditors’ group insurance in the *Insurance Act* (BC) and for the purpose of procuring a contract of creditors’ group insurance. However, it is important to note, that in our view no requirement exists in the law of BC such that vehicle dealers must be creditors in order to sell credit protection insurance under the licensing exemption and in the manner that is presently the market practice in BC.

Reasoning

When a potential purchaser of a vehicle attends an automobile dealer, once a vehicle is selected, a PSA is entered into as between the dealer and the purchaser. The purchaser agrees to buy the vehicle, financing is arranged and the vehicle is picked up at a future point in time. Financing or leasing may be arranged with the assistance of the dealer such that the purchaser is able to perform his or obligations under the PSA. Sometimes the vehicle is on the lot and available for delivery in short order but in many instances, the vehicle is ordered and delivered at a future time. Few, if any, purchases are made instantly and in cash and if that is the case, there is no eligibility for credit protection insurance, if it is available, there being no debt to insure.

The term “creditor” is informed by the definitions of “credit” and “debt”. In the context of a car purchase, pursuant to a PSA, the buyer has an obligation in law, upon signing the PSA, to pay money to the dealer, upon delivery of the vehicle, in order to complete the purchase of the vehicle. It is well established that a vendor of goods and services is a “creditor” at the time the buyer is obligated to purchase the goods or services. A dealer and a buyer who have entered into a PSA are respectively a “creditor” and “debtor”. If the purchaser does not pay after signing the PSA, the dealer can pursue the purchaser for recovery of the purchase price.

According to *Words and Phrases Legally Defined* the word "credit" is not specifically a technical legal term. "Credit" is defined in *The Dictionary of Canadian Law* as including "credit" for which a borrower is required to pay and that is given under an agreement between a seller and a buyer of goods or services by which all or part of the purchase price is payable after the agreement is entered into".

Similarly, *Words and Phrases Legally Defined* states that "credit is obtained when, with the assent of the creditor and at the behest of the debtor, a debt remains for a time unpaid or, it may be suggested, when goods or services are supplied 'in confidence of future payment' being made for them...Credit can be obtained when payment otherwise due for goods and services is expressly deferred by consent..."

It is settled in Canadian law that a debt is owed if, and when, conditional liability to pay money exists, even if that money is payable at a future time.

In *Garner v. Strickland & Western Forest Industries Ltd.*, [1955] 4 D.L.R. 329 (B.C.C.A.) it was held that:

*The debt is a present debt, the payment is to be a future payment. There are many cases in which such debts have been held garnishable...*¹

While the definition of debt typically brings to mind an obligation to pay money, in a broader sense, it can also be in relation to generally owing an obligation. This broader definition was referenced in *Gardner v. Newton* (1916), 10 W.W.R. 51 (Man. K.B.), in which the court provided the common law definition of “creditor”:

A creditor is one who has a right to require the fulfilment of an obligation or contract; but its general and almost universal meaning is a person to whom a debt is payable.

An automobile dealer is a “creditor” at the time the buyer becomes obligated to purchase the car – the crucial time being the time at which the PSA is entered into. The fact that the PSA is later performed because the purchaser obtains borrowed funds to pay the dealer, or performs the PSA, when a leasing company buys the car on behalf of the purchaser, does not change the fact, that under the PSA, the dealer is a creditor and the purchaser, a debtor.

In our view, a dealer is a creditor and can properly procure a contract of creditors’ group insurance².

However, we note that this aspect of the Bulletin is without foundation in law. This is the case for the following reasons:

- The *Insurance Act*³ (BC) (“IA”) does not deal with the distribution of insurance but rather it stipulates what is required for various contracts of insurance. The *Financial Institutions Act*⁴ (BC) (the “FIA”) deals with the regulation and licensing of various financial institutions, including insurance companies transacting business in British Columbia and it deals with the regulation of other persons, including insurance agents and adjusters. The IA does not contain any provision which specifies who can sell insurance and how they may sell it. Rather, those distribution issues are set out in the FIA.
- The FIA establishes the basic principle that no person may act in British Columbia as an insurance agent or insurance salesperson unless the person is licensed as an insurance agent or insurance salesperson, as the case may be⁵. Further, an insurer, officer, agent or

¹ See also *Lampman & Laidlaw Ltd. v. Levine* (1960), 22 D.L.R. (2d) 605 (B.C.C.A.).

² The *Insurance Act* requires that the person procuring the creditors’ group insurance be a creditor, which the dealer is at the time the contract is originated. Nothing prevents an insurance contract from directing payment of benefits to successor creditors, whether an entity which loans money to the purchaser to purchase the car, or whether the successor creditor is a vehicle leasing company. In each case the debt owed to the dealer is replaced with a debt owed to the lending or leasing company. The dealer, the lending or the leasing company are all creditors at some point in time.

³ RSBC 2012, c 1

⁴ RSBC 1996, c 141

⁵ Section 171(1) of the FIA

employee of an insurer, insurance agent or insurance salesperson must not pay or allow to be paid, or offer or promise, a commission or compensation to a person who is not an insurance agent licensee, or insurance salesperson licensee for so acting in British Columbia⁶. These prohibitions do not apply to a person or class of persons exempted by the regulations.

- The *Insurance Licensing Exemptions Regulation*⁷ specifically states that the general prohibition against unlicensed activity does not apply to a person whose only activity as an insurance agent or insurance salesperson is in connection with **credit insurance** sold incidentally to the granting or arranging of credit by that person or that person's employer⁸.
- “Credit insurance” as it is used in the *Insurance Licensing Exemptions Regulation* is specifically defined as credit protection insurance as defined in section 1 (1) of the *Classes of Insurance Regulation*⁹ which is as follows:

"credit protection insurance" means insurance under which an insurer undertakes to pay off credit balances or debts of an individual, in whole or in part, in the event of an impairment or potential impairment in the individual's income or ability to earn an income; credit protection insurance" in section 1 (1) of the Classes of Insurance Regulation

- You will note that the definition of “credit protection insurance” is the operative definition as it relates to who can sell insurance that pays of credit balances. You also will note that there is no reference in this definition or in the *Insurance Licensing Exemption Regulation* to “creditors’ group insurance” which is a large part of the focus of the Bulletin.
- Nothing in the law of BC requires that credit protection insurance be sold or structured as creditors’ group insurance. Such a requirement does not exist.
- The law of BC requires that a person selling credit protection insurance, which may or may not be structured as a group insurance contract, be either licensed or be selling credit insurance incidentally to the granting or arranging of credit by that person or that person's employer. This is what automotive dealers and their employees presently do, whether as an actual creditor or as a person who arranges credit.
- There is no requirement in the law of BC that if a dealer is to sell credit protection insurance under the exemption in the regulations, the dealer must be a creditor or procure

⁶ Section 178(1) of the FIA

⁷ BC Reg 328/90

⁸ There is also a corresponding exemption in the *Insurance Commission Exemption Regulation*, BC Reg 149/97

⁹ BC Reg 204/2011

a contract of creditors' group insurance as suggested by the Bulletin.

- BC law makers seem to have specifically anticipated the situation of those who arrange for credit but aren't in fact creditors. The exemptions seem to specifically anticipate a situation where the exempt seller may offer to arrange for credit from multiple sources while the seller is not a creditor. We are unsure as to why this clear legislative intent appears to have been ignored and why the Bulletin purports to impose requirements that do not exist and in fact conflict with the law, as it is in BC.

Yours truly,

A handwritten signature in black ink, appearing to read 'Jill McCutcheon', is written over a light gray rectangular background.

Jill McCutcheon

Sylvie Bourdeau
Direct +1 514 397 4388
sbourdeau@fasken.com

Montréal, November 7, 2016
File No.: 202404/10083

BY EMAIL

CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE
802-21 St Clair Avenue East
Toronto, Ontario, M4T 1L9

Attention: Mr. Brendan Wycks, Executive Director

Dear Mr. Wycks:

Re: Advice on new Québec legislation on Insurance and Distribution of Financial Products and Services

Thank you for appointing Fasken Martineau to represent you.

This letter and the attached "Client Service Terms" set out the terms on which we will provide services to you. In this letter, "you" means the Canadian Association of Financial Institutions in Insurance ("CAFII").

Scope of Work

In connection with this mandate, we will provide the following services to you:

In response to the Québec Ministry of Finance's expected omnibus Bill on modernizing the province's financial services sector, including the *Insurance Act* (Québec) and the *Act respecting the distribution of financial products and services* (Québec), we will participate in and provide you with legal advice during CAFII deliberations prior to the drafting of CAFII's regulatory submission(s) and we will review the draft of CAFII's regulatory submission(s) that will be prepared by CAFII and provide legal advice on, edit, and refine CAFII's submission(s) prior to finalization.

We will take instructions primarily from Brendan Wycks, Executive Director of CAFII or Eleanore Fang, Chair of the CAFII Executive Operations Committee.

Accepted
B. Wycks

Your Service Team

I will be responsible for the services we will provide to you on this matter.

Your service team will include Sylvie Bourdeau and Charles Alexandre Brosseau. Other personnel may assist from time to time, as required.

Fees

Our fees will generally be based on our standard hourly billing rates for our time during the period covered by the account. The current hourly rates of the key professionals on your service team are:

<u>Name</u>	<u>Current Hourly Rate</u>
Sylvie Bourdeau	CDN\$590
Charles Alexandre Brosseau	CDN\$300

We are not in a position, at this time, to estimate our fees for this matter, considering that the scope and phases of our mandate will have to be agreed upon with you once the new pieces of legislation are released.

However, we will be pleased to implement some controls in our system such that we will inform you, as soon as our fees will reach a threshold of CDN\$12,000 not including HST, in order to allow us to adjust the scope of our services accordingly and manage properly the file and our involvement.

Conflicts of Interest

We have searched our conflicts database for your name, as well as for the following names that you have advised us are relevant for this matter: Corporation des professionnels en services financiers (CDPSF), Professional Association of Financial Advisors (previously known as The Independent Association of Financial Advisors of Québec), Regroupement des cabinets de courtage d'assurance du Québec, Chambre de la sécurité financière, Chambre de l'assurance de dommages (ChAD), Advocis | The Financial Advisors Association of Canada and Independent Financial Brokers of Canada (IFBC) ("**Potential Conflicted Entities**").

We are not aware of any legal conflict of interest that would prevent us from acting for you.

Accepted
B. Wycks

If there are any other third parties currently involved in this matter, please let us know immediately. Also, if any additional third parties become involved in this matter in the future, please let us know immediately.

Finally, as agreed, we will not accept any mandate on behalf of the Potential Conflicted Entities involving advice on the same pieces of legislation, given that their position may be opposed and adverse to yours.

General

Our Client Service Terms are attached. They set out important information concerning our services and our interaction with you, the confidentiality of information you provide to us, our understandings concerning conflicts of interest, the financial arrangements between us and other important matters that will govern our relationship, including what to do if you are unhappy with any aspect of our service. If there is any inconsistency between the Client Service Terms and any other terms of this letter, the other terms of this letter will apply.

You may ask us to provide additional services. The terms of this letter will apply to any additional services, unless we send you a separate letter for those services. Unless otherwise agreed, our fees for such additional services will generally be based on our standard hourly billing rates for the time spent by us during the period covered by the account.

If at any time you have any questions or concerns about our services or our accounts, please raise them with me. If you prefer, you can raise them with our local Managing Partner, who is currently Éric Bédard.

We appreciate the confidence you have placed in Fasken Martineau, and we look forward to working with you.

Please sign and return a copy of this letter to confirm your agreement with the terms of this letter. If you continue to instruct us, you will be taken to have agreed to these terms.

Accepted
B. Wlycks

If you have any questions, please call.

Yours truly,

FASKEN MARTINEAU DuMOULIN LLP

Sylvie Bourdeau

SB/gl
Encl.

We confirm our agreement to the terms of this letter:

**CANADIAN ASSOCIATION OF FINANCIAL
INSTITUTIONS IN INSURANCE (CAFII)**

By: Brendan Wycks

Name: BRENDAN WYCKS

Title: EXECUTIVE DIRECTOR

November 8, 2016

October 31, 2016

Ms. Joanne Abram
Chief Executive Officer
Alberta Insurance Council
10104 – 103 Avenue
Suite 600, Bell Tower
Edmonton, Alberta T5J 0H8

Re: Proposed Definition of *Creditor Group Critical Illness Insurance* For Restricted Licensing

Dear Ms. Abram:

Thank you for your letter to CAFII of October 11, 2016 which communicated the Life Insurance Council's recent decision to specify, subject to its acceptance of an appropriate definition, that creditor group critical illness insurance coverage can be sold in Alberta under a Restricted Certificate of Authority for *Credit-Related Insurance*, in addition to creditor group life insurance, disability insurance, and loss of employment insurance.

CAFII commends the LIC for reaching that prudent decision. It supports consumer choice through competitive product availability and ensures that CAFII members will continue to be in a position to offer creditors' group insurance to Albertans.

It is our understanding that the LIC's intent now is to issue a definition as written guidance which will clarify the products that constitute *Credit-Related Insurance*, as authorized to be sold under a Restricted Certificate of Authority. In response to the related request made in your letter, our proposed definition of creditor group critical illness insurance to be adopted for restricted licensing is as follows:

Creditor's Critical Illness Insurance means a group insurance policy that will pay off all or part of the credit balance or debt of an insured person in the event that the insured person is diagnosed with a covered illness or medical condition.

We strongly recommend that the definition to be adopted should be at a general, high level, so as to support industry innovation and new offerings and enhancements for consumers without requiring the Council to have to update its regulatory guidance at frequent intervals.

CAFII also recommends that in addition to issuing a definition of creditor group critical illness insurance as written guidance, the LIC may want to consider providing further clarity around the products that constitute *Credit-Related Insurance* by making a revision to the October 2012 Order of The Life Insurance Council and the General Insurance Council (the "Order") which specifies the classes or types of insurance for the purposes of Section 454 of the Act.

We therefore refer you to our previous correspondence of July 22, 2016 and, in particular, Appendix "A" to that letter which provides a mark-up of how the Council could achieve additional clarity within an amended Order.

With two in five Canadians expected to develop cancer during their lifetimes and 63% expected to survive five or more years¹, and with more than 350,000 Canadians hospitalized each year for heart disease or stroke and an estimated 1.6 million people currently living with the effects of those conditions², it is vitally important that Albertans who seek and value coverage for these conditions continue to have access to a full range of Critical Illness benefits. The benefits offered by CAFII members provide choice and accessibility to Albertans – who otherwise may lack this important protection – and are designed to be simple, affordable and convenient, providing an alternative to the more complex types of Critical Illness Insurance offered in the marketplace.

The typical critical illness insurance product within creditor's group insurance covers a limited number of illnesses, with the three most common being cancer, heart attack, and stroke. In contrast, the majority of individual critical illness insurance products cover more than 20 illnesses. Yet, according to Munich Re data quoted in a recent Towers Watson report, cancer, heart attack, and stroke account for 86% of all critical illness insurance claims paid in Canada³. These factors make creditor critical illness insurance a more easily understood product that provides the breadth of coverage required by most Canadians.

Thank you again for giving CAFII the opportunity to propose a definition of creditor group critical illness insurance to be adopted for restricted licensing, and to share related feedback. Should you require further information or wish to meet with representatives of our Association at any time, please contact Brendan Wycks, our Executive Director, at brendan.wycks@cafii.com or 647-218-8243.

Sincerely,



Eleanore Fang,
Board Secretary and Chair, Executive Operations Committee
Canadian Association of Financial Institutions in Insurance

¹ Canadian Cancer Statistics 2015: Canadian Cancer Society

² Heart and Stroke Foundation of Canada

³ Towers Watson September 2015 Report: *Comparison of the Customer Value Proposition of Creditor's Group Insurance on Mortgages with Individual Insurance* (using 2013 data)

Regulatory Update – CAFII Executive Operations Committee, November 8, 2016

Prepared By Brendan Wycks, CAFII Executive Director

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Federal/National

Canadian Council of Insurance Regulators

CCIR Outlines Implementation Plans For Annual Statement On Market Conduct

In a liaison meeting with CAFII representatives on October 24/16, CCIR Policy Managers M. Boyle and S. Jacobs provided the following updates with respect to the finalization and implementation of the Council's Annual Statement on Market Conduct:

- the Annual Statement (Life & Health) and the Annual Statement (P&C) were approved at the CCIR Fall Meeting on October 6/16, with only minor tweaks required related to ensuring that the questions asked related to complaints are identical to the data requirements in the current National Complaint Reporting System.
- the initial implementation version of the Annual Statement (Life & Health) should be finalized and distributed to the industry, for information, by the end of 2016.
- the AMF will be developing, for CCIR, an online secure system for insurers to submit their Annual Statement response data. That portal should be ready for insurers to review and begin using at some point in February or March 2017.
- the deadline for insurers to make their first Annual Statement submission – based on their 2016 fiscal year-end – will be May 1, 2016.
- CCIR will not be taking a phased-in implementation approach with the Annual Statement, i.e. it will not be rolled out in discreet phases with certain sections of data being required at a later date than other sections. Rather, the entire Annual Statement will have a May 1/16 response deadline under a “best attempts” approach. “Best attempts” will mean that if an insurer is not capable of responding to one or more sections of the Annual Statement by the May 1/16 deadline, for whatever reason, it will need to explain why it is incapable of doing so at this time and state an action plan for rectifying the situation by a year hence, the next time it is required to submit.
- CCIR is currently finalizing a Communications Plan for rolling out the Annual Statement. As part of the roll out, CLHIA and the IBC – the two Associations involved in industry working groups which assisted CCIR to refine the respective versions of the Annual Statement – will be providing training for their members with respect to compliance.
- the attestation in the Annual Statement has been reworked to remove any reference to adherence to all applicable laws and regulations. As well, in both the preamble to the Annual Statement and in the attestation, wording has been added to specify that the information being requested is “commercially sensitive.” This is intended to provide some protection against Freedom of Information requests.
- the initial implementation version of the Annual Statement only asks for some very high level data related to travel health insurance (THI). If additional THI data were to be requested in a subsequent version of the Annual Statement or any new element was to be added, the industry would be given significant advance notice of the change.
- Newfoundland, the Yukon, and Northwest Territories have not yet signed CCIR's Memorandum of Understanding related to its Co-operative Framework for Market Conduct Supervision. Non-signatory jurisdictions will not be permitted to participate in the Council's Co-operative Framework-related activities, including the Annual Statement.
- CCIR has recommended to all of its member jurisdictions that they have legislated self-evaluative privilege in place in connection with the Co-operative Framework and the related Annual Statement.

CCIR's Fall 2016 Communique newsletter, issued November 8/16, states that "the Annual Statements will be used by the CCIR to collect data on insurers from across the country regarding their treatment of customers, corporate culture, and practices in the market."

Timing Of CCIR Travel Health Insurance Position Paper Pushed Back To Spring 2017

CCIR's Fall 2016 Communique newsletter, issued November 8/16, indicates that "CCIR members continue to view travel insurance as a key issue to address. Over the Fall, the Working Group will be reviewing the submissions received on the Issues Paper, which will help inform the direction of a Position Paper which CCIR would like to issue by Spring 2017."

In a liaison meeting with CAFII representatives on October 24/16, CCIR Policy Managers M. Boyle and S. Jacobs provided a clarification on the statement made by H. James, Chair of CCIR's Travel Insurance Working Group (TIWG), at THiA's AGM on September 27/16, that the Council may decide not to issue a Position Paper on Travel Health Insurance (THI).

Messrs. Boyle and Jacobs indicated that, in their view, it is probable that a Position Paper will be produced and released; and that Mr. James' comment was just acknowledging that due process will need to occur and it will be up to the membership of the full Council to decide if a THI Position Paper is necessary.

They also reported that CCIR received 13 submissions in response to the TIWG's Issues Paper on THI Products, from both industry Associations and individual companies. The TIWG will decide whether or not it would like to meet with those stakeholders, for follow-up discussion, based on what it reads in their submissions.

CCIR is requesting permission from each stakeholder to post its submission on the CCIR website. In an e-mail exchange with B. Wycks on November 8/16, S. Jacobs requested and received permission to post CAFII's submission.

Department of Finance Canada

Amendments Strengthen Exclusive Federal Jurisdiction Over Bank Products

On October 25/16, *Bill C-29, Budget Implementation Act, 2016, No. 2* received first reading in the House of Commons. The Bill proposes amendments to the federal *Bank Act* to create a new *Part XII.2, Dealings with Customers and Public*, which will streamline and consolidate existing consumer protection provisions, introduce some new consumer protection measures, and strengthen the argument in favour of exclusive federal jurisdiction over products and services offered by banks.

The amendments indicate that the legislative purpose of the consumer protection provisions is to provide a "comprehensive and exclusive regime in relation to an institution's dealings with its customers and the public in relation to banking products and services" in order to provide "uniform protection on a national level," thereby allowing financial institutions to carry on business "consistently and effectively on a national level" and to "ensure uniform supervision of institutions and enforcement" of consumer protection provisions. The new *Part XII.2* is explicitly stated to be, unless otherwise specified, paramount to any provincial law or regulation that relates to consumers or to business practices with respect to consumers.

The amendments specify that *Part XII.2* is based on the following regulatory principles:

- basic banking services should be accessible.
- disclosure should enable customers and the public to make informed financial decisions.
- customers and the public should be treated fairly.
- complaints processes should be impartial, transparent and responsive.
- banks should act responsibly, considering their customers.

It is expected that the amendments will be proclaimed into force once related regulations have been drafted and finalized; and that a transitional period will be provided to give banks time to adapt their systems and processes to comply with the new requirements.

Canadian Association Of Direct Response Insurers (CADRI)

CADRI Articulates Concerns About CCIR Annual Statement On Market Conduct

In its August 25/16 submission on CCIR's draft Annual Statement on Market Conduct (P&C), CADRI articulated concerns about administrative burden and protecting the confidentiality of proprietary company information that must be shared in responding to this new annual filing requirement.

CADRI's two-page submission states "we are concerned about the administrative burden that July 12, 2016 Draft Annual Statement on Market Conduct collection of data will place on our members, and whether the data requested will enable the CCIR to meet its goals. As it stands today, the CCIR's approach is very different from the way the industry collects and uses data. Providing the information as presented will require generation of data in formats not usually used by members, and may mean that some of the data the CCIR is requesting will not be available in the first and, possibly, the second year of collection.

In this context, we would like to propose that CCIR reconsider its current approach requiring each licensed entity within a group to complete an Annual Statement. This would see our members undertake a significant administrative effort to provide multiple statements. An effort which offers no apparent benefit to either the regulators or customers, particularly when the regulators' stated intent is to identify trends within the industry – a task that requires aggregate data. The typical customer relationship is with a group, not a licensed or legal entity. For example, the AMF research on cyber security accepted a single survey submission for a group as long as all the legal entities were named. Given the amount of data currently being requested, and the work it will take to separate it, we strongly suggest that CCIR reconsider this requirement.

CADRI continues to be interested in learning about the CCIR's protocols for proprietary information. Access to Information legislation exists across the country. While the spirit of those laws is consistent, the exact language and implementation of each regime is not. From time to time, an insurer may provide sensitive data to regulators in the course of an audit. The information is shared in situ, discussed, but retained by the insurer. The design of the current Statement anticipates the collection of some new and competitive information. CADRI is interested in assurances about how that information will be used and by whom, as well as the protocols CCIR would have in place to ensure that data is handled in such a way as to retain the confidentiality of its source.

British Columbia

Coast Capital Trying To Become Second National Credit Union

BC-based Coast Capital Savings Credit Union (CU) has put the wheels in motion to expand coast-to-coast and become Canada's second national CU.

Before that can happen, though, Coast Capital, which is Canada's third largest CU with about 532,000 members and more than \$17 billion in assets under administration, needs the approval of at least two-thirds of its members in a six-week special resolution vote which concludes November 28/16.

And membership approval of the special resolution doesn't guarantee that Coast Capital will become a federal CU. It will also need approval from the Office of the Superintendent of Financial Institutions (OSFI) and the federal government, as well as BC FICOM. The earliest it expects to begin operating nationally, if all necessary approvals are secured, would be 2018.

CUs in Canada were only allowed to do business in their home province until 2012, when the federal government amended its Bank Act regulations to allow CUs to apply for a federal charter and to be regulated by OSFI. Under the new rules, the first federal CU was created in July when Caraquet, New Brunswick-based UNI Financial Co-operation received approval from its members and received a federal charter.

The results of Coast Capital's special resolution vote will be announced at a Special General Meeting on December 14/16.

Ontario

Finance Minister To Act On New Financial Services Regulatory Authority (FSRA)

In a November 8/16 speech to the Canadian Club of Toronto, Ontario Finance Minister Charles Sousa said the government will introduce legislation to establish the new Financial Services Regulatory Authority (FSRA) recommended by a three-member Expert Panel. The Panel called for the Financial Services Commission of Ontario (FSCO) and the Deposit Insurance Corporation of Ontario (DICO) to be merged into a single regulatory authority.

The new agency, Minister Sousa said, "will modernize and strengthen the regulation of financial services and pensions [and] it will be more consumer-focused." In addition, the new FSRA will have greater autonomy from the government which will enable it to have stronger enforcement powers and be more nimble, he stated.

Further details about the new FSRA will be announced in Minister Sousa's Fall economic statement on November 14/16.

FSCO Finds Life Agents Failing To Meet Regulatory Obligations

Life insurance agents are falling short of their regulatory obligations in certain areas, and FSCO is therefore imposing more and steeper fines on those who aren't following the rules, said FSCO representatives who spoke at the Independent Financial Brokers of Canada's (IFB) Fall Summit on November 1/16.

FSCO's 2015-16 examinations of life agents revealed several gaps in compliance, especially as they relate to disclosure, said Izabel Scovino, director of FSCO's market conduct regulation branch.

"With respect to compliance with the rules, the two areas that are still a concern for us relate to conflicts of interest and failure to disclose in writing the names of the insurers that the agent represents," she said.

FSCO found that 21% of the 214 agents examined last year were not complying with the regulatory requirement to disclose to clients in writing any conflicts of interest or potential conflicts of interest associated with a transaction or recommendation.

As well, 24% of agents were failing to disclose in writing the names of the insurance companies that they represent, as they're required to do under the Insurance Act.

While the primary focus of FSCO's examinations in 2015-16 was on assessing compliance, it will be focusing more heavily on enforcement in the year ahead.

Enforcement activity is already up significantly in 2016. In the first half of the year, FSCO imposed 68 administrative monetary penalties (AMPs) compared to 67 in all of 2015. The monetary amount of AMPs levied in the first half of 2016 totaled more than \$450,000 versus \$150,000 in all of 2015.

FSCO May Recommend Legislation To Require Agents' Adoption Of Best Practices

FSCO's 2015-16 life insurance agent examinations found that there is much room for improvement in life insurance agents' adoption of certain industry best practices, as follows:

- 19% of agents are not consistently documenting their discussions with clients; and
- 29% of agents are not consistently conducting and documenting a needs analysis with clients.

Although FSCO does not have the authority to impose sanctions with respect to best practices, Izabel Scovino, director of the regulator's market conduct regulation branch, said that if FSCO continues to find insufficient implementation of these practices, it may recommend legislative action.

"We are looking to see better uptake on best practices. Our view is that if gaps continue to exist, that's where we come in, in our role in communication with the Ministry of Finance and making recommendations about turning those best practices into law," she said.

With respect to federally legislated requirements, FSCO's agent reviews also found that 20% of agents do not have policies and procedures in place to be in compliance with the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) and 17% do not have policies and procedures in place required under the Personal Information Protection and Electronic Documents Act (PIPEDA).

Quebec

Deputy Minister Sees Online Insurance Sales Being Regulated Under Insurance Act

In a recent interview with *FlashFinance.ca*, a sister publication of *The Insurance and Investment Journal*, Richard Boivin, Quebec's Assistant Deputy Minister of Finance, named the eight pieces of financial sector legislation that will be modernized via the Ministry's upcoming omnibus Bill and also commented on online insurance sales.

Boivin's remarks indicate that the government wants to make changes so that online insurance sales are regulated under the province's Insurance Act.

"We want to set standards for the future," he said, noting that at the moment online insurance sales are permissible in Quebec because there is no prohibition against them. "We want to regulate it better, either by rules or by principles."

With respect to insurers, Boivin said it is a simple matter. "We want consumers to always have access to a licensed representative throughout the application process should they wish to have it."

From the advisor's perspective, Boivin questioned the feasibility of consumers doing business over the internet given the market conduct rules to which brokers are subject.

"I am expressing a personal opinion here, but I wonder: is it possible to perform a needs analysis over the internet in accordance with the rules of professional conduct? This is questionable." Boivin said this is particularly true when the code of ethics administered by the Chambre de l'assurance de dommages requires that information be collected by the broker personally.

International: United States

LIMRA and LOMA

Rino D'Onofrio Elected Chair Of LL Global Board

LL Global -- the Windsor, Connecticut-based parent organization of global insurance organizations LIMRA and LOMA -- announced on November 7/16 that CAFII's Immediate-Past Chair Rino D'Onofrio, President and CEO of RBC Life Insurance Company, had been elected Chair of its Board of Directors. Rino served as LL Global's Vice-Chair in 2016.

Americans Want To Pay Flat Fee When Buying Life Insurance

A recently released LIMRA research study indicates that most Americans say they would prefer to pay a flat fee instead of a commission to their insurance advisors. They aren't prepared to pay very much, though.

When LIMRA asked Americans about their payment preferences when buying life insurance, six in 10 said they would rather pay a flat fee. About one quarter had no preference about how their advisors are compensated, and just 14% would rather the financial professional be paid through a commission.

How much are they be prepared for insurance advice? LIMRA says Americans are willing to pay a median one-time fee of \$75, and notes seven in 10 are only prepared to spend \$100 or less.

"Prior LIMRA research shows that one of the top reasons people don't buy the life insurance they say they need is because they don't know what to buy or how much they need. The fact that the majority of Americans are unwilling to pay a realistic amount to get professional advice is troubling," said Jennifer Douglas, research director, LIMRA Developmental and Strategic Research.

LIMRA's study also found that eight in 10 Americans want to know in advance how an advisor is compensated, and this is true of both those who already work with an advisor and those who don't. However, 84% of respondents who have an advisor believe he or she provides excellent value.

CAFII Regulator and Policy-Maker Visit Plan 2016-17

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Nov 7/16
British Columbia				
Insurance Council of BC: Gerry Matier, Executive Director	-June 29/16 informal discussion with B. Wycks at CISRO LLQP Session in Toronto -April 11/16 informal discussion with B. Wycks, at CISRO LLQP Info Session -Feb. 27/15 meeting in Toronto	None at this time	-Council's current view on 10-Year Review of Financial Institutions Act -Representation of alternate distribution/non-resident sellers on Council -Update on Council priorities	
FICOM: Frank Chong, Acting Superintendent of Financial Institutions (effective August 1/16) Carolyn Rogers , former CEO, FICOM & Superintendent of Insurance (departed Aug 2016) (CCIR Vice-Chair)	-Nov 10/15 in Vancouver re CGI Information Bulletin -Lunch meeting in Halifax on May 4/16	None at this time On May 12/16, C. Rogers appointed OSFI's Asst. Supt, Regulation Sector, effective Aug 15/16. On June 8/16, CAFII Chair P. McCarthy sent congrats letter to C. Rogers	-Monitoring for appt. of interim or permanent FICOM CEO successor	
Doug McLean, Deputy Superintendent of Insurance	-No contact/meeting for at least past two years	None at this time	-FICOM Information Bulletin on CGI ('effecting' of CGI in BC issue) -10 yr. Review of BC Financial Institutions Act (if appropriate)	
Chris Carter, Acting Superintendent, Real Estate and Acting Registrar, Mortgage Brokers (effective August 1/16)	-April 14/16 teleconference re CAFII follow-up letter - Follow-up letter, seeking clarification on CGI Info Bulletin key issues, sent March 15/16 - Nov 10/15 in Vancouver	-follow-up teleconference in Q4 2016 on auto dealers are creditors for a moment-in-time issue, if CAFII makes legal opinion submission	- FICOM Information Bulletin on 'effecting' of CGI in BC issue (C. Carter has leadership responsibility for this issue, as advised by H. James on March 16/16)	Pending CAFII's legal opinion submission

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Nov 7/16
Lorena Dimma, Director, Market Conduct (assuming Harry James' former policy advisor role re 'effecting' of CGI issue)	-April 14/16 teleconference re CAFII's March 15/16 follow-up letter on CGI Info Bulletin	-See C. Carter above	-See C. Carter above	Pending (see C. Carter above)
Harry James, Senior Regulatory Advisor (Chair of CCIR's Travel Insurance Working Group)	-April 14/16 teleconference re CAFII's March 15/16 follow-up letter on CGI Info Bulletin	-See C. Carter above	-See C. Carter above. Although H. James is supposed to have handed this file to L. Dimma and C. Carter, he did most of talking in April 14/16 teleconference so CAFII will continue to include Harry in the discussions on "effecting" issue.	Pending (see C. Carter above)
Molly Burns, Analyst, Policy Initiatives	-April 14/16 teleconference re CAFII's March 15/16 follow-up letter on CGI Info Bulletin -Nov 10/15 in Vancouver	-See C. Carter above	-See C. Carter above	Pending (see C. Carter above)
Erin Morrison, Regulatory Analyst, Policy Initiatives	-August 10/16 in Toronto, accompanied Harry James and participated in CCIR TIWG meeting with CAFII	-See C. Carter above	-See C. Carter above	Pending (see C. Carter above)
Ministry of Finance: Michael de Jong, Minister of Finance	-Nov. 21/14: G. Grant represented CAFII at FIA Review roundtable discussion hosted by Minister	None at this time	TBD until CAFII has a "direct ask" at Ministerial level	
Dan Ashton, Parliamentary Secretary for Finance (elected MLA)	-November 10/15 in Vancouver along with Elizabeth Cole	If necessary, follow-up meeting in Q2 or Q3 2017 in Vancouver, after Policy Paper released	-Update on 10-year Review of Financial Institutions Act: follow-up on CAFII issues/concerns including recommendations of other stakeholders	Pending (see E. Cole below)
Elizabeth Cole, Executive Director, Strategic Projects & Policy (head of 10-Year Review of FIA)	-June 23/16 telephone conversation with B. Wycks re updates on expected release date of Policy Paper and other FIA Review timelines -November 10/15 in Vancouver along with Dan Ashton; and separate meeting along with Brian Dillon and Kari Toovey	If necessary, follow-up meeting in Q2 or Q3 2017 in Vancouver, after Policy Paper is released		Pending Ministry of Finance's release of Policy Paper

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Nov 7/16
Brian Dillon, Director, Financial Institutions		See E. Cole above		Pending (see E. Cole above)
Kari Toovey, Senior Policy Advisor		See E. Cole above		Pending (see E. Cole above)
Alberta				
Alberta Insurance Council: Joanne Abram, CEO;	-Oct 31/16 CAFII submission of letter proposing definition of CGI critical illness insurance to be adopted for inclusion under existing RIA licence -Sept 16 & 28/16 and Oct 11/16 e-mail correspondence with B. Wycks re LIC decision on allowing CI to be sold under an RIA licence -Sept 12/16 teleconference with G. Grant and B. Wycks -July 12/16 teleconference with G. Grant and B. Wycks -May 9/16 review update e-mail from J. Abram to B. Wycks -Feb. 10/16 CAFII letter to J. Abram - Jan/16 and Oct./15 e-mail exchanges with J. Abram	-if necessary, Q4 2016 teleconference or in-person meeting with AIC management or LIC	-CAFII's proposed definition of CGI critical illness insurance to be adopted for inclusion under existing RIA licence -Representation for Restricted Licence Holders	Pending outcome of LIC views on CAFII input re definition

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Nov 7/16
Anthonet Maramieri, COO (succeeded Tom Hampton at beginning of 2015)	-Sept 12/16 teleconference with G. Grant and B. Wycks -July 12/16 teleconference with G. Grant and B. Wycks - April 11/16 informal discussion with B. Wycks, at CISRO LLQP Info Session - Feb 27/15: Toronto: B. Wycks met A. Maramieri and had get acquainted chat at CISRO LLQP Stakeholder Info Session	-See J. Abram above	-See J. Abram above	Pending (see J. Abram above)
Warren Martinson, Legal Counsel	-May/June 2016 telephone discussion with J. McCutcheon (on CAFII's behalf) re legislative and regulatory underpinnings of selling of CI benefits as credit-related insurance under an RIA licence -Feb 10/14: Toronto, ON (with B. Wycks, as W. Martinson then on LLQP Governance Ctte.)	-See J. Abram above	-See J. Abram above	Pending (see J. Abram above)
Treasury Board and Ministry of Finance: Nilam Jetha, Acting Superintendent of Insurance (one year interim role) Mark Prefontaine, Superintendent of Insurance (seconded to Senior Asst. Deputy Minister for one year, effective Jan. 11/16)	No contact – appointed Jan 11/16 (congratulatory letter sent Feb. 1/16) -Sep 30/14; Fredericton, NB (informal meeting)	None at this time Not applicable at this time	- Update on Superintendent's priorities -Communicate CAFII issues; build and strengthen relationship	
David Sorensen, Deputy Superintendent of Insurance	No face-to-face contact to date - <i>appointed Sep 15/14</i>	None at this time	See N. Jetha above	

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Nov 7/16
Laurie Balfour, Director, Financial Compliance, Insurance Regulation and Market Conduct Branch (Chair of CCIR Insurance Core Principles Implementation Ctte)	-Sep 30/14: Fredericton, NB (informal meeting) -Jul 28/14: call with CAFII reps re: "effecting of CGI"	None at this time	-See N. Jetha above	
Joe Ceci, President of Treasury Board and Minister of Finance	No contact – appointed May 24/15	None	TBD until CAFII has a "direct ask" at Ministerial level	
Saskatchewan				
Insurance Councils of Saskatchewan: Ron Fullan, Executive Director, (CISRO Chair)	-June 29/16 informal conversation with B. Wycks at CISRO LLQP Info Session -April 11/16 informal conversation with B. Wycks, at CISRO LLQP Info Session - Oct. 27/15: R. Fullan gave dedicated CISRO LLQP Stakeholder Info presentation for CAFII members	None at this time	-timing of renewed focus on establishing a Restricted Insurance Agents Advisory Committee -Sask. RIA regime and licensure issues	
April Stadnek, Director of Licensing	-Sept 22/15 CISRO LLQP Stakeholder Info Session in Toronto (B. Wycks) - Sep 30/14; Fredericton, NB (informal meeting) - November/13 in Toronto when April attended CLHIA CCOSS Seminar	None at this time	-See R. Fullan above	
Financial Consumer Affairs Authority (FCAA): Roger Sobotkiewicz, former Director of FCAA Legal Branch, became Interim Chairperson and Superintendent of Insurance, effective Feb. 1/15	-no previous contact; congratulatory letter on appointment sent March 4/15	-see J. Seibel below	-see J. Seibel below; and -introduce CAFII and build relationship -Regulations being developed following passage of <i>Bill 177, The Insurance Act (Saskatchewan)</i> -ISI: Representation for Restricted Licence Holders - Update on Superintendent's priorities	Pending (see J. Seibel below)

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Nov 7/16
Ian McIntosh, Deputy Superintendent of Insurance	-Jul 28/14 call with CAFII reps re: "effecting CGI"	-see J. Seibel below	-see J. Seibel below; and -see R. Sobotkiewicz above	Pending (see J. Seibel below)
Janette Seibel, Lawyer, became lead on Bill 177 and Regulations file effective June 1/15	-Oct. 12/16 telephone call and Oct. 7 and 11/16 e-mail exchanges with B Wycks re FCAA embargo on release of Insurance Regulations Consultation Document -Regular e-mail exchanges on this matter since June 2015 (B. Wycks)	-teleconference meeting in Nov. or Dec. 2016, if necessary	-FCAA's Insurance Regulations Consultation Document (in support of Bill 177, The Insurance Act) and CAFII's response submission: released Oct. 7/16 with a Dec. 2/16 deadline for submissions	Pending
Manitoba				
Ministry of Finance: Ken Lofgren, Acting Superintendent of Insurance Scott Moore, Deputy Superintendent of Insurance	-Appointed Spring 2015; no previous CAFII contact -August 10/16 CAFII stakeholder meeting re CCIR travel health insurance Issues Paper (participated by teleconference) -April 15/15 teleconference with three CAFII reps -April 29/14: Winnipeg, MB	None at this time None at this time	-concern about amended Insurance Act's apparent residency requirement for employees of Restricted Insurance Agents	
Cameron Friesen, Minister of Finance	No contact – took office May 3/16	None	TBD until CAFII has "direct ask" at Ministerial level	

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Nov 7/16
Erin Pearson, Executive Director, Insurance Council of Manitoba (retiring at end of 2016)	-Sept. 23/16 email exchange with B. Wycks re amendments to Regulation 389/87 which ICM's ISI Committee recommended to Government re incorporating other organizations and other types of insurance into prescribed regulatory framework for RIA licence regime -Oct. 8/15 at CLHIA CCOS Fall Seminar (B. Wycks) -Sept. 30/14: dinner in Fredericton, NB re: ISI implementation	None at this time	-Insurance Council's "ISI items for further review and development"	
Ontario				
FSCO: Brian Mills, appointed Interim CEO and Superintendent on October 18/14	-January 28/15 stakeholder meeting with CCIR	-informal conversation at FSCO Symposium for Life and Health Insurance Sector: November 25/16 -Awaiting clarification of appointment status, emerging from Government action on Expert Panel's final report on FSCO's future mandate (delivered June 20/16)	(i)Introduce CAFII and build/maintain relationship (ii) Ontario government review of FSCO's mandate (iii) next steps, if any, in Life Insurance Product Suitability Review (iv)CCIR review of travel health insurance (v)Update on Superintendent's priorities (vi)communicate CAFII issues	Confirmed Pending Ontario government action (timing unknown)
Anatol Monid, Interim Executive Director, Licensing and Market Conduct Division	-June 7/16, December 8/15 and June 9/15: informal update conversations with A. Monid at CAFII Reception events -January 28/15 stakeholder meeting with CCIR	-informal conversation at FSCO Symposium for Life and Health Insurance Sector: November 25/16	-next steps, if any, in Life Insurance Product Suitability Review -other FSCO initiatives re life insurance agent and/or insurer compliance	Confirmed

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Nov 7/16
Izabel Scovino, appointed Director, Market Conduct Regulation Branch in Nov/14	-Oct. 8/15 at CLHIA CCOS Fall Seminar (B. Wycks) -Nov 21/14 at FSCO Life & Health Insurance Symposium	-informal conversation at FSCO Symposium for Life and Health Insurance Sector: November 25/16	-See A. Monid above	Confirmed
Heather Driver Director, Licensing Branch Licensing and Market Conduct Division (assumed position in Jan 2016, following retirement of Shonna Neil)	-Oct. 14/16 email exchange with B. Wycks following CAFII's delivery of input, requested by FSCO in Oct. 7/16 meeting, re optimal wording to use in FSCO communications re life insurance agent and insurer relationship -Oct. 7/16 meeting with CAFII reps, at FSCO's invitation, re FSCO initiatives around life agent and insurer compliance, particularly re E&O insurance (also attended by Richard Tillman, Allan Amos, Kelly Picard, and Abina Rogers of FSCO)	-informal conversation at FSCO Symposium for Life and Health Insurance Sector: November 25/16	-See A. Monid above	Confirmed
Richard Tillman, Senior Manager, Insurance and Deposit Institutions Policy	-Oct. 7/16 meeting with CAFII reps re life agent and insurer compliance -heads-up call to B. Wycks on May 12/16 re imminent release of CCIR Seg Funds Issues Paper	None at this time. CAFII has chosen not to respond to seg fund issues, as only some members offer them	-CCIR's Segregated Funds Working Group's Issues Paper, open for consultation submissions until July 15/16	

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Nov 7/16
Ministry of Finance Three-member Expert Panel advising on Government's review of FSCO's mandate -David McLean, Policy Advisor	-July 30/15 life & health insurance sector roundtable meeting (P. McCarthy and G. Grant) -May 21/15 informal meeting: insurance sector round table -June 7/16 and April 12/16 informal conversations with B. Wycks at CAFII Receptions	None at this time	-Awaiting Government announcement of any action in response to Expert Panel's final report (delivered June 20/16), to determine if meeting with Deputy Minister or Assistant Deputy Minister should be pursued -Discuss Expert Panel's final report to Minister on proposed future mandate of FSCO	Pending Ontario government action (timing unknown)
Quebec				
AMF: Louis Morisset, CEO; Patrick Dery, Superintendent, Solvency (appointed CCIR Chair effective April 1/15)	-Oct. 4/16 in Montreal: CAFII liaison lunch and Industry Issues Dialogue with AMF -Apr 8/14: Montreal, QC -Oct. 4/16 in Montreal: CAFII liaison lunch and Industry Issues Dialogue with AMF -Liaison lunch and industry issues dialogue on October 6/15 in Levis, Quebec	-AMF 2016 Rendez-Vous one- day conference on financial services regulatory issues on November 14/16 in Montreal (B. Wycks invited to sit at reserved lunch table hosted by AMF executives Louise Gauthier and Maryse Pineault) -CAFII liaison meeting with AMF in Oct. 2017 -See L. Morisset above	-(i)draft omnibus Bill to modernize Quebec's financial services sector, including Distribution Act (expected release by Ministry of Finance in Q4 2016) -(ii)AMF final paper on electronic commerce in insurance, setting out Orientations/expectations -(iii)Distribution Guide template and implementation timelines -(iv)Update on AMF priorities -(v)Communicate CAFII issues -(vi)Maintain and strengthen relationship -see L. Morisset above	Confirmed Tentative/ Pending Tentative/ Pending

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Nov 7/16
Eric Stevenson, Superintendent, Client Services and Distribution Oversight	-Oct. 4/16 in Montreal: CAFII liaison lunch and Industry Issues Dialogue with AMF -Liaison lunch and industry issues dialogue on October 6/15 in Levis, Quebec	-See L. Morisset above	-See L. Morisset above	Tentative/ Pending
Louise Gauthier, Senior Director, Distribution Policies and Compensation (member of CCIR TIWG). Lead on AMF's Distribution Guide rewrite initiative.	-Oct. 4/16 in Montreal: CAFII liaison lunch and Industry Issues Dialogue with AMF -August 10/16 CAFII stakeholder meeting re CCIR travel health insurance Issues Paper -Liaison lunch and industry issues dialogue on October 6/15 in Levis, Quebec	-See L. Morisset above	-See L. Morisset above; and -Distribution Guide rewrite	Tentative/ Pending
Ministry of Finance Carlos Leitao, Minister Richard Boivin, Assistant Deputy Minister, Financial Institution Policy and Corporate Law Guillaume Caudron, Chief of Staff Yann Nachabé, Policy Advisor	-Feb. 25/16 phone call between B. Wycks and Yann Nachabé, Policy Advisor, Ministry of Finance	-in-person or teleconference meeting with Ministry officials coincident with consultation period on draft omnibus Bill expected in Q4 2016, if necessary - CAFII request for April 2016 in-person follow-up meeting with Richard Boivin and Guillaume Caudron	-draft omnibus Bill expected to modernize financial sector, incl. the Distribution Act (Minister Leitao in response to question at legislative committee meeting on April 28/16) -Ministry's direction on online distribution of insurance without involvement of an advisor -CAFII submission in response to Report on the Application of the Act respecting the distribution of financial products and service	-Pending release of draft omnibus Bill -Request politely withdrawn, based on reassuring information from Y. Nachabé

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Nov 7/16
New Brunswick				
Financial and Consumer Services Commission (Insurance Division): Angela Mazerolle, Superintendent of Insurance	-May 4/16 dinner meeting with Atlantic Canada regulators in Halifax -Oct 1/14: Fredericton, NB	-Q4 2016 or Q1 2017 teleconference meeting or webinar	-refreshed "Seven Point Guide to The Creditor Insurance Regulatory Regime," to be sent by CAFII in Q4 2016 as educational resource to counteract false impression that ISI is unregulated -implementation of further phases of online licensing system -legislative/regulatory change to support electronic beneficiary designations -other New Brunswick licensing issues	-Pending
David Weir, Deputy Superintendent of Insurance	-May 4/16 dinner meeting with Atlantic Canada regulators in Halifax - April 11/16 informal discussion with B. Wycks, at CISRO LLQP Info Session - Feb. 19/16 re CAFII feedback on online insurance licensing system - Sept. 22/15 CISRO LLQP Info Session in Toronto (B. Wycks) -Oct 1/14: Fredericton, NB	-see A. Mazerolle above	-see A. Mazerolle above -timing of final recommendations on reforming licensing framework for other-than-life agents and brokers -CAFII feedback on New Brunswick online insurance licensing system	-Pending (see A. Mazerolle above)
Opportunities New Brunswick: Jay Reid, Investment Attraction Officer	-Jun 3/14: Toronto, with Adam Mitton of predecessor organization Invest New Brunswick	None at this time	- CAFII submission re: Insurance Act and regulatory process changes necessary to support business efficiency and further inbound investment and additional jobs in New Brunswick -Introduce CAFII and build relationship -Position CAFII as an information resource	
Consumer Advocate for Insurance: Ronald Godin, Consumer Advocate	No contact	None at this time		

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Nov 7/16
Nova Scotia				
Superintendent of Insurance: William Ngu, Acting Superintendent of Insurance	-May 4/16 dinner meeting with Atlantic Canada regulators in Halifax -Appointed June 2015; no previous CAFII contact	None at this time	-Review of life and accident & sickness provisions of Insurance Act -legislative/regulatory change to support electronic beneficiary designations -Update on Superintendent's priorities -Communicate CAFII issues; build and strengthen relationship	
Jennifer Calder, Deputy Superintendent of Insurance	-August 10/16 CAFII stakeholder meeting re CCIR travel health insurance Issues Paper (participated by teleconference) -May 4/16 dinner meeting with Atlantic Canada regulators in Halifax	None at this time	-See W. Ngu above	
PEI				
Superintendent of Insurance: Robert Bradley, Superintendent	-Oct 1/14: Fredericton, NB	None at this time	-Review of life and accident & sickness provisions of Insurance Act (on April 23/15, R. Bradley advised that this may get underway in late 2015) -legislative/regulatory change to support electronic beneficiary designations -Update on Superintendent's priorities -Communicate CAFII issues -Maintain and strengthen relationship	
Newfoundland				
Superintendent of Insurance: John O'Neill, Superintendent	-N/A; appointed in October 2015	None at this time	-legislative/regulatory change to support electronic beneficiary designations -Update on Superintendent's priorities -Communicate CAFII issues; build and strengthen relationship	
Craig Whalen, Deputy Superintendent of Insurance	-Oct 1/14: Fredericton, NB	-Same as John O'Neill		

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Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Nov 7/16
Harry James, Chair, CCIR Travel Insurance Working Group (TIWG)	-August 10/16 CAFII stakeholder meeting re CCIR travel health insurance Issues Paper -March 16/16 CAFII/CLHIA joint meeting with CCIR Travel Insurance Working Group -March 24/15 meeting with CAFII EOC re travel health insurance review initiative	-If necessary, Q2 2017 meeting with Harry and TIWG members	-CCIR Travel Health Insurance Products Position Paper and CAFII response to same	Pending CCIR release of Travel Health Insurance Products Position Paper (expected Q2 2017)
Laurie Balfour, Chair, CCIR Insurance Core Principles Implementation Committee (ICPiC)	-August 10/16 CAFII stakeholder meeting re CCIR travel health insurance Issues Paper (participated by teleconference) -May 19/16 CCIR ICPiC webinar presentation for CAFII members (L. Balfour and M. Boyle)	None at this time	-Harmonized Annual Statement on Market Conduct -Framework for Co-operative Market Conduct Supervision in Canada -ICPiC work on IAIS' Insurance Core Principles	
CISRO: Ron Fullan, Chair (SK); G. Matier (BC); J. Abram (AB), W. Martinson (AB); D. Weir (NB)	-August 10/16 CAFII stakeholder meeting re CCIR travel health insurance Issues Paper (participated by teleconference) -June 29/16 informal conversation with B. Wycks at CISRO LLQP Info Session - April 11/16 CISRO LLQP Stakeholder Info Session -March 16/16 CAFII/CLHIA joint stakeholder meeting with CCIR Travel Insurance Working Group	None at this time	-possible CISRO Strategic Plan and opportunity for stakeholders to provide input	

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Nov 7/16
Financial Consumer Agency of Canada (FCAC): Lucie Tedesco, Commissioner Brigitte Goulard, Deputy Commissioner Jane Rooney, Financial Literacy Leader	-May 1/15: B. Wycks made self-introduction and chatted with L. Tedesco, following her speech at CLHIA Conference -Jun 10/14: B. Goulard was speaker at CAFII event -Feb 10/15 (presentation at CAFII Annual Luncheon)	None at this time None at this time	-FCAC consultation on its Proposed Supervision Framework and Publishing Principles for FCAC Decisions (released September 29/16 with November 14/16 deadline for submissions) of document expected)	-CAFII decided not to respond to this consultation, as out-of-scope
Jeremie Ryan, Director, Financial Literacy and Consumer Education Karen Morgan, Marketing Officer	-Feb. 10/15 -Jan 9/14			

CAFII 2017 Draft Schedule of Meetings

**Dates Tentative until Board Approved*

EOC Meetings: *Shall be held from 2:00 – 4:00pm unless otherwise specified.*

- Tuesday, January 17, 2017 and EOC Annual Dinner at 5:30 pm
- Tuesday, February 21, 2017 *(Family Day stat holiday: Monday, February 20)*
- Tuesday, March 21, 2017 *(March Break: March 13-17; Passover: March 31-April 1)*
- Tuesday, April 25, 2017
- Tuesday, May 23, 2017 *(Victoria Day stat holiday: Monday, May 22)*
- Tuesday, June 20, 2017 *(Holidays: June 24 - St. Jean Baptiste Day; July 1 - Canada Day)*
- Tuesday, July 25, 2017 **tentative summer meeting*
- Tuesday, August 22, 2017 **tentative summer meeting*
- Tuesday, September 19, 2017 *(Holiday: Sept 20 – 22 Rosh Hashanah (ends at nightfall); Sept 29-30 Yom Kippur (starts sunset))*
- Tuesday, October 24, 2017
- Tuesday, November 21, 2017

Board Meetings*:

- | | |
|-----------------------------|---|
| • Wednesday, April 5, 2017 | HOST: TD Insurance, followed by 20 th Ann. Celebration |
| • Tuesday, June 6, 2017 | HOST: Amex Bank of Canada incl. Annual Meeting |
| • Tuesday, October 3, 2017 | HOST: National Bank Insurance in Montreal |
| • Tuesday, December 5, 2017 | HOST: CIBC Insurance |

Each Board meeting is typically followed by a speaker presentation (except December) and/or networking reception which is well-attended by members, Associates, allied Associations, and regulators.

Annual Members Luncheon & Speaker Forum 2017:

February 7, 2017 from 11:45 a.m. to 2:00 p.m.

Topic: *TBD*

Speaker: *TBD*

Venue: *TBD*

Past Years

Annual Members Luncheon & Speaker Forum 2016

Topic: *Innovation in Insurance: Opportunities in a Changing Market*

Speaker: *Alison Salka, Ph.D, Senior Vice President and Director Research, LIMRA*

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

2016 Board Meetings Hosted by:

The CUMIS Group, Assurant Solutions (incl. AGM), RBC Insurance, BMO Insurance

2015 Board Meetings Hosted by:

CIBC, ScotiaLife Financial (incl. AGM), Desjardins, Canadian Premier