

CAFII Executive Operations Committee Teleconference Meeting Agenda

Date: Tuesday, November 17, 2020

Chair/Facilitator: B. Wycks and K. Martin

Location: Teleconference-Only

Time: 2:00 – 4:00 p.m. EST

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

Pin #: 1500

1. Welcome, Call to Order, and Priority Matters	2:00 p.m.	Presenter	Action	Page #	Document
a. Call to Order		B. Wycks		3	
b. EOC Chair Succession		B. Wycks/K. Martin	Update	4	

2. Consent Items	2:05 p.m.	Presenter	Action	Page #	Document
a. Consultations/Submissions Timetable				6	✓
b. Regulatory Update				7	✓
c. Regulator and Policy-Maker Visit Plan				24	✓
d. Summary of Board and EOC Action Items				25	✓
e. CAFII Response Submission on FSRA's Fiscal Year 2021-22 Proposed Statement of Priorities and Budget				26	✓

3. Financial Management Matters	2:07 p.m.	Presenter	Action	Page #	Document
a. CAFII Financial Statements as at October 31/20		T. Pergola	Update	30	✓
b. Forecast For CAFII 2020 Fiscal Year as at October 31/20		T. Pergola	Update	34	✓
c. Draft 2 of CAFII 2021 Operating Budget		T. Pergola	Update/ Discussion	37	✓

4. Committee Updates	2:25 p.m.	Presenter	Action	Page #	Document
a. Research & Education		A. Stuska			
i. CAFII 2020 Consumer Research Project With Pollara Strategic Insights: Progress Report		A. Stuska/K. Martin	Update/ Discussion	40	
b. Media Advocacy		C. Blaquiére	Update		
i. CAFII Motion Graphic Website Video On Credit Protection Critical Illness Insurance and Disability Insurance		K. Martin	Update	41	
ii. Distribution to Insurance Regulators and Policy-Makers of Announcement Re Fair Treatment of Customers Enhancement to CAFII Website: New Claims Facilitation Section		K. Martin	Update	42	✓
c. Market Conduct & Licensing		B. Kuiper	Update		
i. Imminent AMF Consultations on Updated Sound Commercial Practices Guideline and Draft Regulation Respecting Complaint Processing		B. Wycks/K. Martin	Update	48	✓
ii. David Weir, FCNB Request For Follow-Up CAFII Response Submission On New/Further New Brunswick Insurance Act Rewrite Questions		B. Wycks/K. Martin	Update	79	✓
iii. Possible CAFII Direct Follow-Up With AMF Re CAFII's July 7/20 "Creative Solutions" Submission on Degree to Which Industry Can Meet AMF's Requirements Around RADM's Application to Credit Card-Embedded Insurance Benefits		K. Martin/ B. Wycks	Discussion	82	
d. Travel Medical Insurance Experts		A. Baig	Update	83	
e. Networking & Events		S. Kirby/J. Lewsen	Update	84	

5. Recent and Upcoming Strategic and Regulatory Initiatives	2:55 p.m.	Presenter	Action	Page #	Document
a. EOC Intelligence/Information-Sharing Re Internal Work Being Done Or Planned Re FCAC's Development Of "Appropriateness Guideline" for Financial Products and Services; and Next Steps in Board-Requested EOC Engagement on This Issue		K. Martin	Discussion	85	✓
b. Impact Of COVID-19 On CAFII Members, Credit Protection Insurance and Travel Insurance					
i. Insights Gained From CAFII/CLHIA/THIA Weekly Calls Re Impact Of COVID-19 On Travel Insurance Industry		B. Wycks/K. Martin	Update	89	

6. Governance Matters	3:30 p.m.	Presenter	Action	Page #	Document
a. Preparation For Dedicated/Special Purpose Early 2021 CAFII Board Meeting To Review and Update CAFII Strategic Plan, Including Development of a Pre-Read Document		K. Martin	Update/ Discussion	90	✓
b. CAFII Marketing/Outreach Plan For Attracting New Associates For 2021		K. Martin/B. Wycks	Update/ Discussion	97	
c. Draft Minutes of October 29/20 EOC Teleconference Meeting		B. Wycks	Approval	98	✓
7. Read Only Items		Presenter	Action	Page #	Document
a. Launch of Saskatchewan Advisory Committee				105	Briefing Note Only
8. Other Business	3:42 p.m.	Presenter	Action	Page #	Document
9. In Camera Session	3:45 p.m.	Presenter	Action	Page #	Document
		TBA (Volunteer Needed)			
10. Tracking Issues		Presenter	Action	Page #	Document
a. FCNB Insurance Act Rewrite (Including Linked Plan to Introduce an RIA Regime)					
b. BC Drafting of Regulations To Implement Financial Institutions Amendment Act, 2019					
c. FCAC: Phase 2 of Domestic Bank Retail Sales Practices Review					

Next Board Meeting: Tuesday, December 1/20, 2:00 to 4:30 p.m. Teleconference-Only Meeting

Next EOC Meeting: Tuesday, January 26/21, 2:00 to 4:00 p.m., Teleconference-Only Meeting

Briefing Note

CAFII EOC Meeting 17 November 2020—Agenda Item 1(a) Call to Order

Purpose of this Agenda Item

Start of meeting.

Background Information

Recommendation / Direction Sought -- *Update*

Update only.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting 17 November 2020—Agenda Item 1(b) EOC Chair Succession

Purpose of this Agenda Item – *Update*

EOC Chair Martin Boyle has stepped down and CAFII is seeking a successor Board Secretary and EOC Chair.

Background Information

Martin Boyle has been in his role as Board Secretary and EOC Chair for nearly two years, and due to other work commitments he has decided to step down. CAFII is seeking a new Board Secretary and EOC Chair to succeed Martin Boyle. The EOC will be provided with an update on progress on this file.

Recommendation / Direction Sought -- *Update*

This is an update only.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting 29 October 2020—Agenda Item 2 (a-e) Consent Items

Purpose of this Agenda Item

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

Background Information

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

- a. Consultations / Submissions Timetable
- b. Regulatory Update
- c. Regulator and Policy-Maker Visit Plan
- d. Summary of Board and EOC Action Items
- e. CAFII Response Submission on FSRA's Fiscal Year 2021-22 Proposed Statement of Priorities and Budget

Recommendation / Direction Sought – Information Only

No action required.

Attachments Included with this Agenda Item

5 attachments.

CAFII Consultations/Submissions Timetable 2020-21

Regulatory Issue	Deliverable	Deadline	Accountable
BC Ministry of Finance 10-Year Review of FIA (Initial Public Consultation Paper released June 2, 2015)	<ul style="list-style-type: none"> Revised Financial Institutions Act (FIA) tabled in the legislature CAFII Meeting with Ministry of Finance staff executives <i>CAFII Follow-up Meeting (Virtual) with Ministry officials Re CPI Sales Practices and Related Fair Treatment of Consumers Considerations</i> CAFII submissions on draft Regulations in support of Revised FIA 	<ul style="list-style-type: none"> October 21/19 October 25/19 Q1 or Q2 2021 Q1 through Q4 2021 	<ul style="list-style-type: none"> Mkt Conduct & Licensing Committee; Co-EDs to monitor
AMF Sound Commercial Practices Guideline Update	<ul style="list-style-type: none"> AMF releases consultation document for 60 day period CAFII submission on updated Sound Commercial Practices Guideline 	<ul style="list-style-type: none"> November/Dec. 2020 Q1 2021 	<ul style="list-style-type: none"> Mkt Conduct & Licensing Cttee; Co-EDs to monitor
Quebec Bill 141 and Related Regulations (including Regulation Respecting Alternative Distribution Methods, RADM)	<ul style="list-style-type: none"> CAFII sends AMF “creative solutions” submission on degree to which industry can meet AMF’s requirements around RADM’s applicability to credit card-embedded insurance benefits CAFII receives AMF acknowledgement response to July 7/20 submission, indicating “We acknowledge receipt of your correspondence and will get back to you with comments following the analysis of the issues raised AMF responds to CAFII’s “creative solutions” submission AMF launches consultation of Draft Regulation Respecting Complaint Processing CAFII submission on Draft Regulation Respecting Complaint Processing 	<ul style="list-style-type: none"> July 7/20 July 9/20 Q4 2020 (expected) November/Dec. 2020 Q1 2021 	<ul style="list-style-type: none"> Mkt Conduct & Licensing Committee; Co-EDs to monitor
CCIR/CISRO Guidance: Conduct of Insurance Business and Fair Treatment of Customers	<ul style="list-style-type: none"> CAFII sends letter to CCIR/CISRO FTC Working Group asking it to obtain information on incentives and compensation models used by member distributors directly and privately, to avoid Competition Act violations <i>CCIR/CISRO FTC Working Group accepts proposal in CAFII’s July 2/20 letter</i> 	<ul style="list-style-type: none"> July 2/20 August 31/20 	<ul style="list-style-type: none"> Mkt Conduct & Licensing Cttee; Co-EDs to monitor
SK Bill 177	<ul style="list-style-type: none"> FCAA delays implementation of new Act and Regulations to Jan 1/20 FCAA releases transition-related Guidance and Interpretation Bulletin FCAA releases further transition-related Guidance/Interpretation Bulletin(s) 	<ul style="list-style-type: none"> November 26, 2018 May 17, 2019 Q4 2020 or Q1 2021 	<ul style="list-style-type: none"> Mkt Conduct & Licensing Cttee; Co-EDs to monitor
FCNB Insurance Act Rewrite and Introduction of RIA Regime	<ul style="list-style-type: none"> FCNB launches industry consultation on RIA licensing regime model CAFII submission on FCNB’s RIA Regime licensing regime model <i>FCNB launches informal stakeholder consultation on applicability of A&S insurance provisions of various provincial Insurance Acts to New Brunswick</i> <i>CAFII responds to FCNB consultation on A&S Insurance Act provisions</i> CAFII responds to FCNB’s further Insurance Act Rewrite questions (received November 6/20) 	<ul style="list-style-type: none"> November 29, 2019 January 31, 2020 July 2020 October 22/20 December 20/20 	<ul style="list-style-type: none"> Mkt Conduct & Licensing Cttee; Co-EDs to monitor
Financial Services Regulatory Authority of Ontario (FSRA) Regulatory Consultations	<ul style="list-style-type: none"> FSRA launches preliminary consultation on Transforming FSCO’s Unfair or Deceptive Acts or Practices (UDAP) Regulation Into A FSRA Rule CAFII responds to FSRA’s preliminary consultation on Transforming FSCO’s Unfair or Deceptive Acts or Practices (UDAP) Regulation Into A FSRA Rule FSRA launches consultation on FY 2021-22 Statement of Priorities and Budget CAFII responds to FSRA consultation on FY 2021-22 Proposed Statement of Priorities and Budget CAFII speaks to its submission on FSRA’s FY 2021-22 Statement of Priorities and Budget at Stakeholder Advisory Committee meeting with FSRA Board 	<ul style="list-style-type: none"> September 2020 October 7, 2020 October 7, 2020 November 3, 2020 <i>November 25/20</i> 	<ul style="list-style-type: none"> Mkt Conduct & Licensing Cttee; Co-EDs 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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Regulatory Update – CAFII Executive Operations Committee, 17 November, 2020

Prepared by Keith Martin, CAFII Co-Executive Director

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Federal/National

Canadian Association of Financial Institutions in Insurance (CAFII)

CAFII Announces New Website “How to Make a Claim” Section to Over 200 Regulators and Policy-Makers Across Canada

CAFII recently introduced a new website section on “How to Make a Claim” that includes links to the claims website sections of CAFII’s members. This is a customer-centric, Fair Treatment of Customers initiative and as such, CAFII has written to provincial, territorial, and federal regulators and policy-makers across the country announcing the change. Several have written back indicating that they support this initiative.

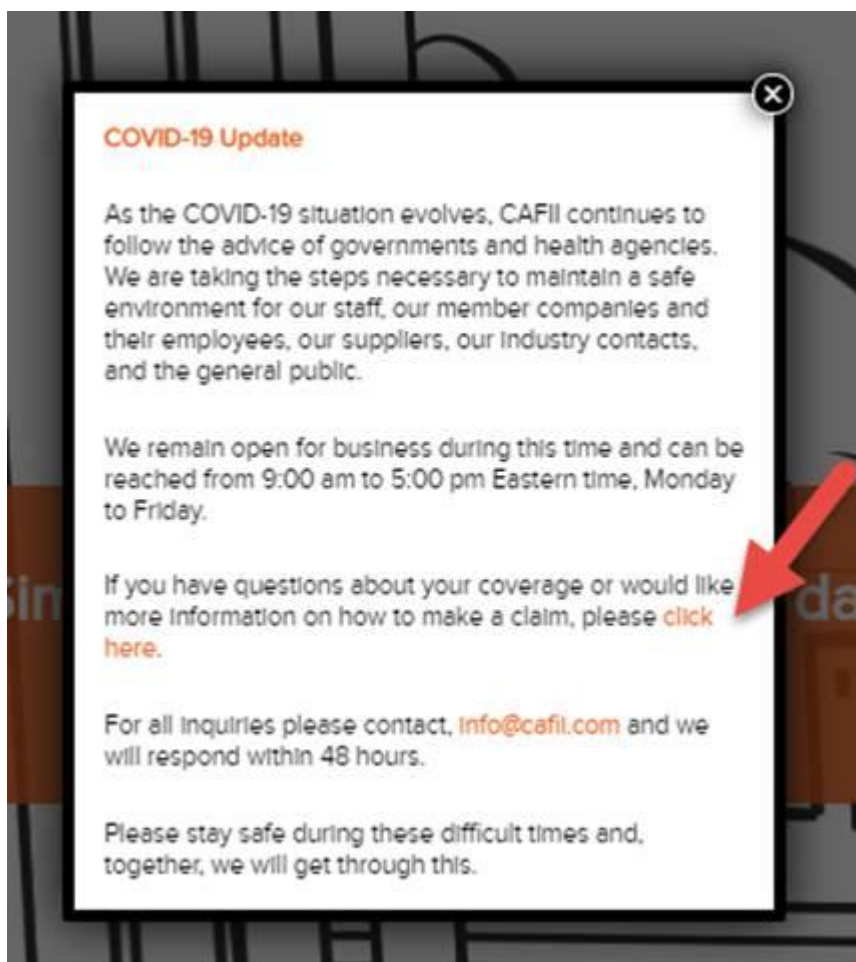
An example of the message that was sent follows (note—a French version was sent to the AMF, a bilingual version was sent to FCNB in New Brunswick and to federal contacts):

Dear British Columbia Insurance Regulators and Policy-Makers:

CAFII is pleased to share with you that at the direction of our Board of Directors, our Association has recently made an important Fair Treatment of Customers enhancement to our website: the addition of a new Claims Facilitation section.

This new CAFII website section provides consumers who are seeking information on how to make a credit protection insurance or travel insurance claim, on coverage they have with a CAFII member company, with direct links to the claims sections on the websites of our members.

Currently, when a visitor to the CAFII website (www.cafii.com) lands on our home page, a COVID-19 pop-up information box is immediately displayed; and a direct link to our site’s new Claims Facilitation section is highlighted there.

















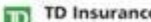
Alternatively, a visitor to our CAFII site can access the links to the claims pages of our members' websites directly in our new "How to Make a Claim" section, under the "Tools & Resources" tab: <https://www.cafii.com/how-to-make-a-claim/>:

How To Make A Claim

Making A Claim

The credit protection insurance and travel insurance products offered by our members protect you and your family under various circumstances described in your certificate of insurance. If you have questions about your coverage, or would like more information on how to make a claim, please click on the name of the financial institution from which you purchased your insurance, and it will take you to the relevant section of the company's website.

Company	Links
	https://cardbenefits.assurant.com/Creditor_Home
	https://www.bmo.com/main/personal/creditor-insurance/
	https://www.canadalife.com/insurance/creditor-insurance.html
	https://canadianpremier.ca/claims/
	<p>Creditor Insurance https://www.cibc.com/en/personal-banking/insurance/creditor.html</p> <p>Optional Travel Insurance https://www.cibc.com/en/personal-banking/insurance/travel/claims.html</p> <p>Embedded Credit Card Travel Insurance https://cibccentre.sagroup.ca/</p>
	https://www.cooperators.ca/en/Claims.aspx
	https://www.cumis.com/en/claims/Pages/credit-mortgage.aspx
	<p>For getting the forms and documents needed and information on how to submit a claim: claim.desjardinslifeinsurance.com/</p> <p>Secure link to send most of the documents needed for the claim to be analysed: www.desjardinslifeinsurance.com/send</p>
	https://manulife.acmtravel.ca/accounts/login/
	<p>Claims on National Bank Life Insurance Company https://www.nbc-insurance.ca/claims.html</p> <p>Claims on National Bank of Canada https://www.nbc.ca/personal/insurance/claim.html</p>
	<p>Travel Insurance https://www.rbcinsurance.com/personal-insurance/claims-service.htm?view=travel&claims=travel-claim</p>

	<p>Residential Mortgage Insurance https://www.rbcroyalbank.com/mortgages/homeprotector-mortgage-insurance.html</p> <p>Loan Protector Insurance https://www.rbcroyalbank.com/personal-loans/loanprotector-insurance.html</p> <p>Credit Card Protection Insurance https://www.rbcroyalbank.com/credit-cards/cardholders/value-added-services.html</p> <p>Business Credit Protection https://www.rbcroyalbank.com/business/loans/business-loan-insurance.html</p> <p>Travel Insurance https://www.rbcroyalbank.com/travel-insurance/claims-service.html#make-travel-claim</p>
	<p>Creditor Insurance Protection claims including Mortgage, Line of Credit and Credit Cards https://www.scotiabank.com/ca/en/personal/creditor-insurance/make-a-claim0.html</p> <p>Travel Insurance claims https://www.scotiabank.com/ca/en/personal/creditor-insurance/make-a-claim0.html</p>
	<p>https://www.sunlife.ca/en/explore-products/insurance/affinity-markets/creditor/</p>
	<p>Credit Protection and Travel Insurance claims https://www.tdinsurance.com/claims</p> <p>Balance Protection Insurance claims https://cardbenefits.assurant.com/Creditor_Home</p>

This new Claims Facilitation initiative, which has been introduced at an industry association level by CAFII, is consistent with the many efforts our members have taken to be customer-centric and practise Fair Treatment of Customers.

Please do not hesitate to contact us if you have any questions.

Personal regards,

Keith Martin
CAFII Co-Executive Director

Brendan Wycks
CAFII Co-Executive Director

Minister of Transport, Government of Canada

Federal Minister of Transport Marc Garneau Issues Statement that Federal Government Will Not Assist Airline Industry Until Consumers are Offered Full Refunds Instead of Vouchers

Minister of Transport Marc Garneau issued a statement on 8 November, 2020 in which he said

When this unprecedented pandemic broke out in the spring, Canadians who had already booked travel ended up stuck with vouchers for trips they could not take instead of getting refunds. They found themselves in a situation where they have given thousands of dollars in interest-free loans to airlines.

He went on to say that “Canadians are rightly angered by these developments” and that

Before we spend one penny of taxpayer money on airlines, we will ensure Canadians get their refunds. Regional connectivity is important to Canadians travelling now and in the future. We will ensure Canadians and regional communities retain air connections to the rest of Canada, and that Canadian air carriers maintain their status as key customers of Canada’s aerospace industry. Any assistance the Government of Canada provides will come with strict conditions to protect Canadians and the public interest.

The full statement in English can be found here: [Marc Garneau Statement](#)

The statement in French can be found here: [Declaration Marc Garneau](#)

Financial Consumer Agency of Canada (FCAC)

As Part of Financial Literacy Month, FCAC Issues Borrowing Tips for Canadians, Including Advice To Not Borrow Too Much

The Financial Consumer Agency of Canada (FCAC) has issued a tip-sheet to Canadians on “10 Things You Should Know During Times of Financial Uncertainty”:

- Commit to a spending plan;
- Minimize your debt;
- Protect yourself from financial fraud;
- Keep track of your money;
- Build good financial habits;
- Understand your financial products and services;
- If you can, set aside some money for unexpected expenses;
- Order your credit report;
- Have a plan to repay your debt;
- Reassess your financial goals.

The tip sheet can be found at [FCAC Tip Sheet](#).

Online mortgage newsletter Ratespy notes that the FCAC does not distinguish between good debt, which can be used to finance income-generating assets, for example, and bad debt. They asked the FCAC about this, and it replied as follows:

“Responsible borrowing can help consumers build a good credit history or improve their overall financial situation.” But, “it is important that regardless of the reason the consumer is borrowing [they consider]:

- *how much they will be able to repay each month*
- *whether the monthly payments fit into their budget ([try this tool](#))*
- *will they still be able to afford the payments if their financial situation changes*
- *what happens if they miss a payment.*

Even when borrowing to improve their lot, “Consumers may be more vulnerable if a larger share of their disposable income is applied to repaying their debt, leaving less flexibility in their monthly budget to cope with unforeseen events or a change in their circumstance, such as job loss or illness.”

“Consumers should shop around and compare their options before making a decision on which loan or credit product is right...,” FCAC adds. “Consumers should also read the terms and conditions of the credit or loan agreement carefully and take a close look at interest rates and fees.”

Provincial/Territorial

British Columbia

British Columbia Financial Services Authority (BCFSA)

The British Columbia Financial Services Authority (BCFSA) Issues a “Regulatory Roadmap” of its Impending Regulatory Initiatives

The British Columbia Financial Services Authority (BCFSA) issued on 5 November, 2020 a “regulatory roadmap.” The BCFSA states that

To deliver on its objective of becoming a modern, effective and efficient financial services regulator, the BC Financial Services Authority ("BCFSA") is committed to providing greater clarity and transparency to sector participants regarding the development of its forward-looking agenda.

To this end, BCFSA is releasing its 2020/2021 Regulatory Roadmap ("Regulatory Roadmap") which outlines planned regulatory guidance that will be issued in the current fiscal year. Moving forward, the Regulatory Roadmap will be delivered on an annual basis to provide the public and regulated entities with advance notice of upcoming regulatory changes and signalling planned opportunities to provide feedback.

Ongoing dialogue with sector participants and the public will help develop the specific content of each year's Regulatory Roadmap and BCFSA's intention will be to issue it at the outset of a new fiscal year.

The 2020/2021 Regulatory Roadmap follows BCFSA's new terminology framework that includes;

- *Guidelines: to establish principles that regulated entities and individuals are expected to implement or follow;*
- *Rules: to create legal requirements with which regulated entities and individuals must comply;*
- *Regulatory Statements: to provide details on how regulated entities and individuals must comply with legislation; and*
- *Advisories: to communicate BCFSA news, updates and matters of information to sector participants.*

We value your input as we move BCFSA forward with a more modern and transparent approach. Please submit questions or comments about the Regulatory Roadmap process or its contents to regulation@bcfsa.ca. We welcome input on future releases, including elements such as the time horizon, the inclusion of broader service plan priorities and the consultation processes and opportunities.

The statement including the regulatory roadmap can be found at:

<https://www.bcfsa.ca/pdf/fid/advisory/RE-20-002.pdf>

Ontario

FSRA

Erica Hiemstra Leaves Sun Life to Join FSRA

Erica Hiemstra, who worked for sixteen years at CLHIA, most recently as Assistant Vice President, Distribution from 2011-2019, and who was a key CLHIA liaison with CAFII, left to join Sun Life in July, 2019 as Director, Regulatory Initiatives.

CAFII has just learned from a conference call on travel medical insurance issues which we hold weekly with CLHIA and THIA that Ms. Hiemstra will be leaving Sun Life to take up a new position at the Financial Services Regulatory Authority of Ontario (FSRA), effective Monday, November 16/20. We do not have details on Ms. Hiemstra's position title or role at FSRA, but believe she will be in a senior role within Huston Loke's Market Conduct Division.

The position that Ms. Hiemstra is vacating at Sun Life has been posted on linkedin:

<https://www.linkedin.com/jobs/search/?currentJobId=2220576506&keywords=director%20regulatory%20initiatives>

FSRA Board To Meet With Stakeholder Advisory Committee for Life & Health Insurance On FSRA 2021-2022 Statement of Priorities, and Budget

FSRA has given stakeholders the opportunity to comment on its proposed 2021-2022 Statement of Priorities, and Budget, by 3 November, 2020, and CAFII made a submission on that document.

FSRA has established Stakeholder Advisory Committees (SACs) to serve as consultation bodies for FSRA management and, in particular, for the FSRA Board on FSRA's priorities and budget. CAFII's representative on the Life & Health SAC is Co-Executive Director Keith Martin. The SAC on Life and Health Insurance will next meet on 25 November 2020: "The purpose of the upcoming meeting is to have an open dialogue on the proposed FSRA Statement of Priorities and Budget with the Board." CAFII will make a presentation to the FSRA Board on our feedback on the 2021-2022 FSRA Statement of Priorities, and Budget, at the 25 November, 2020 SAC meeting.

FSRA Announces New Member Of its Board Of Directors

Financial Services Regulatory Authority of Ontario (FSRA) Chair Bryan Davies has announced that Stewart Lyons has been appointed to the FSRA Board of Directors to serve a three-year term. The announcement states that:

Stewart is a nationally recognized business leader who has extensive experience in fintech, innovative technologies and digital transformation. He currently serves as the CEO (and Founder) of Bird Canada. Bird provides micro mobility technology to millions of people around the world. He is a Board Member of Borrowell, one of Canada's fastest growing fintech start-up organizations. Previously, he was SVP of Emerging Business at SiriusXM Radio. Prior to that, he was the CEO of TeraGo Networks Inc, (TSX:TGO). Stewart was also the co-founder and President of Mobilicity, a wireless telecom provider. He also co-founded SiriusXM Canada.

“We are pleased that Stewart has joined our Board,” added FSRA Chair Bryan Davies. “He will bring experience in innovative technologies and transformation, which is a priority for FSRA as we move towards investments in digital systems and processes.”

The full announcement can be found here:

<https://www.fsrao.ca/newsroom/fsra-announces-new-member-board-directors#:~:text=TORONTO%2C%20October%2027%2C%202020%20%E2%80%93,serve%20a%20three%2Dyear%20term>.

Biographical information on all FSRA Board Members is available at www.fsrao.ca/about-fsra/governance.

FSRA Warns About Employment Offers Linked To Life Insurance

Insurance Business Canada reports that the Financial Services Regulatory Authority of Ontario (FSRA) has issued a warning for the public, cautioning them about offers for employment that are linked to the purchase of life insurance policies.

The regulator warned that some insurance agents have been offering false job opportunities to international students and newcomers to Canada – as long as they first purchase life insurance. These unscrupulous agents attempt to reach out to these newcomers online, or through social channels, FSRA added.

FSRA offered the following reminders to those who encounter this issue:

- *Buying life insurance is always optional*
- *Report the activity to FSRA*
- *Check the Public Registry to confirm that you are working with an agent who is permitted to sell insurance*

The regulator said that it will “take action to enforce the applicable laws and regulations.”

Minister of Finance of the Government of Ontario

Ontario Budget Proposes for FSRA to Operate a Regulatory Sandboxes, and Opens Up Sale of Insurance through Credit Unions

The Insurance and Investment Journal reports on 9 November, 2020 that the Ontario 2020 budget, *Ontario's Action Plan: Protect, Support, Recover*, the provincial government announced that it proposes to allow the Financial Services Regulatory Authority of Ontario (FSRA) to operate an insurance regulatory sandbox to pilot initiatives that bring consumer-focused products and services to market more quickly.

This initiative is initially geared at auto insurance, but if successful it may provide an opportunity to extend it to life and health insurance, especially since the budget document speaks of a FSRA ability to offer a regulatory sandbox as a formula for innovation. The document states that the government intends to increase “...competition and innovation in the auto insurance sector by modernizing outdated, burdensome requirements. This includes permitting insurers to electronically terminate policy contracts, with consumer consent, to enable fully digital insurers to operate in Ontario.” (Page 117.) The document then specially proposes

...to allow FSRA to operate an insurance regulatory sandbox to pilot initiatives that bring new consumer-focused products and services to market more quickly in response to changing consumer needs. This work would complement recent action taken by FSRA to enable innovative usage-based insurance products to be offered in the market. (Page 117.)

The province has also proposed to allow credit unions to sell insurance in their branches and online through subsidiaries or partnerships. Specifically, the budget states:

As the Province looks towards a longer-term economic recovery, now more than ever is the time to ensure that the credit unions and caisses populaires sector is competitive and not constrained by outdated or overly prescriptive legislation and regulations that limit its growth opportunities.

Earlier this year, the government completed a legislative review to modernize the Credit Unions and Caisses Populaires Act, 1994 led by MPP Stan Cho, Parliamentary Assistant to the Minister of Finance. Based on this review, the Province is introducing new modernized legislation to govern this important sector.

The new framework would remove outdated red tape and increase choice and convenience, including removing restrictions that currently limit credit unions' ability to invest and offer services to consumers. This would include allowing credit unions to sell insurance within branches and on their websites, as well as provide opportunities for insurance intermediaries and credit unions to seek mutually beneficial business relationships that could reduce costs. The legislation would also better enable FSRA to operate as a principles-based regulator that maintains the stability of the credit union system, while giving institutions some much needed flexibility. This framework would also help enhance consumer protection through a market code of conduct and a strengthened compliance regime.

The proposed legislation is intended to reduce burden on this key sector, boost competitiveness by expanding business opportunities for credit unions, and promote trust and stability. These changes will allow credit unions to provide more choice and expanded services to their members, including small businesses in the agriculture, hospitality and tourism sectors, as well as hard-working Ontario families in small, rural and remote communities.

The government will continue to work closely with stakeholders on the necessary regulations and with FSRA to develop rules throughout the remainder of 2020 and in 2021. This critical work will enable the new framework to be proclaimed into force in 2022, thereby providing the sector with sufficient time to transition to new requirements. (Pages 115-116.)

The budget document also states:

Supporting the Life and Health Insurance Sector

Protecting financial services, especially for seniors, is particularly important at this time. Ontario has the largest life insurance industry in Canada, with over 70 licensed life and health insurers providing insurance coverage to 8.4 million people. The people of Ontario buy life insurance to provide financial protection for their families. The government is protecting families by proposing legislative amendments to ensure that this sector is not vulnerable to exploitative behaviour by individuals and companies using life insurance policies with side accounts for investment purposes. (Page 118.)

A copy of the budget can be found at: <https://budget.ontario.ca/2020/pdf/2020-ontario-budget-en.pdf>.

Quebec

Authorité des Marchés Financiers

Speakers are Announced for AMF Rendez-Vous on 23 November, 2020

The AMF will hold its annual Rendez-Vous virtually this year on 23 November, 2020, from 1.30-4.00pm, at no charge. There will not be any simultaneous translation this year, and the session will not be recorded and will not be available for replay. The speakers have now been announced:

- Eric Girard, Minister of Finance, Government of Québec, who will speak on “The long-term impact of the pandemic on the financial industry”;
- Louis Morisset, President and Chief Executive Officer, l’Autorité des marchés financiers, who will speak on an “Overview of actions taken by the AMF to support the industry, market participants and consumers and a look at the cooperation needed among regulators in the context of a serious crisis”;
- Verena Ross, Executive Director, European Securities and Markets Authority, who will speak on an “Analysis of the extreme level of market volatility since the start of the pandemic and recap of the actions taken by European governments and regulators”;
- Tony Gravelle, Deputy Governor, Bank of Canada, who will speak on an “Assessment of risks to the stability of the Canadian financial system, including risks stemming from the COVID-19 pandemic”;
- Carolyn Rogers, Secretary General, Basel Committee on Banking Supervision, who will speak on an “Analysis of the resilience of deposit institutions and the effects of the reforms adopted following the 2008 financial crisis.”

Interested parties can register at this URL in English: <https://lautorite.qc.ca/en/general-public/media-centre/events/fiche/2020-rendez-vous-with-the-amf#c56316>

French registration is available at this URL: <https://lautorite.qc.ca/grand-public/salle-de-presse/evenements/rendez-vous-avec-lautorite-2020>

AMF Issues Tips and Suggestions on COVID-19 Travel Insurance

The AMF has issued advice and suggestions on purchasing COVID-19 travel insurance, noting that:

Some insurers and tour operators now offer [travel insurance](#) with special “COVID 19” coverage. This coverage can be added to the travel insurance you normally use when travelling, unless your insurance already covers COVID-19-related expenses.

To avoid unpleasant surprises, take the time to fully understand the details of the COVID-19 coverage that is being offered or that may already be included in your coverage.

The AMF continues by stating:

Even before you check if your insurance covers COVID-19, make sure that the basic coverage amount will cover any expenses for emergency medical care that you and your family members may need. This amount can vary considerably from one insurer to another. Normally, insurance products for emergency medical care abroad provide a coverage amount that varies between \$3 million and \$5 million (Canadian dollars).

Next, it’s important to check if the coverage includes COVID-19. If it doesn’t, special COVID-19 coverage can be offered to you by a tour operator, airline or directly by an insurer. Check the proposed coverage amount. As a general rule, the maximum coverage available under COVID-19 travel insurance can range from \$100,000 to \$300,000 (Canadian dollars), which can represent relatively limited coverage.

The statement tells consumers to look carefully at their eligibility for the insurance, to review exclusions carefully, and adds:

Due to the COVID-19 pandemic, it may be more difficult to access emergency medical care abroad. Even if your insurance covers the necessary emergency care, you may not be able to get the kind of access to it that you would like. This is something else to think about before you leave.

Also, don’t forget to contact your insurer immediately if you need care or to be hospitalized during your stay outside Québec. You should make sure that any expenses you incur for medical care are covered by your insurance. Insurers usually provide emergency telephone access so you get this information. They usually ask that you contact them even before you go to the hospital so that they can assist you with the process.

The full statement can be found at [AMF COVID ENGLISH](#) in English and at [AMF COVID FRANCAIS](#) in French.

International Developments, Research, and Thought Leadership

Toronto Finance International (TFI)

Toronto Finance International (TFI) Announces Virtual Conference on Regulatory Compliance for Financial Institutions to Take Place 17-18 November, 2020

The Canadian Finance Institute announces that its Virtual Conference on Regulatory Compliance for Financial Institutions will take place from 17-18 November, 2020. It states that

Financial Institutions have been forced to pivot in 2020 in order to continue to safely deliver services to Canadians.

It's more critical than ever to develop strategies to mitigate the risks that new remote work arrangements present while also ensuring current and impending regulatory standards are met.

The Regulatory Compliance for Financial Institutions conference is your gateway to industry expert insights on how to prioritize and effectively execute compliance functions within the current environment. It's also an opportunity to engage with key regulators about how compliance expectations will change once economic activity and operations start to fully resume.

Information about the webinar can be found at <https://tfi.ca/events/regulatory-compliance-for-financial-institutions>.

KPMG

KPMG To Hold Annual Insurance Conference Virtually on 24 November, 2020 from 12pm-5pm

KPMG will hold its annual insurance conference virtually on 24 November, 2020 from 12pm-5pm. The agenda is below along with registration information.

TUESDAY, NOVEMBER 24, 2020

12:00-5:00pm

Attendees will be eligible for up to 4.0 CPD credits

[Register today](#)

12:00 pm – 12:10 pm	Opening remarks
12:10 pm – 12:50 pm	The new reality for insurance
12:50 pm – 1:30 pm	Keynote: Climate change: Preparing for a future of increased risk
1:30 pm – 1:40 pm	Break
1:40 pm – 2:20 pm	Breakout 1
	<ul style="list-style-type: none"> A. The future of tax technology B. Cybersecurity: Operational resilience in a digital world C. IFRS 17: Essentials D. Building financial resilience: Cost optimization for insurers
2:20 pm – 3:00 pm	Harnessing the power of diversity
3:00 pm – 3:40 pm	Merger of equals: A Canadian insurance M&A story
3:40 pm – 3:50 pm	Break
3:50 pm – 4:30 pm	Breakout 2
	<ul style="list-style-type: none"> A. Digital transformation and the tax operating model B. IFRS 17: Accelerate to the finish C. ESG in a COVID world D. Directors session: Agility in a rapidly changing and uncertain environment
4:30 pm – 5:00 pm	Virtual fireside chat with Neville Henderson, Assistant Superintendent, Insurance Supervision Sector, OSFI
5:00 pm	Closing remarks

<https://events-meetings.kpmg.com/events/kpmg-s-virtual-insurance-conference-2020/registration-84e0b7b4f0c544f2b9df55a429afd8eb.aspx?4W,M3,84e0b7b4-f0c5-44f2-b9df-55a429afd8eb=&ct=ae4fb6fc-ec44-4331-b76e-3712738e373b&fqp=true>

Agenda Item 2(c)
November 17/20 EOC Teleconference Meeting

CAFII Insurance Regulator and Policy-Maker Meetings/Interactions
From October 27/20 To November 10/20

<u>Date</u>	<u>Event/Occasion</u>	<u>Who</u>
November 5, 2020	CAFII sends out a good news announcement re recent Fair Treatment of Customers Enhancement made to the CAFII Website: a new Claims Facilitation Section.	Keith Martin sends out 15 separate email announcements to more than 200 insurance regulators and policy-makers across Canada, broken down by province and Territory (13); federal regulatory authorities FCAC and OSFI combined (1); and CCIR Secretariat and CISRO Secretariats combined (1). CAFII receives several responses congratulating the Association on this initiative.
November 9, 2020	Brendan Wycks and Keith Martin have informal telephone chat with the Executive Director of the Insurance Councils of Saskatchewan (ICS), at his request, around (i) future ICS structure options; and (ii) launch of the Saskatchewan Restricted Insurance Agent (RIA) Advisory Committee	-Ron Fullan, Executive Director, Insurance Councils of Saskatchewan and Chair, Canadian Insurance Services Regulatory Organisations (CISRO)

Summary of CAFII Board and EOC Action Items					
	Source	Action Item	Responsible	Deadline	Status Nov 17 2020
		Association Strategy and Governance			
1	EOC and Board: October 2019	Launch CAFII EOC Working Group to Explore a New Lower Dues Category of CAFII Membership, via a first meeting and a draft Terms of Reference for this Working Group.	B. Wycks/K. Martin	31-Mar-20	In progress/ See #2
2	BOD: June 9, 2020	Revisit the launch of the CAFII Working Group On A Proposed Lower Dues Category Of CAFII Membership once the economic environment stabilizes	K. Martin	12-Jul-05	In progress
3	EOC May 29, 2018	Develop a summary job description for the CAFII EOC Chair role and circulate it to EOC Members.	B. Wycks/K. Martin	30-Jun-20	In progress
4	EOC February 27, 2018	Document in writing the process for reviewing, approving, and admitting applicants for CAFII Members and Associate status	B. Wycks	25-Oct-19	In progress
5	Bod: Oct 15, 2020	Schedule and organize a Dedicated, Special Purpose CAFII Board Virtual Meeting in early 2021 to review and possibly update CAFII's 3 to 5 Year Strategic Plan	B. Wycks/K. Martin	31-Dec-20	In progress
6	EOC October 29, 2020	Produce Draft 2 of Proposed CAFII 2021 Operating Budget, containing two or more Budget Options, for the EOC's review at its 17 November, 2020 meeting and prior to the CAFII Board's 1 December, 2020 meeting	B. Wycks, K. Martin, T. Pergola, T. Moran	13-Nov-20	Completed
7	EOC October 29, 2020	FRFI EOC members to share with Co-Executive Directors the work being done within their organizations on the FCAC's Appropriateness Guideline and about their organization's involvement in this file with the CBA; relevant EOC members	Elevant EOC members	17-Nov-20	In progress
		Regulatory Initiatives			
8	EOC: Sept 22, 2020	Resuscitate the Working Group on CPI Best Practices and add the FCAC appropriateness test to its mandate	K. Martin	31-Oct-20	In Progress
9	Bod: Oct 15, 2020	Get EOC engaged in the issue of an FCAC Appropriateness Guideline	B. Wycks/K. Martin	1-Dec-20	Completed
10	EOC October 29, 2020	Share the FCAC's presentation deck with EOC members and other relevant CAFII member representatives	B. Wycks	17-Nov-20	In progress
11	EOC October 29, 2020	Share the AMF's presentation deck with EOC members and other relevant CAFII member representatives	B. Wycks	17-Nov-20	In progress
		Website and Media Initiatives			
12	EOC: Aug 25, 2020	Share draft visuals for CAFII website video with EOC	K. Martin	30-Sep-20	In progress
13	EOC October 29, 2020	Disseminate announcement about new CAFII website section on "How to Make a Claim" with insurance regulators and policy-makers across Canada	K. Martin	6-Nov-20	Completed
		Research and Education			
14	Bod: Oct 15, 2020	Sign a contract with Pollara Strategic Insights based on its research proposal dated September 14, 2020	K. Martin	1-Dec-20	Completed
15	Bod: Oct 15, 2020	Create a CAFII Working Group on the questions to be asked in the Pollara consumer research; begin work with Pollara on the development and implementation of the project	K. Martin	1-Dec-20	Completed
16	EOC October 29, 2020	Ask EOC members to nominate volunteers for a Working Group on the Questionnaire for the 2020 Consumer Research Project	K. Martin	6-Nov-20	Completed

3 November 2020

Mr. Mark White, CEO; and
Mr. Bryan Davies, Board Chair
Financial Services Regulatory Authority of Ontario
5160 Yonge St., 16th Floor
Toronto, ON M2N 6L9

RE: CAFII Feedback on Draft Fiscal Year 2021-22 FSRA Priorities and Budget

Dear Sirs:

The Canadian Association of Financial Institutions in Insurance (CAFII) thanks the Financial Services Regulatory Authority (FSRA) of Ontario for the opportunity to provide comments on FSRA's *Proposed FY2021-2022 Statement of Priorities; and Budget*.

In this submission, we have restricted our comments to those sections of FSRA's *Proposed FY2021-2022 Statement of Priorities; and Budget* which are germane to CAFII members, i.e. to the consultation document's sections on Cross-Sectoral Priorities, the Life and Health Insurance Sector-specific Priorities, and FSRA's Proposed Fiscal Year 2021-22 Budget.

We largely agree with FSRA's observations in its environmental scan and, in particular, its view of the implications of COVID-19, including the observation that *"after a considerable decrease in traditional distribution channels, COVID-19 has also accelerated industry progress in digitizing the distribution of insurance products."* (Page 6.) This is something that has been the "lived experience" of our member representatives in spades over the past seven months; and we believe that much of the movement by consumers to digital platforms will become a permanent shift after the COVID-19-imposed restrictions on face-to-face meetings are reduced and eventually eliminated. As such, we believe that it is critical for FSRA to continue to operate under a regulatory framework that promotes innovation and facilitates industry's ability to serve consumers in the channel and the manner that they prefer.

In this respect, we believe that FSRA is placing the correct emphasis on the importance of technological changes and shifting consumer expectations, including the following astute observation:

The complexity of insurance distribution has increased, with overlapping organizations supporting multiple brands and channels, including the digital channel. Many insurers have set up a wide range of multi-channel distribution systems to improve customer interaction and experience. To further this, FSRA plans to achieve a more comprehensive understanding about modern distribution channels. (Page 8.)

With respect to cross-sectoral priorities, we feel that all four of FSRA's priorities are important and each of them aligns well with our Association's views.

CAFII strongly supports the "Protect the Public Interest" priority; and, in that connection, we note that our members, as major financial institution distributors and underwriters of credit protection insurance and travel insurance, make considerable investments in systems, processes, oversight, monitoring, employee training, and controls to support highly professional sales practices focused on appropriate products and the fair treatment of customers.

We agree with the importance of robust complaints handling systems; and CAFII is committed to ongoing assessment of shifting consumer expectations. All of our members are also committed to consumers' financial education and strengthening financial literacy.

With respect to the "Enable Innovation" priority, we strongly agree with the statement *"innovation moves quickly. As a regulator, FSRA needs to be agile in order to support and adjust to the change that comes with it."* (Page 12.) In fact CAFII's members experienced that reality firsthand during the beginning of the pandemic, and still feel that imperative. The needs of consumers and the industry are changing and challenging the regulatory system faster than current mechanisms can adapt. The deliverables and outcomes specified by FSRA under this priority are appropriate in our view, although we continue to believe that "regulatory sandboxes" that provide a safe, monitored space within which to test innovative products and services can foster innovation while ensuring consumer protection.

With respect to the "Modernize Systems and Processes" priority, we encourage FSRA to continue to invest in its core technology and processes to make them as efficient as possible. We believe that technology will continue to have a profound impact upon financial services regulators just as it is having on industry; and, as such, it is critical for FSRA's effectiveness that it keep up with the pace of innovation through investments in technology. We note, however, that the deliverable of improving data interfaces and analytics will be most effectively implemented if it incorporates ongoing consultation with industry on this topic. Each private sector institution has its own definitions around data and its own approaches to technology, and understanding these nuances before building interfaces will reduce the risk of obtaining data that is difficult to aggregate, analyze, and interpret. That said, we wholeheartedly support the fundamental concept of an evidence-based approach to regulation.

With respect to the "Transition to Principles-Based Regulation (PBR)" priority, this is something for which CAFII has been a long-time proponent and advocate. Consumers and industry are best served by regulations that are not prescriptive, and which allow the principles that the regulator has established to be met without impeding innovation and efficiency. We support the initiatives outlined under this priority, and encourage FSRA to continue to embrace principles-based regulation.

In this same vein, CAFII extends kudos to FSRA for adopting CCIR/CISRO's *Guidance: Conduct of Insurance and Fair Treatment of Customers* as the document which outlines FSRA's expectations of industry with respect to FTC, without the need for a separate FSRA Guideline in this area. FSRA has set up a leadership example of supporting national co-ordination and harmonization by adopting the CCIR/CISRO Guidance.

With respect to the life and health insurance sector-specific "Enhance Market Conduct Oversight to Protect Consumers" priority, we support the initiatives outlined for this priority, and emphasize in that connection that CAFII members have made significant investments in systems, processes, oversight, monitoring, employee training, and controls to achieve consumer protection expectations.

Turning now to a priority area we have expressed support for in the past, but which is not addressed in FSRA's FY 2021-22 priorities, we continue to believe that a commitment to active participation in international organizations is important to FSRA's overall strength, in particular the International Association of Insurance Supervisors (IAIS). We recognize that international travel is currently restricted due to COVID-19. But that will not always be the case and we believe that FSRA, as the financial services regulator for Canada's most populous province and the economic engine of the country, it is important that FSRA play a prominent role in that international organization.

With respect to the FSRA's proposed 2021-2022 Budget, we note that there is a significant increase in the provision for the life and health insurance sector, which gives rise to an expectation of increased fees for the sector, reflecting "increased conduct supervision."

The COVID 19-dominated 2020 year has been a very challenging one for the life and health insurance sector, and the industry has made considerable efforts to respond to shifting and heightened consumer needs and expectations in these difficult times. The industry has experienced increased claims levels, and faces considerable financial challenges. We encourage FSRA to keep those factors in mind when considering fee increases and increased conduct supervision for the life and health insurance sector.

In closing, we again express CAFII's appreciation for FSRA's continued commitment to open and transparent communication and consultation. We look forward to making a further representation of our Association's views on FSRA's *Proposed FY2021-2022 Statement of Priorities; and Budget* at the Life and Health Insurance Sectoral Advisory Committee's meeting with the FSRA Board on 25 November, 2020.

Sincerely,



Martin Boyle
Board Secretary and Chair, Executive Operations Committee

About CAFII

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

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

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

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

Briefing Note

CAFII EOC Meeting 17 November 2020—Agenda Item 3(a) CAFII Financial Statements as at October 31/20

Purpose of this Agenda Item – Update

To update the EOC on the Association's finances as at 31 October 2020.

Background Information

Treasurer Tony Pergola will provide an update on the CAFII Financial Statements as at 31 October 2020.

Recommendation / Direction Sought – Update

This is an update only.

Attachments Included with this Agenda Item

1 attachment.

CAFII

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

Statement of Operations As at October 31, 2020

	Current Month	Budget Oct-20	Variance to Monthly Budget	Current YTD	Budget '20 YTD	Variance Budget to YTD	Budget 2020
Revenue							
Membership Dues	\$73,727	\$75,727	(\$2,000)	\$737,267	\$757,267	(\$20,000)	\$908,720
Luncheon Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Revenue	\$22	\$17	\$5	\$360	\$167	\$193	\$200
TOTAL REVENUE	\$73,749	\$75,743	(\$1,995)	\$737,627	\$757,433	(\$19,807)	\$908,920
Expenses							
Management Fees	\$39,034	\$39,582	\$548	\$398,776	\$395,824	(\$2,951)	\$474,989
CAFII Legal Fees/Corporate Governan	\$0	\$0	\$0	\$28,975	\$15,000	(\$13,975)	\$20,000
Audit Fees	\$1,271	\$1,271	(\$0)	\$14,201	\$12,706	(\$1,495)	\$15,247
Insurance	\$449	\$458	\$9	\$4,487	\$4,580	\$93	\$5,500
Website Ongoing Maintenance	\$524	\$458	(\$66)	\$4,408	\$4,583	\$176	\$5,500
Telephone/Fax/Internet	\$487	\$483	(\$4)	\$4,741	\$4,833	\$93	\$5,800
Postage/Courier	\$0	\$21	\$21	\$53	\$208	\$155	\$250
Office Expenses	\$85	\$167	\$82	\$1,971	\$1,667	(\$304)	\$2,000
Bank Charges	\$0	\$16	\$16	\$236	\$158	(\$78)	\$190
Miscellaneous Expenses	\$0	\$42	\$42	\$0	\$1,000	\$1,000	\$500
Depreciation Computer/Office Equipm	\$95	\$100	\$5	\$947	\$420	(\$527)	\$1,200
Board/EOC/AGM							
Annual Members Lunch	\$0	\$0	\$0	\$0	\$12,400	\$12,400	\$12,400
Board Hosting (External)	\$0	\$7,500	\$7,500	\$0	\$22,500	\$22,500	\$22,500
Board/EOC/Meeting Expenses	\$0	\$3,292	\$3,292	\$5,559	\$32,917	\$27,358	\$39,500
Industry Events	\$0	\$0	\$0	\$0	\$1,300	\$1,300	\$1,300
EOC Annual Appreciation Dinner	\$0	\$0	\$0	\$4,244	\$4,244	\$0	\$4,244
Sub Total Board/EOC/AGM	-	10,792	10,792	9,803	73,361	63,557	79,944
Provincial Regulatory Visits	\$0	\$4,875	\$4,875	\$983	\$12,875	\$11,892	\$12,875
Research/Studies	\$0	\$5,000	\$5,000	\$0	\$50,000	\$50,000	\$60,000
Website SEO and Enhancements	\$1,102	\$3,496	\$2,394	\$22,104	\$34,958	\$12,854	\$41,950
Regulatory Model(s)	\$0	\$5,000	\$5,000	\$0	\$15,000	\$15,000	\$15,000
Federal Financial Reform	\$0	\$625	\$625	\$540	\$6,250	\$5,710	\$7,500
CAFII Benchmarking Study/RSM Canada	\$0	\$5,650	\$5,650	\$51,415	\$56,500	\$5,085	\$67,800
FCAC Presentation	\$0	\$1,883	\$1,883	\$20,905	\$18,833	(\$2,072)	\$22,600
Media Outreach	\$2,260	\$3,008	\$748	\$23,515	\$30,083	\$6,568	\$36,100
Marketing Collateral	\$0	\$1,000	\$1,000	\$195	\$5,000	\$4,805	\$5,000
CAFII Reception Events	\$0	\$0	\$0	\$0	\$700	\$700	\$900
Speaker fees & travel	\$0	\$0	\$0	\$0	\$1,400	\$1,400	\$2,000
Gifts	\$0	\$0	\$0	\$0	\$300	\$300	\$500
Networking Events	\$0	\$0	\$0	\$0	\$300	\$300	\$500
Sub Total Networking & Events	-	-	-	-	2,000	2,000	3,000
TOTAL EXPENSE	45,307	83,927	38,620	588,254	746,541	158,287	883,845
NET INCOME	28,442	- 8,184	36,626	149,373	10,893	138,481	25,075

Explanatory Notes:

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

CAFII
411 Richmond Street E, Suite 200
Toronto, ON M5A 3S5
Balance Sheet
As at October 31, 2020

	CAFII Operations			CCBPI Project			Combined		
	31-Oct 2020	30-Sep 2020	31-Dec 2019	31-Oct 2020	30-Sep 2020	31-Dec 2019	31-Oct 2020	30-Sep 2020	31-Dec 2019
ASSETS									
Current Assets									
Bank Balance	\$443,002	\$486,100	\$251,549	\$0	\$0	\$0	\$443,002	\$486,100	\$251,549
Savings Account	\$102,239	\$102,217	\$101,879	\$12,151	\$12,151	\$12,151	\$114,390	\$114,368	\$114,030
Accounts Receivable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Prepaid Expenses	\$5,895	\$6,344	\$3,251	\$0	\$0	\$0	\$5,895	\$6,344	\$3,251
Computer/Office Equipment	\$8,014	\$8,014	\$8,014	\$0	\$0	\$0	\$8,014	\$8,014	\$8,014
Accumulated Depreciation -Comp/Equip	(\$6,688)	(\$6,594)	(\$5,742)	\$0	\$0	\$0	(\$6,688)	(\$6,594)	(\$5,742)
Total Current Assets	\$552,461	\$596,080	\$358,951	\$12,151	\$12,151	\$12,151	\$564,612	\$608,231	\$371,102
TOTAL ASSETS	\$552,461	\$596,080	\$358,951	\$12,151	\$12,151	\$12,151	\$564,612	\$608,231	\$371,102
LIABILITIES									
Current Liabilities									
Accrued Liabilities	\$12,710	\$11,439	\$115,891	\$0	\$0	\$0	\$12,710	\$11,439	\$115,891
Credit Card	\$298	\$256	\$1,223	\$0	\$0	\$0	\$298	\$256	\$1,223
Account Payable	\$12,402	\$12,011	\$11,613	\$0	\$0	\$0	\$12,402	\$12,011	\$11,613
Deferred Revenue	\$147,454	\$221,181	\$0	\$0	\$0	\$12,151	\$147,454	\$221,181	\$12,151
Total Current liabilities	\$172,865	\$244,886	\$128,727	\$0	\$0	\$12,151	\$172,865	\$244,886	\$140,879
TOTAL LIABILITIES	\$172,865	\$244,886	\$128,727	\$0	\$0	\$12,151	\$172,865	\$244,886	\$140,879
UNRESTRICTED NET ASSETS									
Unrestricted Net Assets, beginning of year	\$230,223	\$230,223	\$271,190	\$12,151	\$12,151	\$0	\$242,375	\$242,375	\$271,190
Excess of revenue over expenses	\$149,373	\$120,971	(\$40,967)	\$0	\$0	\$0	\$149,373	\$120,971	(\$40,967)
Total Unrestricted Net Assets	\$379,596	\$351,194	\$230,223	\$12,151	\$12,151	\$0	\$391,747	\$363,345	\$230,223
Total Unrestricted Net Assets	\$379,596	\$351,194	\$230,223	\$12,151	\$12,151	\$0	\$391,747	\$363,345	\$230,223
TOTAL LIABILITIES AND UNRESTRICTED NET ASSETS	\$552,461	\$596,080	\$358,950	\$12,151	\$12,151	\$12,151	\$564,612	\$608,231	\$371,102

Financial Reserves Targets as per 2019 Budget:	
Minimum 3 months (25%) of Annual Operating Expenses=	\$ 220,961
Maximum 6 months (50%) of Annual Operating Expenses=	\$ 441,923
Current Level of Financial Reserves (total unrestricted net assets):	\$379,596
Current Level of Financials Reserve (%):	43%

CCBPI initiative	
1) Invoice paid to Stikeman Elliott on 19th December 2019 for Consulting Services incurred to date (31 October 2019) for \$92,113.81 (\$81,516.65 plus HST).	
2) Invoice to be paid to Norton Rose Fulbright in Feb 2020 for Consulting Services incurred to date (30 November 2019) for \$85,226.13 (\$75,421.35 plus HST).	
3) Invoice to be paid to Norton Rose Fulbright in Feb-Mar 2020 for Consulting Services incurred to date (31 December 2019) for \$15,765.82 (\$13,952.05 plus HST).	

CAFII

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

Membership Fees

		Feb-20		Jul-20	
		<i>To be billed</i>	<i>Received</i>	<i>To be billed</i>	<i>Received</i>
BMO Bank of Montreal	2020 Upper Tier Member	\$ 38,555	6-Apr-20	\$ 38,555	15-Aug-20
CIBC Insurance	2020 Upper Tier Member	\$ 38,555	18-Mar-20	\$ 38,555	31-Jul-20
RBC Insurance	2020 Upper Tier Member	\$ 38,555	20-Mar-20	\$ 38,555	30-Jul-20
ScotiaLife Financial	2020 Upper Tier Member	\$ 38,555	2-Mar-20	\$ 38,555	7-Aug-20
TD Insurance	2020 Upper Tier Member	\$ 38,555	12-Mar-20	\$ 38,555	13-Aug-20
Desjardins Financial Security Life Assurance Company	2020 Upper Tier Member	\$ 38,555	10-Apr-20	\$ 38,555	31-Jul-20
National Bank Life Insurance Company	2020 Upper Tier Member	\$ 38,555	2-Mar-20	\$ 38,555	24-Jul-20
Manulife Financial	2020 Upper Tier Member	\$ 38,555	6-Mar-20	\$ 38,555	14-Jul-20
The Canada Life Assurance Company	2020 Upper Tier Member	\$ 38,555	30-Apr-20	\$ 38,555	8-Jul-20
Assurant Solutions	2020 Lower Tier Member	\$ 19,277	2-Mar-20	\$ 19,277	2-Jul-20
Canadian Premier Life Insurance Company	2020 Lower Tier Member	\$ 19,277	2-Mar-20	\$ 19,277	31-Jul-20
Cumis Group Ltd/Co-operators Life Insurance Co.	2020 Lower Tier Member	\$ 19,277	3-Apr-20	\$ 19,277	13-Aug-20
Sun Life Financial	2020 Initiation Members (Upper Tier)	\$ 23,133	23-Mar-20	\$ 23,133	31-Jul-20
RSM Canada	Associate	\$ 4,800	24-Mar-20		
Willis Towers Watson	Associate	\$ 4,800	16-Apr-20		
KPMG MSLP	Associate	\$ 4,800	29-May-20		
Munich Reinsuranace Company Canada Branch (Life)	Associate	\$ -	Not Renewing		
Optima Communications	Associate	\$ 4,800	3-Mar-20		
RGA Life Reinsurance Company of Canada	Associate	\$ 4,800	3-Mar-20		
Torys LLP	Associate	\$ 4,800	6-Mar-20		
PWC	Associate	\$ -	Not Renewing		
RankHigher.ca	Associate	\$ -	Not Renewing		
TBC	Associate	\$ -			
TBC	Associate	\$ -			
Feb Invoices		\$456,760		\$427,960	
July Invoices		\$427,960			
Total Membership Fees		\$884,720			
Total amount to realocate monthly Jan-Sept		\$73,727			
Total amount to realocate monthly Oct-Dec		\$73,727			

Briefing Note

CAFII EOC Meeting 17 November 2020—Agenda Item 3(b) Forecast For CAFII 2020 Fiscal Year as at October 31/20

Purpose of this Agenda Item – Update

To update the EOC on the Association's forecast for the 2020 fiscal year as at October 31/20.

Background Information

Treasurer Tony Pergola will provide an update on the CAFII 2020 fiscal year forecast as at 31 October 2020. Mr. Pergola will note that the Association is expecting to book a significant increase in its 2020 surplus due to a reduction in costs (less travel by CAFII's Co-Executive Directors, and the cancellation of in-person receptions and the Annual Members' Luncheon) due to COVID-19.

Recommendation / Direction Sought – Update

This is an update only.

Attachments Included with this Agenda Item

1 attachment.

2020 CAFII Budget

	2017 Actuals	2018 Actuals	2019 Actuals	2020 Budget	2020 YTD October 2020	2020 Revised Forecast	Variance 2020 Budget vs. 2020 Revised Forecast	Comment/Rationale
Revenue								
Membership Dues	\$475,425	\$695,545	\$734,664	\$908,720	\$737,267	\$884,720	-\$24,000	See breakdown in Member Dues Revenue Tab
Luncheon 2019	\$126	\$0	\$195	\$0	\$0	\$0	\$0	
Interest	\$126	\$0	\$982	\$200	\$360	\$400	\$200	Additional Interest from the Savings Account
TOTAL REVENUE	\$ 475,677	\$ 695,545	\$ 735,841	\$ 908,920	\$ 737,627	\$ 885,120	-\$ 23,800	
EXPENSE								
Management Fees	\$442,012	\$460,299	\$465,134	\$474,989	\$398,776	\$476,844	\$1,855	Includes MM Fees (2.5% contractual increase) and two Co-Eds (2.5% increase each)
CAFII Legal Fees/Corporate Governance	\$2,954	\$563	\$0	\$20,000	\$28,975	\$28,975	\$8,975	Legal Fees related to Competition Advice, Cancellation of Spousal Coverage & Regulatory Matters
Audit Fees	\$14,271	\$14,432	\$14,799	\$15,247	\$14,201	\$16,743	\$1,496	3% increase over 2019 Revised Forecast due to additional technology charge
Insurance	\$5,238	\$5,258	\$5,338	\$5,500	\$4,487	\$5,385	-\$115	Coverage cost remained same as 2019 Actuals
Website Ongoing Maintenance	\$42,575	\$6,461	\$10,022	\$5,500	\$4,408	\$5,456	-\$44	Includes CG Technology (\$250 per month), Translation (\$400), Domain (\$30), Zoom (\$75 per month) & Survey Monkey \$307.36. Increase in select months for Zoom Webinar Fee.
Telephone/Fax/Internet	\$6,119	\$5,939	\$6,494	\$5,800	\$4,741	\$5,800	\$0	Same as 2019 Budget
Postage/Courier	\$380	\$458	\$159	\$250	\$53	\$53	-\$197	Less mailing required in FY20
Office Expenses	\$1,312	\$2,423	\$2,025	\$2,000	\$1,971	\$2,080	\$80	
Bank Charges	\$38	\$23	\$112	\$190	\$236	\$236	\$46	Same as 2019 Actual plus Annual Fee for CAFII TD Visa credit card
Amortization Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Depreciation Computer/Office Equipment	\$1,564	\$1,136	\$1,136	\$1,200	\$947	\$1,136	-\$64	Same as 2019 Budget
Miscellaneous Expense	\$433	\$0	\$0	\$500	\$0	\$500	\$0	Same as 2019 Budget
Board/EOC/AGM								
Annual Members Luncheon	\$10,247	\$10,503	\$12,052	\$12,400	\$0	\$0	-\$12,400	No costs associated with the virtual members luncheon held in October 2020
Board Hosting (External)	\$7,500	\$19,515	\$14,001	\$22,500	\$0	\$0	-\$22,500	No in person board meeting in FY20
Board/EOC Meeting Expenses	\$25,493	\$20,715	\$35,419	\$39,500	\$5,559	\$8,075	-\$31,425	Expenses incurred in Q1/Q2 of FY20.
Industry Events	\$36	\$1,270	\$0	\$1,300	\$0	\$0	-\$1,300	No industry events in FY20
EOC Annual Appreciation Dinner	\$8	\$763	\$2,193	\$4,244	\$4,244	\$4,244	\$0	EOC Dinner held in Q1 of FY20
Total Board/EOC/AGM	\$43,284	\$52,766	\$63,665	\$79,944	\$9,803	\$12,319	-\$67,625	
Provincial Regulatory Visits and Relationship-Building	\$11,011	\$11,230	\$16,833	\$12,875	\$983	\$983	-\$11,892	No travel planned for the remainder of FY20
Research/Studies	\$17,807	\$77,345	\$5,368	\$60,000	\$0	\$56,274	-\$3,726	Reduced to match planned expense for FY20
Website SEO and Enhancements	\$21,702	\$21,702	\$40,914	\$41,950	\$22,104	\$41,950	\$0	3% increase over 2019 Revised Forecast
Regulatory Model(s)	\$15,001	\$6,490	\$7,555	\$15,000	\$0	\$0	-\$15,000	Reduced to match planned expense for FY20
Federal Regulatory Visits and Relationship-Building	\$0	\$0	\$442	\$7,500	\$540	\$540	-\$6,960	No travel planned for the remainder of FY20
CAFII Benchmarking Study/RSM Canada	\$0	\$0	\$0	\$67,800	\$51,415	\$67,800	\$0	New Line - CAFII Benchmarking Study/RSM Canada estimated at \$60K plus HST. The expense related to CAFII Benchmarking Study/RSM Canada could be found from this line item in the first year, or this \$60K research fund could be reduced to offset the cost of the benchmarking study.
FCAC Presentation	\$0	\$0	\$0	\$22,600	\$20,905	\$22,600	\$0	New Line - FCAC Presentation estimated at \$20k plus HST - \$10K plus HST for Dog and Pony; \$10K plus HST for WTW Benchmarking Data.
Media Outreach	\$44,023	\$38,522	\$32,803	\$36,100	\$23,515	\$28,035	-\$8,065	Reduced to match planned expense for FY20
Marketing Collateral	\$0	\$557	\$1,629	\$5,000	\$195	\$500	-\$4,500	Reduced to match planned expense for FY20
Tactical Communications Strategy	\$379	\$0	\$0	\$0	\$0	\$0	\$0	
CAFII Reception Events	\$500	\$0	\$0	\$900	\$0	\$0	-\$900	No In Person events planned for FY20
Media Relations	\$164	\$0	\$0	\$0	\$0	\$0	\$0	covered under Media Outreach
Speaker fees & travel	\$0	\$191	\$1,189	\$2,000	\$0	\$0	-\$2,000	No In Person events planned for FY20
Gifts	\$452	\$0	\$200	\$500	\$0	\$0	-\$500	No In Person events planned for FY20
CAFII 25th Anniversary Celebration	\$26,495	\$0	\$0	\$0	\$0	\$0	\$0	Deferred to 2022
Networking Events	\$350	\$0	\$0	\$500	\$0	\$0	-\$500	No networking events planned for FY20
TOTAL EXPENSE	\$ 675,862	\$ 705,793	\$ 675,816	\$ 883,845	\$ 588,253	\$ 774,208	-\$ 109,637	
Excess of Revenue over Expenses	(\$200,185)	(\$10,248)	\$60,025	\$25,075	\$149,373	\$110,912	\$85,837	
Unrestricted Net Assets (beginning of year)	\$380,758	\$180,447	\$170,198	\$230,223	\$230,223	\$230,223		
Unrestricted Net Assets (end of year)	\$180,573	\$170,198	\$230,223	\$255,298	\$379,596	\$341,135		

Explanatory Notes:

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

Actual/Forecasted Financial Reserves	2017 Actuals	2018 Actuals	2019 Actuals	2020 Budget	2020 Revised Forecast
Minimum 3 months (25%) of Annual Operating Expenses =	\$168,965	\$176,448	\$168,954	\$220,961	\$193,552
Maximum 6 months (50%) of Annual Operating Expenses =	\$337,931	\$352,897	\$337,908	\$441,923	\$387,104
Actual/Forecasted Level of Financial Reserves:	\$180,573	\$170,198	\$230,223	\$255,298	\$341,135
Actual/Forecasted Level of Financial Reserves %:	27%	24%	34%	29%	44%

2019 Operational Budget - Member Dues Breakdown
2018 Member Dues Breakdown

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

2019 (Base) Member Dues Breakdown

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

2019 Operational Budget - Member Dues Breakdown - Revised

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

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

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

- 2020 Upper Tier Member**
- 1 BMO Bank of Montreal
 - 2 CIBC Insurance
 - 3 RBC Insurance
 - 4 ScotiaLife Financial
 - 5 TD Insurance
 - 6 Desjardins Financial Security Life Assurance Company
 - 7 National Bank Life Insurance Company
 - 8 Manulife Financial
 - 9 The Canada Life Assurance Company

- 2020 Lower Tier Member**
- 1 Assurant Solutions
 - 2 Canadian Premier Life Insurance Company
 - 3 Cumis Group Ltd/Co-operators Life Insurance Co.

- 2020 Initiation Members (Upper Tier)**
- 1 Sun Life Financial

- 2020 Associate**
- 1 RSM Canada
 - 2 Willis Towers Watson
 - 3 KPMG MSLP
 - 4 Munich Reinsurance Company Canada Branch (Life)
 - 5 Optima Communications
 - 6 RGA Life Reinsurance Company of Canada
 - 7 Torys LLP
 - 8 PWC
 - 9 RankHigher.ca
 - 10 *TBC
 - 11 *TBC

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

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

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

- 2020 Upper Tier Member**
- 1 BMO Bank of Montreal
 - 2 CIBC Insurance
 - 3 RBC Insurance
 - 4 ScotiaLife Financial
 - 5 TD Insurance
 - 6 Desjardins Financial Security Life Assurance Company
 - 7 National Bank Life Insurance Company
 - 8 Manulife Financial
 - 9 The Canada Life Assurance Company

- 2020 Lower Tier Member**
- 1 Assurant Solutions
 - 2 Canadian Premier Life Insurance Company
 - 3 Cumis Group Ltd/Co-operators Life Insurance Co.

- 2020 Initiation Members (Upper Tier)**
- 1 Sun Life Financial

- 2020 Associate**
- 1 RSM Canada
 - 2 Willis Towers Watson
 - 3 KPMG MSLP
 - 4 Optima Communications
 - 5 RGA Life Reinsurance Company of Canada
 - 6 Torys LLP
 - 7 *TBC
 - 8 *TBC

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

Did not renew in 2020

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

Briefing Note

CAFII Board Meeting 17 November 2020—Agenda Item 3(c) Draft 2 of CAFII 2021 Operating Budget

Purpose of this Agenda Item – Update / Discussion

To provide the EOC with information on the approach the Association is recommending for the 2021 CAFII Operating Budget.

Background Information

It is difficult to ascertain whether to budget for travel and in-person events in 2021, since the trajectory of COVID-19 is not known. We will propose two different 2021 Operating Budget Options based on differing assumptions and feedback from the CAFII Board at its 15 October, 2020 meeting.

Recommendation / Direction Sought – Update / Discussion

The proposed CAFII 2021 Operating Budget will be tabled at the 1 December, 2020 Board meeting. We are seeking feedback from the EOC on the approach we are recommending.

Attachments Included with this Agenda Item

1 attachment.

2021 CAFII Budget

	2016 Actual	2017 Actuals	2018 Actuals	2019 Actuals	2020 Budget	2020 YTD October 2020	2020 Revised Forecast	2021 Budget (with In Person Events)	2021 Budget (with Limited In Person Events in Q3/Q4)	Comment/Rationale
Revenue										
Membership Dues	\$435,750	\$475,425	\$695,545	\$734,664	\$908,720	\$737,267	\$884,720	\$918,475	\$918,475	See breakdown in Member Dues Revenue Tab (includes one new Member at Lower Tier Dues as CPL and Valeyo intend to become two separate CAFII Members)
Luncheon 2019	\$231	\$126	\$0	\$195	\$0	\$0	\$0	\$0	\$0	
Interest	\$231	\$126	\$0	\$982	\$200	\$360	\$400	\$300	\$300	Interest from the Savings Account
TOTAL REVENUE	\$ 436,212	\$ 475,677	\$ 695,545	\$ 735,841	\$ 908,920	\$ 737,627	\$ 885,120	\$ 918,775	\$ 918,775	
EXPENSE										
Management Fees	\$279,042	\$442,012	\$460,299	\$465,134	\$474,989	\$398,776	\$476,844	\$487,780	\$487,780	Includes MM Fees (2.0% contractual increase) and two Co-Eds (2.5% increase each)
Legal and consulting costs associated with regulatory submissions and initiatives	\$10,565	\$2,954	\$563	\$0	\$20,000	\$28,975	\$28,975	\$50,000	\$50,000	For streamlining/simplicity, this line now includes expenses previously captured under Regulatory Model(s) (Row 39), where \$15,000 was budgeted in 2020. 2021 Budget amounts are based on 2020 actuals (recognizing that while in 2020, zero expenses will be incurred under Regulatory Models, that is largely due to the COVID-19 pandemic) and the expectation that CAFII will likely need to tackle heightened regulatory communications/submissions and advocacy/relationship-building work in 2021 as regulators clear their abeyance "backlog" caused by COVID-19.
Audit Fees	\$13,560	\$14,271	\$14,432	\$14,799	\$15,247	\$14,201	\$16,743	\$16,743	\$16,743	Same as 2020 Forecast
Insurance	\$5,238	\$5,238	\$5,258	\$5,338	\$5,500	\$4,487	\$5,385	\$5,546	\$5,546	Increase 3% as a buffer for 2021 renewal in June 2021
Website Ongoing Maintenance	\$13,060	\$42,575	\$6,461	\$10,022	\$5,500	\$4,408	\$5,456	\$7,156	\$7,156	Includes CG Technology (\$233 per month (3% increase)), Contstant Contact (\$62.83 per month (3% increase)), Soda PDF Premium (\$56.47), Zoom (\$237.60 per month), Survey Monkey (\$307.36), Virtual Platform (\$500)
Telephone/Fax/Internet	\$3,538	\$6,119	\$5,939	\$6,494	\$5,800	\$4,741	\$5,730	\$5,730	\$5,730	Includes Office Line (\$56.50 per month), Conference Line (\$47.46 per month) & Co-Eds phone and internet lines
Postage/Courier	\$180	\$380	\$458	\$159	\$250	\$53	\$53	\$150	\$150	Monthly Cheque Run and Ad Hoc Mailing
Office Expenses	\$5,257	\$1,312	\$2,423	\$2,025	\$2,000	\$1,971	\$2,080	\$5,000	\$5,000	Increased from 2020 Budget to cover possible replacement computer hardware and peripherals expenses in 2021 for the Co-Executive Directors
Bank Charges	\$25	\$38	\$23	\$112	\$190	\$236	\$236	\$470	\$470	Annual Credit Card Fee (\$190) plus a possible new digital/electronic Accounts Payable process in 2021 (\$280.00)
Depreciation Computer/Office Equipment	\$467	\$1,564	\$1,136	\$1,136	\$1,200	\$947	\$1,136	\$1,136	\$1,136	Same as 2020 Forecast
Miscellaneous Expense	\$0	\$433	\$0	\$0	\$500	\$0	\$500	\$500	\$500	Same as 2020 Forecast
Board/EOC/AGM										
Annual Members Luncheon	\$12,044	\$10,247	\$10,503	\$12,052	\$12,400	\$0	\$0	\$12,400	\$12,400	Same as 2020 Budget whether held in early 2021 (Column M) or in Q4 2021 (Column N)
Board Hosting (External)	\$19,407	\$7,500	\$19,515	\$14,001	\$22,500	\$0	\$0	\$15,000	\$7,500	Two Board Meetings/Receptions \$7,500 each (Column M) or One Board Meeting/Receptions at \$7,500 held in Oct-Dec 2021 (Column N)
Board/EOC Meeting Expenses	\$8,145	\$25,493	\$20,715	\$35,419	\$39,500	\$5,559	\$9,991	\$25,000	\$10,000	Expenses related to Board Hosting reimbursement for two in-person Board Meetings/Receptions (Column M) or one Board Meeting/Reception at \$7,500 along with any hybrid event-related expenses (including streaming of a presentation) (Column N)
Industry Events		\$36	\$1,270	\$0	\$1,300	\$0	\$0	\$3,000	\$1,500	Increased to cover any catch-up, once in-person events are again permitted (Column M) or Online Events (Column N)
EOC Annual Appreciation Dinner	\$2,079	\$8	\$763	\$2,193	\$4,244	\$4,244	\$4,244	\$4,244	\$4,244	Same as 2020 Forecast wheather held in early 2021 (Column M) or later in 2021 (Column N)
Speaker fees & travel	\$0	\$0	\$191	\$1,189	\$2,000	\$0	\$0	\$2,000	\$2,000	Same as 2020 Budget
Gifts	\$221	\$452	\$0	\$200	\$500	\$0	\$0	\$500	\$500	Same as 2020 Budget
Networking Events	\$0	\$514	\$0	\$0	\$500	\$0	\$0	\$500	\$500	Same as 2020 Budget
CAFII Reception Events	\$0	\$0	\$0	\$0	\$900	\$0	\$0	\$0	\$0	
CAFII 25th Anniversary Celebration	\$0	\$26,495	\$0	\$0	\$0	\$0	\$0	\$0	\$0	This line item is a placeholder. But this expense will actually occur in 2022, CAFII's "silver anniversary" year
Total Board/EOC/AGM	\$41,896	\$70,745	\$52,957	\$65,053	\$83,844	\$9,803	\$14,235	\$62,644	\$38,644	
Provincial Regulatory Visits and Relationship-Building	\$10,395	\$11,011	\$11,230	\$16,833	\$12,875	\$983	\$983	\$12,875	\$8,000	Same as 2020 Budget (Column M) or reduced to cover travel only in Q3/Q4 (Column N)
Federal Regulatory Visits and Relationship-Building	\$0	\$0	\$0	\$442	\$7,500	\$540	\$3,750	\$7,500	\$5,000	Same as 2020 Budget (Column M) or reduced to cover travel only in Q3/Q4 (Column N)
Research/Studies	\$1,356	\$17,807	\$77,345	\$5,368	\$60,000	\$0	\$56,274	\$60,000	\$60,000	Same as 2020 Budget
Website SEO and Enhancements	\$0	\$0	\$21,702	\$40,914	\$41,950	\$22,104	\$41,950	\$41,950	\$41,950	Same as 2020 Budget
Regulatory Model(s)	\$0	\$15,001	\$6,490	\$7,555	\$15,000	\$0	\$0	\$0	\$0	Combined with Legal Fees; and this line item will be removed/dispensed with, beginning with the 2021 CAFII budget
CAFII Benchmarking Study/RSM Canada	\$0	\$0	\$0	\$0	\$67,800	\$51,415	\$67,800	\$67,800	\$67,800	Continuation of CAFII CPI Benchmarking Study with RSM Canada, estimated at \$60K plus HST.
FCAC Presentation	\$0	\$0	\$0	\$0	\$22,600	\$20,905	\$22,600	\$0	\$0	
Media Outreach	\$27,408	\$44,023	\$6,883	\$5,683	\$8,980	\$350	\$350	\$6,000	\$6,000	Expenses related to CAFII Media Releases including Wire Service charges (new split into separate Media Outreach and Media Consultant Retainer (David Moorcroft's S2C retainer) expenses)
Media Consultant Retainer	\$0	\$0	\$31,639	\$27,120	\$27,120	\$23,165	\$27,685	\$27,120	\$27,120	Monthly retainer fees for David Moorcroft, S2C (new split into separate Media Outreach and Media Consultant Retainer (David Moorcroft's S2C retainer) expenses)
Marketing Collateral	\$1,781	\$0	\$557	\$1,629	\$5,000	\$195	\$500	\$5,000	\$5,000	Same as 2020 Budget
Tactical Communications Strategy	\$446	\$379	\$0	\$0	\$0	\$0	\$0	\$0	\$0	This line item is being removed/dispensed with, beginning with the 2021 CAFII budget
TOTAL EXPENSE	\$ 414,214	\$ 675,862	\$ 705,793	\$ 675,816	\$ 883,845	\$ 588,253	\$ 779,264	\$ 871,101	\$ 839,726	
Excess of Revenue over Expenses	\$21,998	(\$200,185)	(\$10,248)	\$60,025	\$25,075	\$149,373	\$105,856	\$47,674	\$79,049	
Unrestricted Net Assets (beginning of year)	\$358,991	\$380,758	\$180,447	\$170,198	\$230,223	\$230,223	\$230,223	\$336,079	\$336,079	
Unrestricted Net Assets (end of year)	\$380,989	\$180,573	\$170,198	\$230,223	\$255,298	\$379,596	\$336,079	\$383,753	\$415,128	

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

Actual/Forecasted Financial Reserves	2016 Actual	2017 Actuals	2018 Actuals	2019 Actuals	2020 Budget
Minimum 3 months (25%) of Annual Operating Expenses =	\$103,554	\$168,966	\$176,448	\$168,954	\$220,961
Maximum 6 months (50%) of Annual Operating Expenses =	\$207,107	\$337,931	\$352,897	\$337,908	\$441,923
Actual/Forecasted Level of Financial Reserves:	\$380,758	\$180,573	\$170,198	\$230,223	\$255,298
Actual/Forecasted Level of Financial Reserves %:	92%	27%	24%	34%	29%

2020 Revised Forecast	2021 Budget	2021 Budget
\$194,816	\$217,775	\$209,931
\$389,632	\$435,550	\$419,863
\$336,079	\$383,753	\$415,128
43%	44%	49%

2019 Operational Budget - Member Dues Breakdown

2018 Member Dues Breakdown

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

2019 (Base) Member Dues Breakdown

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

2019 Operational Budget - Member Dues Breakdown - Revised

2019 Member Dues Breakdown

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

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

2020 Member Dues Breakdown

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

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

2020 Member Dues Breakdown

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

2020 Upper Tier Member

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

2020 Lower Tier Member

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

2020 Initiation Members (Upper Tier)

Sun Life Financial

2020 Associate

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

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

Did not renew in 2020

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

2021 Operational Budget - Member Dues Breakdown - No Dues Increase

2020 Member Dues Breakdown

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

2020 Upper Tier Member

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

2020 Lower Tier Member

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

2020 Initiation Members (Upper Tier)

Sun Life Financial 2 Year

2020 Associate

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

Briefing Note

CAFII Board Meeting 17 November 2020—Agenda Item 4(a)(i) Research & Education Committee – CAFII 2020 Consumer Research Project With Pollara Strategic Insights: Progress Report

Purpose of this Agenda Item – Update / Discussion

To update the EOC on the progress being made by CAFII on the CAFII 2020 Consumer Research Project with Pollara Strategic Insights.

CAFII has now launched a *Working Group to Develop 2020 Consumer Questionnaire with Pollara*. Currently, we envision taking this consumer survey to field in early 2021.

The members of the Working Group and its meeting dates are provided below.

Members of the Working Group to Develop 2020 Consumer Questionnaire with Pollara

Andrea Stuska (Chair)

Craig McKendrick

Sandy Zeidenberg

Aneta Murphy

Rob Dobbins

Dallas Ewen

Elaine Parr

Michelle Costello

Anita Mukherjee

Charles Blaquiére

Maria Pesheau

Resources

Lesli Martin, Pollara

David Moorcroft, Media Consultant

Keith Martin, CAFII

Brendan Wycks, CAFII

Meeting Dates

Wednesday, 4 November, 2020, 1-2pm

Thursday, 12 November, 2020 1-2pm (note: Wednesday, 11 November is a statutory holiday for many FIs)

Wednesday, 18 November, 2020 1-2pm

Recommendation / Direction Sought

This is an update only, with the opportunity for a brief EOC feedback discussion around the progress made to date and future implementation plans for the consumer survey.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting 17 November 2020—Agenda Item 4(b)(i)

CAFII Motion Graphic Website Video on Credit Protection Critical Illness Insurance and Disability Insurance

Purpose of this Agenda Item – Update

This is an update on progress around development of a video to publish on the CAFII website.

Background Information

CAFII has been working with its website consultant Operatic Agency (formerly RankHigher) on its 2020 website enhancement plan.

We are currently entering the visual production phase of this video. We should be able to complete this in 2020 and publish the video on the Association's website early in 2021.

Recommendation / Direction Sought – Update

This is an update only.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting 17 November 2020—Agenda Item 4(b)(ii)

Distribution to Insurance Regulators and Policy-Makers of Announcement Re Fair Treatment of Customers Enhancement to CAFII Website: New Claims Facilitation Section

Purpose of this Agenda Item – Update

This is an update on CAFII's sharing an announcement about a major Fair Treatment of Customers-focused enhancement to the CAFII website with insurance regulators and policy-makers across Canada.

Background Information

On November 5/20, CAFII sent over 200 insurance regulators and policy-makers an announcement about an enhancement to our website where a new "How to Make a Claim" section includes links to the claims section of our members' websites.

The new page will be permanently displayed in the CAFII tab on "Tools and Resources." This will provide easy access to our members' claims sections for consumers seeking claims information, and demonstrates to regulators and the public the transparency and openness of our members and their strong commitment to Fair Treatment of Customers. This change is now live.

Recommendation / Direction Sought – Update

This is an update only.

Attachments Included with this Agenda Item

1 attachment.

Agenda Item 4(b)(ii)
November 17/20 EOC Meeting

Distribution to Insurance Regulators and Policy-Makers of Announcement Re Fair Treatment of Customers
Enhancement to CAFII Website: New Claims Facilitation Section

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

Sent: November-05-20 1:40 PM

To: CAFII Board, EOC, and Other Committee Members

Cc: Brendan Wycks <brendan.wycks@cafii.com>; Albert Lin <albert.lin@cafii.com>

Subject: FW: Announcement from the Canadian Association of Financial Institutions in Insurance (CAFII)

Hello CAFII Board, EOC, and Other Committee Members.

CAFII recently made an enhancement to the CAFII website by introducing a new “How to Make a Claim” section that includes links to the claims section of each of our CAFII members’ websites.

This is an important, customer-centric change and as such, we have sent messages to our provincial and territorial regulators and policy-makers, along with federal regulators like the FCAC, announcing this change. An example of the message is contained below.

In total, over 200 regulators and policy-makers were sent this information. The full list is contained in the attachment. Regulators in Quebec were sent the message in French. Federal regulators were sent the message in both English and French.

Please don’t hesitate to contact Brendan or me if you have any questions.

Thank you,

--Keith

Keith Martin

Co-Executive Director / Co-Directeur général

Canadian Association of Financial Institutions in Insurance

L’association canadienne des institutions financières en assurance

keith.martin@cafii.com

T: 647.460.7725

www.cafii.com

Making Insurance Simple and Accessible for Canadians

Rendre l’assurance simple et accessible pour les Canadiens

From: Keith Martin

Sent: November 5, 2020 10:50 AM

To: British Columbia Insurance Regulators and Policy-Makers

Cc: Brendan Wycks <brendan.wycks@cafii.com>

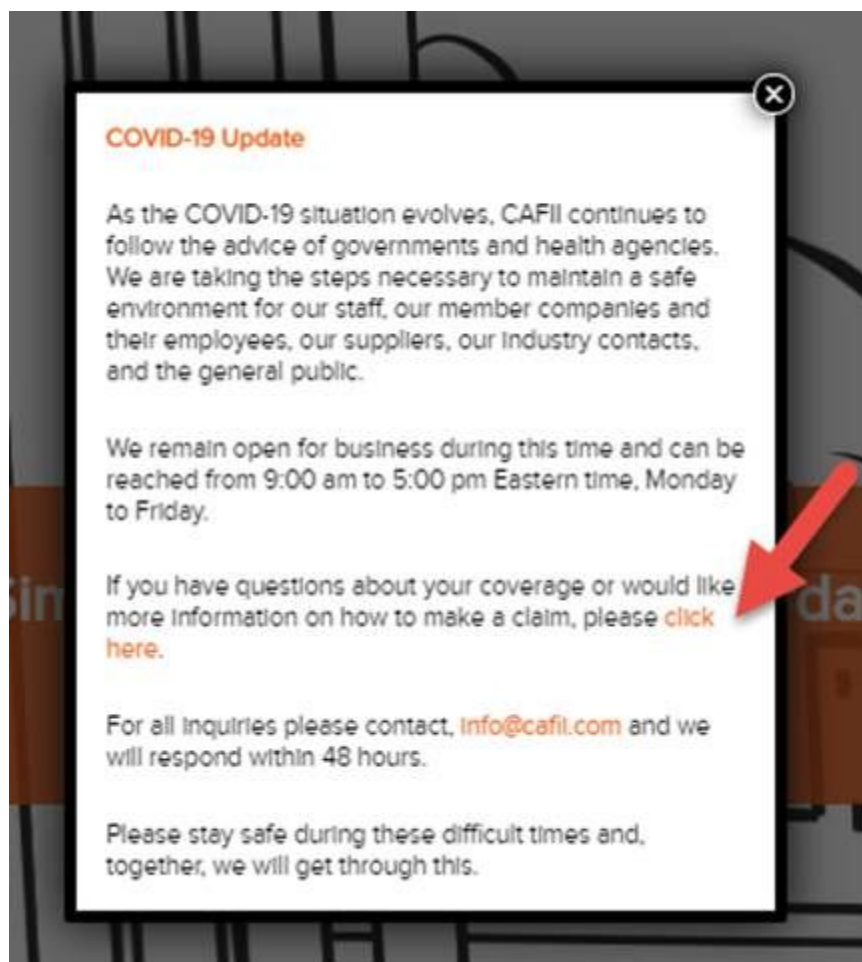
Subject: Announcement from the Canadian Association of Financial Institutions in Insurance (CAFII)

Dear British Columbia Insurance Regulators and Policy-Makers:

CAFII is pleased to share with you that at the direction of our Board of Directors, our Association has recently made an important Fair Treatment of Customers enhancement to our website: the addition of a new Claims Facilitation section.

This new CAFII website section provides consumers who are seeking information on how to make a credit protection insurance or travel insurance claim, on coverage they have with a CAFII member company, with direct links to the claims sections on the websites of our members.

Currently, when a visitor to the CAFII website (www.cafii.com) lands on our home page, a COVID-19 pop-up information box is immediately displayed; and a direct link to our site's new Claims Facilitation section is highlighted there.


















Alternatively, a visitor to our CAFII site can access the links to the claims pages of our members' websites directly in our new "How to Make a Claim" section, under the "Tools & Resources" tab: <https://www.cafii.com/how-to-make-a-claim/>:

How To Make A Claim

Making A Claim

The credit protection insurance and travel insurance products offered by our members protect you and your family under various circumstances described in your certificate of insurance. If you have questions about your coverage, or would like more information on how to make a claim, please click on the name of the financial institution from which you purchased your insurance, and it will take you to the relevant section of the company's website.

Company	Links
 ASSURANT®	https://cardbenefits.assurant.com/Creditor_Home
 BMO Insurance	https://www.bmo.com/main/personal/creditor-insurance/
 canada life	https://www.canadalife.com/insurance/creditor-insurance.html
 canadian premier <small>A Securian Financial company</small>	https://canadianpremier.ca/claims/
 CIBC	<p>Creditor Insurance https://www.cibc.com/en/personal-banking/insurance/creditor.html</p> <p>Optional Travel Insurance https://www.cibc.com/en/personal-banking/insurance/travel/claims.html</p> <p>Embedded Credit Card Travel Insurance https://cibccentre.risagroup.ca/</p>
 the co-operators	https://www.cooperators.ca/en/Claims.aspx
 CUMIS™	https://www.cumis.com/en/claims/Pages/credit-mortgage.aspx
 Desjardins Insurance	<p>For getting the forms and documents needed and information on how to submit a claim: claim.desjardinslifeinsurance.com/</p> <p>Secure link to send most of the documents needed for the claim to be analysed: www.desjardinslifeinsurance.com/send</p>
 Manulife	https://manulife.acmtravel.ca/accounts/login/
 NATIONAL BANK	<p>Claims on National Bank Life Insurance Company https://www.nbc-insurance.ca/claims.html</p> <p>Claims on National Bank of Canada https://www.nbc.ca/personal/insurance/claim.html</p>
 RBC Insurance	<p>Travel Insurance https://www.rbcinsurance.com/personal-insurance/claims-service.html?view=travel&claims=travel-claim</p>

	<p>Residential Mortgage Insurance https://www.rbcroyalbank.com/mortgages/homeprotector-mortgage-insurance.html</p> <p>Loan Protector Insurance https://www.rbcroyalbank.com/personal/loans/loanprotector-insurance.html</p> <p>Credit Card Protection Insurance https://www.rbcroyalbank.com/credit-cards/cardholders/value-added-services.html</p> <p>Business Credit Protection https://www.rbcroyalbank.com/business/loans/business-loan-insurance.html</p> <p>Travel Insurance https://www.rbcroyalbank.com/travel-insurance/claims-service.html#make-travel-claim</p>
	<p>Creditor Insurance Protection (claims including Mortgage, Line of Credit and Credit Cards) https://www.scotiabank.com/ca/en/personal/creditor-insurance/make-a-claim0.html</p> <p>Travel Insurance (claims) https://www.scotiabank.com/ca/en/homeneed/claims/travel-insurance.html</p>
	<p>https://www.sunlife.ca/en/explore-products/insurance/affinity-markets/creditor/</p>
	<p>Credit Protection and Travel Insurance claims https://www.tdinsurance.com/claims</p> <p>Balance Protection Insurance claims https://Cardbenefits.assurant.com/Creditor_Home</p>

This new Claims Facilitation initiative, which has been introduced at an industry association level by CAFII, is consistent with the many efforts our members have taken to be customer-centric and practise Fair Treatment of Customers.

Please do not hesitate to contact us if you have any questions.

Personal regards,

Keith Martin
CAFII Co-Executive Director

Brendan Wycks
CAFII Co-Executive Director

Keith Martin

Co-Executive Director / Co-Directeur général

Canadian Association of Financial Institutions in Insurance

L'association canadienne des institutions financières en assurance

keith.martin@cafii.com

T: 647.460.7725

www.cafii.com

Making Insurance Simple and Accessible for Canadians

Rendre l'assurance simple et accessible pour les Canadiens

Briefing Note

CAFII EOC Meeting 17 November 2020—Agenda Item 4(c)(i) Imminent AMF Consultations on Updated Sound Commercial Practices Guideline and New Regulation on Complaints Handling

Purpose of this Agenda Item – Update

This is an update on two imminent AMF regulatory consultations.

Background Information

The AMF has advised CAFII and other industry stakeholders that it will soon be conducting consultations on two regulatory initiatives: on an update to its Sound Commercial Practices Guideline (2013); and on a new Draft Regulation Respecting Complaints Processing.

CAFII plans to make submissions on each of the two initiatives.

Recommendation / Direction Sought – Update

This is an update only.

Attachments Included with this Agenda Item

1 attachment.

FAIR TREATMENT OF CUSTOMERS:
DIRECTIONS FOR PROPOSED FRAMEWORKS –
SOUND COMMERCIAL PRACTICES
GUIDELINE AND
DRAFT REGULATION RESPECTING COMPLAINT PROCESSING

Proposed Frameworks

- 1. Updated Sound Commercial Practices Guideline**
2. Draft Regulation respecting complaint processing and dispute resolution
3. Next steps

1. Updated Guideline

- 1.1. Key messages**
- 1.2. Background**
- 1.3. Underlying philosophy**
- 1.4. Main changes**

1.1. KEY MESSAGES

Financial institutions have a legal obligation to adhere to sound commercial practices

Commercial practices mean financial institutions' behaviour in their relationships with customers

1.1. KEY MESSAGES

Fair Treatment of Customers (FTC):

- Is based on international core principles
- Manifests itself at every stage of a product's life cycle, from product design to after-sales service

1.1. KEY MESSAGES

The Guideline sets out:

- Expected FTC outcomes for financial institutions
- Measures financial institutions can take to achieve the outcomes and meet their legal obligation to adhere to sound commercial practices

1.2. BACKGROUND

Ensure compliance with international core principles (International Association of Insurance Supervisors, ICP 19, updated in 2017)

Reflect the work done across Canada

- Insurance industry – CCIR guidance (2018)
- Banking sector – Changes to consumer protection framework (2017 - 2020)

1.2. BACKGROUND

Take into account:

- Bill 141
- Updates to certain AMF guidelines
- Draft Regulation respecting complaint processing and dispute resolution
- New personal information protection provisions

1.3. UNDERLYING PHILOSOPHY

Emphasize how important it is for institutions' decision-making bodies to firmly commit to and exercise strong leadership in making FTC a core component of their governance and business culture

1.4. MAIN CHANGES

Going forward, financial institutions are expected to have agreements in place with market intermediaries to ensure FTC

1.4. MAIN CHANGES (CONT.)

The topic of incentive management leads into the topic of conflict of interest management

- The proposed expectations take into account the customer-mutual fund registrant relationship reforms

1.4. MAIN CHANGES (CONT.)

Product design and product marketing are dealt with separately, in different sections, to promote a better understanding of the AMF's expectations

1.4. MAIN CHANGES (CONT.)

- Introduction of a new expected outcome for deposit institutions:
 - The AMF expects the customer's needs and situation to be taken into account when offering a product

Proposed Frameworks

1. Updated Sound Commercial Practices Guideline
2. Draft Regulation respecting complaint processing and dispute resolution
3. Next steps



2. Draft Regulation respecting complaint processing and dispute resolution

2.1. Background

2.2. Directions

2.1. BACKGROUND

Bill 141: New complaint processing provisions

Provisions practically identical in the 7 sector-based laws concerned:

- Treat complaints fairly
- Adopt a complaint processing policy
- Make a summary of the policy publicly available on the institution's website
- Keep a register
- Deliver an “acknowledgement of receipt” to the complainant stating the complainant's right to have the complaint examined by the AMF

2.1. BACKGROUND (CONT.)

The proposed framework covers registrants' complaint processes, not the AMF's internal mechanisms

2.1. BACKGROUND (CONT.)

The AMF wishes to leverage its role as an integrated regulator to propose a harmonized, FTC-based framework applicable to all sectors (various frameworks)

The AMF's objective is twofold:

- Facilitate the application of new legislative provisions for financial sector participants
- Improve customers' complaint experience

2.1. BACKGROUND (CONT.)

The AMF's thought process:

- Draws on practices that are working well for the industry in Québec
- Is aimed at eliminating certain practices that the AMF wants to see an end to
- Has been tested with its advisory committees and specific stakeholders

2.1. BACKGROUND (CONT.)

The content being considered for a framework:

- Is consistent with international core principles, including ICP 19
- Aligns with national principles, such as CCIR Guidance
- Compares favourably with what is being done elsewhere in the world

2.1. BACKGROUND (CONT.)

The content being considered for a framework is intended to ensure that:

- Complaints are dealt with in an objective and impartial manner
- Recurring weaknesses and issues are addressed
- Institutions are proactive in analyzing how other customers are impacted by the facts relating to the complaint

2.2. DIRECTIONS HARMONIZED FRAMEWORK

Comparable obligations across all sectors but set out in various instruments

Implementation by the financial institution or intermediary of a process that takes into account the nature, scope, size and complexity of its operations

2.2. DIRECTIONS

DEFINITION OF A COMPLAINT

Definition of a complaint:

- Initial obligation trigger event
- Must be sufficiently broad to prevent circumvention of the regime

The industry is asking for a clear definition

Transparency is critical for consumers

2.2. DIRECTIONS FUNCTIONS AND RESOURCES

Designation of a “complaints officer” function and a “complaint examination staff” function

Competence, independence and accountability of complaint examination functions

2.2. DIRECTIONS TIME LIMITS

60-day complaint examination period = strict time limit

15-day limit for transferring a complaint file to the AMF
at the request of the complainant

2.2. DIRECTIONS PROHIBITIONS AND PENALTIES

Conditions and restrictions may not be attached to a settlement offer

Confusing terms (e.g., Ombudsman) may not be used

Administrative penalties added

2.2. DIRECTIONS

ADDITIONAL CLARIFICATION

Clarification regarding:

- Fair treatment and analysis of complaints
- Contents of a complaint file
- Contents of a final decision
- Contents of the complaint processing policy summary made publicly available
- Time limit for registering complaints in the register
- Contents of the complaints register
- Contents of the notice of the complaint's registration in the register
- Length of time complaint records must be kept



Proposed Frameworks

1. Updated Sound Commercial Practices Guideline
2. Draft Regulation respecting complaint processing and dispute resolution
3. **Next steps**

3. NEXT STEPS

GUIDELINE AND DRAFT REGULATION

September – October 2020: Meetings with stakeholders

Coming months: Publication in the AMF Bulletin of the updated Sound Commercial Practices Guideline and the Draft Regulation for a 60-day comment period



AUTORITÉ
DES MARCHÉS
FINANCIERS

QUESTIONS?



78
AUTORITÉ
DES MARCHÉS
FINANCIERS

Briefing Note

CAFII EOC Meeting 17 November 2020—Agenda Item 4(c)(ii)

David Weir, FCNB Request For Follow-Up CAFII Response Submission On New/Further New Brunswick Insurance Act Rewrite Questions

Purpose of this Agenda Item – Update

This is an update on a follow-up informal regulatory consultation by the FCNB.

Background Information

David Weir asked CAFII for its views on a series of questions related to the New Brunswick Insurance Act rewrite. We answered his questions in a written CAFII submission on October 22/20; and on November 6/20, he followed up with a short list of additional questions.

Mr. Weir has suggested that CAFII and CLHIA collaborate in making a joint submission in response to his follow-up Insurance Act Rewrite questions; and Kate Walker, internal legal counsel at CLHIA and its lead on this file, has reached out to CAFII for that purpose.

Recommendation / Direction Sought – Update

This is an update only.

Attachments Included with this Agenda Item

1 attachment.

**Agenda Item 4(c)(ii)
November 17/20 EOC Meeting**

From: Weir, David (FCNB) <david.weir@fcnb.ca>

Sent: November-06-20 1:45 PM

To: Brendan Wycks <brendan.wycks@cafii.com>; Keith Martin <Keith.Martin@cafii.com>

Subject: RE: CAFII Response Submission On FCNB Informal Consultation On Proposed Changes To Life and Accident & Sickness Parts of New Brunswick Insurance Act

Hi Brendan and Keith,

Thank you very much for your feedback. I am working through CAFII's comments and making necessary changes to our recommendations. I may have a few follow up questions for you. I am also exploring what we are able to do with respect to sharing draft legislation.

I am hoping to get some information from CAFII on another issue. Section 182 deals with insurance money payable to a minor.

182(1) Where an insurer admits liability for insurance money payable to a minor and there is no person capable of giving, and authorized to give a discharge therefor, who is willing to do so, the insurer may, at any time after thirty days from the date of the happening of the event upon which the insurance money becomes payable, pay the money, less the applicable costs mentioned in subsection (2), into court to the credit of the minor.

182(2) The insurer may retain out of the insurance money, for costs incurred upon payment into court under subsection (1), the sum of ten dollars where the amount does not exceed one thousand dollars, and the sum of fifteen dollars in other cases; and payment of the remainder of the money into court discharges the insurer.

182(3) No order is necessary for payment into court under subsection (1), but a clerk of The Court of Queen's Bench of New Brunswick shall receive the money upon the insurer filing with him an affidavit showing the amount payable and the name, date of birth, and residence of the minor, and upon such payment being made the insurer shall forthwith notify the Minister of Finance and Treasury Board and deliver to him a copy of the affidavit.

There is a similar provision for an accident and sickness insurance contract at s. 215.

Other Canadian jurisdictions have similar provisions, but provide that the insurance money is payable to the Public Trustee rather than to the courts. For example, section 198 of the Manitoba *Insurance Act* reads:

198(1) If an insurer admits liability for insurance money payable to a minor and there is no person capable of giving and authorized to give a valid discharge for the insurance money who is willing to do so, the insurer may, at any time after 30 days after the date of the event on which

the insurance money becomes payable, pay the money to the Public Guardian and Trustee for the benefit of the minor and notify the Public Guardian and Trustee of the name, date of birth and residential address of the minor.

198(2) A payment made by an insurer under subsection (1) discharges the insurer to the extent of the amount paid.

We would like to amend our provisions to provide for payment of the money to the Public Trustee. We have had some preliminary discussion with the Office of the Public Trustee. We would like to get some more information on how it is currently working in NB and how it works in other jurisdictions. We have the following questions:

- How many cases would involve minors who did not have someone who could give the discharge to the insurer. In other words, how many times in a given year (average) are insurers making payments into court under sections 182 and 215? How many cases are there in the other Atlantic Provinces?
- What is the process that insurers follow under the two different systems, in particular what efforts do insurer's make to have things resolved without having to rely on a payment into court or to the public trustee? There is a concern that insurers may just send the money to the public trustee without making an effort to have the money paid to the guardian or trustee of the child (if that makes sense).
- How are the costs incurred by the public trustees for these services covered?

I was also reaching out to CLHIA with the same questions, but you two may wish to coordinate so that you are not duplicating your efforts.

Thank you as always for your assistance.

David Weir

Tel/Tél : 866-933-2222

Financial and Consumer Services Commission
Commission des services financiers et services aux consommateurs
www.fcnb.ca

Briefing Note

CAFII EOC Meeting 17 November 2020—Agenda Item 4(c)(iii)

Possible CAFII Direct Follow-Up With AMF Re CAFII's July 7/20 "Creative Solutions" Submission on Degree to Which Industry Can Meet AMF's Requirements Around RADM's Application to Credit Card-Embedded Insurance Benefits

Purpose of this Agenda Item – Discussion

This is an update on a regulatory consultation by the AMF, and a direction input request re CAFII's next steps.

Background Information

The AMF has still not responded to CAFII's July 7, 2020 submission on "creative solutions" around the RADM's application to credit card-embedded insurance benefits.

Should CAFII just remain silent and wait?

Should CAFII reach out to the AMF and ask when they are intending to respond?

Recommendation / Direction Sought – Update

This is a request for direction input via a brief EOC discussion.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting 17 November 2020—Agenda Item 4(d) Committee Updates—Travel Medical Insurance Experts Working Group

Purpose of this Agenda Item – Update

This is an update on travel medical insurance issues.

Background Information

Afzal Baig, Chair of the CAFII Travel Medical Insurance Experts Working Group, will provide a travel medical insurance update.

Recommendation / Direction Sought – Update

This is an update only.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting 17 November 2020—Agenda Item 4(e) Committee Updates—Networking and Events

Purpose of this Agenda Item – Update

This is an update on future virtual webinar events that CAFII is considering organizing/staging.

Background Information

Due to the COVID-19 pandemic, CAFII has pivoted to holding a series of virtual webinar events.

Recommendation / Direction Sought – Update

This is an update only.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

**CAFII EOC Meeting 17 November 2020—Agenda Item 5(a)
EOC Intelligence/Information-Sharing Re Internal Work Being Done Or Planned Re FCAC's
Development Of "Appropriateness Guideline" For Financial Products and Services; and Next Steps in
Board-Requested EOC Engagement on This Issue**

Purpose of this Agenda Item – Discussion

This is a discussion arising from a CAFII Board request of the EOC.

Background Information

At the 15 October, 2020 CAFII Board meeting, the Board requested that the EOC closely monitor the FCAC's work on the development of an "Appropriateness Guideline"; and in particular, **that the EOC members collect information about what work is being done on this file internally within their organizations, and share this with CAFII's Co-Executive Directors.**

Recommendation / Direction Sought – Discussion

This is a request for updates from EOC members via an information-sharing/intelligence-sharing EOC discussion.

Attachments Included with this Agenda Item

1 attachment.

Agenda Item 5(a)
November 17/20 EOC Meeting

EOC Intelligence/Information-Sharing Re Internal Work Being Done Or Planned Re FCAC's Development of "Appropriateness Guideline" for Financial Products and Services; and Next Steps in Board-Requested EOC Engagement on This Issue

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

Sent: November-04-20 4:38 PM

To: EOC Members

Cc: Brendan Wycks <brendan.wycks@cafii.com>

Subject: Board Request for EOC Members To Find Out and Share What Their Organizations are Doing Internally on the Appropriateness Test

Dear EOC Member:

At the 15 October, 2020 Board meeting, the Board agreed on an Action Item calling for EOC members (especially those in banks) to gather internal company information on what their member organization was doing on the FCAC's Appropriateness Guideline; and sharing this with Brendan and me, preferably prior to the November 17/20 EOC meeting, so that we can compile the various inputs into an aggregated, anonymous summary document that we distribute prior to the 17 November EOC meeting, or failing that, during the November 17/20 EOC meeting.

A summary document outlining in more detail the status of this file is attached (*below*).

Many thanks,

--Keith

Keith Martin

Co-Executive Director / Co-Directeur général

Canadian Association of Financial Institutions in Insurance

L'association canadienne des institutions financières en assurance

keith.martin@cafii.com

T: 647.460.7725

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One-Pager on CAFII Board's Directive/Request To The Executive Operations Committee (EOC) on the FCAC's Looming Financial Consumer Protection Framework (FCPF)-Based Financial Products "Appropriateness Guideline"

- The CAFII Board has asked CAFII EOC members to find out what their own organization is doing on this file internally:
 - This includes finding out what different departments within the overall company (e.g. parent bank), which may be more advanced than the Insurance section of the parent bank on how to respond to an Appropriateness Guideline, have done thus far or intend to do on this file
 - This also includes seeing what work internal legal counsel within members' organizations has done thus far or intends to do on the Appropriateness Guideline
- This needs to be reported to the CAFII Co-Executive Directors who, if an EOC member(s) so desires, can present it in an anonymous, aggregated form at the 17 November/20 EOC Meeting
- There may be a need to launch an EOC Working Group on this issue (perhaps as a relaunched CCBPI Industry Best Practices Working Group, but with a special, add-on/sidebar mandate), but that would be contingent upon EOC members bringing to the table and sharing meaningful intelligence at the 17 November/20 EOC meeting, derived from their internal investigations

Excerpt From September 22/20 EOC Meeting Minutes

5.c. Briefing Documents Being Developed For CAFII Board and EOC Members On Federal Financial Consumer Protection Framework (Bill C-86) And Quebec Bills 64 and 53

K. Martin reported that CAFII management has been asked to produce a Briefing Document on the FCAC's intention to develop an "appropriateness test" for financial products, along with a separate Briefing Document on Quebec Bills 64 and 53.

M. Boyle recommended that as part of CAFII's efforts on the FCAC appropriateness test, that the Working Group on CPI Best Practices be resuscitated, with the appropriateness test added to the mandate of the Working Group. It was also noted that CAFII will reach out to the CBA to find out what work it has done on this file.

[Action Item: resuscitate the Working Group on CPI Best Practices and add the FCAC appropriateness test to its mandate; K. Martin, 31 October, 2020.]

Excerpt From October 15/20 CAFII Board Meeting Minutes

Briefing Document on Federal Bill C-86, including Financial Consumer Protection Framework (FCPF); and Related Development of "Appropriateness Guideline"

B. Wycks and K. Martin summarized the briefing note developed for Board members on Bill C-86, including what we have learned around an appropriateness guideline that the FCAC is preparing. There was discussion about how to proceed, with a desire to get information from the CBA on what it was planning to do. It was also recommended that the EOC should look at this issue and offer its recommendations on how best to proceed.

[Action Item: Get EOC engaged in the issue of an FCAC Appropriateness Guideline, B. Wycks/K. Martin, 1 December 2020.]

Excerpt From October 29/20 CAFII EOC Meeting Minutes

5b. CAFII Board Directive/Request For Ongoing EOC Engagement in Monitoring FCAC's Development Of "Appropriateness Guideline" and Related Sharing of Members' Insights

K. Martin summarized the desire of the Board that the CAFII EOC gather information on what their member organizations were doing around the FCAC's looming Appropriateness Guideline, and share this with the CAFII Co-Executive Directors, who, if an EOC member(s) so desires, could present the information in an anonymous, aggregated summary. The EOC should play a leadership role on this issue, and findings should be reported back to the Board. The Board also asked the EOC to find out what work the CBA was doing on this and share this with the Co-Executive Directors.

Briefing Note

CAFII EOC Meeting 17 November 2020—Agenda Item 5(b)

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

Purpose of this Agenda Item – *Update*

Update on learnings from the weekly calls on travel medical insurance among CAFII, CLHIA, and THIA.

Background Information

This is an update on learnings from the weekly calls among CAFII, CLHIA, and THIA.

Recommendation / Direction Sought – *Update*

This is an update only.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting 17 November 2020—Agenda Item 6(a) Preparation For Dedicated/Special Purpose Early 2021 CAFII Board Meeting To Review and Update CAFII Strategic Plan, Including Development of a Pre-Read Document

Purpose of this Agenda Item – Update / Discussion

CAFII's 3-5 Year Strategic Plan was approved nearly 3 years ago. The Board was asked at its 15 October, 2020 meeting to advise as to whether the Association's Strategic Plan should be reviewed and possibly updated at this time.

Background Information

The key elements of the CAFII 3-5 Year Strategic Plan remain very relevant today, and continue to be implemented, including strengthening regulatory relationships; developing independent research to share with regulators and to enrich content on our website; enhancing our consumer-facing website; and increasing our media profile.

However, with the passage of time, it might be advisable to review the Strategic Plan with the Board and determine whether its needs refreshing, particularly in the context of industry changes that are being driven by the COVID-19 pandemic.

Recommendation / Direction Sought – Update / Discussion

This is an update, followed by a brief EOC input discussion, around the fact that the CAFII Board has requested that the CAFII 3-5 Year Strategic Plan be reviewed and possibly updated at a Special Purpose Board Meeting to be held early in 2021.

Attachments Included with this Agenda Item

1 attachment.

CAFII Strategic Options— Recommended Directions for Board Approval

February 2018

Recommend Board Approval of Areas to Invest In—Unanimous or High Support

Board Approval Requested

Maintain and Build on Regulatory Strength

Develop a Significant Research Program

Assertive Communication and Networking Program with Influencers

Continue to Invest in Website

Develop Long Term, Proactive Regulatory Positions

Recommend Board Approval of Areas to Not Invest In—Little Support

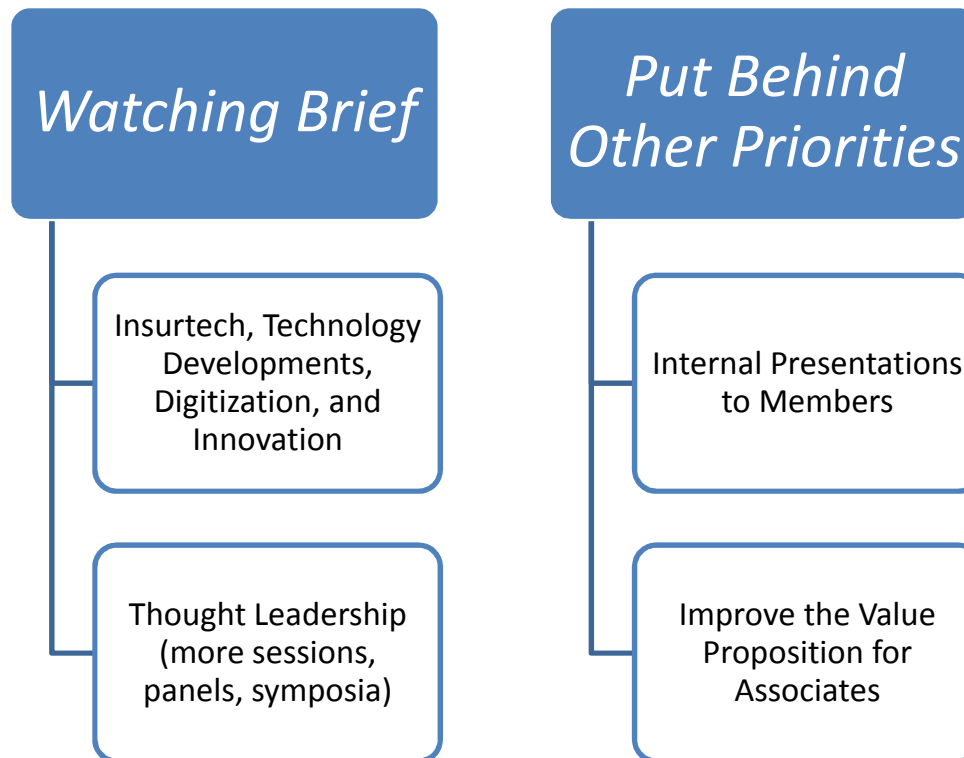
Board Approval Requested

More CAFII Committees

Develop a Newsletter

Develop a Certification Program

Recommend Board Approval of Areas that are Medium Priorities



Board Approval Requested

Recommend Board Approval of Proposed Core Strategic Prioritization Statement

Core Statement

Board Approval Requested

CAFII's **mission** remains the same:

CAFII will represent, promote and advance the interests of financial institutions in insurance and affiliated organizations. Its express goal is fostering an open and flexible marketplace that is efficient and effective and allows consumers an expanded choice in the purchase of insurance products and services. CAFII will work with other industry associations, where appropriate, to ensure public policy supports a legislative and regulatory environment that is healthy for future growth.

In support of this mission, CAFII's fundamental strategic priority will be to develop outstanding relationships and communications with insurance regulators and policy-makers across Canada. To promote this objective, we will meet in-person with representatives of these groups at least once every 18 months.

We will deepen these relationships by embarking on a significant research program that will provide us with interesting and relevant content to share, and which can gain us public profile. Our research program will dovetail with a proactive element to our regulatory focus through which we will seek to educate and influence key constituents about our long-term objectives.

Our research findings and our regulatory expertise will also serve as the foundation for an assertive communications and networking strategy through which we will meet on an ongoing basis with key influencers including policy-makers, senior bureaucrats, politicians, thought leaders, Association leaders, academics and others with whom we will share our research insights and key messages. As part of our efforts to increase our focus on and relevance to consumers and to heighten our public profile, we will continue to invest in the CAFII website and explore expanding and enhancing our media profile.

In addition to these strategic priorities there are other initiatives that CAFII will continue to promote, but as lower priorities. We will keep a watching brief on Insurtech, Technology Developments, Digitization, and Innovation, and on increasing our thought leadership through additional meetings and presentations in our areas of expertise. We will leverage our regulatory expertise and research with presentations to internal audiences within our membership; and we will explore ways to enhance the value proposition of being an Associate, with the objective of attracting more to join CAFII.

cafii acifa

The Canadian Association of
Financial Institutions in Insurance

L'association canadienne des
institutions financières en assurance

Making Insurance Simple and Accessible for Canadians
Rendre l'assurance simple et accessible pour les Canadiens

Thank You

Briefing Note

CAFII EOC Meeting 17 November 2020—Agenda Item 6(b)

CAFII Marketing/Outreach Plan For Attracting New Associates for 2021

Purpose of this Agenda Item – Update / Discussion

CAFII has multiple potential Associates that it could attract in 2021.

Background Information

Associates pay \$4800 annually in Associate Dues and they cause little additional expenses for the Association as CAFII can repurpose existing work efforts and deliver them as benefits to Associates. This is an opportunity to discuss an approach CAFII is proposing to attract some new Associates in 2021.

Recommendation / Direction Sought – Update / Discussion

This is an update and brief EOC input discussion on a strategy CAFII management is proposing with respect to attracting new CAFII Associates in 2021.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting 17 November 2020—Agenda Item 6(c) Draft Minutes of October 29/20 EOC Teleconference Meeting

Purpose of this Agenda Item – *Approval*

Approval of EOC Minutes.

Background Information

The EOC is being asked to approve the minutes of its 29 October, 2020 meeting.

Recommendation / Direction Sought – *Approval*

This is a request for approval.

Attachments Included with this Agenda Item

1 attachment.

CAFII Executive Operations Committee Teleconference-Only Meeting

Tuesday, October 29, 2020

Minutes

EOC Present:

Martin Boyle, BMO Insurance
Dana Easthope, Canadian Premier Life
John Lewsen, BMO Insurance
Michelle Costello, CUMIS
Sharon Apt, Canada Life Assurance
Emily Brown, Sun Life
Pete Thorn, TD Insurance
Marie Nadeau, National Bank Insurance
Kamana Tripathi, TD Insurance
Diane Quigley, CUMIS/The Co-Operators
Dominique Julien, CIBC Insurance
Tony Pergola, ScotiaLife Financial, CAFII Treasurer
Shawna Sykes, CUMIS/The Co-Operators
Brad Kuiper, ScotiaLife Financial
Charles Blaquiere, Valeyo
Andrea Stuska, TD Insurance
Penelope Cordogiannis, RBC Insurance
Ben Gray, CIBC Insurance
Anita Mukherjee, RBC Insurance
Afzal Baig, TD Insurance

Also Present:

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

1. Welcome, Call to Order, and Priority Matters

1.a. Call to Order

CAFII Co-Executive Director B. Wycks moderated the meeting, and called the meeting to order at 2:02 pm.

1.b. EOC Chair Succession

It was reported that a willing and qualified candidate to be the successor to M. Boyle as EOC Chair and Board Secretary had not yet been secured. CAFII's Co-Executive Directors are working diligently with the CAFII Board Chair on this file and should have a further update soon.

2. Consent Items

The following six consent Items that do not require any discussion or decisions were received for the record:

- Consultations/Submissions Timetable
- Regulatory Update

- Regulator and Policy-Maker Visit Plan
- Summary of Board and EOC Action Items
- CAFII Submission To FCNB On Informal Consultation on Contemplated Changes To Life Insurance and Accident & Sickness Insurance Parts of New Brunswick Insurance Act
- Board-Approved Schedule of CAFII 2021 Board and EOC Meeting Dates

3. Financial Management Matters

3.a. CAFII Financial Statements as at September 30/20

CAFII Treasurer T. Pergola reported that CAFII's financial position as at September 30, 2020 was strong, partly due to lower expenses due to activities not taking place due to COVID-19 (such as travel by CAFII's Co-Executive Directors, or in-person receptions). Year-to-date revenues of \$664,000 relative to expenses of \$542,000 are producing an interim surplus of \$121,000, which is a positive variance of \$102,000 versus the year-to-date budget. Currently, the Association's financial reserves are at 40% of annual operating expenses, but as some expenses are booked that have not occurred yet due to timing issues, that level of financial reserves will be reduced somewhat by the end of the fiscal year.

3.b Forecast For CAFII 2020 Fiscal Year as at September 30/20

Treasurer T. Pergola reported that CAFII's 2020 fiscal year surplus will be higher than expected due to lower expenses being incurred in this pandemic-afflicted year; and currently it is expected that CAFII's end-of-year financial reserves will be at 38% of annual operating expenses, which is well within the Association's 25% to 50% target range.

3.b.i. Preliminary Draft of CAFII 2021 Operating Budget (Incorporating Assumptions and Related Feedback From CAFII Board on October 15/20)

Treasurer T. Pergola advised that at its December 1/20 meeting, the CAFII Board will be presented with two or more 2021 Operating Budget Options, which will vary based upon whether the current pandemic-imposed travel and in-person meeting restrictions are expected to be lifted at some point during 2021.

B. Wycks advised that there had been an indication that in 2021, CAFII would have one new Member at the lower tier of membership dues, arising from the fact that a current Member and its distribution company subsidiary had decided that they would each be separate members of the Association starting in 2021. Pending confirmation of this signalled intention, the change would result in an incremental \$39,000 in membership dues revenue.

[Action Item: Produce Draft 2 of Proposed CAFII 2021 Operating Budget, containing two or more Budget Options, for the EOC's review at its 17 November, 2020 meeting and prior to the CAFII Board's 1 December, 2020 meeting; B. Wycks, K. Martin, T. Pergola, T. Moran, 13 November, 2020.]

4. Committee Updates

4.a. Research & Education

4.a.i. Next Steps In Implementing Board-Approved CAFII 2020 Consumer Research Project With Pollara Strategic Insights, Including Creation Of Working Group To Assist Research & Education Committee In Developing Survey Questions

A. Stuska, Chair of the Research & Education Committee, reported on the CAFII Board's approval of the CAFII 2020 consumer research project with Pollara, at its 15 October, 2020 meeting. CAFII will now set up a *Working Group on the Questionnaire for the 2020 Consumer Research Project*. EOC members are invited to join, or to nominate an individual from their organization to be on the Working Group. It was also noted that the current projected timeline is to have the questionnaire completed in 2020, but to actually go to field early in 2021, so that the lifespan of the research can be extended.

[Action Item: Ask EOC members to nominate volunteers for a Working Group on the Questionnaire for the 2020 Consumer Research Project; K. Martin, 6 November, 2020.]

4.b. Media Advocacy

4.b.i. CAFII Motion Graphic Website Video On Credit Protection Critical Illness Insurance and Disability Insurance; and New Website Vignettes and FAQs On CAFII Member Products

C. Blaquiere reported that CAFII had made significant progress in delivering on some of its investment priorities around the CAFII website. K. Martin added that the motion graphic website video on credit projection insurance was moving to production of the video component, and new FAQs and vignettes were now posted on the CAFII website.

4.b.ii. CAFII Website Enhancement To Effect Board Request Re Facilitating Consumers' Filing Of Credit Protection Insurance and Travel Insurance Claims With CAFII Members

K. Martin noted that the CAFII website now included a new "How to Make a Claim" section with links to the claims section of each of the Association's members. Because this was an important Fair Treatment of Customers enhancement, an announcement about this initiative would be sent to insurance regulators and policy-makers across Canada, Mr. Martin advised.

[Action Item: Disseminate announcement about new CAFII website section on "How to Make a Claim" with insurance regulators and policy-makers across Canada; K. Martin, 6 November, 2020.]

4.c. Market Conduct & Licensing

4.c.i. Insights Gained From October 26/20 AMF Background/Launch Webinar For CAFII On Two Upcoming Industry Consultations

K. Martin and B. Wycks provided a brief update on the important learnings from the webinar on October 26, 2020 with the AMF officials on their intention to hold stakeholder consultations on their update plans with respect to the Autorite's Sound Commercial Practices Guideline (2013) and its new Draft Regulation on Complaints Processing. The AMF said that they would give industry stakeholders at least 60 days to offer their comments.

It was noted that during the webinar, B. Wycks made the observation to the AMF that if they release the documents in late November, with a 60 day consultation window, that would mean that the submissions from industry would need to be developed over the holiday season. The AMF said that they were taking note of that important observation and would take it into consideration.

[Action Item: Share the AMF's presentation deck with EOC members and other relevant CAFII member representatives; B. Wycks, 17 November, 2020.]

4.c.ii. Development Of CAFII Response Submission On AMF's Updating Of "Sound Commercial Practices Guideline"

K. Martin advised that CAFII will develop a response submission to the AMF's consultation on its updated Sound Commercial Practices Guideline, and more information will be forthcoming when the AMF publishes the actual consultation document and its timelines for submissions.

4.c.iii. Development of Response Submission On AMF's Draft Regulation On Complaint Processing

B. Wycks advised that CAFII will develop a response to the AMF's consultation on its Draft Regulation on Complaint Processing, and more information will be forthcoming when the AMF publishes the actual consultation document and its timelines for submissions.

4.c.iv. Development of CAFII Response Submission on FSRA's Unfair or Deceptive Acts or Practices (UDAP) Rule

K. Martin reported that CAFII recently participated in a FSRA Life and Health Insurance Sectoral Advisory Committee virtual meeting on FSRA's desire to turn the inherited FSCO Regulation on Unfair or Deceptive Acts or Practices (UDAP) into a FSRA rule; and AFII has already provided FSRA with some preliminary feedback on this initiative. When the formal document and timelines on this FSRA initiative, CAFII will develop a formal action plan and will share this with EOC members.

4.c.v. Development of CAFII Response Submission on FSRA's Fiscal Year 2021-22 Proposed Statement of Priorities and Budget

K. Martin reported that CAFII is preparing a formal submission to FSRA on its Proposed 2021-2022 Statement of Priorities and Budget. The draft CAFII response submission will be shared initially with the Market Conduct and Licensing Committee, and then shared with the EOC for review and feedback, before it is finalized and sent to FSRA.

4.d. Travel Medical Insurance Experts

A. Baig advised that his update related to the Travel Medical Insurance Experts Working Group would be made under Agenda Item 6di.

4.e. Networking & Events

4.e.i. CAFII Board Feedback On Possible Webinar Or Other Virtual Event Immediately Following December 1/20 CAFII Board Meeting

B. Wycks reported that the CAFII Board indicated at its 15 October, 2020 meeting that it did not wish to have a webinar or a Holiday Season virtual social event immediately following the 1 December, 2020 Board meeting.

5. Recent and Upcoming Strategic and Regulatory Initiatives

5.a. Insights Gained From October 21/20 CAFII 2020 Annual Members' Luncheon Webinar Presentation By FCAC On Financial Consumer Protection Framework

B. Wycks noted that the 21 October, 2020 CAFII 2020 Annual Members' Luncheon Webinar by Teresa Frick, the FCAC's Director of Supervision and Enforcement, provided many insights, and was also a good relationship-building exercise. It was noted that CAFII now had a much better understanding of some of the FCAC's key priorities, and had learned what the FCAC's new organizational structure is.

[Action Item: Share the FCAC's presentation deck with EOC members and other relevant CAFII member representatives; B. Wycks, 17 November, 2020.]

5.b. CAFII Board Directive/Request For Ongoing EOC Engagement In Monitoring FCAC's Development Of "Appropriateness Guideline" and Related Sharing of Members' Insights

K. Martin advised that at its 15 October, 2020 meeting, the CAFII Board had formally requested that the EOC monitor the issue of the FCAC's development of an "Appropriateness Guideline" for financial products and services carefully; and it had specifically requested that CAFII's federally regulated financial institution (FRFI) members find out what their organizations are doing on this file internally, and share information on this with CAFII's Co-Executive Directors.

The CAFII Board also requested that any information about work on this file which FRFI members are involved in at the Canadian Bankers Association (CBA) be shared with CAFII's Co-Executive Directors.

It was also noted that the Board was still discussing the timeline for reaching out to the FCAC on this matter, with some Board members concerned that proactively engaging the FCAC on the matter could lead the Agency to feel that they should definitely include credit protection insurance in the Appropriateness Guideline.

[Action Item: FRFI EOC members to share with Co-Executive Directors the work being done within their organizations on the FCAC's Appropriateness Guideline and about their organization's involvement in this file with the CBA; relevant EOC members, 17 November, 2020.]

5.c. Feedback From CAFII Board On Briefing Note On Quebec Bills 53 and 64

K. Martin noted that Quebec Bill 53 is about credit rating agencies and is of only marginal relevance to CAFII's focus.

Quebec Bill 64 is on updating the province's personal information and privacy protection legislation and is of greater relevance to CAFII's focus and mandate, but the September 30/20 timeline for making a submission on this Bill has passed. CAFII will continue monitoring this Bill and if there is an opportunity to do so, will provide views to the Quebec Government, particularly on the need to harmonize Quebec legislation with the federal PIPEDA, and to avoid overly constrictive informed consent requirements.

5.d. Impact Of COVID-19 On CAFII Members, Credit Protection Insurance and Travel Insurance

5.d.i. Insights Gained From October 15/20 CAFII/AMF “Industry Issues Dialogue,” Including Position On Denial Of Trip Cancellation Travel Insurance Claims Where Insured Has Also Received An Airline Or Other Travel Services Provider Voucher

CAFII learned from Frédéric Pérodeau, the AMF’s Superintendent, Client Services and Distribution Oversight, at the 15 October, 2020 CAFII/AMF Industry Issues Dialogue, that if a travel insurance contract indicates that trip cancellation claims will not be paid out if an airline offers the consumer a voucher, that is something the AMF is comfortable with; but if there is no such language in the insurance contract, then the AMF’s position is that an airline’s issuance of a voucher is not sufficient grounds to deny a trip cancellation claim.

5.d.ii. Insights Gained From CAFII/CLHIA/THIA Weekly Calls Re Impact Of COVID-19 On Travel Insurance Industry

B. Wycks noted that based on regular meetings with Global Affairs Canada, both CLHIA and THIA are of the view that Canada’s land border with the United States will not be re-opening within the foreseeable future.

6. Governance Matters

6.a. Draft Minutes of September 22/20 EOC Teleconference Meeting

The draft minutes of the 22 September, 2020 EOC teleconference meeting were approved.

6.b. Draft Minutes of October 15/20 CAFII Board Teleconference Meeting

The EOC endorsed the draft minutes of the 15 October, 2020 CAFII Board teleconference meeting, for presentation to the Board for its approval.

6.c. Documentation of CAFII HR Policy Re Co-Executive Directors Performance Review Process

M. Boyle updated the EOC on his proposal to document into a formal policy the currently undocumented process for the CAFII Co-Executive Directors’ annual performance review, for approval by the Board at its 1 December, 2020 meeting.

7. Other Business

None raised.

Briefing Note

CAFII EOC Meeting 17 November 2020—Agenda Item 7(a) Launch of Saskatchewan RIA Advisory Committee

Purpose of this Agenda Item – *Read Only Item*

This is an update on the development of a Saskatchewan RIA Advisory Committee.

Background Information

CAFII and CLHIA have been invited to propose candidates for the Saskatchewan RIA Advisory Committee.

CAFII's proposed candidates will be:

Moira Gill, TD Insurance;

Shawna Sykes, CUMIS/The Co-operators; and

Charles MacLean, RBC Insurance.

Recommendation / Direction Sought – *Update Only*

This is an update only.

Attachments Included with this Agenda Item

No attachments.