

CAFII EOC Meeting

Tuesday, November 18, 2014

Location: Royal Bank Plaza, South Tower, Capital Markets

200 Bay St., 5th Floor, [Dominion Securities Rm], Toronto

1:30 p.m. – 4:00 p.m.

Conference call dial-in information:

416-764-8662 or 1.888-884-4534, participant code: 771017#; moderator code: 7661560#

Chair: G. Grant

11:45 AM - Jennifer Hines Thank You Lunch at Biff's Bistro, 4 Front St. East, Toronto, ON

Agenda

- | | |
|---|------------------------------|
| 1. Call to Order | G. Grant |
| 2. FCAC National Financial Literacy Conference Update | J. Dobbs |
| 3. Approval of Agenda and Previous Minutes | All |
| a. EOC Minutes of October 28, 2014 <i>[attachment]</i> | |
| b. Summary of Board and EOC Action Items <i>[attachment]</i> | |
| 4. CAFII Strategy Session | G. Grant |
| 5. CAFII Financial Management | |
| a. Financial Statements as at October 31, 2014 <i>[attachment]</i> | R. Rajaram |
| b. 2015 CAFII Operating Budget Draft <i>[attachment]</i> | B. Wycks/G. Grant/R. Rajaram |
| c. Expense Reimbursement Policy Draft <i>[attachment]</i> | G. Grant |
| 6. Membership Update: CUMIS Group Application | B. Wycks / J. Lewsen |
| 7. Regulatory Relations and Advocacy | |
| a. Travel Insurance Pan-Industry Project Group (TIPIP) | B. Wycks |
| b. Ontario Credit Unions 5-Year Review <i>[attachment]</i> | B. Wycks/G. Grant |
| c. Regulatory Update <i>[attachment]</i> | B. Wycks |
| d. Regulator and Policy-Maker Visit Plan <i>[attachment]</i> | B. Wycks |
| 8. Update on Transition Arising from Board Direction on Media Advocacy | G. Grant |
| 9. EOC Committee Updates | |
| a. Distribution and Market Conduct Committee | |
| i. CAFII Value Proposition Project <i>[attachment]</i> | S. Manson |
| b. Licensing Efficiency Issues Committee | M. Gill |
| c. Media and Communications Committee | J. Lewsen/M. Gill |
| d. Events and Networking Committee | |
| i. December 2 Board Meeting and Reception | P. Yeung/M. Sanchez-Chung |
| 10. Other Business | |
| a. 2015 Draft Meeting Calendar <i>[attachment]</i> | L. Duigu |
| • Next Board Meeting is Dec 2/14 in Toronto (ON) hosted by CAFII. | |
| • Next Regular EOC Meeting is Jan 13/14 in Toronto followed by the EOC Annual dinner at 5:30 pm | |

CAFII EOC Meeting Minutes

Tuesday, October 28, 2014

**Location: Royal Bank Plaza, South Tower, Capital Markets
200 Bay St., 5th Floor, [Dominion Securities Rm], Toronto, ON**

Present:	Carol Allen	Assurant Solutions (<i>by teleconference</i>)
	Rose Beckford	ScotiaLife Financial
	Derek Blake	RBC Insurance
	Emily Brown	BMO Insurance
	Andre Duval	Desjardins Financial Security Life Assurance
	Eleanore Fang	TD Insurance (<i>by teleconference</i>)
	Moirra Gill	TD Insurance (<i>by teleconference, for part</i>)
	Greg Grant	CIBC Insurance, <i>Chair</i>
	John Lewsen	BMO Insurance
	Sue Manson	CIBC Insurance
	Rosemary Pulla	BMO Insurance
	Raja Rajaram	CIBC Insurance (<i>by teleconference, for part</i>)
	Paul Yeung	RBC Insurance (<i>for part</i>)
Regrets:	Charles Blaquiére	Canadian Premier Life Insurance Co.
	Maria Sanchez-Chung	TD Insurance
Also Present:	Joshua Whittingham	RBC Insurance
	Leya Duigu	T•O Corporate Services, <i>Recording Secretary (by teleconference)</i>
	Brendan Wycks	CAFII Executive Director

1. Call to Order

The meeting was called to order at 1:05 pm. Greg acted as Chair and Leya acted as Recording Secretary.

2. Approval of Agenda and Previous Minutes

The agenda was approved as presented.

a. EOC Minutes of September 23, 2014

The EOC Minutes of September 23, 2014 were approved as presented.

b. Board Minutes of October 7, 2014

No comments were received regarding the Board Meeting Minutes of October 7, 2014.

c. Summary of Board and EOC Action Items

A number of items on the Summary of Board and EOC action items have been completed and discussion occurred on the following:

- The 2015 Budget is currently being drafted and committee chairs have been requested to submit their budgets to Leya.
- EOC members will have an opportunity to review Item #18 related to the Key Messages Map and Key Messages, before they are presented to the board for approval.
- Confirmation of an alternative host for the December 2 meeting and reception is still outstanding. Alternative options were investigated and it has been determined that December 2 is the only date the board meeting is likely to achieve quorum. Therefore CAFII is considering booking a venue directly such as Malaparte at the Bell TIFF Lightbox.

3. CAFII Financial Management

a. Financial Statements as at September 30, 2014

As per the Statement of Operations, CAFII has a year-to-date operating surplus of \$17K and all membership fees have been received. The bank balance is a healthy \$54K, total assets are \$438K and the unrestricted net assets are \$305K.

b. Development of 2015 CAFII Operating Budget

Brendan and Leya have prepared a template for 2015 budget development, which includes a spending forecast for 2014. Committee chairs have been asked to provide their numbers by email.

Members discussed the development of a strategy for the Association which would drive spending decisions. Topics included:

1. Various items in support of media outreach
2. Research into travel insurance issues arising from TIPIP discussions.

4. Board Direction on Media Advocacy

The Chair of the October 7, 2014 Board meeting, Isaac Sananes, sent a message this week advising members of a decision made during the Board's in-camera session. Directors have decided to establish a new committee made up of members with direct media and communications experience for the purpose of furthering CAFII's media advocacy strategy. This decision requires some decision-making as to the role of the existing Media and Communications committee moving forward.

To date, the following individuals shall be on the newly struck committee: Paul, Greg, Brendan and Pascal Dessureault (TD Insurance).

5. Regulatory Relations and Advocacy

a. Regulatory Update

Brendan provided a summary of the Regulatory Update included in the materials and additional information and discussion occurred as follows:

- British Columbia, 10-Year Review of Financial Institutions Act. CAFII is in receipt of an invitation to a pre-consultation round table discussion on Friday, November 21 in Vancouver. However, Brendan Wycks has a conflict with FSCO's Life & Health Insurance Symposium on that date and is working with Greg and Moira on having alternate CAFII representation at the BC meeting.

b. Travel Insurance Pan-Industry Project Group (TIPIP)

The working group's Briefing Document submission to the Canadian Council of Insurance Regulators (CCIR) is currently in draft and all committee members and stakeholders are expected to provide feedback by Thursday, October 30. EOC members should consult with their board members to confirm if there are any objections or issues with the principles in the document. The goal is to submit the report by the end of October.

Two additional TIPIP meetings are scheduled in November where the group intends to work on a GAP analysis and Q&A that will most likely be utilized in a meeting with Harry James, after he has read the Briefing Document.

c. Regulator & Policy-Maker Visit Plan

It was reported that the Regulator & Policy-Maker Visit Plan is currently being revised with the goal of achieving a more forward-looking summary of our visits, and the updated version will be provided at the next EOC meeting.

Action: The Regulator & Policy-Maker Visit Plan to be presented at the next EOC Meeting.
[Brendan; November 18, 2014]

6. EOC Committees Updates

a. Distribution and Market Conduct Committee

i. CAFII Value Proposition Project

The committee is currently waiting for confirmation on the participation of one more insurer and, in the interim period, Towers Watson has begun working on analysis of the data from the creditor insurance survey completed by CAFII members. At the start of the project, the group expected to present the results at the Board meeting on December 2, 2014; however, at that time, only the results of the first survey completed by members will be available. Discussion occurred on the benefits of delaying the presentation until the results are available from both the CAFII member and individual insurer surveys versus presenting them separately.

Action: An interim report to be presented to the EOC (November 18) and Board (December 2) at their upcoming meetings. The final results to be presented at the Board meeting in April 2015. [DMC; December 2, 2014]

b. Licensing Efficiency Issues Committee

There are no updates at this time. The committee will be meeting in November with the goal of moving forward with several recommendations and action items.

7. Media and Communications Committee

The committee met on October 22 to focus on preparing for the FSCO panel presentation coming up in November. Panel members were provided with a preliminary list of questions and members discussed CAFII's responses to each. It was acknowledged that the opportunity for Brendan to represent CAFII on this panel is a milestone and another step forward in CAFII's journey.

The committee discussed issues surrounding the posting of member-generated, video testimonials online and John outlined a recommendation that was provided by Leya to host the videos on a third-party site, to which members have agreed to move forward with.

Judy Dobbs, RBC Insurance, is attending the FCAC's National Financial Literacy Conference in Vancouver on November 6-7, 2014 and can be invited to attend the November 18 EOC meeting to provide an update to the group.

Action: Judy Dobbs, RBC, to be invited to provide an update on the FCAC National Financial Literacy Conference to the EOC at the next meeting. [Paul; November 18, 2014]

8. Events and Networking Committee

Once he/she is appointed, the new CEO of FSCO shall be approached to be the guest speaker at CAFII's April 2015 Reception event and members are encouraged to submit other speaker suggestions to Paul and Maria.

9. Other Business

a. 2015 Draft Meeting Calendar

The 2015 draft meeting calendar was included in the package for review and members are asked to communicate any conflicts with Leya and Brendan.

Action: Leya and Brendan to be notified of any conflicting dates in the proposed 2015 meeting calendar. (EOC; November 12, 2014)

10. Termination

There being no further business, the meeting terminated at 3:15 p.m. The next CAFII EOC Meeting will be held on November 18, 2014, in Toronto.

Date

Chair

Recording Secretary

Summary of Meeting Action Items: BOARD & EOC

	Source	Action Item	Responsible	Deadline	Status as of 14-Nov-14
BALANCED SCORECARD / PERFORMANCE MANAGEMENT					
		Balanced Scorecard			
1	Board June 10, 2014	<ul style="list-style-type: none"> Continue refining the Balanced Scorecard to highlight major goals within each section, for purposes of reporting at Board meetings. 	Greg, Brendan	Ongoing	Ongoing
2	Board April 8, 2014	Brendan Wycks and the EOC to refine the Balanced Scorecard to reflect the following feedback: <ul style="list-style-type: none"> Identify top three (3) priorities for 2014 in each area of activity Use colour coding to aid in identifying importance and risk, for example: red (high risk) and blue (low risk) Add a percentage weighting to each broad area of activity/audience; and to sub-items Identify key persons responsible, primary and secondary, for each item 	B. Wycks, EOC		Pending
FINANCIAL MANAGEMENT					
		2015 Budget			
3	EOC Sept 23, 2014	<ul style="list-style-type: none"> Develop preliminary 2015 Operating Budget including 2014 spending and percentage used to date. Chairs to be prompted to provide committee projects and budgets. 	Brendan	23-Oct-14	In progress
MEMBERSHIP					
		Voting Member Application: CUMIS Group			
4	EOC July 22, 2014	<ul style="list-style-type: none"> BMO Insurance sponsorship of The CUMIS Group membership application by to be confirmed by John. 	John, Brendan	29-Aug-14	Completed
		<ul style="list-style-type: none"> Upon confirmation of above, Brendan to arrange an interview with CUMIS representatives as outlined in step #3 of the briefing document 		16-Sep-14	Completed
5	Ad Hoc	<ul style="list-style-type: none"> Board members to vote electronically on recommendation re CUMIS' admission as a Regular Member of CAFII, prior to December 2/14 Board meeting. 	Board	26-Nov-14	In progress
6	Ad Hoc	<ul style="list-style-type: none"> Board to appoint initial Director from CUMIS at December 2/14 Board meeting. 	Board		Pending

	Source	Action Item	Responsible	Deadline	Status as of 14-Nov-14
7	EOC June 19, 2014	<ul style="list-style-type: none"> Prepare briefing package on CUMIS' application for Regular Membership. The package should document CAFII's membership application process including pertinent by-laws and past practices regarding new members. A list of current voting and non-voting members should be included along with analysis of relevant issues pertaining to the balance of Foundation versus Regular members. Finally, steps taken to-date with regard to the CUMIS application should be outlined along with the relevant information uncovered during our investigation. Briefing package to be vetted with EOC Chair Greg Grant and then disseminated to Board and EOC members. Pose the following questions to their Board Members: "Are they familiar with The CUMIS Group Ltd.? Would they consider sponsoring CUMIS' application to become a Regular (voting) Member of the Association? If sponsoring isn't an option, would they support the application?" 	Brendan, Leya	4-Jul-14	Completed
			Foundation EOC members	21-Jul-14	Completed
GOVERNANCE AND ADMINISTRATION					
		2015 Draft Meeting Calendar			
8	EOC Oct 28, 2014	• Leya and Brendan to be notified of any conflicting dates in the proposed 2015 meeting calendar.	EOC	12-Nov-14	None received
REGULATOR / POLICY-MAKER RELATIONS AND ADVOCACY					
		Regulator & Policy-Maker Visit Plan			
9	EOC Oct 28, 2014	• The Regulator & Policy-Maker Visit Plan to be presented at the next EOC Meeting.	Brendan	18-Nov-14	In progress
		Eastern Canada: NB, NL, NS			
10	EOC Sep 23, 2014	• Draft letter of response to Nova Scotia Bill 43.	Brendan, Moira	31-Oct-14	Outstanding
11	EOC- June 19, 2014	• Submit a letter on the potential changes to the New Brunswick Insurance Act to Invest New Brunswick.	LEIC	30-Sep-14	In progress
		Western Canada: BC, AB, SK			
12	EOC Sep 23, 2014	• Provide feedback on the draft input on Representation for Restricted License Holder in Saskatchewan.	EOC	25-Sep-14	Completed
13	EOC June 19, 2014	• Make recommendation to EOC on BC representation for banks-in-insurance sector.	LEIC	15-Sep-14	Outstanding
		Pan-Industry Group on Travel Insurance Issues			
14	Board June 10, 2014	• Directors to communicate any hot button issues or any particular sensitivities related to travel insurance, through their EOC members or directly to Brendan Wycks.	EOC, Brendan	Ongoing	Ongoing

	Source	Action Item	Responsible	Deadline	Status as of 14-Nov-14
		New Ministers			
15	Board June 10, 2014	• Prepare and send a CAFII letter of congratulations to the new Ministers of Finance in Newfoundland, Ontario and Quebec (Mr. Carlos J. Leitão), as well as the Premier of Newfoundland once s/he is appointed.	Brendan	31-Jul-14	Outstanding
		FCAC			
16	EOC Sep 23, 2014	• FCAC Research Study: CAFII shall respond to the online survey and, if selected to participate in a 30 minute interview, decline.	Brendan	24-Oct-14	Completed
		LLQP Modernization			
17	EOC July 22, 2014	• Draft letter of support for LLQP modernization for review at the July 30 MAC meeting	Brendan	30-Jul-14	Completed
18	Ad Hoc	• Present final LLQP letter to EOC for approval	Brendan, Moira		Outstanding
19	Board June 10, 2014	• Develop a list of relevant policy-makers and legislators; and drafting a letter to them in support of the LLQP modernization	Brendan, EOC		Outstanding
		• Continue to monitor developments on this issue and consider scheduling follow-up meetings with the recipients of the letter.	EOC	Ongoing	No action taken
INDUSTRY RESEARCH					
		CAFII Value Proposition Project			
20	EOC Oct 28, 2014	• An interim report to be presented to the EOC (November 18) and Board (December 2) at their upcoming meetings. The final results to be presented at the Board meeting in April 2015.	DMC	2-Dec-14	In progress
MEDIA AND COMMUNICATIONS					
		FCAC National Financial Literacy Conference			
21	EOC Oct 28, 2014	• Judy Dobbs, RBC, to be invited to provide an update on the FCAC National Financial Literacy Conference to the EOC at the next meeting.	Paul	18-Nov-14	Scheduled
		Media Outreach			
22	Board Oct 7, 2014	• Key Messages Map and Key Messages to be provided to the board for approval.	Brendan, Greg	TBA	In progress
23	EOC Sep 23, 2014	• Hold lunch education session with Toronto Star reporter. CAFII's key messages and Q&A portion of an educational meeting to be finalised for use at the sessions.	Brendan, Greg, Paul	19-Nov-14	In progress
24	EOC July 22, 2014	• A plan to be developed leading to a future lunch meeting with Ms. Roseman, including documenting key messages and collecting data and, if appropriate, recommending an alternate media contact(s) to engage	Brendan, Charles	30-Jul-14	In progress

	Source	Action Item	Responsible	Deadline	Status as of 14-Nov-14
25	Ad Hoc	<ul style="list-style-type: none"> Schedule and hold additional media outreach sessions with other media, e.g. Ellen Roseman, Toronto Star; Rob Carrick, Globe and Mail; Gary Marr, National Post; Gail Vaz-Oxlade, independent consumer financial literacy writer, etc. 	Brendan, Charles		Pending
EVENTS AND NETWORKING					
OTHER					

CAFII

55 St Clair Ave West, Suite 255
Toronto, ON M4V 2Y7

Statement of Operations

As at October 31, 2014

REVENUE	Current Month	Current YTD	Budget 2014	% Used	YTD 2013 Balance	% Used YTD 2013
Membership Fees	\$33,375	\$333,750	\$400,500	83%	\$333,750	87%
Interest Revenue	\$36	\$348	\$720	48%	\$474	474%
TOTAL REVENUE	\$33,411	\$334,098	\$401,220	83%	\$334,224	87%
EXPENSE						
Association Operating Expenses						
Management Fees	\$18,375	\$187,656	223,380	84%	\$182,072	263%
Lawrie Savage Fees	\$0	\$0	-		\$0	0%
CAFII Legal Fees/Corporate Governance	\$0	\$20,812	19,500	107%	\$0	0%
Audit Fees	\$0	\$0	14,000	0%	\$1,617	16%
Insurance	\$432	\$4,353	5,368	81%	\$2,769	64%
Website (incl translation)	\$0	\$924	540	171%	\$361	67%
Telephone/Fax/Internet	\$337	\$4,266	2,250	190%	\$2,630	122%
Postage/Courier	\$84	\$450	500	90%	\$186	17%
Office Expenses	\$349	\$2,236	4,500	50%	\$1,881	70%
Bank Charges	\$0	\$0	38	0%	\$70	3%
Miscellaneous Expenses	\$0	\$0	-	0%	\$0	0%
Amortization Expense	\$0	\$0	-	0%	\$0	0%
Depreciation Computer/Office Equipm ¹	\$39	\$233	640	0%	\$544	20%
Sub Total Association Operating Expenses	\$19,616	\$220,930	\$270,716	82%	\$192,131	
Distribution & Market Conduct Committee						
Provincial Regulatory Review	\$3,622	\$6,584	3,000	219%	\$2,934	5%
Research/Studies	\$0	\$25,201	50,000	50%	\$4,996	12%
Sub Total Distribution & Market Conduct Committee	\$3,622	\$31,785	\$53,000	60%	\$7,930	
Licensing Efficiency Issues Committee						
Regulatory Model (s)	\$1,401	\$6,100	12,000	51%	\$244	8%
Federal Financial Reform	\$0	\$101	3,000		\$0	0%
Sub Total Licensing Efficiency Issues Committee	\$1,401	\$6,201	\$15,000	41%	\$244	
Media & Advocacy Strategy Committee						
Tactical Communications Strategy	\$53	\$2,187	51,500	4%	\$228	1%
Association Branding	\$0	\$1,130	2,500	45%	\$2,802	11%
Sub Total Media & Advocacy Strategy Committee	\$53	\$3,317	\$54,000	6%	\$3,030	
Networking & Events Committee						
Board/EOC/AGM Expense ²	\$179	\$12,871	20,500	63%	\$12,718	61%
Networking Events	\$1,106	\$1,115	1,756	64%	\$510	2%
15th Anniversary Event	\$0	\$0	-		\$15,566	74%
Sub Total Networking & Events Committee	\$1,285	\$13,987	\$22,256	63%	\$28,794	
Media Relations, CAFII Consultant						
Media Relations, CAFII Consultant	\$0	\$0	-		\$0	0%
Sub Total Media Relations, CAFII Consultant	\$0	\$0			\$0	
TOTAL EXPENSE	\$25,977	\$276,220	414,972	67%	\$232,129	64%
EXCESS OF REVENUE OVER EXPENSES	\$7,434	\$57,879	(\$13,752)		102,094.77	

Explanatory Notes:

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

(2) Board meetings and receptions, special Board or EOC lunch meetings, speaker expenses

CAFII

Toronto, ON M4V 2Y7

Membership Fees

As At October 31, 2014

	<u>Jan-14</u>			<u>Jul-14</u>	
	<u>Billed</u>	<u>Received</u>		<u>Billed</u>	<u>Received</u>
BMO Bank of Montreal	\$ 23,500.00	Mar7,2014	\$	23,500.00	August 21,2014
CIBC Insurance	\$ 23,500.00	Mar20,2014	\$	23,500.00	August 21,2014
RBC Insurance	\$ 23,500.00	Mar17,2014	\$	23,500.00	August 06,2014
ScotiaLife Financial	\$ 23,500.00	Mar7,2014	\$	23,500.00	July 25,2014
TD Insurance	\$ 23,500.00	Mar7,2014	\$	23,500.00	July 25,2014
AMEX Bank of Canada	\$ 11,750.00	Apr7,2014	\$	11,750.00	October 21,2014
Assurant Solutions	\$ 11,750.00	Apr7,2014	\$	11,750.00	August 21,2014
Canadian Premier Life Insurance Company	\$ 11,750.00	Apr7,2014	\$	11,750.00	August 21,2014
Desjardins Financial Security Life Assurance Company	\$ 11,750.00	Apr7,2014	\$	11,750.00	Apr7,2014
National Bank Insurance Company	\$ 11,750.00	Apr7,2014	\$	11,750.00	July 25,2014
Aimia	\$ 4,800.00	Mar7,2014			
Avalon Actuarial	\$ 4,800.00	Mar20,2014			
Collins Barrow Toronto Actuarial Services	\$ 4,800.00	June6,2014			
CSI Brokers Inc.	\$ 4,800.00	May23,2014			
KPMG	\$ 4,800.00	October 21,2014			
Laurentian Bank of Canada	\$ 4,800.00	Mar20,2014			
Munich Re	\$ 4,800.00	Mar7,2014			
Optima Communications	\$ 4,800.00	Mar20,2014			
RGA Life Reinsurance Company of Canada	\$ 4,800.00	Apr7,2014			
The Canada Life Assurance Company	\$ 4,800.00	Mar20,2014			
January Invoices	\$224,250			\$176,250	
July Invoices	\$176,250				
Total Membership Fees	\$400,500				
Total amount to realocate monthly Jan-Dec	\$33,375				

CAFI

55 St Clair Ave West, Suite 255
Toronto, ON M4V 2Y7

Balance Sheet As at October 31, 2014

ASSETS	Current 2014
Current Assets	
Bank Balance	\$355,318
Investments ^A	\$53,381
Accounts Receivable	\$0
Interest Receivable	\$164
Prepaid Expenses	\$3,024
Computer/Office Equipment	\$2,334
Accumulated Depreciation -Comp/Equip	(\$894)
Intangible Assets-Trademarks	\$0
Accumulated Amortization-Trademark	\$0
Total Current Assets	\$413,326
TOTAL ASSETS	\$413,326
LIABILITIES	
Current Liabilities	
Account Payable ^B	\$561
Deferred Revenue	\$66,750
Total Current liabilities	\$67,311
TOTAL LIABILITIES	\$67,311
UNRESTRICTED NET ASSETS	
Unrestricted Net Assets, beginning of year	\$288,136
Excess of revenue over expenses	\$57,879
Total Unrestricted Net Assets	\$346,014
Total Unrestricted Net Assets	\$346,014
TOTAL LIABILITIES AND UNRESTRICTED NET ASSETS	\$413,326

Financial Reserves Targets:

Minimum 3 months (25%) of Annual Operating Expenses =	\$ 103,743
Maximum 6 months (50%) of Annual Operating Expenses =	\$ 207,486
Current Level of Financial Reserves:	\$346,014
Current Level of Financials Reserve (%):	83%

C A F I I
55 St Clair Ave West, Suite 255
Toronto, ON, M4V 2Y7
Balance Sheet Items
As at October 31, 2014

Item A

Investment Portfolio

Investment Type	Issue Date	Principal	Rate	Deemed Interest	Maturity Date
Cashable GIC #0087-8019718-12	June-17-14	\$53,380.92	0.80%	\$427.05	June-17-15
Total		\$53,380.92		\$427.05	

Item B

Accounts Payable

	Total
	561.38
Total outstanding:	561.38

2015 Budget Development Template - Canadian Association of Financial Institutions in Insurance
Version: November 14, 2014

	2013 Actual	2014 Forecast ¹	2014 Budget	2014 Forecast to Budget Variance (%)	2015 Budget Recommendation	Change 2013-2014	Change 2014-2015	Comments re: 2015
Revenue								
Membership Fees	\$400,500	\$400,500	\$ 400,500	0.0%	\$424,000	0.0%	5.9%	Based on all members renewing in 2015 & CUMIS joining
Interest	\$607	\$417	\$ 720	-42.1%	\$500	-31.3%	-30.6%	
TOTAL REVENUE	\$ 401,107	\$ 400,917	\$ 401,220	-0.1%	\$ 424,500	0.0%	5.8%	
EXPENSE								
Management Fees ²	\$217,848	\$224,406	\$223,380	0.5%	\$249,264	3.0%	11.6%	Facilitator for Strategy Discussion
CAFII Legal Fees/Corporate Governance	\$0	\$20,812	\$19,500	6.7%	\$5,000	0.0%	-74.4%	
Audit Fees	\$1,617	\$13,500	\$14,000	-3.6%	\$14,000	734.9%	0.0%	
Insurance	\$3,646	\$5,217	\$5,368	-2.8%	\$5,368	43.1%	0.0%	Postage and Bank Charges combined
Website ³	\$361	\$924	\$540	71.1%	\$6,260	156.0%	1059.3%	
Telephone/Fax/Internet	\$3,208	\$4,379	\$2,250	94.6%	\$8,000	36.5%	255.6%	
Postage/Courier and Bank Charges	\$277	\$400	\$538	-25.7%	\$560	44.4%	4.1%	Postage and Bank Charges combined
Office Expenses	\$3,092	\$1,887	\$4,500	-58.1%	\$3,000	-39.0%	-33.3%	
Amortization Expense ⁴	\$467	\$311	\$640	-51.4%	\$300	-33.4%	-53.1%	
Board/EOC/AGM								Western Canada Regulators Tour, Insurance Act Review
Annual members Lunch					\$7,000			
Board Hosting (External)					\$9,000			
Board/EOC Meeting Expenses					\$10,000			Federal advocacy and FCAC education
Industry Events					\$805			
EOC Annual Lunch					\$2,000			
Total Board/EOC/AGM	\$13,820	\$30,704	\$20,500	49.8%	\$28,805	122.2%	40.5%	Western Canada Regulators Tour, Insurance Act Review
Provincial Regulatory Visits	\$3,063	\$4,363	\$3,000	45.4%	\$10,000	42.4%	233.3%	
Research/Studies ⁵	\$4,996	\$50,500	\$50,000	1.0%	\$90,000	910.8%	80.0%	
Regulatory Model(s) ⁶	\$244	\$9,100	\$12,000	-24.2%	\$12,000	3629.5%	0.0%	Federal advocacy and FCAC education
Federal Financial Reform	\$0	\$101	\$3,000	-96.6%	\$2,000	0.0%	-33.3%	
Media Outreach	\$305	\$3,829	\$51,500	-92.6%	\$8,500	1155.4%	-83.5%	
Marketing Collateral	\$3,537	\$1,130	\$2,500	-54.8%	\$1,500	-68.1%	-40.0%	Media training for ED x 4 (formerly called Tactical Communications Strategy) formerly Association Branding
Networking Events								
Speaker fees & travel					\$3,000			
Gifts					\$1,000			Media training for ED x 4 (formerly called Tactical Communications Strategy) formerly Association Branding
Total Networking Events	\$2,770	\$9	\$1,756	-99.5%	\$4,000	-99.7%	127.8%	
TOTAL EXPENSE	\$ 256,481	\$ 371,564	\$ 413,216	-11.2%	\$ 473,362	44.9%	27.4%	
Deficit/Surplus	\$ 144,626	\$ 29,353	-\$ 11,996		-\$ 48,862			
Estimated Reserve Balance	\$ 184,908	\$ 214,261	\$ 202,265	5.6%	\$ 165,399	15.9%	-22.8%	

Explanatory Notes:

(1) 2014 Forecast combines January to September actuals and a forecast for 4th quarter

(2) Management fees includes TO Corp (\$106,285.09) and Executive Director (\$142,979.20)

(3) Website includes hosting cafii.com, Vimeo (videos) subscription and website improvements

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

(5) Research/Studies includes: 2 Towers Watson Presentations \$10K; IAIS Core Principles resource \$10K; LIMRA membership \$5K; Travel Insurance Survey \$65K

(6) Regulatory Model(s): SK (\$2K) and AB (\$5K) Council Representation; MB RIA Council (\$5K)

2015 Budget Development Template - Canadian Association of Financial Institutions in Insurance
Version: November 14, 2014

	2013 Actual	2014 Forecast ¹	2014 Budget	2014 Forecast to Budget Variance (%)	2015 Budget Recommendation	Change 2013-2014	Change 2014-2015	Comments re: 2015
Revenue								
Membership Fees	\$400,500	\$400,500	\$ 400,500	0.0%	\$424,000	0.0%	5.9%	Based on all members renewing in 2015 & CUMIS joining
Interest	\$607	\$417	\$ 720	-42.1%	\$500	-31.3%	-30.6%	
TOTAL REVENUE	\$ 401,107	\$ 400,917	\$ 401,220	-0.1%	\$ 424,500	0.0%	5.8%	
EXPENSE								
Management Fees ²	\$217,848	\$224,406	\$223,380	0.5%	\$249,264	3.0%	11.6%	Facilitator for Strategy Discussion
CAFII Legal Fees/Corporate Governance	\$0	\$20,812	\$19,500	6.7%	\$5,000	0.0%	-74.4%	
Audit Fees	\$15,991	\$13,500	\$14,000	-3.6%	\$14,000	-15.6%	0.0%	
Insurance	\$3,646	\$5,217	\$5,368	-2.8%	\$5,368	43.1%	0.0%	Postage and Bank Charges combined
Website ³	\$361	\$924	\$540	71.1%	\$6,260	155.9%	1059.3%	
Telephone/Fax/Internet	\$3,208	\$4,379	\$2,250	94.6%	\$8,000	36.5%	255.6%	
Postage/Courier and Bank Charges	\$277	\$400	\$538	-25.7%	\$560	44.4%	4.1%	Postage and Bank Charges combined
Office Expenses	\$3,092	\$1,887	\$4,500	-58.1%	\$3,000	-39.0%	-33.3%	
Amortization Expense ⁴	\$622	\$311	\$640	-51.4%	\$300	-50.0%	-53.1%	
Board/EOC/AGM								Western Canada Regulators Tour, Insurance Act Review
Annual members Lunch					\$7,000			
Board Hosting (External)					\$9,000			
Board/EOC Meeting Expenses					\$10,000			Federal advocacy and FCAC education
Industry Events					\$805			
EOC Annual Lunch					\$2,000			
Total Board/EOC/AGM	\$13,820	\$30,704	\$20,500	49.8%	\$28,805	122.2%	40.5%	Western Canada Regulators Tour, Insurance Act Review
Provincial Regulatory Visits	\$3,063	\$4,363	\$3,000	45.4%	\$10,000	42.4%	233.3%	
Research/Studies ⁵	\$4,996	\$50,500	\$50,000	1.0%	\$90,000	910.9%	80.0%	
Regulatory Model(s) ⁶	\$992	\$9,100	\$12,000	-24.2%	\$12,000	817.1%	0.0%	Federal advocacy and FCAC education
Federal Financial Reform	\$0	\$101	\$3,000	-96.6%	\$2,000	0.0%	-33.3%	
Media Outreach	\$305	\$3,829	\$51,500	-92.6%	\$8,500	1155.4%	-83.5%	
Marketing Collateral	\$4,328	\$1,130	\$2,500	-54.8%	\$1,500	-73.9%	-40.0%	Media training for ED x 4 (formerly called Tactical Communications Strategy) formerly Association Branding
Networking Events								
Speaker fees & travel					\$3,000			
Gifts					\$1,000			Media training for ED x 4 (formerly called Tactical Communications Strategy) formerly Association Branding
Total Networking Events	\$4,281							
15th Anniversary Event	\$15,566	\$9	\$1,756	-99.5%	\$4,000	-99.9%	127.8%	
TOTAL EXPENSE	\$292,395	\$ 371,564	\$ 413,216	-11.2%	\$ 473,362	27.1%	27.4%	
Deficit/Surplus	\$ 108,712	\$ 29,353	-\$ 11,996		-\$ 48,862			
Estimated Reserve Balance	\$ 184,908	\$ 214,261	\$ 202,265	5.6%	\$ 165,399	15.9%	-22.8%	

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(6) Regulatory Model(s): SK (\$2K) and AB (\$5K) Council Representation; MB RIA Council (\$5K)

Expense Reimbursement Policy

Document Owner:	Executive Operations Committee (EOC)
Practice Applies to:	CAFII Member Organizations, Directors, Volunteers and Staffs
Process Responsibility:	CAFII Executive Director
Final Accountability:	Executive Operations Committee (EOC)

This policy applies to CAFII Member Organizations hosting a quarterly CAFII Board Meeting and Directors, Volunteers and Staff conducting regulatory meetings on behalf of the Canadian Association of Financial Institutions.

I. Board Hosting Expense Guideline

Effective as of fiscal year 2015.

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CAFII will reimburse a CAFII member for the expenses related to hosting a CAFII Board meeting and CAFII Board reception up to a maximum of \$4500.

Receipts or invoices must be provided to the CAFII Secretary in order to receive reimbursement

II. Expense Guideline for Government Representation by CAFII EOC or Board Members

Effective as of <<enter approval date>>

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Travel, accommodation and meal expenses incurred by CAFII Board and EOC members representing CAFII while on:

- Government initiated meetings that have requested CAFII representation (e.g. Provincial Insurance Act rewrite committees, Provincial Superintendent initiated meetings), or
- Government meetings to influence specific regulatory or administrative changes as part of a strategy with budget approved by the CAFII EOC or the CAFII Chair prior to confirming attendance or incurring any expenses on behalf of CAFII

Will be reimbursed based on reasonable and customary costs reflecting the travel policy of the institution the representative is employed by.

Concurrence of persons and numbers attending the event shall be at the approval of the CAFII EOC or the CAFII Chair prior to confirming attendance or incurring any expenses on behalf of CAFII:

- Each CAFII representative invited to the event should have a business reason to attend. CAFII typically sends two members to each government meeting. Unless directed otherwise by the Board, only the expenses of two members will be covered.
- Government personnel entertainment should be avoided to avoid a possible conflict of interest or kept to a reasonable level per person, commensurate with the position of the government official.

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- CAFII will not reimburse for entertainment of a questionable nature that may negatively impact CAFII's reputation.
- All expenses (receipts and expense statement) must be submitted to and approved by the CAFII Secretary or Chair prior to reimbursement.

CAFII members have agreed to participate in a program of networking and educational meetings with provincial regulators. In order to maintain flexibility in organizing these meeting and to contain ongoing costs for the association, these meetings will not be reimbursed. Expenses incurred to travel to a CAFII Board meeting will also not be reimbursed.

Authorization

The Board of Directors has the authority to change or modify the policy on expense reimbursement as it may from time-to-time deem required.

The policy will be reviewed by the Executive Operations Committee from time-to-time. At a minimum it will be reviewed every three (3) years or sooner if conditions warrant.

Any changes to the Expense Reimbursement Policy may not be ratified by electronic means.

If you have any questions, comments or suggestions regarding this document, contact the CAFII Executive Director, Brendan Wycks at brendan.wycks@cafii.com.

Deleted: Discussion Notes: Examples of Expenses that would be eligible from 2006-2007 ¶

Spring 2007 BC insurance rewrite committee - eligible ¶

Winter 2006/2007 Alberta insurance rewrite committee - eligible ¶

December 2007 Alberta meeting to discuss changes to restricted certificate application - eligible ¶

¶

Assurant and TD Host BC regulators at CAFII table - not eligible ¶

CAFII Chair introductory meeting with Alberta regulators - not eligible ¶

AMF conference - not eligible ¶

Montreal Board meetings and CCIR lunch/reception - not eligible ¶

TD and BNS Atlantic Canada regulator meetings - not eligible¶

¶

Expense Reimbursement Policy

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Process Responsibility:	CAFII Executive Director
Final Accountability:	Executive Operations Committee (EOC)

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I. Board Hosting Expense Guideline

Effective as of fiscal year 2015,

CAFII will reimburse a CAFII member for the expenses related to hosting a CAFII Board meeting and CAFII Board reception up to a maximum of **\$7500**.

All expenses must be summarized on the CAFII Expense report and submitted with the associated receipts to the CAFII Secretary prior to reimbursement (or the CAFII Chair if the Secretary is not available).

II. Expense Guideline for Government Representation by CAFII EOC or Board Members

Effective as of <<enter approval date>>,

Travel, accommodation and meal expenses incurred by CAFII Board and EOC members representing CAFII while on:

- a) Government initiated meetings that have requested CAFII representation (e.g. Provincial Insurance Act rewrite committees, Provincial Superintendent initiated meetings), or
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Authorization

Only the Board of Directors has the authority to change or modify the policy on expense reimbursement as it may from time-to-time deem required.

Proposed CAFII Consultation
Confidential: Not for Distribution

Regulator: Ontario Ministry of Finance
Deadline: January 15, 2015
Purpose: Consider a CAFII response to the five-year review of the Credit Unions and Caisses Populaires Act, 1994.

Announcement:

Credit Unions and Caisses Populaires Act, 1994: Five-Year Review Consultation Paper

Ministry: Ministry of Finance

Regulation N/A

Number(s):

Bill or Act: Credit Unions and Caisses Populaires Act, 1994

Summary of Ontario is beginning a review of the Credit Unions and Caisses Populaires Act, 1994. Laura

Proposal: Albanese, the Parliamentary Assistant to the Minister of Finance, has been appointed to lead the review and submit final recommendations to the government by the fall of 2015. The review, which takes place every five years, will include consultations across the province this fall to seek input from the public on ways to strengthen the regulatory framework, protect consumers and enable credit unions and caisses populaires to continue to meet the needs of their members.

Further  [Credit Unions and Caisses Populaires Act, 1994: Five-Year Review Consultation Paper](#)
Information:

Proposal 14-MOF023

Number:

Posting Date: November 5, 2014

Comments January 15, 2015

Due Date:

Contact Laura Albanese

Address: Parliamentary Assistant to the Minister of Finance
c/o Budget Secretariat
Frost Building North, 3rd Floor
95 Grosvenor Street
Toronto ON M7A 1Z1

**CONFIDENTIAL TO CAFII MEMBERS
NOT FOR WIDER DISTRIBUTION**

Regulatory Update – CAFII Executive Operations Committee, November 14, 2014

Prepared By Brendan Wycks, CAFII Executive Director

Introduction

Federal/National

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- CCIR Publishes Speaking Notes For Chair's Remarks At CAFII's October 7/14 Reception **(page 2)**
- National Complaint Reporting System (CRS): Highlights of November 13/14 Presentation **(page 2)**
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 - Government Unveils New Financial Literacy Resources At FCAC Conference **(page 3)**
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Federal/National

Canadian Council of Insurance Regulators (CCIR)

Stakeholder Meetings Rescheduled For January 28-29/15

On November 15/14, CAFII received notification from Carol Shevlin, CCIR Policy Manager, that the Council had rescheduled its stakeholder meetings, recently postponed from November 5-6/14, for Wednesday, January 28 and Thursday, January 29, 2015 at St. James Cathedral Centre in Toronto.

CAFII is currently determining which one-hour slot on those two days is most convenient for a delegation from the Association to meet with CCIR.

The Travel Insurance Pan-Industry Project Group (TIPIP), on which CAFII is one of three participating Associations, has also been invited to meet with CCIR during the rescheduled stakeholder meetings. It will be doing so to discuss regulatory concerns about travel insurance and TIPIP's recently submitted Briefing Document on the Canadian travel health insurance industry.

Speaking Notes For Chair's Remarks At CAFII Reception Published On CCIR Web Site

CCIR has published on the home page of its web site the speaking notes used by Chair Carolyn Rogers for her remarks to CAFII's Reception event on October 7/14.

National Complaint Reporting System (CRS)

Highlights of November 13/14 Presentation To CAFII And CLHIA

On November 13/14, CAFII and CLHIA representatives attended an AMF/FSCO presentation on a 2014 joint review of the national Complaint Reporting System (CRS) that those two regulators own and operate.

The key outcomes highlights of the presentation are

- participating regulators (all jurisdictions except BC, NWT, and Nunavut) are using the data on an ad hoc basis, almost exclusively for "own jurisdiction" analysis only;
- individual company analysis is usually done only when there is a scheduled examination/inspection upcoming;
- while the system has national aggregation and analysis capabilities, that's not currently being done as the participating regulators haven't yet come together to decide how to do this;
- in order to achieve more strategic use of nation-wide data that would benefit all participants, a more collaborative and co-ordinated approach is needed. Operationally, the AMF and FSCO, owners and operators of the CRS, will support such an approach through more ongoing communication and training of participating regulators in order to facilitate the sharing of best practices;
- in keeping with its new Strategic Plan, the CCIR is developing a Market Conduct Supervisory Framework (a "Supervisory College"); and more effective, nationally co-ordinated use of the CRS can support that framework.

Following the presentation, Isabel Scovino and Letitia Miculescu of FSCO, the primary presenters, expressed receptivity to the following proposal from industry representatives in attendance:

- a joint regulator/industry working group should be formed, similar to the group that did the formative work, over several years, that led to the launch of the CRS in 2005;
- that working group, which should include complaints/compliance practitioners from the industry, should initially meet intensively to address the current shortcomings of the CRS; and then once or twice per year after those problems are fixed;
- the working group should look at

-what is the end goal of the CRS;

-what are the “data points” that are being collected? Are they the relevant ones?

-how are the data and trends being reported and shared with the industry? (more than just an annual reporting at FSCO’s Life & Health Insurance Symposium is needed).

It was noted that such a joint regulator/industry working group could be used to help the AMF and FSCO to prioritize possible improvements and enhancements to the CRS without adding significant new costs, as the regulators noted that limited financial resources was a constraint.

Financial Consumer Agency of Canada

CAFII Completes Stakeholder Survey On Satisfaction With FCAC

In late October, CAFII completed an online survey related to invited stakeholders’ perceptions of and satisfaction with the FCAC.

Conducted by Harris-Decima and focused mainly on the financial literacy and consumer education component of FCAC’s mandate, the survey had four main purposes:

- understand stakeholder knowledge and perceptions of FCAC;
- obtain feedback from stakeholders about various aspects of the organization’s activities in order to improve various elements of its programs and activities;
- obtain feedback to help improve its dealings with stakeholders; and
- gauge key stakeholders’ perceptions about potential actions that they believe would be important for FCAC to consider during its business planning cycle.

Government Unveils New Financial Literacy Resources At FCAC Conference

Representatives from grass-roots groups, government and non-profit organization leaders, private-sector stakeholders and academics attended the FCAC’s National Financial Literacy Conference in Vancouver on November 6-7 which had “strengthening financial literacy through collaboration” as its theme.

During the conference, the Government of Canada unveiled the following tools which are now available on the FCAC’s web site:

- a new Canadian Financial Literacy Database which provides Canadians with comprehensive information on the financial literacy resources, events and tools available from various financial education providers, including the public, private and non-profit sectors across the country; and

- a self-assessment quiz which allows Canadians to assess their financial literacy skills and knowledge and see how they compare to other Canadians on five domains of financial capability.

In roundtable discussions, participants voiced their ideas about how best to reach and engage Canadians. This input will be used by Jane Rooney, Financial Literacy Leader, in shaping the development of a national strategy for financial literacy, which will be announced in 2015.

Canadian Life and Health Insurance Association

Regulators To Participate On Panel At CLHIA Symposium

CLHIA's 2014 Consumer Complaints Section Fall Seminar on November 20 will feature a 90 minute panel on "Regulators' perspectives on complaints" with the following provincial insurance regulators participating:

- Joanne Abram, Chief Executive Officer, Alberta Insurance Council
- Gerry Matier, Executive Director, Insurance Council of British Columbia
- Anatol Monid, Interim Executive Director, Licensing & Market Conduct Division, Financial Services Commission of Ontario
- Erin Pearson, Executive Director, Insurance Council of Manitoba; and
- Danielle Vinet, Chef du Service du traitement des plaintes et de l'assistance, AMF.

In addition, several of these regulators are expected to attend a pay-your-own networking dinner being organized by CLHIA for the evening of November 20.

CLHIA Releases Compliance Guide For MGAs

CLHIA recently published a reference document titled "MGA Compliance: A Risk-based Approach for Compliance Programs in the MGA Channel."

Based on the premise that insurance advisors will be the focus of more compliance audits and a higher level of oversight of their day-to-day sales activities by their managing general agencies (MGAs) as the industry adopts a set of standardized compliance practices for the MGA distribution channel, the document is intended to serve as a guide for MGAs in developing compliance policies regarding advisor screening and monitoring, as well as other compliance responsibilities.

OmbudService For Life and Health Insurance

Highlights Of Recently Published 2013-14 Annual Report

OLHI's recently published 2013-14 Annual Report features the following highlights relevant to CAFII members:

- OLHI received 2,480 complaints over the course of the year, up 5.5% over the prior year and up by 24.7% from 2009-10. OLHI believes that this growth is indicative of an increase in consumer awareness as Canadians become better apprised of their options for third party review of life and health insurance complaints;

- the top three product complaint categories remain Disability; Life; and Extended Health Care & Dental. Together, these three categories account for 81.5% of all complaints. For the third consecutive year, disability insurance-related complaints (36%) were below historic levels but they continue to represent the highest proportion of complaints. Life-related complaints (28%) and EHC & Dental complaints (17.5%) remained at levels comparable to the prior year.
- the distribution of complaints among the Group, Individual, and Creditor categories remained unchanged from the prior year. Each of Group and Individual account for approximately 45% of all complaints received, while Creditor complaints make up the remaining 10%.

British Columbia

Financial Institutions Commission (FICOM)

CAFII To Participate In Pre-Consultation Roundtable Discussion On 10-Year Review of Financial Institutions Act

On October 24/14, Executive Director Brendan Wycks received an invitation letter from Michael De Jong, BC Minister of Finance, inviting him to represent CAFII in a roundtable discussion about that province's financial institutions legislation on Friday, November 21 in Vancouver.

The timing of the roundtable discussion conflicts with Brendan's prior commitment to participate on a panel at FSCO's Life & Health Insurance Symposium in Toronto on Nov 21, 2014. Therefore, he arranged with Minister de Jong's office (which was looking for industry Association CEO or Board-level participants) for CAFII's invitation to be transferred to Greg Grant, as Chair of CAFII's Executive Operations Committee and Secretary to the Association's Board of Directors.

The invitation letter recognizes CAFII as a leading stakeholder in the insurance industry, as follows:

"... I am requesting your assistance, as a recognized leader in the insurance sector who will contribute a broad range of perspectives and views, in further developing proposed objectives and identifying key issues that should be considered as part of the upcoming government review of key legislation that applies to the financial services sector.

... To ensure that the regulatory framework for financial institutions and intermediaries continues to be modern and both efficient and effective, the FIA contains a requirement that it be reviewed every 10 years. As it is now time for the required review to be initiated, I would like to invite you to participate in a roundtable discussion about British Columbia's financial institutions legislation. The roundtable discussion is intended, in particular, to help inform the development of an initial consultation paper that will be shared with all stakeholders in the financial services sector for their feedback and input."

Ontario

Financial Services Commission of Ontario (FSCO)

Anatol Monid Appointed Interim Executive Director Of Licensing and Market Conduct Division

On October 28/14, FSCO announced that Anatol Monid had been appointed Interim Executive Director of the Licensing and Market Conduct Division. He assumes that role from Grant Swanson who retired on October 23/14 after a distinguished career in the Ontario public service.

In 2004, Anatol joined FSCO as Director of the Market Regulation Branch, within the Licensing and Market Conduct Division. In this role, he was responsible for oversight of prudential and market conduct examinations, and consumer complaint handling across FSCO's regulated sectors.

Anatol brings to his new position experience in both the private and public sectors. He was with the supervision group of the Office of the Superintendent of Financial Institutions and worked for a number of general and multi-line insurers in various capacities. He also served with the Canadian Armed Forces.

Anatol occasionally serves as a program leader supporting the work of the Toronto Leadership Centre which is working to build the capacity of financial sector regulators and supervisors in emerging markets and low income countries. He is also a member of Sheridan College Faculty of Continuing & Professional Study and teaches insurance courses.

Isabel Scovino Appointed Director, Market Regulation Branch In Licensing and Market Conduct Division

On November 13/14, CAFII learned that Isabel Scovino had recently been appointed Director of the Market Regulation Branch in FSCO's Licensing and Market Conduct Division, succeeding Anatol Monid in that role.

Given that this is a "permanent" rather than "interim" appointment for Isabel, it implies that Anatol's appointment as Interim Executive Director of the Licensing and Market Conduct Division will soon be made permanent.

Isabel previously worked in the Licensing and Market Conduct Division for many years – recently having liaison with CAFII around FSCO's "Modernizing Disciplinary Hearings For Insurance Agents and Adjusters" consultation in early 2013 – but her most recent role was Senior Manager of the Motor Vehicle Accident Claims Fund in the Auto Insurance Division.

Quebec

AMF

AMF To Announce New Round Of Consultation On E-Commerce In Insurance Sector

CAFII has learned that the AMF plans to undertake a new round of consultation on electronic commerce in the insurance sector. A consultation paper will likely be released imminently, either before the end of 2014 or in early 2015.

The source for this news is Eric Stevenson, the AMF's Superintendant, Client Services and Distribution Oversight. The apparent rationale for this further consultation on e-commerce in insurance is (i) products and technology in the marketplace have changed so much in recent years that it may no longer hold true that the e-commerce distribution channel should operate under the exact same regulations as any other distribution channel; and (ii) the AMF's data is showing that consumer purchases of insurance via e-commerce are growing significantly.

Claude Di Stasio, CLHIA's Vice-President, Quebec Affairs, attended the AMF's annual Rendez-vous conference in Montreal on November 10/14. In conversation there with Eric Stevenson, she picked up this news which she subsequently shared with CLHIA colleague Erica Hiemstra, who in turn shared it with Brendan Wycks.

AMF Response To Industry On Distribution Guide Consultation Submissions Likely To Be Delayed

At the AMF's recent Rendez-vous event, Claude Di Stasio of CLHIA picked up the following insights from Eric Stevenson with respect to the industry's recent submissions on the AMF's Distribution Guide (DG) template:

- the AMF has reviewed all of the submissions from industry stakeholders. It understands the feedback received, and acknowledges the merits of many of the points made about shortcomings in the DG template;
- the AMF recognizes that some of the shortcomings with the DG are rooted in the fact that it was designed with a face-to-face sales situation in mind, which creates problems for its applicability to alternate distribution channels; and
- in light of AMF plans to launch a new round of consultation on e-commerce in insurance, the outcomes of which will likely have implications for the DG, it probably does not make sense for the AMF to pursue the DG initiative further until the new e-commerce consultation is completed.

Therefore, it may be mid- to late 2015, at the earliest, before the AMF takes any further action on its DG overhaul initiative.

AMF Enlists TV Personalities To Launch Financial Literacy Campaign

The Autorité des marchés financiers (AMF) has launched its new awareness campaign with the help of two well-known Quebec personalities and their popular TV shows: Julie Snyder of “Le Banquier” (an adaptation of Deal or No Deal), and France Beaudoin of “En direct de l’univers.” The messages focus on the importance of asking questions and doing your own checks of financial products and services. They also encourage Quebecers to visit the AMF’s website.

This campaign addresses some of the shortcomings noted in the findings of the AMF Index, an ongoing tracking survey aimed at getting a better understanding of Quebecers’ financial behaviours. “Through this campaign, we hope to raise awareness among consumers about the simple things we can all do to keep a closer eye on our personal finances,” explained Louis Morisset, President and CEO of the AMF. “The innovative and unusual approach adopted for this campaign will help us achieve some of our financial education objectives.”

Launched at the beginning of October, the campaign will run until the end of December 2014.

CAFII Regulator and Policy-Maker Visit Plan 2015

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Nov 17/14
British Columbia				
Gerry Matier, Executive Director, Insurance Council of BC	May 28/14: Toronto, ON	Nov 20/14 CLHIA COSS seminar Q1 or Q2 2015 Western Canada tour	-Review of BC Financial Institutions Act -Representation for banks-in-insurance sector on Council -LLQP modernization -Update on TIPIP initiative -Update on Council priorities -Communicate CAFII issues -Maintain and strengthen relationship	Pending
Carolyn Rogers , CEO, FICOM & Superintendent of Insurance (CCIR Chair)	May 6/14; Ottawa, ON	Q1 or Q2 2015 Western Canada tour	See above	Pending
Doug McLean, Deputy Superintendent	No contact/meeting for at least past two years	See above	See above	Pending
Harry James, Director, Policy Initiatives, FICOM	Jul 28/14: call with CAFII reps re: "effecting" CGI	See above	See above	Pending
Michael de Jong, Minister of Finance	Not Applicable	Nov. 21/14 G. Grant to represent CAFII at roundtable discussion	-communicate CAFII issues/concerns re 10-year Review of FI Act	Confirmed
Alberta				
Alberta Insurance Council: Joanne Abram, CEO;	Mar 17/14; Toronto, ON	Nov 20/14 CLHIA COSS seminar (J. Abram)	-Representation for Restricted Licence Holders - - Licensing for 3 rd party providers: business number registration system	Pending
Ron Gilbertson, Chair (2012-15)	Mar 17/14; Toronto, ON	Q1 or Q2 2015 Western Canada tour	-LLQP modernization	
Tom Hampton, COO (retiring at end of 2014)	Jan 8/14: Toronto, ON		-Update on TIPIP initiative - Update on Council priorities	
Warren Martinson, Legal Counsel (member of CISRO LLQP Ctte)	Feb 10/14: Toronto, ON		-Communicate CAFII issues -Maintain and strengthen relationship	
Mark Prefontaine, Superintendent of Insurance	Sep 30/14; Fredericton, NB (informal meeting)	See above	See above	Pending

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Nov 17/14
David Sorenson, Deputy Superintendent of Insurance (<i>appointed Sep 15/14</i>)	Not Applicable	See above	See above - and introduce CAFII	Pending
Laurie Balfour, Director, Financial Compliance, Insurance Regulation and Market Conduct Branch	Sep 30/14: Fredericton, NB (informal meeting) Jul 28/14: call with CAFII reps re: "effecting of CGI"		See above	Pending
Robin Campbell, President of Treasury Board and Minister of Finance (<i>appointed Sep 15/14</i>)	Not Applicable	<i>Hold off until CAFII has "direct ask" to make</i>	-Educate about CAFII and its issues -Build relationship	Not Applicable
Saskatchewan				
Ron Fullan, Executive Director, Insurance Councils of Saskatchewan and CISRO Chair April Stadnek, Director of Licensing	Sep 30/14; Fredericton, NB (informal meeting)	Q1 or Q2 2015 Western Canada tour	-Restricted Insurance Agents Advisory Cttee. - LLQP modernization -Update on TIPIP initiative - Update on ICS and CISRO priorities -Communicate CAFII issues -Maintain and strengthen relationship	Pending
David Wild, Chairperson and Superintendent of Insurance	-no contact/meeting for at least past two years	See above	-introduce CAFII and build relationship -Insurance Act Review: underway; completion expected in 2015 -ISI: Representation for Restricted Licence Holders -LLQP modernization -Update on TIPIP initiative - Update on Superintendent's priorities -Communicate CAFII issues	Pending
Ian McIntosh, Deputy Superintendent of Insurance	Jul 28/14 call with CAFII reps re: "effecting CGI"	See above	See above	Pending
Consultant (ex-Superintendent) Jim Hall <i>*Semi-retired but remains centrally involved in review and rewrite of Sask. Insurance Act</i>	-no contact/meeting for at least past two years	See above	See above	Pending

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Nov 17/14
Manitoba				
Ministry of Finance: Jim Scalena, Superintendent <i>*Retiring at end of 2014</i> Scott Moore, Deputy Superintendent Jennifer Howard, Minister of Finance Greg Dewar New Minister of Finance, appointed Nov/14	April 29/14; Winnipeg, MB April 29/14: Winnipeg, MB; April 29/14; Winnipeg, MB	Q1 or Q2 2015 Western Canada tour <i>Hold off until CAFII has "direct ask" to make</i>	-Introduce CAFII and build/maintain relationship -Implementation of ISI regime -Representation for Restricted Licence Holders -Update on Insurance Act Review -LLQP modernization -Update on TIPIP initiative -Update on Superintendent's and Council's priorities -Communicate CAFII issues	Pending
Erin Pearson, Executive Director, Insurance Council of Manitoba:	Sept. 30/14: dinner in Fredericton, NB re: ISI implementation Apr 29/14; Winnipeg, MB	See above	See above	Pending
Ontario				
FSCO: Brian Mills, appointed Interim CEO and Superintendent on October 18/14 Anatol Monid, Interim Executive Director, Licensing and Market Conduct Division Isabel Scovino, appointed Director, Market Conduct Regulation Branch in Nov/14	N/A April 9/14 re: Interim Report of Life Insurance Product Suitability Review Nov 13/14 re: Report on Joint Review (FSCO and AMF) of National Complaint Reporting System (CRS)	November 21/14 at FSCO Life and Health Insurance Symposium Q1 or Q2 2015 -follow-up lunch or dinner	-Introduce CAFII and build/maintain relationship -next steps, if any, in Life Insurance Product Suitability Review -LLQP modernization -enhancing the national CRS -Update on TIPIP initiative -Update on Superintendent's priorities -communicate CAFII issues	Pending

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Nov 17/14
		Nov 21/14 FSCO Life & Health Insurance Symposium	B. Wycks to represent CAFII on panel re: current topics in Life & Health Insurance	Confirmed
Quebec				
AMF: Louis Morisset, CEO; Patrick Dery, Eric Stevenson, Julien Reid, Stephane Langlois, Louise Gauthier	Apr 8/14: Montreal, QC	Q1 or Q2 2015 Quebec or Toronto	-Further round of AMF consultation re electronic commerce in insurance -Distribution Guide template and implementation timelines -LLQP modernization -enhancing the national CRS -Update on TIPIP initiative -Update on AMF priorities -Communicate CAFII issues -Maintain and strengthen relationship	Pending
Atlantic Canada				
Joint Forum of Insurance Regulators (four provinces)	Oct 1/14: Fredericton, NB	spring or fall 2016	N/A	Deferred to 2016
New Brunswick				
Angela Mazerolle, Superintendent of Insurance	Oct 1/14: Fredericton, NB	None		Deferred to 2016
David Weir, Deputy Superintendent of Insurance	See above	See above		Deferred to 2016
Adam Mitton, Attractiveness Executive, Invest New Brunswick	Jun 3/14: Toronto, ON	Q1 2015	- highlight and discuss CAFII submission re: Insurance Act changes	Pending
Ronald Godin, Consumer Advocate for Insurance (role to be taken over by provincial ombudsman effective Jan 1/15)	None	Q1 or Q2 2015	-Introduce CAFII and build relationship -Position CAFII as an information resource -Find out how provincial ombudsman will carry out role formerly held by Consumer Advocate For Insurance	Pending

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Nov 17/14
Nova Scotia				
Doug Murphy, Superintendent	Oct 1/14: Fredericton, NB	None		Watch/ monitoring re possible Insurance Act Review in 2015
PEI				
Superintendent Robert Bradley	Oct 1/14: Fredericton, NB	Q2 2015 PEI or Toronto	-Review of life and accident & sickness provisions of Insurance Act, previously communicated as a definite priority for 2015 -LLQP modernization -Update on TIPIP initiative -Update on Superintendent's priorities -Communicate CAFII issues -Maintain and strengthen relationship	Pending
Newfoundland				
Craig Whalen, Deputy Superintendent	Oct 1/14: Fredericton, NB	None	N/A	Deferred to 2016
FEDERAL/NATIONAL				
Carol Shevlin, Policy Manager, CCIR *Retiring end of 2015	May 7/14; Ottawa, ON (informal update)	Dec 2014 or Jan 2015 informal catch-up lunch	-Update on CCIR 2014-17 Strategic Plan and related priorities -possible CAFII webinar(s) for CCIR in 2015 -succession plans for CCIR Policy Manager given upcoming retirement -opportunity to thank and acknowledge C. Shevlin at CAFII Reception later in 2015	Pending
Carolyn Rogers, CCIR Chair (CEO, FICOM & Superintendent of Insurance)	Oct 7/14: Toronto, ON	Jan 28 or 29/15 CCIR stakeholder meetings CAFII webinar(s)	-Update on CCIR 2014-17 Strategic Plan and related priorities -LLQP modernization -Communicate CAFII issues	Confirmed TBA
Ron Fullan Chair (SK); G. Matier (BC); J. Abram (AB), W. Martinson (AB); D. Weir (NB) CISRO	Feb 10/14: Toronto, ON	None		Watch/ monitoring

Jurisdiction Regulator/Policy-Maker	Last Meeting /Contact	Proposed Meeting	Topics/Purpose	Status Nov 17/14
Jeremy Rudin, Superintendent, Office of the Superintendent of Financial Institutions (appointed June/14)	N/A	Q1 2015 “get acquainted” meeting with J. Rudin in Ottawa or Toronto	-introduce/educate about CAFII, CGI and alternate distribution -build relationship -invite to be speaker at CAFII Reception in June or October 2015	
Doug Melville, Ombudsman, OBSI	N/A	None		Watch/ monitoring
Financial Consumer Agency of Canada (FCAC):		Q1 2015 (either in-person in Ottawa or Toronto; or via teleconference)	-CAFII proposed enhancements to FAQs and other content on FCAC web site re creditor insurance	Pending
Lucie Tedesco, Commissioner	N/A			
Brigitte Goulard, Deputy Commissioner	Jun 10/14			
Jane Rooney, Financial Literacy Leader	N/A	Feb 10/15	Jane Rooney confirmed as guest speaker at Feb CAFII Annual Members’ Luncheon in Toronto	Confirmed
Karen Morgan, Marketing Officer	Jan 9/14			

CAFII 2015 Schedule of Meetings

- Draft For Review -

EOC Meetings:

- January 13, 2015 and EOC Annual Dinner at 5:30 pm
- February 17, 2015
- March 24, 2015
- April 28, 2015
- May 26, 2015
- June 23, 2015
 - * Holidays to avoid: St. Jean Baptiste Day, Jun 24; Canada Day, Jul 1.
- July 21, 2015 *tentative summer meeting
- August 25, 2015 *tentative summer meeting
- September 22, 2015
- October 27, 2015
- November 17, 2015
- January 12, 2016 and EOC Annual Dinner at 5:30 pm

Board Meetings:

- | | |
|-----------------------------|---|
| | <u>Tentative Hosts</u> |
| • Tuesday, April 14, 2015 | HOST: Canadian Premier |
| • Tuesday, June 9, 2015 | HOST: ScotiaLife Financial
incl. Annual Meeting of Members |
| • Tuesday, October 6, 2015 | HOST: Desjardins |
| • Tuesday, December 8, 2015 | HOST: CIBC Insurance |

PLEASE NOTE: Each board meeting is typically followed by a speaker presentation (except December) and networking reception which are well attended by members, associates, allied associations, and regulators.

Annual Members Luncheon & Speaker Forum:

February 10, 2015 from 12 -2pm

Venue: TBA, Toronto, ON

* tentative details

Topic: Consumer Financial Literacy

Speaker: Jane Rooney, FCAC

2014 Board Meetings Hosted by:

National Bank, AMEX, TD Insurance, ScotiaLife Financial; AGM: AMEX

2013 Board Meetings Hosted by:

RBC Insurance, CIBC Insurance, Assurant, BMO Insurance; AGM: CIBC Insurance

Customer Value Proposition Project Selected Preliminary Results from Towers Watson

Application Approval Rates

%		Simple Issue	Approved in Underwriting	Declined in Underwriting	Not Taken	Total Applications	Total Approved
	2014						
	Life	76	16	4	5	100%	91
	Disability	75	10	9	5	100%	85
	Critical Illness	60	21	8	11	100%	81
	2010						
	Life	84	10	3	3	100%	94
	Disability	90	4	2	4	100%	94

Claims Approval Rates

%		Paid	Pending	Denied	Total	Remove Pending	% Paid
	2014						
	Life	91	4	5	100	96	95%
	Disability	74	13	13	100	87	85%
	Critical Illness	74	8	18	100	92	80%
	2010						
	Life	95	n/a	5	100	n/a	95%
	Disability	84	n/a	16	100	n/a	84%

Reasons for Claim Denials

	Life		Disability		Critical Illness	
	2014	2010	2014	2010	2014	2010
Misrep or fraud	2.3	2.3	3.2	4.6	2.1	n/a
Pre-ex	0.0	0	1.0	1.7	0.7	
Suicide or self-inflicted injury	0.7	0.9	0.0		0.0	
Criminal act	0.1	0.1	0.0		0.0	
Administration reasons	0.0		1.4	0.6	0.1	
Not insured at time of claim	1.5	0.3	1.8	1.6	5.9	
not meeting all medical conditions for valid claim	0.1		1.6	2.8	6.5	
Not meeting DI qualification period or CI moratorium period for valid claims	0.0		2.4	2.3	2.2	
Other reasons	0.3	1.4	1.5	2.6	0.5	
Claims Denied	5.0	5.0	13.0	16.2	18	

Top 3 reasons for claim denial