

CAFII Executive Operations Committee Meeting

Date: Tuesday, November 20, 2018
Location: BMO Insurance, 6th Floor Boardroom, 60 Yonge St., Toronto, ON
Chair: M. Boyle

Time: 2:00 – 4:30 p.m. EST
Dial-in: 416-477-0921; 514-447-8925; or 1-888-543-2449
Participant: 1500; Moderator: 1501
Zoom URL: https://zoom.us/j/295015648

Agenda

Item		Presenter	Action	Document
1. Call to Order	2:00 p.m.	M. Boyle		
a. Welcome to new EOC Member				
2. Consent Items	2:02 p.m.	M. Boyle	Receipt	✓
a. EOC Meeting Notes of October 23/18			Receipt	✓
b. Summary of Board and EOC Action Items				
3. Approval of Agenda and Previous Minutes	2:03 p.m.			
a. Agenda for November 20/18 EOC Meeting		All	Approval	✓
b. Minutes of September 25/18 EOC Meeting		All	Approval	✓
c. Minutes of October 2/18 Board Meeting		All	Approval	✓
4. Strategy and Governance	2:05 p.m.			
a. Credit Card Balance Protection Insurance; and Possible CAFII Next Steps:				
i. CBC Marketplace and Go Public Stories of November 2018		K. Martin	Update	
ii. CAFII-sponsored research on consumer value proposition and/or international comparisons of Balance Protection Insurance		K. Martin	Discussion	
iii. CAFII-developed guidelines/standards and/or training/certification program related to Balance Protection Insurance		K. Martin/B. Wycks	Discussion	
iv. CAFII Special Purpose GR/PR Campaign In Support of Balance Protection Insurance (proposal from Z. Fuerstenberg, ScotiaLife Financial)		K. Martin/B. Wycks	Discussion	✓
b. CAFII Response To Recent Presentation From B. Goulard, FCAC: Next Steps		K. Martin	Discussion	✓
c. Proposed Schedule of 2019 CAFII Meetings and Events		B. Wycks	Decision	✓ ✓ (2)
d. CAFII Initiation Member, Returning Member, and Associate Prospects		B. Wycks/K. Martin	Update	
i. National Bank Insurance				
ii. Chubb Insurance Canada				
iii. Sun Life Financial				
5. CAFII Financial Management	2:45 p.m.	T. Pergola		
a. Financial Statements as at October 31/18			Approval	✓
b. Proposed CAFII 2019 Operating Budget			Decision	✓ (2)
6. Regulatory	3:00 p.m.			
a. Consultations/Submissions Timetable		B. Wycks	Update	✓
b. Regulatory Update		B. Wycks		✓
i. Response Submission on AMF's Regulation Respecting Alternative Distribution Methods		K. Martin/B. Wycks	Update	
ii. Response Submission on FSRA's Proposed Fees and Assessments Rules		B. Wycks	Update	
iii. Implementation of Saskatchewan's New Insurance Act and Regulations		B. Wycks	Update	✓ ✓ ✓ (3)
iv. October 24/18 CAFII Meeting With CCIR Travel Insurance Working Group		S. Manson/B. Wycks	Update	
v. October 25/18 CAFII Stakeholder Meeting With CCIR		B. Wycks/K. Martin	Update	
vi. November 16/18 FSCO Life and Health Insurance Market Conduct Symposium		K. Martin	Update	
vii. New Brunswick Insurance Act Rewrite		B. Wycks	Update	
c. Regulator and Policy-Maker Visit Plan		B. Wycks	Update	✓
i. CCIR Year 3 ASMC Information Session, November 21/18		B. Wycks	Update	
ii. Industry Advisory Group – Life and Health Insurance Meeting with FSRA Re 2019-20 Priorities and Budget, November 26/18		B. Wycks	Update	
iii. CAFII Meeting with CCIR/CISRO Fair Treatment of Consumer Working Group, November 28/18		B. Wycks	Update	
iv. CAFII Follow-up Meeting With CCIR Travel Insurance Working Group, December 5/18 (Tentative)		S. Manson/B. Wycks	Update	

Next Board Meeting: Tuesday, November 27/18, 3:00 to 5:00 p.m.; The Canada Life Assurance Company, 15th Floor Boardroom, 330 University Avenue, Toronto, ON

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

Agenda Item 2(a)
November 20/18 EOC Meeting

CAFII Executive Operations Committee
Summary Notes of Teleconference Meeting, 23 October, 2018, 2:00 to 3:00 pm

In Attendance:

Martin Boyle, BMO Insurance (Chair)
Dallas Ewen, Canada Life
Brad Kuiper, Scotialife Financial
Laura Bedford, RBC Insurance
Scott Kirby, TD Insurance
Peter Thorn, TD Insurance
Anita Mukherjee, RBC Insurance
Moirra Gill, TD Insurance
Monika Spudas, Manulife Insurance
Diane Quigley, CUMIS
Tony Pergola, Scotialife Financial (Treasurer)
Sue Manson, CIBC Insurance
Mindy Tarantelli, Scotialife Financial
Brendan Wycks, CAFII
Natalie Hill, CAFII
Keith Martin, CAFII

Summary

A series of content items were approved without further discussion on them in the meeting.

The first draft of the CAFII 2019 operating budget was tabled and reviewed. The draft operating budget offered a series of scenarios based on different assumptions around revenue and expenses, so EOC members could see the impact of different approaches on the Association's finances.

The EOC was presented with a proposal from CUMIS around allowing non-EOC members to have access to EOC meetings and materials. The proposal was tabled for consideration with the intention of more fully evaluating it at a future EOC meeting, following further consideration in the interim.

A draft schedule of EOC and Board meetings for 2019 was tabled, and members who were assigned to host meetings in 2019 were asked to review internally whether there were any conflicts and to let CAFII know of any issues as soon as possible.

It was noted that the CAFII Networking and Events Committee was being reconstituted, with Scott Kirby and John Lewsen offering to participate as the committee's members. Other EOC members who might have an interest in participating on the committee were invited to put their names forward.

Upcoming regulatory submissions were reviewed, including the critical path for a response to the AMF regulation regarding Alternative Distribution Methods, for which Keith Martin will take the lead on drafting the formal response for review by the Market Conduct Committee and the full EOC.

Because the AMF regulation includes a short, high-level summary that is required as a replacement for the Distribution Guide, the concept of CAFII producing a template version of this summary was tabled and the consensus was that this could be a positive role for CAFII to play.

The critical path for the submission in response to the FSRA Public Consultation on Proposed Fees and Assessments Rules was reviewed, for which Brendan Wycks will take the lead on drafting the formal response for review by the Market Conduct Committee and the full EOC. The response will include a request for a transition period for the implementation of the move from net premium to direct written premium as the basis for fee levies.

There was discussion of the upcoming CBC Marketplace story on credit card balance protection insurance, and it was noted that the Media Advocacy Committee was playing a lead role in coordinating discussion and reviewing options for CAFII.

There was review of a document on the next steps arising out of the recent CAFII meeting with FCAC Deputy Superintendent Brigitte Goulard, and it was agreed members would consider the options in the document and discuss them in more detail at the November in-person EOC meeting.

It was noted that the Pollara consumer research project on credit protection insurance for mortgage and HELOC products was nearing completion, with results likely to be shared with CAFII members in the following weeks.

There was an update on the status of the Saskatchewan new Insurance Act and Regulations, including steps taken in relation to the Saskatchewan “mini-consultation” which emanated from CAFII and CLHIA submissions on some of the regulations.

The EOC was given an update on the next steps around a new website video summarizing the travel medical insurance research results.

EOC members were reminded that CAFII would like to place a membership badge on the websites of the Association’s members; follow up documentation to be used to make the case internally within CAFII members’ organizations would be forthcoming.

There was an update on a 17 October, 2018 travel health insurance meeting with CLHIA and THiA, which was held to prepare for separate 24 October, 2018 meetings which the three Associations would be having on this issue with the CCIR’s Travel Insurance Working Group.

The EOC was also updated on the upcoming 25 October Annual Stakeholder Meeting with CCIR, for which meeting it was proposed that CAFII take a less formal, more high-level approach to the issues CAFII wanted to address.

An update was provided on CAFII’s efforts to bring Sun Life Financial into the Association as an Initiation Member, with good discussions having taken place with a new senior executive contact at Sun Life Financial, Laura Hewitt.

Summary of CAFII Board and EOC Action Items					
	Source	Action Item	Responsible	Deadline	Status November 20, 2018
		Association Strategy and Governance			
6	EOC May 29, 2018	Develop a summary job description for the CAFII EOC Chair role and circulate it to EOC Members.	Brendan, Keith	31-Dec-18	In progress
7	EOC September 19, 2017	Approach Directors to see if they would consider becoming the new CAFII Chair to succeed Peter McCarthy; or becoming the Vice-Chair	All EOC	23-Oct-17	Complete
8	EOC June 20, 2017	Review "Candidate Profile: CAFII Board Chair" and "Reverse Chronology CAFII Board Chair, Board Vice-Chair, EOC Chair, and Treasurer Appointees" and discuss with own CAFII Board member the possibility of his/her being a nominee for the CAFII Board Chair or Vice-Chair roles, for a 1 or 2 year appointment.	All EOC	5-Sep-17	Complete
9	EOC February 27, 2018	Document in writing the process for reviewing, approving, and admitting applicants for CAFII Members and Associate status	Brendan	31-Dec-18	In progress

3	EOC October 25, 2016
4	
	Board October 4, 2016
	Board June 7, 2016
5	EOC Apr 26, 2016
	EOC Mar 29, 2016
1	Board Nov 29, 2016
2	EOC Nov 15, 2016
1	EOC Feb 16, 2016
	EOC Nov 17, 2015
	EOC September 20, 2016
	EOC September 20, 2016
7	EOC October 25, 2016
8	

9	Board October 4, 2016
	EOC September 20, 2016
	EOC July 19, 2016
	EOC Apr 26, 2016
	Board Oct 6, 2015
	Board Apr 7, 2015
	EOC Mar 24, 2015
	EOC Sep 22, 2015
	EOC Feb 21, 2017
	EOC Feb 21, 2017
2	EOC Jan 17, 2017
3	Board Nov 29, 2016
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	EOC Feb 21, 2017
6	Board Nov 29, 2016
10	EOC October 25, 2016
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	EOC September 20, 2016
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	EOC Nov 17, 2015
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12	EOC June 21, 2016
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	EOC Feb 16, 2016
	Board October 4, 2016
	EOC August 23, 2016
	EOC June 21, 2016

	EOC May 24, 2016
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	Board Apr 12, 2016
	EOC Mar 29, 2016
	EOC Feb 16, 2016
	EOC Jan 12, 2016
13	EOC October 25, 2016
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18	Board October 4, 2016

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9	EOC Nov 15, 2016
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11	Board Oct 4, 2016
	EOC Feb 21, 2017
12	EOC Jan 17, 2017
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12	Board Nov 29, 2016

Summary of CAFII Board and EOC Action Items

Action Item

no action items

no action items

no action items

no action items

ON Review of FSCO Mandate

- EOC Members to provide their comments on the Position Paper to Brendan by November 23, who will then draft a submission for review and approval. Deadline for submissions is December 14, 2015.

New Brunswick

- CAFII to finalize and submit its response to the New Brunswick consultation on modernizing the insurance licensing framework

QC Ministry of Finance

- QC Ministry of Finance Lobbying Recommendation to be presented to Peter McCarthy for agreement and direction. The proposal shall include a request to meet in February 2016, with CAFII's delegation to include members who are fluent in French.
- A recommendation for lobbying Quebec Ministry of Finance officials to be drafted for consideration.

Alberta Critical Illness Insurance Issue

- Circulate J. McCutcheon's email to W. Martinson to CAFII EOC and Board members and invite J. McCutcheon to visit CAFII Board Meeting on June 7, 2016

Alberta Regulatory Issues

- Obtain legal review feedback from J. McCutcheon on CAFII's proposed definition of creditor's group critical illness insurance; talk to E. Hiemstra of CLHIA to ensure that the CAFII and CLHIA proposed definitions are well-aligned; and circulate the revised definition to Market Conduct, LEIC, and EOC members for final review and approval before submission to J. Abram.
- Follow-up with A. Maramieri and/or J. Abram of the AIC management team to secure a brief telephone meeting to find out what resolution options will be on the table for the LIC's consideration
- Provide further revised draft of letter to J. Abram on selling of CI under an RIA license, for EOC
- EOC members to provide feedback on revised draft letter
- Finalize letter and submit to J. Abram

Atlantic Canada Regulatory Issues

- Update CAFII presentation on "Seven Point Guide to the Creditor Insurance Regulatory Regime," for possible use as an educational communication to New Brunswick and/or other insurance regulators

BC Ministry of Finance & FICOM Regulatory Issues

<ul style="list-style-type: none"> • Post J. McCutcheon's draft legal opinion on auto dealers are creditors for a moment-in-time issue, for review at November 15/16 EOC meeting.
<ul style="list-style-type: none"> • Prepare recommendation to EOC on how CAFII should utilize J. McCutcheon's draft legal opinion, if at all, in terms of further communication with FICOM, for discussion at November 15/16 meeting.
<ul style="list-style-type: none"> • Secure legal opinion from J. McCutcheon on auto dealers are creditors for a moment-in-time issue for possible submission to FICOM; and facilitate review by EOC at October 25/16 meeting and subsequent recommendation to CAFII Board on use of the legal opinion.
<ul style="list-style-type: none"> • Engage J. McCutcheon to provide legal advice to CAFII on the Association's next steps in dealing with BC FICOM on the auto dealers are creditors for-a-moment-in-time issue
<ul style="list-style-type: none"> • Conduct further research and provide additional information on auto dealers are creditors for a moment-in-time argument, to enable further CAFII discussion with FICOM.
<ul style="list-style-type: none"> • Follow-up with CLHIA on results of its discussions with BC FICOM regarding mortgage brokers issue in CGI Information Bulletin
<ul style="list-style-type: none"> • Send Board-approved letter to H. James, BC FICOM, to bring closure to CAFII's open inquiry on auto dealers are creditors for a moment-in-time issue.
<ul style="list-style-type: none"> • Prepare draft letter to H. James, BC FICOM, to bring closure to CAFII's open inquiry on auto dealers are creditors for a moment-in-time issue, for review at Nov 29/16 Board meeting.
<ul style="list-style-type: none"> • Investigate opportunities to engage with BC Ministry of Finance to provide information and find out more about what will be included in the Policy Paper to be released in late 2016C38:C150.
<ul style="list-style-type: none"> • Send thank-you letters to Dan Ashton, Parliamentary Secretary for Finance and Ministry staff officials re-CAFII meetings on Nov.10/15
<ul style="list-style-type: none"> • Follow-up information to be provided as requested by Brian Dillon including the three standard questions that typically appear on an application for creditor's group life insurance; statistics on CGI claims made and claims paid; and information on CAFII's proposal to Ron Fullan, Executive Director of the Insurance Councils of Saskatchewan, for a Restricted Insurance Agents Advisory Committee.
<ul style="list-style-type: none"> • Provide BC officials with the data from CAFII's consumer survey on travel insurance.
Manitoba Financial Institutions Regulatory Branch & Insurance Council of Manitoba Issues
<ul style="list-style-type: none"> • Contact E. Pearson, Executive Director of the Insurance Council of Manitoba, to seek clarification on what amendments to Regulation 389/7 the Council's ISI Committee has proposed to Government re incorporating "other organizations" and "other types of insurance" into the prescribed regulatory
Ontario Ministry of Finance & FSCO Regulatory Issues
<ul style="list-style-type: none"> • Poll Licencing Committee/EOC members for availability to attend a meeting with FSCO at its invitation around life insurance agent compliance, particularly re E&O Insurance, during the week of October 3-7/16. If none of FSCO's proposed date/time options that week work for at least several CAFII members, propose an alternate option in the following week to FSCO.
Saskatchewan Insurance Regulations Issues
<ul style="list-style-type: none"> • Obtain from J. Seibel, FCAA, a copy of the amended Bill 177, The Insurance Act as actually passed by the Saskatchewan legislature in May 2015
<ul style="list-style-type: none"> • Send a note to J. Seibel, FCAA, expressing CAFII's concern about the insufficient and compressed time being allowed for submissions on the draft Regulations and for preparing for and adapting to the new Insurance Act and related Regulations.
Quebec Ministry of Finance & AMF Regulatory Issues

<ul style="list-style-type: none"> • Implement Board-approved motion to engage Sylvie Bourdeau of Fasken Martineau DuMoulin through a letter of engagement with a fee estimate of approximately \$15,000 plus HST.
<ul style="list-style-type: none"> • Add a question re highlights of AMF's new Operational Risk Management Guideline to agenda for Industry Issues Dialogue with the AMF staff executives in Montreal on October 4/16.
<ul style="list-style-type: none"> • With approval of the EOC, proceed in bringing to the Board on October 4/16 a proposal to engage Sylvie Bourdeau, Fasken Martineau DuMoulin, as specialized legal counsel with respect to expected overhaul of Quebec's Insurance Act and/or Distribution Act.
<ul style="list-style-type: none"> • Bring forward a proposal to the October 4/16 to Board of Directors Meeting recommending engagement of specialized legal counsel with respect to expected overhaul of Quebec's Insurance Act
<ul style="list-style-type: none"> • Consult on the possibility of engaging specialized legal counsel with respect to expected overhaul of Quebec's Insurance Act and/or Distribution Act, before bringing a proposal back to EOC.
<ul style="list-style-type: none"> • EOC to determine next steps and arrange a meeting with the BC Ministry of Finance. Board members to be part of the delegation, if available.
<ul style="list-style-type: none"> • Develop an education campaign on creditor's group insurance and the underserved market for regulators and policy-makers in the BC ministry.
<ul style="list-style-type: none"> • Draft CAFII response to Insurance Council of BC's proposal – to be put forward during the 10-Year Review of the Financial Institutions Act -- that a dollar limit ceiling be imposed on the amount of coverage that can be sold under the province's licensure exemption for CGI; and determine how our
<ul style="list-style-type: none"> • Summary of internal legal review of Information Bulletin to be shared with EOC.
<ul style="list-style-type: none"> • Contact E. Hiemstra to ask her to review the definition of Creditors' Critical Illness Insurance approved by the Alberta LIC to ensure there are no issues with it from CHLIA's perspective.
<ul style="list-style-type: none"> • Contact J. McCutcheon to ask her to review the definition of Creditors' Critical Illness Insurance approved by the Alberta LIC to ensure there are no issues with it from an industry-wide perspective.
<ul style="list-style-type: none"> • Contact K. Fullan, Chair of CISRO, regarding scheduling an opportunity for CAFII representatives, including new Co-ED K. Martin, to meet with CISRO representatives in conjunction with one of its semi-annual face-to-face meetings.
CCIR
<ul style="list-style-type: none"> • Craft an email to M. Boyle with a question regarding the definition of "lawsuits" within the Annual Statement re whether disputes between an insurer and a beneficiary are outside of the scope of this definition.
<ul style="list-style-type: none"> • Contact M. Boyle for clarification on whether complaints data for those provincial/territorial jurisdictions that have not yet signed CCIR's Memorandum of Understanding by the May 1/17 deadline for insurers to file their completed annual statement.
<ul style="list-style-type: none"> • Provide opportunity for CAFII Board and EOC members to comment on list/outline of topics that CAFII will be suggesting to CCIR for inclusion in its 2017-2020 Strategic Plan.
Ontario Ministry of Finance & FSCO Regulatory Issues
<ul style="list-style-type: none"> • Monitor the insurance category of the Ontario Red Tape Challenge online forum and re-evaluate closer to the deadline as to whether CAFII should submit comments on those sub-categories for which the Association has relevant ready-to-go material from previous regulatory submissions.
<ul style="list-style-type: none"> • Follow-up with S. Roberts, FSRA Implementation Secretariat, with a request that CAFII be given an opportunity to provide input for the Secretariat's development of draft Regulations.
Finance Canada Regulatory Issues

<ul style="list-style-type: none"> • Reach out to A. Ciappara, Director, Economic Analysis, Canadian Bankers Association, for an update on the CBA's plan and actions for seeking redress with Finance Canada re deficiencies in Bill C29, Budget Implementation Act's Consumer Framework related to creditor insurance and standalone insurance products.
<ul style="list-style-type: none"> • Monitor Canadian Bankers Association's plans and actions for seeking redress with Finance Canada re deficiencies in Bill C29, Budget Implementation Act's Consumer Framework related to creditor insurance and standalone insurance products.
Annual Statement on Market Conduct
<ul style="list-style-type: none"> • Send a note to CCIR Policy Managers M. Boyle and S. Jacobs to find out (i) if the semi-annual SRP-CRS complaint report filing requirement, which has had a January 30 and July 30 deadline each year, will now not be required on January 30/17 because it will be absorbed within the Annual Statement filing which has a May 1/17 deadline?; and (ii) will the provincial/territorial jurisdictions which previously were not included in the SRP-CRS filing requirement now be included under the Annual Statement
<ul style="list-style-type: none"> • Send a note to CCIR Policy Managers M. Boyle and S. Jacobs asking that the confidentiality protection language in the Memorandum of Understanding be shared with the industry; and stressing the importance of all jurisdictions being signatories to the MOU by the time the Annual Statement is
<ul style="list-style-type: none"> • Contact E. Hiemstra, CLHIA, and inquire as to what she may know about a possible attestation being added to CCIR's Annual Statement on Market Conduct (Life and Health).
<ul style="list-style-type: none"> • Contact M. Boyle, CCIR Policy Manager, re whether an attestation will be added to the Annual Statement on Market Conduct (Life and Health); and, if so, convey CAFII's opposition to attestation wording that contains reference to laws, Acts, and Regulations.
<ul style="list-style-type: none"> • Revise draft CAFII submission on CCIR Annual Statement on Market Conduct, based on EOC feedback; circulate to EOC and Market Conduct Committee members for final review; and send to CCIR by August 26 deadline. In E. Fang's absence, G. Grant to be signatory on document.
<ul style="list-style-type: none"> • Revise Critical Path to include a final opportunity for EOC members to provide feedback on draft submission, subsequent to August 23/16 EOC meeting
<ul style="list-style-type: none"> • Contact Martin Boyle and express importance of including CAFII in any discussions about revisions to draft Harmonized Annual Statement on Market Conduct.
<ul style="list-style-type: none"> • Advise Martin Boyle that CAFII will be offering its independent perspective on the CCIR Annual Statement on Market Conduct through the further review deliberations that CCIR is arranging.
<ul style="list-style-type: none"> • Touch base with Joan Weir, CLHIA, to determine if the CLHIA meeting can be rescheduled to occur before the CCIR meeting; or, alternatively, if the CCIR meeting can be rescheduled to occur after the
<ul style="list-style-type: none"> • Request implementation timelines for the Annual Statement on Market Conduct from Martin Boyle, CCIR Policy Manager.
<ul style="list-style-type: none"> • Contact CLHIA for an update on the travel health insurance file and confirm that they will continue to collaborate with CAFII.
<ul style="list-style-type: none"> • Draft CAFII Submission on Annual Statement on Market Conduct to meet submission deadline (CCIR extended deadline to Dec 4/15)
<ul style="list-style-type: none"> • Consult with CLHIA to ensure that CAFII AND CLHIA response submissions are well aligned.
Alberta
<ul style="list-style-type: none"> • CAFII to submit a letter to Alberta in support of critical illness insurance being included as part of the package of Creditor's Group Insurance products sold under the RIA licence (ISI) regime in Alberta.
<ul style="list-style-type: none"> • CAFII to submit a letter of congratulations and introduction to Nilam Jetha, Acting Assistant Deputy Minister of Financial Sector Regulation and Policy.
Annual Members Lunch & Speaker Forum

<ul style="list-style-type: none"> Alison Salka, LIMRA to be tentatively booked as a speaker for CAFII's next Annual Members Luncheon and Speaker Forum in early 2016.
FSCO Mandate Review and Other Regulatory Matters
<ul style="list-style-type: none"> Draft CAFII submission on FSCO's 2016 Draft Statement of Priorities, for review by Market Conduct Committee and EOC Follow-up with David McLean, Secretary to the Expert Panel reviewing FSCO/DICO/FST mandates, regarding status of Panel's final report and any new information available
Regulator and Policy-Maker Visit Plan
<ul style="list-style-type: none"> Schedule conference call with FCNB and Licensing Committee to provide feedback on New Brunswick's new online insurance licensing system. Dinner meeting invitations to be sent to New Brunswick and Nova Scotia for Wednesday, May 4. CAFII attendees will include Moira Gill, Jason Beauchamp, Greg Grant, Charles Blaquiére. Set up a meeting with Patrick Dery during CLHIA CCOSS Conference in Halifax. Update and circulate CAFII's Lobbyist Registration Regime Matrix to EOC members Clearly flag in the Regulator and Policy-Maker Visit Plan any CAFII regulator/policy-maker relations activity that constitutes lobbying Discussion notes from regulator meetings held in Halifax to be circulated to those who aren't able to A follow-up roundtable meeting with the Atlantic Canada insurance regulators to be organized around the May 2016 CLHIA Conference in Halifax, if agreeable to the regulators.
Consultations & Submissions Timetable
<ul style="list-style-type: none"> FCAC consultation on its Supervisory Framework to be added to the Consultations and Submissions
Media Advocacy
<ul style="list-style-type: none"> Have new CAFII Communications Plan ready for EOC review at its May 24/16 meeting Finalize new CAFII Communications Plan for presentation at June 7, 2016 Board Meeting
Research and Education Committee & Travel Experts Sub-committee
<ul style="list-style-type: none"> Webinar presentations of the CAFII-commissioned survey on consumer satisfaction with travel health insurance to CLHIA and CCIR to be set up and confirmed.
Office of Superintendent of Financial Institutions Regulatory Issues
<ul style="list-style-type: none"> Send information on recent OSFI Ruling 2016-01 on Promotion of a "Comprehensive Credit Insurance" Policy by a Bank to Board and EOC members in order to obtain feedback on whether this issue is of importance/relevance to member banks; and provide results summary to Canadian Bankers
Association Admin
<ul style="list-style-type: none"> Make edit to July 19/16 EOC minutes to remove the words "to compare notes" from third paragraph Update CAFII EOC Subcommittee Directory, and send it to the subcommittee chairs Canvas EOC Members by email to secure locations for EOC meetings for the balance of 2016. Register cafii.insurance as a CAFII-controlled domain name with a registrar approved by fTLD Registry Services, LLC Bring forward a proposal for recognition of CAFII's 20th Anniversary

<ul style="list-style-type: none"> • Follow-up with Members and Associates who haven't yet paid the 2016 CAFII fees now due
<ul style="list-style-type: none"> • Prepare and send out initial invitation e-blast promoting the June 7/16 CAFII Reception Event and its guest speaker (using the current invitee list); prepare and execute follow-up e-blasts and a final confirmation message on the day of the event.
<ul style="list-style-type: none"> • Adjust draft minutes of April 26/16 EOC meeting to reflect edits proposed in May 24/16 EOC meeting.
<ul style="list-style-type: none"> • Follow-up with members and Associates who haven't yet paid 2016 CAFII fees due
<ul style="list-style-type: none"> • Speak to IT and/or marketing units within businesses to find out viewpoint on value of registering domains under .insurance
<ul style="list-style-type: none"> • Speak to CBA to find out if it has registered any domains with .bank
<ul style="list-style-type: none"> • Poll Leya Duigu and past EOC members who'll be special guest invitees, to establish a date and time for informal thank you and appreciation gathering
<ul style="list-style-type: none"> • Secure a venue and food and beverage arrangements for CAFII thank you and appreciation gathering
<ul style="list-style-type: none"> • Notify Nick Bilodeau, American Express, of his election to CAFII Board of Directors.
<ul style="list-style-type: none"> • Contact auditors KPMG and request that Market Conduct and Research and Education Committee expenses be reported separately on Income Statement
<ul style="list-style-type: none"> • Seek clarification on whether venue booked by Assurant Solutions for June 7, 2016 CAFII meetings can accommodate a speaker presentation.
<ul style="list-style-type: none"> • Circulate list of speakers at past CAFII events to EOC.
<ul style="list-style-type: none"> • Provide additional information about .INSURANCE internet domain registry to determine if CAFII should register a domain.
<ul style="list-style-type: none"> • Request to change the date of December 6/16 Board meeting to November 29/16 to be emailed to EOC for confirmation.
<ul style="list-style-type: none"> • Provide EOC members with Maria Sanchez-Chung's contact information.
<ul style="list-style-type: none"> • Follow-up with Brent Lemanski at LIMRA regarding potential CAFII membership.
<ul style="list-style-type: none"> • A review of CAFII's financial reporting to be completed with TO Corporate Services.
<ul style="list-style-type: none"> • All relevant stakeholder submissions and supporting documents to be posted to the CAFII website, e.g. Insurance Council of BC, Advocis, Independent Financial Brokers.
<ul style="list-style-type: none"> • The location and arrangements for CAFII's Board Meeting and Reception on April 12, 2016 hosted by The CUMIS Group to be confirmed.
<p>Action: B. Wycks to touch base with contact to clarify; what are the issues, what are they</p>
<ul style="list-style-type: none"> • Send request for input on 2017 CAFII Operating Budget to Committee Chairs
<ul style="list-style-type: none"> • Provide input for development of 2017 CAFII Operating Budget
<ul style="list-style-type: none"> • Develop 2017 CAFII Operating Budget for EOC review and feedback at November 15/16 EOC meeting, prior to its presentation to the Board at November 29/16 meeting for approval
<ul style="list-style-type: none"> • Contact event coordinators at Ripley's Aquarium and set-up a site-visit for B. Wycks and E. Cloutier; and determine the deposit amount and next steps for securing the space.
<ul style="list-style-type: none"> • Send the LinkedIn posting for the CAFII Co-Executive Director position and a PDF of the job description to all EOC members for review and sharing with potential candidates
<ul style="list-style-type: none"> • Submit Board-approved resolution on appointment of CAFII Cheque Signing Authorities to TD Bank and follow-up to ensure that CAFII's signing authorities are brought up-to-date in the bank's systems.
<p>Quebec Ministry of Finance & AMF Regulatory Issues</p>

- Prepare and circulate to EOC members a refresher memo on the anticipated Quebec Omnibus Bill expected to modernize the province's financial services sector.

Association Budgeting and Financial Management

- Include a thorough explanation of the Board-approved Member dues increase in the cover letter which accompanies the first semi-annual dues instalment invoice.
- Bring Draft 2017 CAFII Operating Budget, approved by the EOC, forward to Nov 29/16 Board meeting agenda; and position so that Board has generous amount of time to deliberate on options
- Inform Board Chair P. McCarthy of major decision facing the Board, and alternatives available, in approving CAFII 2017 Operating Budget.
- Brief respective individual Board members on major decision facing the Board, and alternatives available, in approving CAFII 2017 Operating Budget.

CAFII Events

- Send a list of own organization invitees for the Annual Members' Luncheon to each EOC member, so that they can review and provide feedback on their company's list.
- Obtain initial O. Zimmerman's email address from R. Beckford. Send O. Zimmerman an email request for assistance in obtaining contact information for J. Westlake, D. Dorval, D. Lacey. Obtain contact information for L. McGill from S. Manson. Send invitation to CAFII 20th Anniversary Celebration to O. Zimmerman, J. Westlake, D. Dorval, D. Lacey and L. McGill.
- Research possible speakers who could present on insurtech developments, and secure a knowledgeable and passionate speaker for 2017 Annual Members Luncheon on Feb 7/17.
- Include in Board Chair's remarks for Nov 29/16 Year-End Reception a thank you to all CAFII committee members for their service to the Association over the past year.
- Invite founding CAFII Board members -- as identified by O. Zimmerman, through Bob Grant; and/or others -- to attend CAFII 20th Anniversary event on April 5/17.

Association Administration

- Reach out to M. Gill/K. Martin regarding coordinating dates for a refresh meeting of the Licensing Committee in April 2017
- Speak to caterer for CAFII 20th Anniversary re sourcing wines from across Canada for the Reception event; then send wine list to A. Stuska and J. Lewsen for selections.
- Communicate CAFII 20th Anniversary banner designs to graphic designer; and ensure production of them is complete prior to April 5/17 event.
- Speak to M. Mastroianni, EA to P. McCarthy, to find out if his calendar can accommodate a change in the October 2017 Board meeting and AMF Liaison Lunch and Industry Issues Dialogue in Montreal from Tuesday, Oct 3/17 to Wednesday Oct 4/17.
- Send an appointment announcement about the new CAFII Co-Executive Director to EOC members, following communication of that news to CAFII Board members.
- Send electronic meeting notifications to Board and EOC members, as appropriate, to ensure that relevant 2017 CAFII meetings are in their calendars.

Eleanore, Brendan	10-Nov-16	Complete
Eleanore, Brendan	15-Nov-16	Complete
Eleanore	20-Oct-16	Complete
Greg	30-Jun-16	Complete
Diane	31-May-16	Complete
Brendan	26-Apr-16	Complete
Brendan, Eleanore	9-Dec-16	Complete
Brendan, Diane, Carol, Eleanore	24-Nov-16	Complete
Brendan	Ongoing	In progress
Brendan	30-Nov-15	Completed
Brendan	11-Apr-16	Complete
Sue, Brendan	11-Apr-16	Complete
Brendan	23-Sep-16	Complete
Brendan	28-Sep-16	Complete
Brendan	28-Oct-16	Complete
Brendan	11-Nov-16	Complete

Rose, Isabelle, Brendan, Eleanore	31-Oct-16	Complete
Brendan	27-Sep-16	Complete
Rose, Isabelle, Brendan	4-Oct-16	Complete
Rose, Isabelle	23-Sep-16	Complete
Rose, Isabelle	15-Jun-16	Complete
Brendan, EOC	asap	Completed
EOC	tba	Completed
Greg, Brendan	tba	Completed
Derek and John	tba	Completed
Brendan	28-Feb-17	Brendan
Brendan	28-Feb-17	Deferred
Brendan	28-Feb-17	Completed
Brendan	24-Feb-17	Complete
Brendan	31-Jan-17	Complete
Brendan	7-Jan-17	Complete
Brendan	27-Jan-17	Complete
Brendan	3-Feb-17	In progress

Alberta

Alberta

CISRO

Brendan	15-Mar-17	Completed
Brendan	Ongoing	In progress
Brendan	10-Nov-16	Complete
Brendan	5-Dec-16	Complete
Brendan	21-Sep-16	Complete
Brendan	21-Sep-16	Complete
Brendan, Rose	26-Aug-16	Complete
Brendan	22-Jul-16	Complete
Brendan	11-Apr-16	Complete
Brendan	21-Mar-16	Completed
Brendan	20-Feb-16	Completed
Brendan	tba	Completed
Brendan	tba	Completed
Brendan	Nov 27/15	Completed
Brendan	Nov 27/15	Completed
Brendan	tba	Completed
Brendan	tba	Completed

Sue	asap	Completed
Brendan, Rose	20-May-16	Complete
Brendan	12-Apr-16	Complete
Brendan	12-Feb-16	Completed
Brendan	29-Feb-16	Completed
Brendan	29-Feb-16	Completed Invite declined
Brendan	30-Jul-16	In progress
Brendan	21-Jun-16	Complete
Brendan	13-May-16	Complete
Brendan	29-Feb-16	Completed
Brendan	23-Feb-16	Completed
Charles, Greg, Brendan	19-May-16	Complete
Charles, Greg, Brendan	02-June-16	Complete
Sue, Brendan, Leya	3-Mar-16	Completed
Brendan; Board/EOC members	14-Oct-16	Complete
Brendan, Emily	30-Aug-16	Complete
Emily	5-Jul-16	Complete
Emily	15-Jul-16	Complete
Brendan, Emily	15-Jun-16	Complete
Brendan	4-Oct-16	In progress

Emily	7-Jun-16	Complete
Emily, Brendan	25-May-2016 to 07-Jun-2016	Complete
Emily	31-May-16	Complete
Emily	24-May-16	Complete
All members	6-Jun-16	Complete
Brendan	24-May-16	Complete
Emily, Brendan	10-May-16	Complete
Brendan, Greg, Emily	13-May-16	Complete
Brendan	18-Apr-16	Complete
Leya	12-Apr-16	Complete
Emily	26-Apr-16	Complete
Leya	15-Apr-16	Complete
Jodi	26-Apr-16	Complete
Leya	21-Mar-16	Completed
Leya	23-Feb-16	Completed
Sue, Brendan	23-Feb-16	Completed
Greg, Raja	17-Feb-16	Completed
Emily	15-Apr-16	In progress
Leya	16-Feb-16	Completed
Emily	26-Oct-16	Complete
Committee Chairs	2-Nov-16	Complete
Raja, Brendan, Emily	15-Nov-16	Complete
Emily	28-Oct-16	Complete
Emily	25-Oct-16	Complete
Emily	24-Oct-16	Complete

Brendan	17-Feb-17	In progress
Brendan, Eleanore, Emily	10-Feb-17	In progress
Raja, Brendan	24-Nov-16	Complete
John	21-Nov-16	Complete
All EOC	25-Nov-16	Complete
Emily	20-Jan-17	Complete
Emily	3-Feb-17	In progress
Brendan	25-Nov-16	Complete
Brendan	28-Nov-16	Complete
Emily, Brendan	31-Jan-17	Complete
Emily	24-Feb-17	Complete
Emily	10-Mar-17	Complete
Emily	15-Mar-17	Complete
Emily	27-Jan-17	Complete
Eleanore	20-Jan-17	Complete
Emily	13-Jan-17	Complete

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CAFII Executive Operations Committee

Tuesday, September 25, 2018

Managing Matters Inc.

411 Richmond St. E, Toronto ON

MINUTES

EOC Present:	John Lewsen, BMO Insurance (Acting Chair) Scott Kirby, TD Insurance Martin Boyle, BMO Insurance (<i>by teleconference</i>) Diane Quigley, CUMIS Group Inc. Dominique Julien, CIBC Insurance Charles Maclean, RBC Insurance (<i>by teleconference</i>) Charles Blaquiere, Canadian Premier Life Anuraj Bains, CIBC Insurance (<i>by teleconference</i>) Brad Kupier, Scotiabank Financial Tony Pergola, Scotiabank Financial <i>Treasurer (by teleconference)</i> Rob Dobbins, Assurant Solutions Sue Manson, CIBC Insurance (<i>by teleconference</i>)
Also Present:	Natalie Hill, Managing Matters <i>Recording Secretary</i> Keith Martin, CAFII <i>Co-Executive Director</i> Brendan Wycks, CAFII <i>Co-Executive Director</i>
Regrets:	Peter Thorn, TD Insurance, <i>Chair</i> Anita Mukherjee, RBC Insurance Vivek Sahni, RBC Insurance Laura Bedford, RBC Insurance Dallas Ewen, Canada Life Assurance Moirra Gill, TD Insurance Isabelle Choquette, Desjardins Financial Security Nina Desai, Manulife Insurance Dana Easthope, Canadian Premier life Jérôme Savard, Desjardins Financial Security Monika Spudas, Manulife Financial Shawna Sykes, The Co-operators

1. Call to Order

The meeting was called to order at 2:01 p.m.; J. Lewsen acted as Chair; N. Hill acted as Recording Secretary.

2. Consent Items

The following Consent Items were received for the record, without discussion:

2.a. EOC Meeting Notes of June 26/18

2.b. EOC Meeting Notes of July 24/18

2.c. EOC Meeting notes of August 14/18

2.d. Summary of Board and EOC Action Items

2.e. CAFII Input Submission for CISRO's 2019-2022 Strategic Plan

2.f. Joint CAFII/CLHIA Submission as FSRA Fee Rule Industry Advisory Group

2.g. CAFII Submission on Saskatchewan's The Insurance Regulations, 2018

3. Approval of Agenda and Previous Minutes

3.a. Agenda for September 25/18 EOC Meeting

The agenda for this September 25/18 meeting was approved as circulated.

3.b. Minutes of May 29/18 EOC Meeting

The EOC Minutes of May 29/18 were approved as presented.

3.c. Minutes of June 5/18 Board Meeting

The Board Minutes of June 5/18 were approved as presented.

4. Strategy and Governance

4. a. Debrief on September 14/18 CAFII Meeting with FCAC Deputy Commissioner

K. Martin and B. Wycks reminded EOC members that a debrief of the September 14/18 CAFII meeting with FCAC Deputy Commissioner Brigitte Goulard had been circulated. The debrief outlines key messages from Ms. Goulard and discusses options about what CAFII should do as a follow up or next steps coming out of the meeting.

K. Martin highlighted the key messages from Ms. Goulard's presentation, noting that it was a productive meeting and that Ms. Goulard was friendly, but firm. She did say that she felt that Creditor Insurance could be a good product for the right consumers, but product suitability was critical. A key message she made was the importance of The EOC members had a good discussion about the session with the FCAC and what the Association should take as a next step.

ACTION: Prepare recommendations on next steps for the upcoming 2 October, 2018 Board meeting [Keith, Brendan; September 28/18.

4.b. October 2/18 Industry Issues Dialogue with AMF Staff Executives: Issues For Discussion (including a replacement for Distribution Guide)

There was discussion about the upcoming 2 October, 2018 Board meeting in Montreal, at which there will be the annual Liaison meeting with the AMF. B. Wycks advised that a discussion guide had been shared with the EOC in the meeting package. Two key issues at the liaison meeting will be around regulations to implement Bill 141, and the specifics of what will replace the Distribution Guide.

The consultation process was discussed and the process for purchasing on the internet.

B. Wycks noted the intention to invite the Quebec Legal Counsel (Sylvia Bourdeau) to the AMF meeting in Montreal as long as the AMF had no concerns. It was agreed that the AMF will be approached about this to confirm their comfort level, prior to the meeting.

B. Wycks raised an issue that the AMF had brought up around making some of the questions we were planning on posing to them being granular and detailed, with the AMF suggesting that it might be better to make some of these questions higher level.

4.c. Appointment of Market Conduct Committee Chair

B. Wycks mentioned that Rose Beckford has moved on to a different position within ScotiaLife Financial and will no longer be a member of the EOC. Brad Kuiper of ScotiaLife Financial is being proposed as the new Chair the Market Conduct Committee. The EOC formally approved the appointment of Mr. Kuiper as the new Market Conduct Chair.

B. Kuiper thanked the EOC for its support and said that he looks forward to taking on the role.

4.d. New CAFII EOC Chair

B. Wycks advised that a few offers have been presented to EOC members to take on the Chair role of the EOC but they have been respectfully declined due to heavy workloads. It was mentioned that Board Chair N. Benson will be discussing this issue with the Board at the upcoming 2 October, 2018 Board meeting.

4.e. Proposal/Request Re CAFII EOC “Observers” From Member Companies

B. Wycks noted that Diane Quigley, CUMIS Services Inc., had suggested that it could be beneficial to have non-EOC members sit in through teleconference to EOC meetings, and have access to EOC documentation. This would allow a larger group to have access to the information that the EOC discusses. There was some concern expressed around confidentiality of information and whether EOC members would be as forthcoming on issues if there were individuals on the call they did not know.

There was discussion on this and agreement that compliance and legal departments of CAFII’s members could benefit from access to EOC discussions and materials. It was agreed that this would be further discussed at a subsequent EOC meeting.

4.f. Renewal of CAFII Contract with Managing Matters

K. Martin mentioned that the contract with Managing Matters expires at the end of the year. Negotiations are currently in process on renewal terms, and there will be an update provided at the next board meeting.

4.g. CAFII Archival Records Purge/Clean-Up

K. Martin noted that he joined B. Wycks and N. Hill at CAFII’s storage facility to purge unnecessary or duplicative documents. The intention is to attempt to digitize documents that need to be kept.

4.h. Engagement with New Contact at CAFII Member Amex Bank of Canada

B. Wycks mentioned that there has been a management reorganization at AMEX since June, and Nick Bilodeau has left the company. It was noted that CAFII is attempting to develop a relationship with our new key contact there, Sarah deGruchy. AMEX has paid their second fee installment for 2018, but there is a concern that this is a member that is at risk of not staying with the Association. B. Wycks and K. Martin asked members who might have contacts at AMEX to make the case for the benefits of being a member of CAFII.

4.i. CAFII Initiation Member, Returning Member, and Associate Prospects

4. CAFII Financial Management

5.a. Financial Statements as at August 31/18

T. Pergola gave an update on the August 2018 financial statements.

Mr. Pergola highlighted that for the month of August there were no surprises. Revenues are higher than what was budgeted and expenses are in line with the budget. T. Pergola stated that overall, because of new member revenues, the Association was in good financial shape.

6.Regulatory

6.a. Consultations/Submissions Timetable

B. Wycks reviewed the key items in the Consultations/Submissions Timetable.

It was noted that FICOM is going to become a Crown Corporation, and that CAFII is currently waiting on a clear announcement from the Alberta Government around creating a new super-regulator. B. Wycks mentioned that FSCO is about to release the final version of FSCO's the Treating Financial Consumers Fairly guidelines.

There is a CCIR Stakeholders meeting slated for 25 October, 2018, and a CCIR Travel Insurance Working Group (TIWG) meeting with CAFII slated for 24 October, 2018. CAFII is continuing to pursue a meeting with New Brunswick's FCNB on their work around an RIA licensing regime.

6. b. Regulatory Update

K. Martin mentioned Advocis stated, in its submission to CCIR / CISRO on the Fair Treatment of Customers, that it wanted to play a lead role in the implementation of the Guideline, and that CLHIA was unfit for that role. It was noted that BC had appointed Gerry Matier and Michael Grist to the Financial Institutions Commission (FICOM) Board. K. Martin noted that Professor James Darroch of York University, and former CIBC senior executive Patricia Meredith had won the Donner Prize for their Book *Stumbling Giants: Transforming Canada's Banks for the Information Age*. Mr. Martin knows Professor Darroch personally, and would be inviting him to participate in an upcoming CAFII reception.

6.b.i. FSCO Initiatives Related to Life and Health Insurance

K. Martin noted that at a recent meeting of the FSCO Life Insurance Working Group, FSCO indicated that they would soon be sending out an updated version of the Incidental Insurance Questionnaire.

6.b.ii Next Steps Arising From FSRA's Fee Rule Preliminary Consultation

B. Wycks mentioned that productive meetings had been held around FSRA's Fee Rule Consultation. It was noted that a formal process for consultation would be the next step in the process. There was discussion of the issues related to direct versus net premium as the basis for determining fees, and the recommendation from CAFII that any move to a new formula have a transition period to make the adjustment more gradual. B. Wycks also noted that CAFII might wish in future to request that if it meets FSRA with CLHIA, it still be given the opportunity to make its own written submissions.

6.b.iii Implementation of Saskatchewan's New Insurance Act and Regulations

Tabled.

6.c Regulator and Policy-Maker Visit Plan

Given CAFII's commitment to meet with regulators in their locations, there is a need to start thinking about a Western Canada tour in the Spring of 2019.

6.c.i CAFII Meeting with CCIR Travel Insurance Working Group, October 24/18

Tabled.

6.c.ii CAFII Annual Stakeholder Meeting with CCIR, October 25/18

CAFII's Annual Stakeholder Meeting with CCIR have been confirmed for October 25/18 and a calendar invite has been sent out. There has been an overwhelming response to attend from CAFII members, and this may require trying to limit participation.

7. Committee Updates

7.a. Market Conduct

Nothing further to report.

7.b.i CAFII Website Report/Metrics

K. Martin highlighted the results of a 19 September, 2018 presentation to CAFII members by RankHigher on metrics around the website since the enhancements to the site had been made. There is a significant increase in traffic to the website, and people going to website now access it through a variety of pages. As well, searching key terms like "Credit Protection Insurance" on Google now produces a direct quote from the CAFII website, which means that CAFII is now viewed as an authoritative voice.

7.b.ii Review of 2018 CAFII Website Enhancements

K. Martin reviewed progress around 2018 website enhancements, most of which have now been completed. This includes CAFII being placed on 100 directories. The News and Research section of the website is completely revamped, and the explanations of the products that CAFII members offer includes visually pleasing consumer examples. As well, the homepage has a slider that allows visitors to see new items on the site easily.

K. Martin mentioned that CAFII is looking at the possibility of developing a Wikipedia entry, and there was discussion of the pros and cons of such a development.

7.b.iii CAFII's First Website Video

K. Martin noted that CAFII's first website video is now live and the response has been positive.

7.b.iv. Next CAFII Website Video: Recommendation

K. Martin noted that the 2018 budget includes provisions for a second video, but it was agreed that this would be tabled until the first video had been launched, to allow for a review to confirm that this was a worthwhile investment. That first video has now been live for several weeks and it is recommended that this is a positive addition to the website, and that a second video should be developed.

K. Martin recommended that this is an opportunity to extend the shelf life of our Travel Medical consumer research study, by developing a video that highlights the results of that research. EOC members supported moving forward with a second video on the Travel Medical consumer research study results.

7b.v. “Proud Member of CAFII” Website Badge

K. Martin discussed the memo that had been circulated around posting “Member of CAFII” badges on the websites of our members. It was noted that this required an internal review and would not be easily or quickly implemented, but it was agreed that this should be pursued and investigated by CAFII members. K. Martin agreed to resend the memo with more details on the benefits of this approach, including metrics supporting the argument that this could increase the credibility of, and traffic to, the CAFII website.

7.c. Licensing Efficiency Issues, Including

7.c.i CAFII/CLHIA Joint Submission Re Saskatchewan RIA Advisory Committee

CAFII/CLHIA Joint Submission Re Saskatchewan RIA Advisory Committee has been revised and re-sent to the Insurance Councils of Saskatchewan.

7.d. Research & Education

7.d.i. 2018 Travel Medical Research Results Presentation at THIA AGM

K. Martin noted that CAFII was invited to present its Travel Medical research results at the Travel and Health Insurance Association (THIA) AGM on 11 September, 2018. B. Wycks and K. Martin made short comments, with Pollara Vice-President Lesli Martin making a detailed presentation. There was a great deal of interest expressed by the 100 plus people in attendance, and the presentation was very well received.

7.d.ii. Travel Medical Research Leave-Behinds

Travel Medical Research Leave-Behinds were sent to everyone.

7.d.iii. Credit Protection Insurance Research Project

D. Quigley mentioned that everything is moving according to plan for the Creditor Protection Insurance consumer research project. She thanked everyone on the Credit Protection Insurance working group for the many hours put into the development of the final questionnaire, which is now ready to go to field.

7.d.iv. 2018 CAFII Research Budget

K. Martin mentioned that the cost of the Credit Protection Insurance research project is higher than what was originally budgeted for. T. Pergola reviewed this additional spend in the context of additional revenues, and felt it was appropriate to move forwards. CAFII Board Chair N. Benson agreed with the recommendation to move forward with the research despite the higher cost, and approved the additional spend.

8. Other Business

8.a. Visitor at November 27/18 CAFII Board Meeting; and Speaker at November 27/18 CAFII Reception

B. Wycks mentioned that Mark White, President and CEO of FSRA, had confirmed that he would speak at the November 27/18 CAFII Reception.

8.b. Reconstitution of CAFII Networking and Events Committee

B. Wycks mentioned that there will be a reconstitution of the CAFII Networking and Events Committee. J. Lewsen offered to Chair the Committee.

9. In Camera Session

An *in camera* session was not held in conjunction with this EOC meeting.

Termination

There being no further business, the meeting was terminated at 4:03p.m.

CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE

BOARD OF DIRECTORS MEETING

Tuesday, October 2, 2018

BMO Financial Group Exécutive Dining Rooms, 14th Floor, 129 rue Saint Jacques,

Montréal, Québec

MINUTES

Board Present:	Nicole Benson	Canadian Premier Life <i>Chair</i>
	David Fear	Canadian Life Assurance
	Bob Grant	ScotiaLife Financial
	Chris Lobbezoo	RBC Insurance
	Peter McCarthy	BMO Insurance
	Kelly Tryon	CUMIS Services Incorporated
	Chris Knight	TD Insurance
	Sandra Rondzik	CIBC Insurance <i>(by teleconference)</i>
Regrets:	Paul Cosgrove	Assurant
	Christian Dufour	Desjardins Financial Security
	Wally Thompson	Manulife
EOC Present:	Charles Blaquiere	Canadian Premier Life
	Martin Boyle	BMO Insurance
	Scott Kirby	TD Insurance
	Dominique Julien	CIBC Insurance
	Bradley Kuiper	ScotiaLife Financial
	John Lewsen	BMO Insurance <i>Acting Secretary</i>
	Sue Manson	CIBC Insurance
	Anita Mukherjee	RBC Insurance
	Tony Pergola	ScotiaLife Financial <i>(by teleconference)</i>
	Diane Quigley	CUMIS Services Incorporated
	Vivek Sahni	RBC Insurance
	Monika Spudas	Manulife Financial
	Peter Thorn	TD Insurance
Also Present:	Keith Martin	CAFII <i>Co-Executive Director</i>
	Brendan Wycks	CAFII <i>Co-Executive Director</i>
	Natalie Hill	Managing Matters Inc. <i>Recording Secretary</i>

1. Call to Order, Meeting Confirmation, & Governance Matters

1.1. Welcome to Visitors: Sylvie Bourdeau and Dana Abrams, Fasken

The meeting was called to order at 2:26p.m. N. Benson acted as Chair; J. Lewsen acted as Secretary; and N. Hill acted as Recording Secretary.

N. Benson welcomed special guests Sylvie Bourdeau and Dana Abrams, CAFII's Montréal-based legal counsel from Fasken.

CAFII Board Meeting Minutes, October 2, 2018

It was noted that Ms. Bourdeau and Ms. Abrams are experts in Québec insurance law and they provided legal analysis and advice to CAFII around Bills 141 and 150; and they were visiting this meeting to be part CAFII's debrief discussion on the just-completed Industry Issues Dialogue with the AMF staff executives, along with a forward-looking discussion on CAFII's approach to the AMF's development of Regulations in support of Bill 141, as passed into law this past June.

N. Benson also thanked J. Lewsen, a past-EOC Chair, for filling in for P. Thorn as Board Secretary for this meeting and for providing valuable support.

Secretary J. Lewsen confirmed that notice of this meeting was sent to all Directors in accordance with the Association's By-Law and that a quorum of Directors was present, with eight Directors present in-person.

N. Benson declared this meeting of the Board of Directors of the Canadian Association of Financial Institutions in Insurance duly convened and properly constituted for the transaction of business.

1.2. Approval of Agenda

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

The meeting Agenda be and is approved as presented.

1.3. Debrief on Liaison Lunch and Industry Issues Dialogue with AMF Staff Executives; and CAFII Approach to AMF's Development of Regulations in Support of Bill 141

N. Benson began by focusing on the Liaison Lunch and Industry Issues Dialogue which CAFII had just engaged in with the AMF staff executives.

B. Wycks highlighted key learnings from the Industry Issues Dialogue, including that a new draft Regulation was about to be released on the sale of insurance on the internet, and that this Regulation would be accompanied by a document that explains the rationale behind the Regulation. Stakeholders will have 60 days to offer feedback.

It was noted that Quebec's Distribution Guide would be replaced by a short, simple summary document that would have to be made available to the consumer, and which individual companies would be responsible for developing. However, the AMF would identify the key elements expected in the document, and they would audit to ensure that companies were complying with regulatory expectations.

1.4 Debrief on September 14/18 CAFII Meeting with FCAC Brigitte Goulard

C. Knight stated that CAFII's September 14/18 Special Purpose Board Meeting with FCAC Deputy Commissioner B. Goulard was a productive meeting, with a good dialogue, and that Ms. Goulard appeared open to hearing our thoughts. He felt that it might be necessary for CAFII to have an industry response to her comments, and that one possible action item was some form of certification program to be able to demonstrate that CAFII members' sales forces are compliant with the expectations of the FCAC.

Perhaps, Mr. Knight suggested, CAFII could develop some form of accreditation/certification program or another form of industry guidance in this area.

CAFII Board Meeting Minutes, October 2, 2018

A thorough Board discussion of Mr. Knight's proposal ensued, with some concerns expressed around duplicating what is already done internally by CAFII members; and the risk that such an initiative would suggest that we can provide certification around some activities that are not permissible or possible—for example, P. McCarthy noted that CAFII member employees are prohibited by the Bank Act from providing advice to consumers, so while we do ensure that our client service representatives have product knowledge, they are not able to provide advice and, as such, a certification program around product suitability is not possible or appropriate, given legislative and regulatory restrictions.

It was noted that CAFII members already have annual or semi-annual processes for training and confirming knowledge around products. It was suggested that creating a related certification program at an industry Association-level would show that we have responded to the concerns expressed by Ms. Goulard, but it could also imply that we are doing more than in fact we are authorized to do. It also could be duplicative of existing efforts and therefore inefficient, and add another layer of compliance to CAFII members' activities.

On the subject of Ms. Goulard's presentation and comments, it was suggested that there were gaps in her knowledge—such as her understanding of the restrictions which CAFII members face around ensuring product suitability. However, Ms. Goulard seemed to infer that provincial insurance regulators would be open to, and tolerate, some form of suitability assessment (presumably without crossing the line of violating provincial insurance law) in respect of creditor insurance because that would be in the best interest of consumers. In fact, from her comments that certain provinces had reached out to her asking what she was doing about the banks, she left the impression that the provinces want the FCAC to do more.

Another apparent gap was her knowledge around credit protection insurance products themselves, for example as illustrated by her comment that someone who routinely pays off his/her credit card balance monthly should not be sold balance protection insurance. She may have said this because she thinks there would be no benefit payable if the card balance is routinely paid off by the statement date each month when, in fact, a benefit would be payable. She also may have said this because she thinks that people who can pay off their credit card balance each month don't need protection (a false presumption).

It was felt that CAFII needs to provide some further education to the FCAC about CAFII members' products, how they work, and the restrictions our members face on advice. It was noted that our research efforts provide an opportunity to continue the discussion by offering to share the results of relevant research projects, and then leveraging that opportunity to address some of these knowledge gaps.

N. Benson noted that Ms. Goulard's concerns focused largely on companies' internal supervisory regimes and processes, and on whether CAFII members are taking appropriate remedial action on inappropriate sales techniques.

C. Lobbezoo emphasized the fact that CAFII member client service representatives are not licensed and our agents are selling a different core product, such as a mortgage, and the creditor protection insurance is directly related to that, with no suitability test being possible or appropriate. Mr. Lobbezoo felt that any further training or certification efforts should be focused on demonstrating a commitment to the fair treatment of customers, and that we avoid taking any steps that would imply that CAFII and its members can undertake anything aimed at ensuring product suitability.

It was agreed that CAFII's Co-Executive Directors could investigate the proposal put forward by Mr. Knight and bring forward some options around a certification program, moving from the current internal training practices, to a basic training program at the industry level, to a full certification program with a test and designation for client service representatives, leading to something along the lines of "this agent is CAFII-certified to sell Credit Protection Insurance" at the other end of the spectrum.

D. Fear referenced a cross-country tour of provincial insurance regulators recently conducted by CLHIA, noting that many of them expressed concerns around credit protection insurance. Was another approach to ensure that existing CLHIA Guidelines were being adhered to and enforced, he asked? Should a best practices Guideline be established around distribution channels? There are mechanisms already in place that we could try to leverage, Mr. Fear noted.

On that point, a Board member expressed the view that it was uncertain, even doubtful, whether CLHIA would attempt to protect and advance the interests of credit protection insurance.

B. Grant asserted that CAFII needs to demonstrate that we are "doing the right thing," noting that demonstrations of remedial action taken when something was not being done right could be helpful.

S. Rondzik noted that Ms. Goulard herself had noted that the FCAC is not authorized to levy fines for sales that are not suitable, but she also said that investigative media coverage and/or the FCAC itself could expose such practices which constituted a significant, potential reputational risk for our members. Ms. Rondzik felt that educating the FCAC around some of their credit protection insurance knowledge gaps was important, and that we had to show movement in the short term—we could not wait until our research results were ready to be released. Ms. Rondzik felt that it might be helpful to do some work around the options available to us to respond to the comments around suitability of products for customers ("the right product for the right customer"), although Peter McCarthy cautioned that we should be careful around making commitments on suitability, and might wish to steer the discussion instead around customer eligibility for products. Ms. Rondzik felt that we needed to look at the spectrum of options available to the industry, and do so expeditiously.

C. Lobbezoo mentioned that work could also be done around the monitoring, reporting, governance, and remediation aspects of complaint management —Ms. Goulard wanted reporting on first level complaints and evidence that we were systematically responding to complaints; and perhaps that was something we could do some work on.

2. Approval/Receipt of Consent Items

On a motion duly made, seconded and unanimously carried,

It was **RESOLVED** that the Consent Agenda items be and are approved or received for the record, as indicated in the Action column in the Consent section of the agenda.

And further, it was **RESOLVED** that the minutes of the meeting of the Board of Directors held June 5, 2018 be and are adopted in the form presented, and that a copy of those minutes be signed and placed in the minute book of the Corporation.

3. Financial Matters

3.1 Financial Statements as at August 31, 2018

Treasurer T. Pergola reported on the highlights of CAFII's financial statements as at August 31/18, which included that revenue is higher than budgeted due to the acquisition of two new Initiation Members; and, as a result, a re-forecast of the 2018 Operating Budget to year-end anticipated a lower deficit than originally budgeted.

On a motion duly made, seconded and unanimously carried.

IT WAS RESOLVED that

The August 2018 financial statements be and are approved as presented.

4. Regulatory Matters

4.1. FSRA Fee Rule – Life and Health Insurance Process; and Upcoming 90 Day Public Consultation

N. Benson noted that the first item in this section related to the recent FSRA Fee Rule Industry Advisory Group – Life and Health Insurance; and that CAFII had participated jointly with CLHIA in pre-consultations on this issue.

B. Wycks provided a recap of CAFII's participation in this pre-consultation process, which included two in-person meetings with FSRA management and consultants, and a follow up meeting with the FSRA Board.

One issue that was not included in the formal submission from CLHIA and CAFII was the impact for companies of FSRA moving from the FSCO formula of calculating fees based on net premium, to a new formula based on direct written premium. The recommendation is that this be phased in to give companies a chance to adjust to the new method, and this was raised verbally by CAFII at the meeting with the FSRA board.

There is a formal 90 day period for stakeholders to offer formal comments, and CAFII will reiterate that point in its submission.

Other salient points raised at the meeting with the FSRA Board of Directors included the opportunity for FSRA to provide leadership in the development of a national insurance licensing database.

4.2. FSCO Initiatives Related To Life and Health Insurance

K. Martin noted that at a 17 September, 2018 FSCO Life Insurance Working Group meeting, FSCO indicated that after a period during which the Incidental Insurance Market Conduct Questionnaire was not discussed (due to the desire to not pursue this during the Ontario election period), it would now become an active file again and a revised version of the Questionnaire would be distributed to stakeholders for comment.

K. Martin also indicated that an analysis of the final versions of FSCO's and CCIR/CISRO's recently released Fair Treatment of Customers guidance documents revealed that CCIR/CISRO had incorporated many of the comments and recommendations of CAFII, while FSCO had made no changes to the final version of its FTC document.

4.3. FCNB Plans To Introduce An RIA Licensing Regime in New Brunswick

B. Wycks provided an update on the plans of the Financial and Consumer Services Commission of New Brunswick to introduce a Restricted Insurance Agent licensing regime in that province; and CAFII's efforts to provide some education for and influence the FCNB's plans in this area. However, despite multiple efforts to set up an in-person meeting in New Brunswick with the FCNB, they indicated that the timing was not right, and that instead CAFII would be engaged when a formal consultation process began.

4.4. Possible CAFII Initiative(s) Stemming From Australian Royal Commission

N. Benson reminded the Board that at its previous meeting on June 5, there was a discussion on the prospect of CAFII undertaking a special legal research and analysis project related to the implications for Canada of the currently underway *Australian Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry*. It was noted that the decision at that time was to delay making a decision until after the interim report was issued in the Fall.

The interim report had just been issued, but it did not include any coverage of insurance matters; insurance would instead be addressed in the Commission's final report due to be released in February 2019.

The Board agreed to monitor this file, but not to take action until the Australian Royal Commission's final report is issued in 2019.

5. Strategy

5.1. 2018 Credit Protection Insurance Research Project

K. Martin provided an update on research initiatives. The travel medical insurance consumer research continues to be well-received; and physical "leave-behinds" summarizing the key findings have been developed and will be shared with key stakeholders. This complements the materials we have posted on the CAFII website about the research. The research initiative with Pollara on credit protection insurance has been the subject of significant effort, including seven one-hour teleconference meetings to finalize the questionnaire. This initiative will focus on consumer views of mortgage and HELOC life, critical illness, disability, and job loss insurance. That questionnaire is now in the field currently, and we anticipate having preliminary results in November, Mr. Martin advised.

5.2 to 5.6 Strategy

In the interests of time, N. Benson asked K. Martin and B. Wycks to provide verbal updates only on matters that required the Board's immediate attention. K. Martin mentioned that after discussion with the EOC, the recommendation is to do a second website video on the results of the travel medical insurance consumer research. Work is being done on this and the intention is to have this second video published on the website before the end of 2018.

6. Other Business

6.1. CAFII Meeting With CCIR Travel Insurance Working Group, October 24/18

B. Wycks mentioned that with CCIR executives being in Toronto for the 25 October, 2018 Stakeholder Meetings, a separate meeting for CAFII representatives with CCIR's Travel Insurance Working Group is being organized for 24 October, 2018.

6.2. CAFII Annual Stakeholder Meeting With CCIR, October 25/18

B. Wycks mentioned that there was strong interest among CAFII Board and EOC members in attending the Association's Stakeholder Meeting with CCIR on October 25, and the Association's delegation for that meeting would be finalized shortly.

6.3. Next CAFII Board Meeting: November 27/18 in Toronto

B. Wycks updated the board on plans for CAFII's next Board meeting in November. He thanked Canada Life for agreeing to host the meeting. It was noted that Mark White, President and CEO of FSRA, is confirmed as the speaker at the immediately ensuing CAFII Holiday Season/Year-End Reception.

7. Termination and *In Camera* Session

N. Benson thanked everyone for their participation at this Board meeting.

There being no further business, the meeting was terminated at 3:48p.m.

Date

Board Chair

Recording Secretary

**Agenda Item 4(a)(iv)
November 20/18 EOC Meeting**

From: Fuerstenberg, Zack [mailto:Zack.Fuerstenberg@scotiabank.com]
Sent: Tuesday, November 06, 2018 11:50 AM
To: Keith Martin; 'McCarthy, Peter'; Grant, Bob; 'Lobbezoo, Chris'; 'Chris Knight'; 'Rondzik, Sandra'
Cc: Benson, Nicole; 'Charles Blaquiere'; Brendan Wycks
Subject: RE: CAFII Update Note to Bank Board Members of CAFII, Regarding CBC Marketplace Story on Credit Card Protection Insurance

Thank you for the update Keith.

Regarding your two specific asks: we would definitely support the need for a quick teleconference meeting or in-camera session prior to Friday night's airing of the CBC Marketplace episode as well as a broader discussion on potential additional investments we could make to bolster our media effectiveness.

In full disclosure, we are strongly of the view that we should expand our efforts at the industry level to demonstrate the value that our creditor offerings deliver to consumers and perhaps even adopt a more pro-active media footing. Relatedly, and given the government's recent expansion of the FCAC's mandate and other regulatory headwinds, we do not believe that this particular story will blow over as quickly as others might have historically. A lot is at stake.

Bob and I look forward to hearing the views of our colleagues on the Board and the other Committee members on this issue.

Thank you,
Zack Fuerstenberg | Senior Vice President, Insurance Canada

ScotiaLife Financial | Insurance Canada
44 King St West, Suite 2500, Toronto, M5H 1H1

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ScotiaLife Financial is a business name used by Scotia Life Financial Services Inc.

From: Fuerstenberg, Zack [mailto:Zack.Fuerstenberg@scotiabank.com]
Sent: Monday, November 12, 2018 11:03 AM
To: Brendan Wycks; Keith Martin; david@strategy2communications.com
Subject: RE: Weekend Reading: Banks Behaving Badly (Again) Edition

While we can't please or persuade everyone in this industry (particularly the pundits or brokers who benefit personally from taking an anti-bank stance) that doesn't mean we shouldn't build a more sophisticated and robust strategy at the industry level – including at its core: research & tangible examples of customers who benefit from and advocate for the programs – while at the same time we work to enhance customer experience at the proprietary level.

I think that a crisp PR/GR strategy effort will challenge our own thinking and give us a positive focal point for a higher level of proactive change. We still need to ensure that our key audiences – including mainstream consumers, lawmakers, regulators, and our own employees understand the value proposition. And I would advocate that the current operating environment necessitates that we give it greater investment and focus.

Mortgage might be more defensible in certain ways but Credit Card protection requires more effort and investment and it's in the cross-hairs of the FCAC so it must become a top priority. If we don't have the resources to do both simultaneously I would advocate that we need to discuss ways to increase resourcing.

Thank you,
Zack

Zack Fuerstenberg | Senior Vice President, Insurance Canada

Scotiabank Financial | Insurance Canada
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Scotiabank Financial is a business name used by Scotia Life Financial Services Inc.

From: david@strategy2communications.com [mailto:david@strategy2communications.com]

Sent: Monday, November 12, 2018 3:16 PM

To: Keith Martin; Brendan Wycks

Subject: RE: Weekend Reading: Banks Behaving Badly (Again) Edition

Keith and Brendan, in case I don't make it onto the call tomorrow, I wanted to share with you my preliminary views on what an effective PR/GR strategy on credit card balance protection insurance might look like in terms of what we should do and not do:

The Do's

- Research and analyse the current credit card balance protection insurance product, customer experience and regulatory environment in similar markets such as the U.K., Australia and U.S. in order to determine best product features, pricing and sales practices.
- Engage the FCAC and other pertinent regulators in one-on-one conversations about credit card balance protection insurance so that CAFII can identify the biggest "hot button" criticisms they have about the product, provide relevant facts about the product and sales practices to those regulators, and assure them of the industry's desire to improve any shortcomings.
- Based on research and discussions with regulators, suggest tweaks/enhancements to the value proposition of credit card balance protection insurance in Canada, and recommend standards of product knowledge and sales practices for employees of CAFII members who are selling the product.
- For the foreseeable future, pursue a reactive media strategy with respect to credit balance protection insurance, and only engage media on this topic where necessary (e.g. to correct factual errors and to do so on a low-key basis).
- Add several examples to the CAFII website of how credit card balance protection insurance benefits the consumer. It would be beneficial if CAFII members could provide real-life examples, but it is not essential.

- After tweaks/enhancements have been made to the credit card balance protection value proposition, look at the viability of doing Canadian market research on credit card balance protection insurance.
- Do a consumer-oriented video on credit card balance protection insurance for the CAFII website that realistically addresses who, why and when consumers can benefit from the product.
- Engage in discussions with some selected consumer advocates and financial bloggers to hear their product criticisms, and to provide them with some updated facts.

The Don'ts

- Do not proactively engage with media on the topic of credit card balance protection insurance until we have a better story to tell. There are currently too many consumer advocates ready to line up against this product, ably supported by insurance agents and brokers.
- Do not “add legs” to the CBC Marketplace story by over-reacting to it; the story lacked credibility and traction, and we do not want to give it either.
- Do not allow credit card balance protection insurance to become the “poster child” for creditor group insurance. We want to avoid this type of linkage in the media:
“Balance protection insurance is part of a list of useless products that are designed to enrich banks and dupe unsuspecting customers. It should be banned along with other insidious products such as mortgage life insurance, extended warranties, and deferred sales charges.”
- Weekend Reading: Banks Behaving Badly (Again) Edition, Robb Engen, November 10, 2018

- David

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Options for CAFII around Follow up with Financial Consumer Agency of Canada (FCAC)
Post 14 September, 2018 CAFII Special Purpose Board Meeting with Deputy Commissioner Brigitte Goulard

EDUCATION OF FCAC

- ➡ Send a written submission to the FCAC outlining how the financial institutions in insurance industry works, including information on controls and monitoring re sales and Fair Treatment of Consumers (FTC) related to Authorized/Creditor's Group Insurance Products; compensation; suitability versus eligibility; restrictions on offering advice due to the Bank Act and Insurance Business (Banks and Bank Holding Companies) Regulations
- ➡ Request an opportunity to present to FCAC on how industry the financial institutions in insurance industry works, including information on controls and monitoring re sales and Fair Treatment of Consumers related to Authorized/Creditor's Group Insurance Products; compensation; suitability versus eligibility; restrictions on offering advice due to the Bank Act and Insurance Business (Banks and Bank Holding Companies) Regulations
- ➡ Request an opportunity to present to the FCAC on CAFII's current Credit Protection Insurance Consumer Research; leverage this opportunity to deliver key messages about the financial institutions in insurance industry

LICENSING AND TRAINING

- ➡ Collect data from each CAFII Member on the training given to their employees, particularly customer service representatives (CSRs), who are involved in sales of Authorized/Creditor's Group Insurance Products and aggregate these; then send to the FCAC as a written response to questions raised about employee knowledge and FTC practices in this area
- ➡ Develop a CAFII-operated "light" training course, building on what our Members already offer to their employees (particularly customer service representatives), and have a twice-per-year or annual online training across all appropriate Member employees; let FCAC know we developed this in response to their concerns
- ➡ Develop a CAFII-operated formal certification program that would be made available to all Member employees, particularly customer service representatives involved in sales of Authorized/Creditor's Group Insurance Products. This would cover product eligibility, appropriate sales techniques, and FTC best practices; and Member employees who pass the program would receive a CAFII-branded certification/designation
- ➡ Develop on the CAFII website "is this product right for you" checklists, to which individual Members could refer customers; these would provide information on what customers should consider in deciding whether or not to purchase a specific Authorized/Creditor's Group Insurance product. Or, these could be developed by CAFII and made available to individual Members to share with their customers.

EOC AGENDA ITEM DECISIONING TEMPLATE

Agenda Title and Number: *Proposed Schedule of 2019 CAFII Meetings and Events, 4(c).*

Decision/Action Required: *EOC approval is sought to have the Proposed Schedule proceed to the November 27/18 CAFII Board meeting for final review and approval.*

Short Background Summary: *The Proposed Schedule of 2019 CAFII Meetings and Events is being returned to the EOC agenda for a second time.*

EOC members were asked on October 23/18 to review the Proposed Schedule – particularly in terms of the four CAFII Board meeting dates in 2019 and the related assignment of Board Meeting hosting responsibilities -- and to vet it with their individual CAFII Board member.

Supplementary Information:

CAFII 2019 Draft Schedule of Meetings

EOC Meetings: *To be held from 2:00 – 4:00 p.m. unless otherwise specified. In-person meetings bolded.*

- **Tuesday, January 15, 2019** (3:00-5:00 p.m. in person meeting) and EOC Annual Dinner at 5:30 pm
- Tuesday, February 26, 2019 (Teleconference; 2:00 – 3:00 p.m.)
(Family Day stat holiday: Monday, February 18)
- **Tuesday, March 26, 2019** (2:00-4:00 p.m. in person meeting)
(Good Friday, April 19; Easter Monday, April 22)
- Tuesday, April 30, 2019 (Teleconference; 2:00 – 3:00 p.m.)
- **Tuesday, May 28, 2019** (2:00-4:00 p.m. in person meeting)
(Victoria Day stat holiday: Monday, May 20)
- Tuesday, June 25, 2019 (Teleconference; 2:00 – 3:00 p.m.)
(St. Jean Baptiste Day: June 24; Canada Day: July 1)
- Tuesday, July 23, 2019 *tentative summer meeting (Teleconference; 2:00 – 3:00 p.m.)
- Tuesday, August 13, 2019 *tentative summer meeting (Teleconference; 2:00 – 3:00 p.m.)
- **Tuesday, September 17, 2019** (2:00-4:00 p.m. in person meeting)
(Rosh Hashanah: September 29 – October 1; Yom Kippur: October 8 – October 9)
- Tuesday, October 22, 2019 (Teleconference; 2:00 – 3:00 p.m.)
- **Tuesday, November 19, 2019** (2:00-4:00 p.m. in person meeting)

Board Meetings:

- **Tuesday, April 16, 2019** (3:00-5:00 p.m.; followed by Reception)
- **Tuesday, June 11, 2019** (3:00-5:00 p.m.; followed by Reception)
- **Tuesday, October 1, 2019**
- **Tuesday, December 3, 2019** (3:00-5:00 p.m.; followed by Reception)

HOST: CUMIS Services
HOST: Manulife Financial
HOST: RBC Insurance
HOST: TD Insurance

2018 Board Meetings Hosted by:

CAFII; ScotiaLife; BMO; The Canada Life Assurance

2017 Board Meetings Hosted by:

TD Insurance; CAFII; Desjardins; CIBC Insurance

2016 Board Meetings Hosted by:

CUMIS Group; Assurant Solutions; RBC Insurance; BMO Insurance

2015 Board Meetings Hosted by:

CIBC Insurance; ScotiaLife Financial; Desjardins; Canadian Premier

Annual Members Luncheon & Speaker Forum 2019:

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

Topic Proposed:

Speaker Proposed:

Venue Booked:

Past Years

Annual Members Luncheon & Speaker Forum 2018

Topic: "Leading For Success in A Volatile World"

Speaker: Richard Nesbitt, CEO, the Global Risk Institute

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

Annual Members Luncheon & Speaker Forum 2017

Topic: Tomorrow is Today: Insurtech Disruption in the Life and Health Insurance Sector
Speaker: Keegan Iles, Director, Insurance Consulting Leader, PwC Canada
Venue: Arcadian Loft, 401 Bay St., Simpson Tower, 8th Floor, Toronto, ON

Annual Members Luncheon & Speaker Forum 2016

Topic: Innovation in Insurance: Opportunities in a Changing Market
Speaker: Alison Salka, Ph.D, Senior Vice President and Director Research, LIMRA
Venue: Arcadian Loft, 401 Bay St., Simpson Tower, 8th Floor, Toronto, ON

DRAFT

CAFII

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Statement of Operations As at Oct 31, 2018

	Current Month	Budget Oct-18	Variance to Monthly Budget	Current YTD	Budget '18 YTD	Variance Budget to YTD	Budget 2018
Revenue							
Membership Fees	\$57,962	\$50,699	\$7,263	\$579,620	\$506,988	\$72,633	\$608,385
Interest Revenue	\$0	\$17	(\$17)	\$0	\$170	(\$170)	\$200
TOTAL REVENUE	\$57,962	\$50,716	\$7,246	\$579,620	\$507,158	\$72,463	\$608,585
Expenses							
Management Fees	\$37,111	\$37,917	\$806	\$386,077	\$379,167	(\$6,910)	\$455,000
CAFII Legal Fees/Corporate Governan	\$0	\$0	\$0	\$563	\$3,750	\$3,187	\$5,000
Audit Fees	\$1,217	\$1,217	\$0	\$12,002	\$12,170	\$168	\$14,600
Insurance	\$439	\$458	\$19	\$4,379	\$4,580	\$201	\$5,500
Website (incl translation)	\$20	\$1,166	\$1,146	\$4,766	\$11,660	\$6,894	\$14,000
Website SEO and Enhancements	\$2,148	\$683	(\$1,465)	\$12,948	\$9,563	(\$3,385)	\$14,220
Telephone/Fax/Internet	\$165	\$483	\$318	\$4,527	\$4,830	\$303	\$5,800
Postage/Courier	\$0	\$33	\$425	\$433	\$330	(\$103)	\$400
Office Expenses	\$111	\$166	\$55	\$2,197	\$1,660	(\$537)	\$2,000
Bank Charges	\$0	\$4	\$4	\$23	\$40	\$17	\$50
Miscellaneous Expenses	\$0	\$42	\$42	\$0	\$420	\$420	\$500
Amortization Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation Computer/Office Equipm	\$95	\$100	\$5	\$947	\$1,000	\$53	\$1,200
Board/EOC/AGM							
Annual Members Lunch	\$0	\$0	\$0	\$10,503	\$10,000	(\$503)	\$10,000
Board Hosting (External)	\$2,545	\$7,500	\$4,955	\$15,618	\$15,000	(\$618)	\$15,000
Board/EOC/Meeting Expenses	\$2,155	\$2,600	\$445	\$17,113	\$20,800	\$3,687	\$26,000
Industry Events	\$0	\$500	\$500	\$1,243	\$1,000	(\$243)	\$1,000
EOC Annual Appreciation Dinner	\$0	\$0	\$0	\$763	\$800	\$37	\$800
Sub Total Board/EOC/AGM	4,700	10,600	5,900	45,240	47,600	2,361	52,800
Provincial Regulatory Visits	\$0	\$4,000	\$4,000	\$10,619	\$12,000	\$1,382	\$12,000
Research/Studies	\$0	\$17,500	\$17,500	\$18,187	\$52,500	\$34,313	\$52,500
Regulatory Model(s)	\$0	\$5,400	\$5,400	\$2,251	\$21,600	\$19,349	\$27,000
Federal Financial Reform	\$0	\$0	\$0	\$0	\$500	\$500	\$500
Media Outreach	\$2,260	\$2,000	(\$260)	\$34,002	\$26,000	(\$8,002)	\$30,000
Marketing Collateral	\$0	\$1,000	\$1,000	\$55	\$2,000	\$1,945	\$2,000
Tactical Communications Strategy	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Media Relations, CAFII Consultant	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Networking Events	\$0	\$0	\$0	\$0	\$500	\$500	\$0
Speaker fees & travel	\$0	\$0	\$0	\$0	\$1,400	\$1,400	\$2,000
Gifts	\$0	\$0	\$0	\$191	\$300	\$109	\$500
Networking Events	\$0	\$0	\$0	\$0	\$300	\$300	\$500
Sub Total Networking & Events	-	-	-	191	2,000	1,809	3,000
TOTAL EXPENSE	48,266	82,769	34,895	539,404	593,870	54,466	698,070
NET INCOME	9,696	- 32,053	42,141	40,216	- 86,712	126,928	- 89,485

Explanatory Notes:

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

CAFI

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Balance Sheet As at Oct 31, 2018

ASSETS	31-Oct 2018	30-Sep 2018	31-Dec 2017
Current Assets			
Bank Balance	\$343,157	\$371,383	\$192,706
Investments	\$0	\$0	\$0
Accounts Receivable	\$0	\$18,359	\$0
Interest Receivable	\$0	\$0	\$0
Prepaid Expenses	7,408	9,924	\$26,577
Computer/Office Equipment	\$8,014	\$8,014	\$8,014
Accumulated Depreciation -Comp/Equip	(\$4,416)	(\$4,321)	(\$3,469)
Intangible Assets-Trademarks	\$0	\$0	\$0
Accumulated Amortization-Trademark	\$0	\$0	\$0
Total Current Assets	\$354,162	\$403,358	\$223,827
TOTAL ASSETS	\$354,162	\$403,358	\$223,827
LIABILITIES			
Current Liabilities			
Accrued Liabilities	\$13,520	\$12,303	\$35,953
Account Payable ^B	\$4,055	\$6,194	\$7,427
Deferred Revenue	\$115,925	\$173,887	\$0
Total Current liabilities	\$133,500	\$192,384	\$43,380
TOTAL LIABILITIES	\$133,500	\$192,384	\$43,380
UNRESTRICTED NET ASSETS			
Unrestricted Net Assets, beginning of year	\$180,447	\$180,447	\$380,759
Excess of revenue over expenses	\$40,216	\$30,528	(\$200,312)
Total Unrestricted Net Assets	\$220,663	\$210,974	\$180,447
Total Unrestricted Net Assets	\$220,663	\$210,974	\$180,447
TOTAL LIABILITIES AND UNRESTRICTED NET ASSETS	\$354,162	\$403,358	\$223,827

Financial Reserves Targets as per 2018 Budget:	
Minimum 3 months (25%) of Annual Operating Expenses=	\$ 174,518
Maximum 6 months (50%) of Annual Operating Expenses=	\$ 349,035
Current Level of Financial Reserves (total unrestricted net	\$220,663
Current Level of Financials Reserve (%) :	32%

CAFII

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Membership Fees As At October 31st, 2018

	<u>Feb-18</u>		<u>Jul-18</u>	
	<u>To be billed</u>	<u>Received</u>	<u>To be billed</u>	<u>Received</u>
BMO Bank of Montreal	\$ 36,719.00	15-Mar-18	\$ 36,719.00	13-Aug-18
CIBC Insurance	\$ 36,719.00	25-Apr-18	\$ 36,719.00	23-May-18
RBC Insurance	\$ 36,719.00	12-Mar-18	\$ 36,719.00	30-Jul-18
ScotiaLife Financial	\$ 36,719.00	28-Feb-18	\$ 36,719.00	24-Jul-18
TD Insurance	\$ 36,719.00	27-Feb-18	\$ 36,719.00	26-Jul-18
Desjardins Financial Security Life Assurance Company	\$ 27,539.50	25-Apr-18	\$ 27,539.50	24-Aug-18
AMEX Bank of Canada	\$ 18,360.00	26-Mar-18	\$ 18,359.00	5-Sep-18
Assurant Solutions	\$ 18,360.00	28-Mar-18	\$ 18,359.00	19-Jul-18
Canadian Premier Life Insurance Company	\$ 18,360.00	6-Mar-18	\$ 18,359.00	10-Oct-18
Cumis Group Ltd/Co-operators Life Insurance Co.	\$ 18,360.00	28-Feb-18	\$ 18,359.00	30-Aug-18
Manulife Financial	\$ 22,000.00	20-Jul-18	\$ 22,000.00	20-Jul-18
The Canada Life Assurance Company	\$ 22,000.00	16-May-18	\$ 22,000.00	24-Aug-18
Willis Towers Watson	\$ 4,800.00	5-Mar-18		
RSM Canada Actuarial Services				
KPMG MSLP	\$ 4,800.00	3-Jul-18		
Munich Reinsurance Company Canada Branch (Life)	\$ 4,800.00	15-May-18		
Optima Communications	\$ 4,800.00	8-Mar-18		
RGA Life Reinsurance Company of Canada	\$ 4,800.00	5-Mar-18		
DGA Careers Inc.	\$ 4,800.00	28-Feb-18		
AXA Assistance Canada	\$ 4,800.00	26-Feb-18		
Torys LLP	\$ 4,800.00	23-Feb-18		
Feb Invoices	\$366,975		\$328,571	
July Invoices	\$328,571			
Total Membership Fees	\$695,545			
Total amount to reallocate monthly Jan-Sept	\$ 57,962			
Total amount to reallocate monthly Oct-Dec	\$ 57,962			

2019 CAFII Budget

	2017 Actuals	2018 Forecast (Jan 01 2018 to Dec 31 2018)	2019 Budget (Base)	2019 Budget Scenario 1 (5% Increase in Member Dues)	2019 Budget Scenario 2 (5% Increase in Member Dues with 25% decrease in Website and Research)	2019 Budget Scenario 3 (No increase in Member Dues; and 25% decrease in Website and Research)	Comment/Rationale
Revenue							
Membership Dues	\$475,425	\$695,545	\$713,904	\$747,679	\$747,679	\$713,904	Based on 2018 Actuals - See breakdown in Member Dues Revenue Tab
Interest	\$126	\$0	\$0	\$0	\$0	\$0	
TOTAL REVENUE	\$ 475,551	\$ 695,545	\$ 713,904	\$ 747,679	\$ 747,679	\$ 713,904	
EXPENSE							
Management Fees	\$442,012	\$468,000.00	\$476,714	\$476,714	\$476,714	\$476,714	Includes MM Fees (3% increase) and two Co-Eds
CAFII Legal Fees/Corporate Governance	\$2,954	\$563	\$1,000	\$1,000	\$1,000	\$1,000	
Audit Fees	\$14,271	\$14,436	\$14,600	\$14,600	\$14,600	\$14,600	
Insurance	\$5,238	\$5,258	\$5,500	\$5,500	\$5,500	\$5,500	Same as 2018 Budget
Website Ongoing Maintenance	\$42,575	\$5,736	\$5,330	\$5,330	\$5,330	\$5,330	Includes CG Technology (\$250 per month), Translation (\$400), Domain (\$30) & CAFII Insurance
Website SEO and Enhancements		\$16,701	\$40,000	\$40,000	\$30,000	\$30,000	Domain Name Renewal (\$999 USD) Continuing enhancements including videos Scenario 1 - 2-3 Videos Scenario 3 - 1 Video
Telephone/Fax/Internet	\$6,119	\$5,513	\$5,800	\$5,800	\$5,800	\$5,800	Same as 2018 Budget
Postage/Courier	\$380	\$450	\$400	\$400	\$400	\$400	Same as 2018 Budget
Office Expenses	\$1,312	\$2,100	\$2,000	\$2,000	\$2,000	\$2,000	Same as 2018 Budget
Bank Charges	\$38	\$30	\$50	\$50	\$50	\$50	Same as 2018 Budget
Amortization Expense	\$0		\$0	\$0	\$0	\$0	
Depreciation Computer/Office Equipment	\$1,564	\$1,136	\$1,200	\$1,200	\$1,200	\$1,200	Same as 2018 Budget
Miscellaneous Expense	\$433	\$500	\$500	\$500	\$500	\$500	Same as 2018 Budget
Board/EOC/AGM							
Annual Members Luncheon	\$10,247	\$10,503	\$12,000	\$12,000	\$12,000	\$12,000	Increase to \$12,000 to cover costs
Board Hosting (External)	\$7,500	\$23,118	\$30,000	\$30,000	\$30,000	\$30,000	Four events at \$7,500
Board/EOC Meeting Expenses	\$25,493	\$22,958	\$26,000	\$26,000	\$26,000	\$26,000	Same as 2018 Budget
Industry Events	\$36	\$1,243	\$1,300	\$1,300	\$1,300	\$1,300	CAFII Purchase of full table of 11 seats at Economic Club of Canada Luncheon
EOC Annual Appreciation Dinner	\$8	\$763	\$800	\$800	\$800	\$800	Same as 2018 Budget
Provincial Regulatory Visits	\$11,011	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	Same as 2018 Budget
Research/Studies	\$17,807	\$74,791	\$60,000	\$60,000	\$45,000	\$45,000	Pollara Proposal on Creditor's insurance research Scenario 1 - 1 Large Project or Two Small Projects Scenario 3 - 1 Small Project
Regulatory Model(s)	\$15,001	\$10,000	\$25,000	\$25,000	\$25,000	\$25,000	Includes provision for legal advice re RIA representation on Sask, Alta, Manitoba; possible new RIA regime in BC; new single integrated regulators in Ontario and Alta; and additional provision re Regulations supporting Quebec Bills 141 and 150
Federal Financial Reform	\$0	\$0	\$500	\$500	\$500	\$500	Same as 2018 Budget
Media Outreach	\$44,023	\$38,582	\$35,000	\$35,000	\$35,000	\$35,000	Includes Media Consultant's Monthly Retainer (\$2,260.00 per month)
Marketing Collateral	\$0	\$1,055	\$5,000	\$5,000	\$5,000	\$5,000	
Tactical Communications Strategy	\$379		\$0	\$0	\$0	\$0	
Media Relations	\$164						
Speaker fees & travel	\$0	\$600	\$2,000	\$2,000	\$2,000	\$2,000	Same as 2018 Budget
Gifts	\$452	\$300	\$500	\$500	\$500	\$500	Same as 2018 Budget
CAFII 25th Anniversary Celebration (Formerly CAFII 20th Anniversary Celebration)	\$26,495	\$0	\$0	\$0	\$0	\$0	Deferred to 2022
Networking Events	\$350	\$200	\$500	\$500	\$500	\$500	Same as 2018 Budget
TOTAL EXPENSE	\$ 675,862	\$ 716,535	\$ 763,694	\$ 763,694	\$ 738,694	\$ 738,694	
Excess of Revenue over Expenses	(\$200,311)	(\$20,990)	(\$49,790)	(\$16,015)		\$8,985	(\$24,790)
Unrestricted Net Assets (beginning of year)	\$380,758	\$180,447	\$159,456	\$159,456	\$159,456	\$159,456	
Unrestricted Net Assets (end of year)	\$180,447	\$159,456	\$109,666	\$143,442	\$168,442	\$134,666	

Actual/Forecasted Financial Reserves	2017 Actuals	2018 Forecast (Jan 01 2018 to Dec 31 2018)	2019 Budget (Base)	2019 Budget Scenario 1 (5% Increase in Membership)	2019 Budget Scenario 2 (5% Increase in Membership with 25% decrease in Website and Research)	2019 Budget Scenario 3 (25% decrease in Website and Research)
Minimum 3 months (25%) of Annual Operating Expenses =	\$168,965	\$179,134	\$190,923	\$190,923	\$184,673	\$184,673
Maximum 6 months (50%) of Annual Operating Expenses =	\$337,931	\$358,268	\$381,847	\$381,847	\$369,347	\$369,347
Actual/Forecasted Level of Financial Reserves :	\$180,447	\$159,456	\$109,666	\$143,442	\$168,442	\$134,666
Actual/Forecasted Level of Financial Reserves %:	27%	22%	14%	19%	23%	18%

2019 Opreational 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	2	88,000.00
Associate	4,800.00	8	38,400.00
			713,904.00

2019 (5 % Increase) Member Dues Breakdown - Scenario 1, 2 & 3 (Increase for Member Dues but not Asso

Upper Tier Member	73,438.00	6	462,659.40
Lower Tier Member	36,719.00	4	154,219.80
Initiation Members	44,000.00	2	92,400.00
Associate	4,800.00	8	38,400.00
			747,679.20

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