



CAFII EOC Meeting
Tuesday, November 26, 2013

Location: CIBC

CIBC, Commerce Court, 199 Bay Street, 4th Floor, Imperial Room
Toronto, ON

1:00 – 4:00 am

Conference call dial-in information:

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

Chair: S. Gelgor

Draft Agenda

1. Call to Order S. Gelgor
2. Approval of Agenda All
3. Minutes All
 - a. EOC Minutes and Action Items of October 29, 2013
 - b. Board Minutes and Action Items of October 8, 2013
4. CAFII Financial Statements as at October 31, 2013 M. Fabian
 - a. 2014 Budget
5. Policy Issues and Decision Items S. Manson
 - a. Customer Value Proposition of Creditor's Group Insurance Comparative Project
6. Regulatory Update B. Wycks
 - a. CCIR "Industry Outreach Meeting" October 30, 2013 B. Wycks
 - b. CLHIA Consumer Complaints Officer Section Fall Seminar B. Wycks
 - c. FSCO 6th Annual Symposium for Life and Health Insurance Sector B. Wycks
 - d. LLQP Modernization B. Wycks
 - e. CCIR Final Position Paper – Electronic Commerce in Insurance Products B. Wycks
 - f. Regulatory Visit Plan 2013 and 2014 B. Wycks
 - i. Meeting with Manitoba Minister of Finance
 - ii. Joint Visit to Atlantic Canada Regulators
7. EOC Committee Updates 2013 and 2014
 - a. Distribution and Market Conduct Committee S. Manson
 - b. Licensing Efficiency Issues Committee M. Gill
 - c. Media and Advocacy Committee J. Lewsen/S. Gelgor
 - i. CAFII External Communications Strategy Update B. Wycks
 - d. Events and Networking Committee P. Yeung/M. Sanchez-Chung
 - i. End-of-Year Reception, December 4 (BMO Insurance)
 - ii. 2014 Speaker Suggestions
 - iii. Relocation of April 8, 2014 Board Meeting to Montreal to Facilitate Louis Morisset's Acceptance of Speaker Invitation
8. Other Business
 - a. 2014 Schedule of Meetings draft B. Wycks / S. Gelgor
 - b. Canada Non-Profit Corporations Act (CNCA) B. Wycks / J. Lewsen
 - Next EOC meeting is January 14, 2014, in Toronto.
 - Next Board Meeting and End-of-Year Reception is December 4, 2013 hosted by BMO Insurance, in Toronto.

CAFII Board Meeting Minutes
Tuesday, October 8, 2013
Action Items from the Meeting

Agenda Item	Action Item	Responsible	Deadline
5.1. Financial Update	EOC to develop a recruitment and retention proposal for Associate Members.	EOC	April 2014
6.4. CAFII External Communications Strategy	Media and Advocacy Committee to review and revise communications strategies for media and for public/consumer interest group audiences, in light of Board feedback.	MAC	November 26, 2013
7.4.1. Regulatory Visit Plan	<p>B. Wycks to draft a letter requesting a meeting with the Manitoba Minister of Finance to discuss matters related to the draft ISI regulation and harmonization. Attendees at meeting to include Board and EOC members.</p> <p>B. Wycks to provide a one-page Executive Summary of the Regulatory Update for future Board meetings.</p>	<p>B. Wycks</p> <p>B. Wycks</p>	Ongoing
8.4.2. 2014 Speaker Suggestions	Networking and Events Committee to present a tentative speaker line-up at the next Board Meeting on December 4, 2013. Leya Duigu to facilitate.	L. Duigu	November 26, 2013

CAFII Board of Directors Meeting

Tuesday, October 8, 2013

**Location: St. Andrew's Club & Conference Centre, Sun Life Financial Tower
150 King Street West, 16th Floor, Garden Two Room
Toronto, ON**

Draft Minutes

Present:	Julie Barker-Merz	BMO Insurance
	Mark Cummings	ScotiaLife Financial <i>Chair</i>
	Dave Minor	TD Insurance
	Rick Lancaster	CIBC Insurance
	Isaac Sananes	Canadian Premier Life Insurance Co.
	Linda Fiset	Desjardins Financial Security Life Assurance
	Vivianne Gauci	AMEX Bank of Canada
	Richard Hebert	National Bank Insurance Co. (teleconference)
	Rino D'Onofrio	RBC Insurance (teleconference)
	Bob Zanussi	Assurant Solutions
EOC Present:	John Poolman	Assurant Solutions
	Emily Brown	BMO Insurance
	Andre Duval	Desjardins Financial Security Life Assurance
	Maria Sanchez-Chung	TD Insurance
	Charles Blaquiére	Canadian Premier Life Insurance Co.
	Paul Yeung	RBC Insurance
	Greg Grant	CIBC Insurance
	Sue Manson	CIBC Insurance
	Jennifer Hines	RBC Insurance <i>Secretary</i>
	Sara Gelgor	ScotiaLife Financial
	John Lewsen	BMO Insurance
	Matthew Fabian	BMO Insurance <i>Treasurer</i>
	Eleanor Fang	TD Insurance
	Moirra Gill	TD Insurance
Also Present:	Brendan Wycks	CAFII <i>Executive Director</i>
	Leya Duigu	T•O Corporate Services <i>Recording Secretary</i>
Regrets:	Rose Beckford	ScotiaLife Financial

1. Welcome and Call to Order

The meeting was called to order at 2:05 p.m. M. Cummings acted as Chair, J. Hines acted as Secretary, and L. Duigu acted as Recording Secretary.

2. Review of CAFII Competition Guidelines

M. Cummings reminded members that the Competition Guidelines provided in the package were adopted at the April 3, 2008 Board of Directors meeting. The practice of reviewing the guidelines at the beginning of meetings was adopted to ensure that the CAFII Board's deliberations adhere to the guidelines, which were briefly summarized.

3. Approval of Agenda

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

The Revised Agenda be approved as circulated.

3.1. Appointment of New Director

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

Vivianne Gauci of AMEX Bank of Canada be appointed to the CAFII Board of Directors until the next Annual General Meeting in 2014.

4. Minutes

4.1. Adoption of June 11, 2013 Board Meeting Minutes

On motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

The minutes of the meeting of the Board held on June 11, 2013 be adopted in the form presented, and that a copy of these minutes be signed and placed in the Minute Book of the Corporation.

J. Hines provided a verbal update on the status of Action Items from the Board meeting held on June 11, 2013, noting that all items had been addressed.

5. Financial Update

5.1. Financial Statements as at August 31, 2013

M. Fabian, Treasurer, reported on the CAFII financial statements as at August 31, 2013, a copy of which was included in the meeting materials.

With respect to the Balance Sheet, the bank balance is up due to the collection of the second installment of 2013 membership dues.

With respect to the Statement of Operations, CAFII is currently at 47% of budgeted operating expenses for the year and it is anticipated this will increase once CAFII receives some outstanding invoices.

The Association's financial reserves are currently at 14 months of operating expenses, supporting a healthy and stable position for the Association.

At this time, all 2013 membership dues have been paid, with the exception of Swiss Re and Oliver Wyman Consulting who have decided not to renew their Associate Memberships with CAFII.

Given that the Association has lost two Associate Members in 2013, the EOC was asked to develop a proposal for the recruitment of new Associate Members and the retention of current Associate Members.

The process of developing the 2014 operating budget will begin shortly, Mr. Fabian advised. The EOC will be reviewing this over the next few meetings, with the goal of presenting a draft for approval at the December 4, 2013 Board meeting.

Action: EOC to develop a recruitment and retention proposal for Associate Members.

5.2. New Treasurer – Nominees

Directors were notified in September that M. Fabian, CAFII Treasurer, would be stepping down from the position soon. He has served as Treasurer since December 11, 2007, providing oversight of the financial portfolio, developing the annual operating budget, and the Association's reserves policy.

On behalf of the Board and the Executive Operations Committee, J. Hines presented M. Fabian with a card and gift in recognition of his many contributions as Treasurer.

As a result of M. Fabian's resignation, a Call for Nominees led to member CIBC Insurance's nomination of Raja Rajaram, Controller at CIBC Insurance, for the position of CAFII Treasurer. At this time, however, his appointment can only be made conditionally pending internal compliance approval at CIBC.

M. Fabian advised that he would continue to provide support and act as a resource for the new Treasurer for the next few months.

On motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

Raja Rajaram is appointed Treasurer of the Canadian Association of Financial Institutions in Insurance for a two-year term ending in October 2015, subject to his appointment receiving internal clearance at CIBC.

5.3. Cheque Signing Authority Policy – Proposed Revisions

B. Wycks provided an overview of the proposed policy included in the meeting materials, noting that the new policy would add rigour and control to the existing process without imposing an onerous administrative burden.

On motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

- *All CAFII cheques in amounts of greater than \$2,500 must be signed by any two of the Treasurer, Executive Operations Committee (EOC) Chair, or Executive Director.*
- *All CAFII cheques in amounts of less than \$2,500 must be signed by any two of (a) the Treasurer, EOC Chair, or Executive Director; and (b) the Controller of TO Corp., or the President of TO Corp. At least one of the two signatories for cheques in amounts of less than \$2,500 must be one of the Officers of the Association listed in (a) above.*
- *A designated signing authority, as noted above, may not be a signatory to a CAFII cheque that is payable to himself/herself nor to a cheque that is payable to his/her company or organization.*
- *At least quarterly, the Treasurer -- or in his/her absence, the EOC Chair -- shall review and sign-off on all cheque stubs and their backup invoices/documentation, as a post-issuance internal audit and control measure.*

6. Policy Issues and Decision Items

6.1. Independent Actuarial Study on Customer Value Proposition of Creditor's Group Insurance for Mortgages

S. Manson, Chair of the Distribution and Market Conduct Committee, provided a verbal update on the plan to re-commission a study comparing the Customer Value Proposition of Creditor's Group Insurance for Mortgages (life, disability and potentially critical illness) with Individual Insurance (life, disability and potentially critical illness).

A quote had been received from Avalon Actuarial that was much higher than the amount previously paid by CAFII. The Board had approved a budget of \$42,000 for this project at the June 11, 2013 meeting, and it was expected that total expenses for the project could exceed this amount under the quote provided by Avalon Actuarial.

In discussion, the Board expressed support for reducing the number of years of data to be included in the scope of the survey for this project, as this was one of the drivers of the cost increase. The Board recommended approaching other actuarial services providers for competitive quotes, recognizing, however, Avalon Actuarial's success in completing previous iterations of this project.

6.2. CAFII Project Next Steps

S. Manson, co-chair of the CAFII project, provided a verbal update on related developments since the previous Board meeting.

On motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

- 1. The CAFII Board of Directors may, from time to time, approve a delegation of authority to the Executive Operations Committee (EOC) to retain legal counsel and solicit legal opinions on matters relevant to CAFII's interest and affairs;***
- 2. In such circumstances, no waiver of CAFII's solicitor and client privilege or release of any written legal opinion may be made without the unanimous written agreement of the CAFII Board of Directors; and***
- 3. This "no waiver of privilege policy" may not be altered or amended without the unanimous written agreement of the CAFII Board of Directors.***

6.3. New CAFII Logo and Visual Identity Modernization

J. Lewsen, co-chair of the Media and Advocacy Committee, provided a verbal update on the new CAFII logo and visual identity modernization project, based on the materials in the meeting package.

He indicated that upon approval by the Board, additional applications with the new logo would be finalized, including a Powerpoint presentation template, newsletter templates, and other materials.

In Board discussion, several Directors indicated that they were satisfied with the new logo and congratulated the Media and Advocacy Committee for seeing this project through to successful completion.

On motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

The new CAFII Logo and Visual Identity Modernization applications, as recommended by the Media and Advocacy Committee, be approved as presented.

6.4. CAFII External Communications Strategy

Executive Director B. Wycks presented highlights from the CAFII Draft External Communications Strategy. The document had been developed in collaboration with the EOC and, in particular, members of the Media and Advocacy Committee.

In Board discussion following Mr. Wycks' summary presentation, the following feedback was provided:

- consideration should be given to separating “the public” and “consumer interest groups” into two audiences, each with its own strategy;
- the issue of consumer financial literacy provides a great opportunity to get the message out to the public; and
- CAFII should continue to invest in its website, as it is a very useful vehicle for presenting CAFII members as leaders on key topics, by making the site the “go to” place for information.

On motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

The CAFII External Communications Strategy pertaining to regulators and policy-makers be approved as presented, and the media and the public/consumer interest group audience strategies be amended as discussed.

Action: Media and Advocacy Committee to review and revise communications strategies for media and for public/consumer interest group audiences in light of Board feedback.

7. Regulatory Update

7.1. CCIR Review of Third Party Administrators

J. Lewsen reported that he and B. Wycks had represented CAFII at a September 26, 2013 pre-consultation meeting about this CCIR initiative with Harry James, chair of CCIR's Agencies Regulation Committee, and Carol Shevlin, CCIR Policy Manager.

In the meeting, CAFII communicated key messages about creditor insurance, in particular the kind of controls that exist in large financial institutions and their compliance with OSFI guidelines. CAFII also learned of regulator concerns regarding the segment of the creditor industry that is using third party administrators in a manner that is not in line with the regulatory guidelines.

7.2. FSCO's Consultation “Modernizing Disciplinary Hearings for Insurance Agents and Adjusters”

B. Wycks reported that FSCO had recognized and thanked CAFII for its participation in face-to-face consultation meetings on this issue and for the Association's recent written submission, which has since been posted on the FSCO website.

7.3. FSCO's “Life Insurance Product Suitability Review”

A written report was included in the meeting package, and this agenda item was treated as a consent item with no discussion.

7.4. Regulator Visits

7.4.1. Regulatory Visit Plan

B. Wycks reported that CAFII has engaged with regulators a number of times since the last meeting in June -- in particular with FSCO, Manitoba and Saskatchewan.

A joint visit to the Atlantic Canada regulators (Nova Scotia, New Brunswick, Newfoundland, and PEI), at their suggestion, was also being planned for the spring of 2014.

Manitoba: M. Gill provided an update on the draft ISI regulation, noting a troubling new direction with respect to requirements around education. The Board was supportive of her recommendation that this issue be raised at the political level via an in-person meeting with the relevant Minister, of which the regulators would also be notified. Harmonizing with other jurisdictions such as Alberta is the key message that should be delivered.

Action: A meeting with the Minister in Manitoba to be arranged to discuss matters related to the draft ISI regulation and harmonization. Participants to include both Board and EOC members.

Action: B. Wycks to provide a one-page Executive Summary of the Regulatory Update for future Board meetings.

7.5. Regulator Newsletter

A written Regulatory Update had been provided in meeting materials, and this item was treated as a consent item, with no discussion.

8. Committee Reports on Addressing CAFII Priorities

8.1. Distribution and Market Conduct Committee

The Distribution and Market Conduct Committee's projects had been discussed previously under Policy Issues and Decision Items.

8.2. Licensing Efficiency Issues Committee

8.2.1. Saskatchewan Representation for Restricted Licensees

M. Gill reported that the committee had been working with the regulator on a proposal regarding representation for restricted licence holders, which was now complete and ready to be sent.

8.2.2. New Brunswick's "Opportunities for Reforming the Licensing Framework for Other-than-Life Agents and Brokers"

M. Gill reported that CAFII has made submissions on this issue in the past. Regulators have been open to CAFII's feedback in this area; but the recently released New Brunswick paper regarding Opportunities to Reform the Licensing

Framework for Other-than-Life Agents and Brokers lacks vision. CAFII will therefore be submitting a response that will be more holistic in its approach.

8.3. Media and Advocacy Strategy Committee

The committee's key updates had been addressed earlier in the agenda.

8.4. Networking & Event Hosting Committee

8.4.1. October 8, 2013 Speaker and Reception

Board Chair M. Cummings thanked Assurant Solutions Canada for hosting today's meeting and events.

He noted that the speaker tonight is former Ontario Cabinet Minister John Wilkinson, and the audience would include CAFII members and industry contacts. In addition, members of the regulator community had been invited to the reception to follow.

8.4.2. 2014 Speaker Suggestions

Action: Networking and Events Committee to present a tentative speaker line-up at the next Board Meeting on December 4, 2013.

9. Termination

On motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

The meeting be terminated at 4:15 p.m.; and that the next meeting of the Board be held on Wednesday, December 4, 2013 in Toronto, hosted by BMO Insurance.

CAFII EOC Meeting Minutes
Tuesday, October 29, 2013
Action Items from the Meeting

Agenda Item	Action Item	Responsible	Deadline
4b. Membership Recruitment	Membership and Recruitment Plan to be developed by Brendan Wycks.	B. Wycks	April 2014
4c. 2014 Budget	M. Fabian to follow up with the respective committee chairs regarding their budget.	M. Fabian	Nov 26
8a. CNCA Transition	B. Wycks to consult with J. Lewsen and J. Poolman to review the proposals from TOCS and Carters and make a recommendation to the EOC at the next meeting.	B. Wycks	Nov 26
8b. Question about Credit Card balance insurance premiums	Reinforce relationship with CBA. Conduct introduction meetings with Randy Hopkins, Darren Hannah, Marion Wrobel and Linda Routledge. B. Wycks to reach out to CBA with S. Manson's help.	B. Wycks	December 2013
	B. Wycks to draft letter of introduction to new FCAC Commissioner and consider offering to present topics to FCAC.	B. Wycks	November 30?



CAFII EOC Meeting
Tuesday, October 29, 2013
Location: CIBC
Commerce Court, 199 Bay Street, 4th Floor, Imperial Room
Toronto, ON

Present:	Rose Beckford	ScotiaLife Financial
	Charles Blaquiere	Canadian Premier Life Insurance Co.
	Emily Brown	BMO Insurance
	Isabelle Choquette	Desjardins Financial Security Life Assurance (<i>teleconference</i>)
	Matt Fabian	BMO Insurance
	Eleanor Fang	TD Insurance
	Sara Gelgor	ScotiaLife Financial
	Moira Gill	TD Insurance (<i>by teleconference, for part</i>)
	Greg Grant	CIBC Insurance
	Jennifer Hines	RBC Insurance <i>Chair</i>
	John Lewsen	BMO Insurance (<i>for part</i>)
	Sue Manson	CIBC Insurance
	John Poolman	Assurant Solutions
	Maria Sanchez-Chung	TD Insurance (<i>teleconference</i>)
	Paul Yeung	RBC Insurance (<i>teleconference</i>)
Regrets:	Andre Duval	Desjardins Financial Security Life Assurance
	John Poolman	Assurant Solutions
Also Present:	Leya Duigu	T•O Corporate Services
	Brendan Wycks	CAFII Executive Director

1. Call to Order

The meeting was called to order at 1:05 p.m. Jennifer Hines acted as Chair and Leya Duigu acted as Recording Secretary.

2. Approval of Agenda

The agenda was approved as circulated.

3. Minutes and Action Items

a. EOC Minutes and Action Items of September 24, 2013

Proposed 2014 committee budgets are currently being developed; all other Action Items from this EOC Meeting have been completed.

b. Board Minutes and Action Items of October 8, 2013

It was noted that at this Board meeting, a Director had requested that an Executive Summary page accompany the Regulatory Update section, providing a synopsis of the entire regulatory section.

4. CAFII Financials

a. Financial Statements as at September 30, 2013

Treasurer Matt Fabian reported on CAFII's financial position, based on the September 30, 2013 financial statements included in the meeting package. The bank balance is higher than normal because we haven't yet received many of the expense invoices that we were expecting

Asset position is good. Liabilities are as expected. This year, we lost two Associate members which means we are down \$9K in revenue. M. Fabian forecasted that CAFII will have approximately \$260K in cash reserves going into 2014.

b. Membership Recruitment

During the last Board meeting, membership recruitment was highlighted as an area to be addressed. As a result, CAFII will be addressing membership recruitment and should do so based on growing the Association's industry and voice, rather than revenue. Laurentian Bank was cited as a potential member who should be approached as well as other creditor insurance distributors.

Action: Membership and Recruitment Plan to be developed by Brendan Wycks.

c. 2014 Budget

Matt Fabian noted that the focus of discussion in developing and seeking Board approval of the 2014 operating budget will be on planned committee projects and initiatives for 2014. Association operating expenses will be discussed separately. In addition, the EOC will need to discuss what to do with any cash surplus and investments at the next meeting.

It is anticipated that the new Treasurer, Raja Rajaram, will receive the necessary internal clearance from CIBC Insurance in the coming weeks. M. Fabian indicated that he is happy to continue serving as Treasurer until R. Rajaram is properly oriented.

- DMC Committee will be meeting before the next EOC meeting to discuss their proposals. Expenses for the "Customer Value Proposition of Creditor's Group Insurance Comparative Project" are projected to straddle the 2013 and 2014 fiscal years, and might total more than \$42k.

The cost of the planned Atlantic Canada Regulator Visit in Spring 2014 will be recorded and budgeted for under Provincial Regulatory Review. In future, it would be ideal for B. Wycks to conduct regulator visits in tandem with an EOC member – rather than having such visits be dependent upon the availability of a Board member -- which will provide greater flexibility with meeting times.

Regulators have acknowledged that one of CAFII's strengths has been direct access to industry representatives and therefore this is something that should be maintained.

Members agreed that B. Wycks' participation in regulator meetings has been beneficial and the quality of the briefing notes has improved over what was produced before the Association had an Executive Director in place. Any costs related to B. Wycks' regulator visits should also be budgeted in 2014.

- Licensing Committee will be meeting in the coming weeks to discuss its 2014 budget. It was also noted that an invoice is expected from Stikeman Elliott for its work conducted on the Representation for Restricted Licence Holders in Saskatchewan project.
- Media & Advocacy Committee will be discussing its 2014 budget over the coming weeks, including the Communications Strategy, future webinars, independent third party research for use in key messaging, and media training.
- Networking and Events Committee will be discussing its 2014 initiatives over the coming weeks. The issue of speakers at CAFII receptions and the annual members' luncheon was discussed and the possibility of paying for a keynote speaker was suggested.

Looking forward, the Association should consider if there are any major themes that should be looked at by the committees. M. Fabian will be reviewing the operating expenses over the next few weeks as well as touching base with the committees regarding their budgets. A draft budget will be presented at the next EOC meeting.

Action: M. Fabian to follow up with the respective committee chairs regarding their 2014 budgets.

5. Policy Issues and Decision Items

a. Possible Relocation of April 2014 or June 2014 Board Meeting to Montreal or Quebec City to Facilitate Louis Morisset's Acceptance of Speaker Invitation

B. Wycks has reached out informally to the AMF regarding Louis Morisset's availability in 2014 for a speaking engagement with CAFII in Montreal, Quebec City or Toronto. It was noted that a luncheon would bring CAFII more value than a reception. Once B. Wycks receives a response, we will proceed accordingly.

b. Customer Value Proposition of Creditor's Group Insurance Comparative Project

B. Wycks, S. Manson and E. Brown have been working on this project. Following the October 8 Board meeting, the group reached out to four companies seeking competitive bids on the project including Eckler, Towers Watson, Collins Barrow and PwC. The committee is seeking input from the four organizations before going back to Avalon.

The committee anticipates having a conclusion / decision in the coming weeks and will present a recommendation at the next EOC meeting, for discussion prior to presentation for approval at the December 4 Board meeting.

c. CAFII External Communications Strategy

B. Wycks provided a summary of the updated communications strategy document that was included in the meeting materials. Adjustments were made to media and consumer groups to be more proactive. Much of the communications activity will be framed around consumer financial literacy.

Specific Tactics:

- B. Wycks to write 3-4 short articles making the case for Creditor Insurance and Alternative Distribution (case scenarios) to have on hand for use proactively. This would be good base content when communicating with media. If it is beneficial to have statistics in the short articles, then CAFII shall include in their budget and strategy for next year, sourcing stats via a Pollara type omnibus survey. The areas that need statistics should be highlighted
- On a go forward basis, CAFII will be proactive about participating in “pen control” opportunities such as Mediaplanet supplements.
- There was support for CAFII’s participation in events related to Consumer Financial Literacy, which B. Wycks would attend along with 2-3 EOC members.

The Board’s discussion on October 8 was very beneficial in reframing CAFII’s communications strategy in a positive and proactive manner.

John Lewsen joined the meeting at 2:15 pm

6. Regulatory Updates

a. CAFII Response to New Brunswick Position Paper on “Opportunities for Reforming the Licensing Framework for Other-than-Life Insurance Agents and Brokers”

B. Wycks reported that he had contacted David Weir, New Brunswick’s Deputy Superintendent of Insurance, about this, and requested an extension of a few business days for a CAFII submission, to Tuesday, November 5. David Weir readily consented to that request.

Moir joined the call again at 2:45pm.

b. Regulatory Visit Plan

i. Joint Visit to Atlantic Canada Regulators

With the written update on this item included in the meeting materials, this matter was not discussed.

ii. CCIR “Industry Outreach Meeting” with CAFII: Wednesday, October 30, 2013

It was noted that B. Wycks had prepared a Briefing Document for this meeting, which was to take place the next day. Any additional feedback should on its content should be provided to him by 5:00 p.m. today.

7. EOC Committee Updates

a. Distribution and Market Conduct Committee

No report.

b. Licensing Efficiency Issues Committee

No report.

c. Media and Advocacy Strategy Committee

i. “Grand Launch” of New CAFII Logo on December 4, 2013

CAFII’s new logo and visual identity will be unveiled at this event.

d. Events and Networking Committee

i. End-of-Year Reception, December 4 (BMO Insurance)

The following were suggested as additions to the guest list:

- David Phillips, Credit Union Central of Canada
- Mike Swan (Walmart has set up an insurance company) Douglas Melville, OBSI
- Consider adding representatives from other Associations

ii. 2014 Speaker Suggestions

The Rotman School of Management at the University of Toronto has interesting speakers. There are also 2-3 speaker bureaus that work with Associations and B. Wycks will be reaching out to them.

8. Other Business

a. CNCA Transition

B. Wycks reported on the requirement for CAFII, as a federally incorporated non-profit corporation, to complete transitional arrangements under the Canada Non-profit Corporations Act (CNCA), noting that the Association has to file Articles of Continuance documents by October 12, 2014. He recently met with P. Smith and L.

Duigu of TOCS to review the two related proposals that were provided to CAFII last year.

B. Wycks indicated that his assessment is that it would be wise for the Association to purchase some of P. Smith's time in order to efficiently and effectively review CAFII's current Bylaw in light of the CNCA's requirements, and thereby save on legal fees. P. Smith has facilitated the CNCA compliance process with two Associations already, and she is working with an additional two Associations on the matter at this time. TOCS has proposed that CAFII engage 35 hours of P. Smith's time. However, B. Wycks feels that given his own background and expertise, the project could be completed with fewer hours of P. Smith's time, and that 21 hours would be adequate. L. Beauregard, TOCS President, is open to this and will be providing an updated proposal.

B. Wycks advised that Carters Law has significant breadth and depth of expertise in non-profit law, in particular CNCA compliance; has a cost structure, as a virtual law firm with its head office in Orangeville, Ontario, that is typically lower than the downtown Toronto law firms; and is highly regarded in the Associations sector. It was suggested that this work was not complicated and could be performed in-house. B. Wycks advised that whether or not CAFII engages some of P. Smith's time for CNCA compliance facilitation, it would be imperative to obtain legal advice from outside counsel in order to complete the Articles of Continuance process. The CNCA compliance requirement also presents a timely, transitional opportunity to modernize the Association's Bylaw and governance policies, Mr. Wycks noted.

At this time, it is important to have a small CAFII committee to work on this.

Action: B. Wycks to consult with J. Lewsen and J. Poolman to review the proposals from TOCS and Carters Law and make a recommendation to the EOC at the next meeting.

b. Question about Credit Card Balance Insurance Premiums

CAFII members were recently informed of an FCAC request regarding card creditor insurance. The request was received via the Canadian Bankers Association. CIBC Insurance has since provided a response to the CBA and CAFII members had an opportunity to provide input.

Such requests should be streamlined and CAFII should be consulted to ensure that regulators receive accurate information. Therefore, B. Wycks will reach out to Marion Wrobel and Terry Campbell on this, as insurance doesn't have a home at the CBA.

Action:

1. Reinforce relationship with CBA. Conduct introduction meetings with Randy Hopkins, Darren Hannah, Marion Wrobel and Linda Routledge. B. Wycks to reach out to CBA with S. Manson's help.
2. B. Wycks to draft a letter of introduction to new FCAC Commissioner and consider offering to present on mutually agreed-upon topics to FCAC.

9. Termination

There being no further business, the meeting terminated at 3:15 p.m. The next EOC meeting will be held on Tuesday, November 26, 2013 at 1:00 p.m. in Toronto.

Date

Chair

Recording Secretary

CAFI

55 St Clair Ave West, Suite 255

Toronto, ON M4V 2Y7

Balance Sheet

As at October 31, 2013

ASSETS	Current 2013
Current Assets	
Bank Balance	\$290,385
Investments ^A	\$52,852
Accounts Receivable	\$0
Interest Receivable	\$211
Prepaid Expenses	\$3,070
Computer/Office Equipment	\$2,334
Accumulated Depreciation -Comp/Equip	(\$428)
Intangible Assets-Trademarks	\$0
Accumulated Amortization-Trademark	\$0
Total Current Assets	\$348,424
TOTAL ASSETS	\$348,424
LIABILITIES	
Current Liabilities	
Account Payable ^B	\$0
Deferred Revenue	\$66,750
Total Current liabilities	\$66,750
TOTAL LIABILITIES	\$66,750
UNRESTRICTED NET ASSETS	
Unrestricted Net Assets, beginning of year	\$179,424
Excess of revenue over expenses	\$102,250
Total Unrestricted Net Assets	\$281,674
Total Unrestricted Net Assets	\$281,674
TOTAL LIABILITIES AND UNRESTRICTED NET ASSETS	\$348,424

Minimum Reserve = Greater of:

Reserve at 25% of Annual Operating Expense =	\$ 61,383
Reserve at 6 months of Operating Expense =	\$ 121,759

2013 Reserve (based on 6 month Reserve):

C A F I I
55 St Clair Ave West, Suite 255
Toronto, ON, M4V 2Y7
Balance Sheet Items
As at October 31, 2013

Item A

Investment Portfolio

Investment Type	Issue Date	Principal	Rate	Deemed Interest	Maturity Date
Cashable GIC #0087-8019718-12	May-07-13	\$52,852.40	1.00%	\$528.52	May-07-14
Total		\$52,852.40		\$528.52	

Item B

Accounts Payable

	<u>Total</u>
	<u> </u>
Total outstand	<u>0.00</u>

CAFII

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

Statement of Operations

As at October 31, 2013

REVENUE	Current Month	Current YTD	Budget 2013	% Used	YTD 2012 Balance	% Used YTD 2012
Membership Fees	\$33,375	\$333,750	\$410,100	81%	\$341,750	89%
Interest Revenue	\$0	\$474	\$750	63%	\$583	583%
TOTAL REVENUE	\$33,375	\$334,224	\$410,850	81%	\$342,333	87%
EXPENSE						
Association Operating Expenses						
Management Fees	\$17,883	\$182,072	209,150	87%	\$58,848	85%
Lawrie Savage Fees	\$0	\$0	-		\$146,792	87%
CAFII Legal Fees/Corporate Governance	\$0	\$0	10,500	0%	\$1,694	16%
Audit Fees	\$0	\$1,617	13,250	12%	\$347	4%
Insurance	\$439	\$2,769	5,368	52%	\$2,365	55%
Website (incl translation)	\$0	\$361	540	67%	\$2,707	501%
Telephone/Fax/Internet	\$309	\$2,630	750	351%	\$516	24%
Postage/Courier	\$1	\$186	500	37%	\$234	22%
Office Expenses	\$97	\$1,881	4,500	42%	\$726	27%
Bank Charges	\$0	\$70	-	0%	\$38	1%
Miscellaneous Expenses	\$0	\$0	-	0%	\$278	10%
Amortization Expense	\$0	\$0	-	0%	\$0	0%
Depreciation Computer/Office Equipm ¹	\$39	\$389	640	0%	\$0	0%
CCIR Research for Sup.model support	\$0	\$0			\$111	
Sub Total Association Operating Expenses	\$18,768	\$191,975	\$245,198	78%	\$214,657	
Distribution & Market Conduct Committee						
Provincial Regulatory Review	\$73	\$2,934	35,000	8%	\$10,723	20%
Research/Studies	\$0	\$4,996	42,000	12%	\$5,085	12%
Sub Total Distribution & Market Conduct Committee	\$73	\$7,930	\$77,000	10%	\$15,808	
Licensing Efficiency Issues Committee						
Regulatory Model (s)	\$0	\$244	12,000	2%	\$0	0%
Federal Financial Reform	\$0	\$0	-		\$0	0%
Sub Total Licensing Efficiency Issues Committee	\$0	\$244	\$12,000	2%	\$0	
Media & Advocacy Strategy Committee						
Tactical Communications Strategy	\$156	\$228	25,000	1%	\$1,911	8%
Association Branding	\$0	\$2,802	7,000	40%	\$0	0%
Sub Total Media & Advocacy Strategy Committee	\$156	\$3,030	\$32,000	9%	\$1,911	
Networking & Events Committee						
Board/EOC/AGM Expense ²	\$114	\$12,718	10,000	127%	\$12,585	60%
Networking Events	\$510	\$510	3,500	15%	\$0	0%
15th Anniversary Event	\$0	\$15,566	30,000	52%	\$0	0%
Sub Total Networking & Events Committee	\$624	\$28,794	\$43,500	66%	\$12,585	
Media Relations, CAFII Consultant						
Media Relations, CAFII Consultant	\$0	\$0	-		\$10,430	87%
Sub Total Media Relations, CAFII Consultant	\$0	\$0			\$10,430	
TOTAL EXPENSE	\$19,622	\$231,973	409,698	1	\$255,391	54%
EXCESS OF REVENUE OVER EXPENSES	\$13,753	\$102,250	\$1,152		\$86,941.75	

Explanatory Notes:

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

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

CAFII

Toronto, ON M4V 2Y7

Membership Fees

As At October 31, 2013

	<u>Jan-13</u>		<u>Jul-13</u>	
	<u>Billed</u>	<u>Received</u>	<u>Billed</u>	<u>Received</u>
TD Insurance	\$23,500.00	8-Mar-13	\$23,500.00	23-Aug-13
Assurant Solutions	\$11,750.00	22-Feb-13	\$11,750.00	23-Aug-13
BMO Insurance	\$23,500.00	31-May-13	\$23,500.00	19-Jul-13
Canadian Premier Life Insurance Company	\$11,750.00	1-Mar-13	\$11,750.00	23-Aug-13
CIBC Insurance	\$23,500.00	8-Mar-13	\$23,500.00	30-Aug-13
National Bank Insurance Company	\$11,750.00	8-Mar-13	\$11,750.00	16-Sep-13
RBC Insurance	\$23,500.00	7-Mar-13	\$23,500.00	3-Sep-13
ScotiaLife Financial	\$23,500.00	12-Apr-13	\$23,500.00	23-Aug-13
Desjardins Financial Security Life Assurance Company	\$11,750.00	8-Mar-13	\$11,750.00	20-Sep-13
AMEX Bank of Canada	\$11,750.00	15-Mar-13	\$11,750.00	23-Sep-13
Avalon Actuarial	\$4,800.00	26-Apr-13		
CSI Brokers Inc.	\$4,800.00	28-Mar-13		
Dion, Durrell & Associates Inc.	\$4,800.00	15-Mar-13		
KPMG	\$4,800.00	12-Apr-13		
Laurentian Bank of Canada	\$4,800.00	15-Mar-13		
Oliver, Wyman Consulting Limited	\$4,800.00	Will not be renewing 2013 membership		
Optima Communications	\$4,800.00	12-Apr-13		
RGA Life Reinsurance Company of Canada	\$4,800.00	1-Mar-13		
Swiss Reinsurance Company Ltd	\$4,800.00	Will not be renewing 2013 membership		
Munich Re	\$4,800.00	8-Mar-13		
Aimia	\$4,800.00	15-Mar-13		
The Canada Life Assurance Company	\$4,800.00	1-Mar-13		
January Invoices	\$233,850		\$176,250	
July Invoices	\$176,250			
Total Membership Fees	\$410,100			



Agenda Item 5(a)

November 26, 2013 EOC Meeting

MEMORANDUM

Date: November 25, 2013

From: DMC Committee On Customer Value Proposition of Creditor's Group Insurance Comparative Project

To: Executive Operations Committee

Subject: Recommendation on Customer Value Proposition of Creditor's Group Insurance Comparative Project

Recommendation

That the EOC approve the Committee's recommendation that it be recommended to the Board of Directors that CAFII accept Collins Barrow's proposal to carry out this project for the Association at a cost of up to \$30,000; and that CAFII keep Avalon Actuarial "in reserve," as a fallback/contingency firm for this project, until after kick-off meeting with Collins Barrow.

Background and Rationale for Recommendation

- We went out to four actuarial firms regarding their interest in the project and for comparison quotes (Eckler, Towers Watson, PwC and Collins Barrow)
- Eckler declined due to conflict of interest
- We provided the three other firms with a briefing document and held follow-up calls with each to provide uniform information
- Towers Watson, PwC and Collins Barrow made proposals
- We held follow-up calls with all three to clarify questions that we had
- We went back to Avalon Actuarial to ask them to sharpen their pencil and provide a status update on access to individual insurance comparative data

Summary of Proposals

PwC

- Proposal is pro-forma/formulaic in nature
- Expressed reservations about *quid pro quo* – proposal included a go/no go decision at an early stage re PwC's ability to access individual insurance comparative data
- Did not take extra step to evaluate if they could get the data in advance
- Did not exude confidence (more high level)
- Price \$70k

255-55 St. Clair Ave West, Toronto, Ontario M4V 2Y7

Tel: (416) 494-9224 Fax: (416) 967-6320

Email: info@cafii.com Web: www.cafii.com

Towers Watson

- Prepared to do industry survey on individual side – expected to be carried out on a *quid pro quo* basis – confident in their approach
- Higher price based on learning curve for creditor insurance – perhaps also more extensive analysis overall that we really don't need, thereby driving the price up
- We were confident they could do a good job, would be thoughtful and incisive but price too high
- \$85k - \$120k

Collins Barrow

- Extensive knowledge, experience and data on-hand about both creditor and individual insurance (life, disability, critical illness)
- Confident about availability of data from internal sources
- Probed them on their low price; and their feeling was that because they have the knowledge, expertise and internal data, they can carry out the project very efficiently and the price therefore fits
- But also got the impression they would think out of the box (this was integrated into their proposal and our discussion)
- Full confidence in their flat/capped pricing
- Would be willing to present to a regulator audience as well
- Get a sense of breadth of knowledge and expertise
- \$25k
- Although Collins Barrow confirmed this price, it may be that the qualitative aspect of the work is underpriced. Therefore, if they requested an additional \$5k when completing the project, we would think it fair (very quick process, we realize we were getting ballpark figures)

Avalon

- Initially slow to take project seriously (sense of entitlement)
- Were surprised we went out to market and want to address all issues to keep the business
- Still uncertainty about accessing individual comparative data (e.g. recently suggested that a CAFII member could make the Munich Re study available if they have it)
- Expecting to receive a revised proposal from Avalon by 12 Noon on Monday, November 25 (not received by 3:00 p.m.) – will follow up when received

Regulatory Update - CAFII Executive Operations Committee, November 25, 2013

Prepared By Brendan Wycks, CAFII Executive Director

Federal/National

Financial Literacy Month

November is Financial Literacy Month (FLM) in Canada. FLM brings together the resources, information, products and services developed by organizations across the country that help Canadians strengthen their financial literacy. The calendar of activities is on the FCAC website.

FCAC Responds To CAFII Meeting Request

On November 25, FCAC responded to an outreach from CAFII EOC member Moira Gill, requesting a meeting on creditor insurance-related issues which also provide an opportunity for Executive Director Brendan Wycks to meet key FCAC officials. Moira has responded with several December dates on which she and Brendan would be available to meet with FCAC in Ottawa.

Alberta

Alberta Insurance Council To Give Demo Presentation On New Canadian Insurance Participant Registry (CIPR) For CAFII Members

On Wednesday, January 8, 2014, Tom Hampton and Robin Thompson, staff executives from the Alberta Insurance Council, will be in Toronto to give a demo presentation on its new *Canadian Insurance Participant Registry* (CIPR) to CAFII members.

The presentation will take place from 2 :00 to 3 :30 p.m. at TD Insurance, 120 Adelaide St. West in Toronto. A room that can accommodate up to 20 people has been reserved.

Through the CIPR, the AIC is planning to launch online licensing for first-time applicants next February. One of the purposes of the demo presentation is obtain comments and feedback from company representatives.

CIPR serves a number of purposes:

- 1. It provides a single, secure location where you can maintain and control your personal information;*
- 2. It requires you to specify an email address that will act as your login identification rather than your license number. You will use this and your choice of password to log into both CIPR and AIC systems; and*
- 3. It gives you a unique business identifier that you can use to identify yourself with other industry players such as insurers, LLQP providers and CE providers.*

The CIPR addresses a need that CAFII has been advocating for years. If set up properly and adopted by other Canadian provinces, it can become a first step toward a national registration system.

Saskatchewan

CAFII Concept Proposal For Restricted Insurance Agents Advisory Committee

CAFII's Licensing Efficiency Issues Committee has developed a "Concept Proposal For Insurance Councils of Saskatchewan Restricted Insurance Agents Advisory Committee," with counsel and drafting assistance from Stikeman Elliott. (The members of the LEIC are Moira Gill (Chair), Sara Gelgor, Greg Grant, John Poolman, and Brendan Wycks.) In addition, the thinking behind the Proposal has been tested, at several steps along the way, through sounding board discussions with Ron Fullan, Executive Director of the Insurance Councils of Saskatchewan.

Our proposal for a body to represent the interests of Restricted Insurance Agents in Saskatchewan is positioned as an Advisory Committee to the Executive Director, with flexibility built-in for the committee to take on a different form/status should its evolution dictate such.

The Proposal was reviewed, tweaked and finalized by the LEIC on October 2, and then forwarded to the EOC for review and approval. The Proposal was sent to Ron Fullan, Executive Director of the Saskatchewan Insurance Councils, with a cover letter on Thursday, October 10.

Manitoba

Online License Renewals

The Insurance Council of Manitoba has reported that its first experience with online renewal of insurance agent and adjuster licenses was very successful, with almost 98% of licenses renewed online. User response to ICM's online renewal process has been overwhelmingly positive, and online renewal will be mandatory for the next renewal period.

Raising ICM's Consumer Profile

A strategic priority identified in the 2013-15 ICM Strategic Plan was to increase consumer awareness of ICM. The ICM has therefore implemented a number of initiatives including newspaper and radio ads, consumer brochures, participation in the Financial Literacy Forum's "Money Matters" calendar, and bus board advertisements. The focus of these initiatives is to highlight ICM's consumer protection mandate, and to advise the public that the ICM can provide information about the professional standards, licensing status, and compliance of insurance agents and adjusters.

Ontario

FSCO's 6th Annual Symposium for Life and Health Insurance Sector: Friday, November 22, 2013

FSCO will hold its 6th Annual Symposium for the Life and Health Insurance sector on Friday, November 22, 2013 from 8 AM to 12 PM at hotel Novotel in North York.

Life Insurance Product Suitability Review

Adrienne Warner, Market Intelligence Consultant in the Market Intelligence & Analysis Unit of FSCO's Market Regulation Branch, provided the following update on the regulator's life insurance suitability review on November 25:

The 2013 life insurance agent questionnaire was sent to 1348 agents on October 15, 2013. As at November 19, FSCO had received 1032 valid responses, which includes 1,000 from selected agents and 32 voluntary. This equates to a 74% response rate from selected agents and 77% response overall. Our evaluation of the information gathered has commenced.

During the period Nov 5 - Nov 20, the project team also conducted one-on-one interviews with 11 life insurance agents, to discuss their life insurance sales practices.

In the week of November 25, 2013, a registered letter will be sent to each of the agents who did not respond to the questionnaire, requesting that a written explanation for the non-response be provided to FSCO by December 13, 2013. The Superintendent will consider the response in advance of proceeding with any regulatory action, where warranted.

Of the agents who completed the questionnaire, a random sample will be selected for assurance visits to verify the reliability of the questionnaire responses. The selected agents will be notified in the week of November 25. Assurance visits are scheduled to occur during the three week period from December 2, 2013 to December 20, 2013.

Thank you for your contribution and support.

Quebec

AMF CEO Louis Morisset Accepts CAFII Speaking Invitation

Louis Morisset, AMF CEO, has accepted an invitation to speak at a CAFII event -- whether for an exclusive Board/EOC audience or at a larger Regulator Reception – provided that the event is held on April 8, 2014 and that it is held in Montreal.

In June 2013, Louis Morisset, a lawyer by training, was appointed CEO of the AMF, succeeding Mario Albert. Morisset previously served as Superintendent of Securities Markets at the AMF, where he has worked since 2006. In that role, he was responsible for enforcing laws and regulations related to issuers of securities, including initial public offerings, continuous information that securities issuers must produce, their governance, mergers and acquisitions, and the creation and marketing of derivatives.

Morisset was also responsible for overseeing activities in Quebec securities markets and those of IIROC. He has been a member of the Quebec Bar since 1996.

The appointment of Mr. Morisset occurs after the departure of his predecessor Mario Albert to the leadership of Investissement Québec.

Two-Page Distribution Guide

Stephane Langlois, Senior Director, Distribution Practices at the AMF, advised Brendan Wycks on November 22 that the next iteration of the two-page Distribution Guide would not be ready for release for industry consultation until late in the first quarter of 2014 at the earliest.

On August 20, 2013, Louise Gauthier of the AMF had advised that "a new version of the Distribution Guide will be circulated this fall."

However, other priorities have intervened, Stephane advised, and work on the Distribution Guide had to be deferred.

New Brunswick

New Brunswick Launches Consultation on "Opportunities for Reforming the New Brunswick Licensing Framework for Other-than-Life Insurance Agents and Brokers"

CAFI's response to this New Brunswick consultation, prepared in consultation with the Licensing Efficiency Issues Committee, was submitted on November 5, 2013 as per an agreement with David Weir, Deputy Superintendent of Insurance.

On August 29, New Brunswick's Financial and Consumer Services Commission released this Discussion Paper, for consultation, titled "Opportunities for Reforming the New Brunswick Licensing Framework for Other-than-Life Insurance Agents and Brokers."

Even though this consultation, by title, relates to proposed modernizations and reforms to the province's regulatory framework for Other-than-Life agents and brokers, David Weir, Deputy, Director, Insurance, included CAFI in his distribution of the Discussion Paper.

And he says "although the main focus of the paper is the licensing regime for other-than-life agents and brokers, some of the items discussed also impact other insurance intermediaries. Therefore, we also welcome any feedback from these intermediaries."

Through a phone conversation with Mr. Weir, CAFI Executive Director Brendan Wycks learned that some of the items discussed in the paper also impact other insurance intermediaries is that New Brunswick may well introduce amendments that affect both Other-than-Life agents and brokers and Life agents and brokers simultaneously, particularly for matters where amendments to the Insurance Act will be required, and where it makes sense to do so based upon the feedback they receive from stakeholders.

Atlantic Canada Insurance Regulators

In mid-October, Brendan Wycks sent a canvassing e-mail to the four Atlantic Canada insurance regulators as a group, seeking their views on the optimal timing of a CAFI "Joint Meeting" with them -- either Fall 2013 or Spring 2014 -- and the best city location for such a meeting.

Thus far, a response has been received only from Angela Mazerolle-Stephens, New Brunswick's Superintendent of Insurance, indicating that Spring 2014 would be the much preferred timing and that Moncton would be an acceptable meeting location, as CAFI had suggested.

Given that Ms. Mazerolle-Stephens' views confirm those articulated to Moira Gill by the Nova Scotia Superintendent's Office, CAFII will now work on arranging the Joint Meeting with the Atlantic Canada Regulators for April or May 2014.

At CAFII's Industry Stakeholder Meeting with CCIR on October 30, Craig Whalen from Newfoundland and Doug Murphy from Nova Scotia advised that they would definitely be participating in this joint meeting next Spring. They advised that Halifax should be considered as an equally attractive regional location for the meeting.

Canadian Council of Insurance Regulators

Release of Final *Electronic Commerce in Insurance Products* Position Paper

On November 15, 2013, CCIR release the final version of its *Electronic Commerce in Insurance Products* Position Paper.

In describing the purpose of this final iteration of the paper, CCIR's Electronic Commerce Committee said that its objective was to communicate back to stakeholders what it had learned from the consultation and to set out its recommendations to CCIR members regarding the issues discussed.

The position paper was first released for comment in May 2013. The ECC was pleased to note the general agreement among respondents to the recommendations. While some submissions noted additional points for the ECC to consider, given industry's overall positive response to the Position Paper, the ECC decided to present the position paper to CCIR for adoption with only minor amendments.

The final Position Paper is in harmony with CAFII's July 2013 response submission on the earlier draft -- on all of Consumer Protection Outcomes discussed therein, with one small exception:

With respect to the "Consumers Know They Are Dealing With A Regulated Entity" Consumer Protection Outcome, the following recommendation component with respect to information that should be made easily, directly, and permanently accessible on the websites of all online insurance providers has remained unaltered: "Contact information and information on how consumers can file a complaint, including a link to the regulator's website."

In our CAFII submission, we had indicated on this point that *"the standard industry practice is that the first point of contact for a consumer complaint is the insurer. Escalation protocols are listed but -- given that most insurance products are distributed on a national basis -- do not normally include a link to provincial regulator websites. However, consumers are provided with provincial regulators' contact information upon request. It is our belief that including links to provincial regulators' websites would undermine this process and cause unnecessary confusion for consumers."*

However, in this connection, during CAFII's "Industry Stakeholder Meeting" with CCIR on October 30, 2013, during an exchange about next steps related to the Electronic Commerce Position Paper, Carol Shevlin had indicated that an insurer's including a link on its site to the CCIR web site – where links to all provincial regulators can be found – would satisfy the Position Paper's directive on this point.

CCIR "Industry Outreach Meeting" With CAFII: Wednesday, October 30, 2013

A CAFII Board and EOC delegation had a very productive 90-minute discussion and exchange with the CCIR Executive in an "Industry Stakeholder Meeting" in Toronto on October 30.

The highlights of that discussion are reported in a separate Regulator Visit Report.

At the conclusion of the meeting, Carolyn Rogers, CCIR Chair, thanked and congratulated CAFII for coming to the meeting well-prepared with a full agenda of topics to discuss, well suited to the time available in the meeting.

Canadian Insurance Services Regulatory Organizations (CISRO)

LLQP Modernization

Ron Fullan, Chair of CISRO's LLQP Committee, held a Stakeholder Information Session in Toronto on October 30, 2013. The Powerpoint presentation from that session has been provided as a separate update document.

***Agenda Item 6(b)(i)
November 26, 2013 EOC Meeting***

**CAFII Regulator Visit Report
Confidential: Not For Distribution**

Regulator: Joanne Abram, CEO, Alberta Insurance Council
Date: November 21, 2013
Location: FSCO Office, 5160 Yonge St., Toronto

Attendees:

Alberta Insurance Council: Joanne Abram, CEO

CAFII: Brendan Wycks, CAFII Executive Director

The CLHIA's 2013 Consumer Complaints Officers Section Fall Seminar presented an opportunity for a brief CAFII relationship-building discussion with Joanne Abram, during the lunch provided at the seminar.

The following insights were gained from B. Wycks' discussion with her.

Restricted Licensee Representation on Provincial Insurance Councils

Joanne was very interested to learn that CAFII had recently submitted a proposal to Ron Fullan of the Insurance Councils of Saskatchewan, proposing a model for restricted licence holder representation in that province. She asked to be kept apprised of how our proposal plays out in Saskatchewan.

She said that Alberta is "all for" representation for significant industry stakeholder segments in relevant deliberations of the Council. She said that the number of restricted licence holders in Alberta has been growing noticeably, and the time may be ripe to consider a model for their representation in her province.

She advised that in Q1 2014, the Council will likely be taking steps to fold its Adjusters Council, which is largely dormant, into its General Insurance Council. That creates an opportune window to consider creating a Restricted Licence Holders Council.

This encouragement/offer from Joanne creates an opportunity which CAFII should seriously consider seizing, which may require us to re-connect with Ron Fullan and press for a prompt determination on how representation for Restricted Licence Holders will move forward in his province, as a benchmark for Alberta to consider.

Canadian Insurance Participant Registry (CIPR)

Joanne thanked CAFII profusely for co-operating with her and arranging an opportunity for AIC senior staffers Tom Hampton and Robin Thompson to make a demo presentation of the new CIPR to CAFII members in Toronto on January 8, 2014.

She said she is highly confident that other provinces will come “on board” with the CIPR soon.

In a separate conversation, April Stadnek, Director of Compliance, Insurance Councils of Saskatchewan, said that she too sees the CIPR becoming a national system in the near future. Saskatchewan staff have already had a demo presentation of the CIPR from their Alberta counterparts, were impressed, and will be joining this national registration system initiative.

Consumer Financial Literacy

Joanne expressed enthusiasm for Consumer Financial Literacy, and said that her Council would be keen to do something co-operatively with CAFII and its members on this.

She said that CFL is an important issue that is the ascendancy – at the Council, they frequently see the “fallout” from consumers’ lack of even rudimentary financial literacy – and she sees it moving to the forefront of regulators’ agendas for some time to come.

While the Council has not yet taken any particular CFL initiatives, she noted that November is Financial Literacy Month and her team would be more than willing to do something co-operatively with CAFII next year if we were to make a proposal.

Change to Alberta Insurance Council’s Mandate

Joanne clarified that there must have been a misunderstanding arising from the CAFII meeting with Chair Ron Gilbertson and herself in May in Vancouver.

There is no Superintendent-mandated initiative to modernize the Alberta Insurance Council’s mandate and have it take on a broader, more preventative focus. Rather, the stakeholder meetings that were recently held in Edmonton and Calgary were normal/usual “annual cycle”-type events where the Council presented its Annual Report and sought industry input for the development of its new Strategic Plan, as the current plan is for the period 2011-2013.

CAFII Relationship-Building With Alberta’s Insurance “Policy-Makers”

Joanne said it is a good move for CAFII to start to focus on policy-makers in addition to regulators.

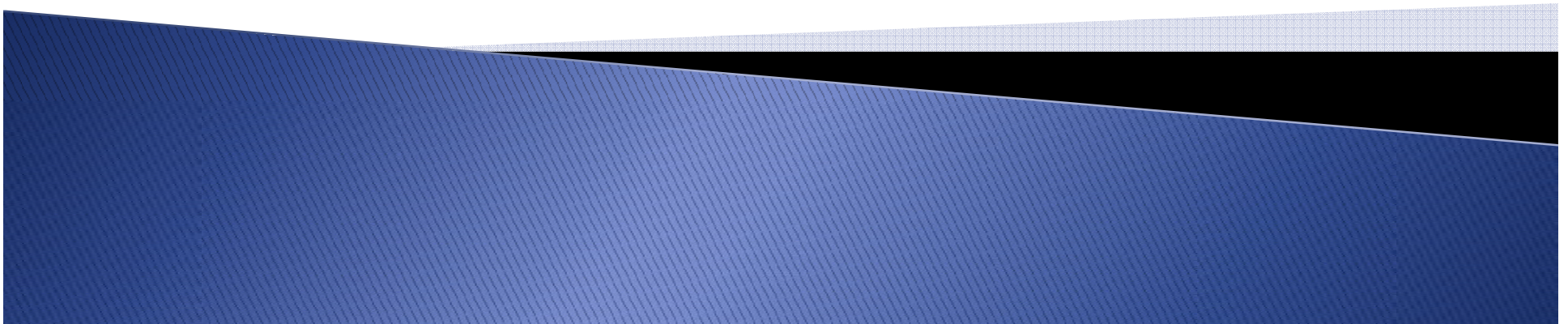
She said that she would send B. Wycks the contact information for the two key policy staffers in the office of Superintendent of Insurance Mark Prefontaine, and she did subsequently forward this information:

Alayne Brygadyr-McCoy
Director, Insurance Policy
Alberta Finance
alayne.brygadyr-mccoy@gov.ab.ca

Wayne Maday
Policy Advisor, Insurance Policy & Communications
Alberta Finance
wayne.maday@gov.ab.ca

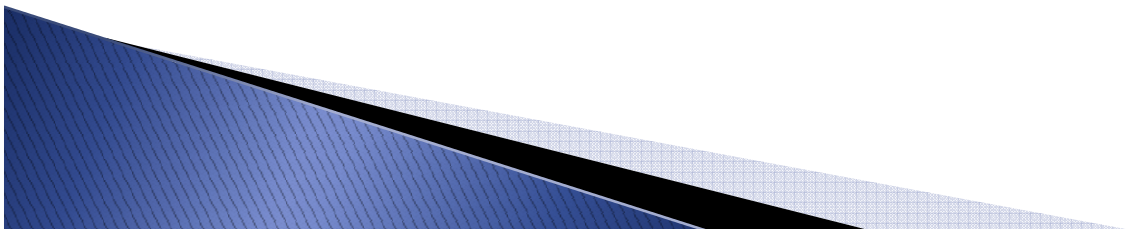
Harmonized Life Insurance Licensing Qualification Program

Stakeholder Information Session
October 30th, 2013



AGENDA

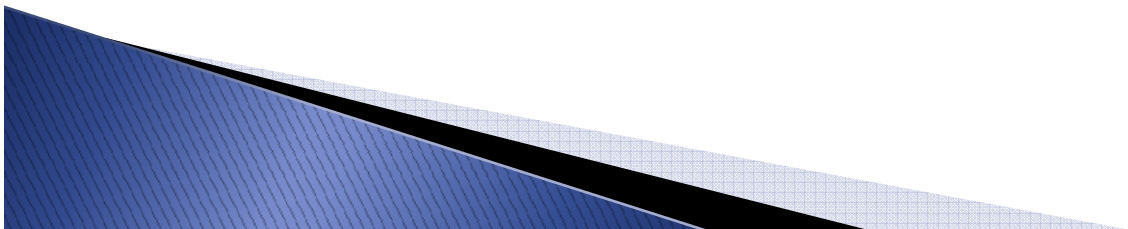
1. Completed Tasks
2. Progress to date: Curriculum development
3. Curriculum Survey: Points of interest
4. High-Level Overview: Timeline & Next Steps
5. More Detail on Development Process & Next Steps
6. Wrap-up and Questions



COMPLETED TASKS

Since last July

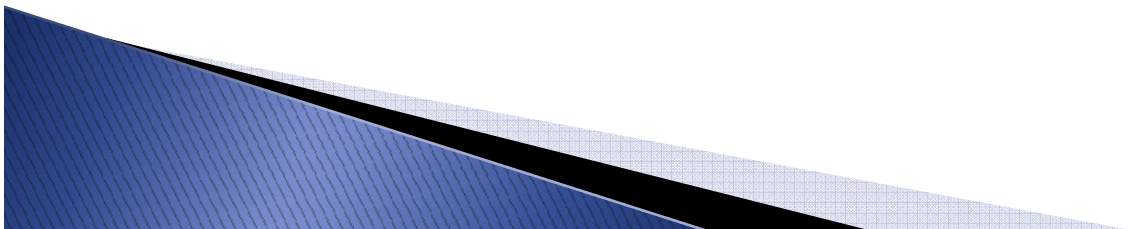
- ✓ Creation of Curriculum review committees
- ✓ Validation of Curriculum contents
- ✓ Elaboration of Curriculum survey
- ✓ Publication of Curriculum for public consultation
- ✓ Recruitment of Subject Matter Experts (SMEs) for editing plan and study material



PROGRESS TO DATE – Curriculum development

What is the LLQP curriculum?

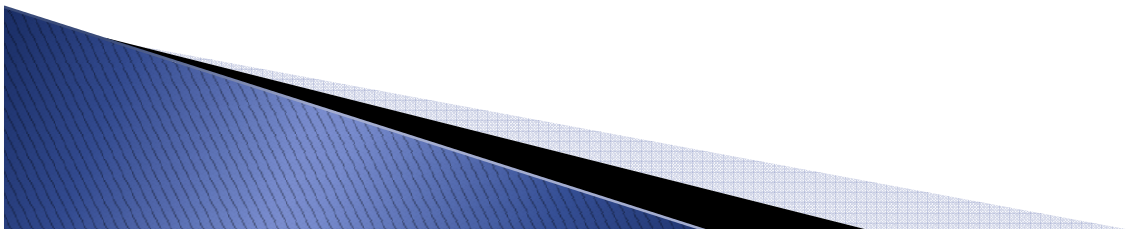
- ▶ Evaluation program defining competencies evaluated by licensing exam
 - Curriculum as content and objectives
- ▶ Limited scope compared to broader definitions
 - Excludes learning experiences, pedagogical approaches (not a course plan)
- ▶ Limited scope compared to Competency Profile
 - Excludes competencies that do not relate to CISRO's licensing mandate



PROGRESS TO DATE – Curriculum development

What is the function of the Curriculum in the LLQP?

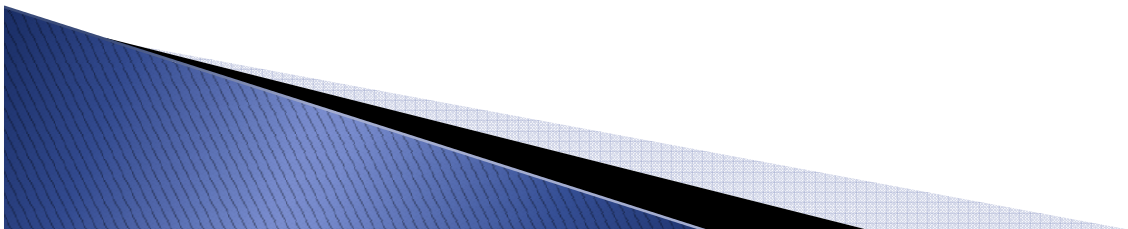
- ▶ Cornerstone of the qualification program
 - Framework for exam questions and exam
 - Contents and terminology for standardized study material
- ▶ High-level pedagogical planning tool for stakeholders
 - Course planning framework for Course Providers
 - Exam preparation tool for candidates



PROGRESS TO DATE – Curriculum development

What key considerations had an impact on the structure and scope of the Curriculum?

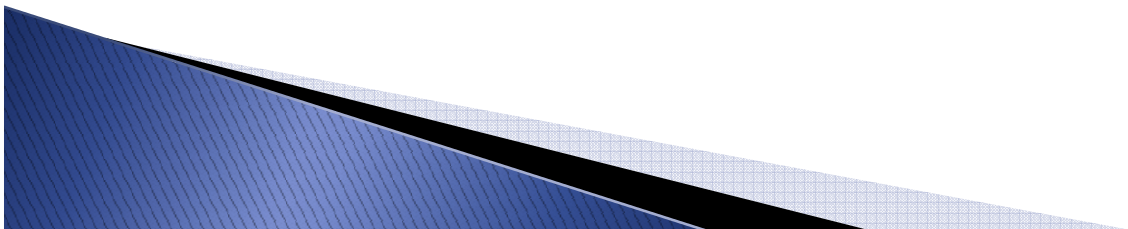
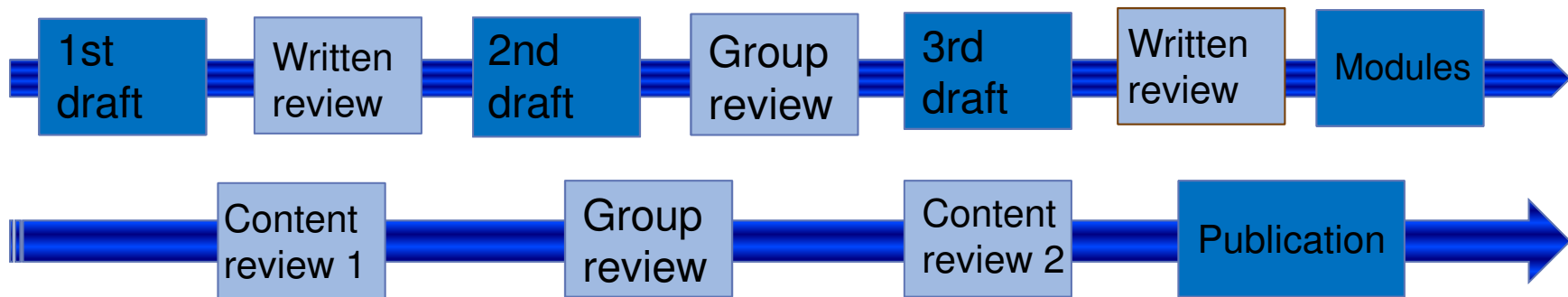
- ▶ Career entry
- ▶ Regulators' mandate to protect consumers



PROGRESS TO DATE – Curriculum development

How was the Curriculum drafted?

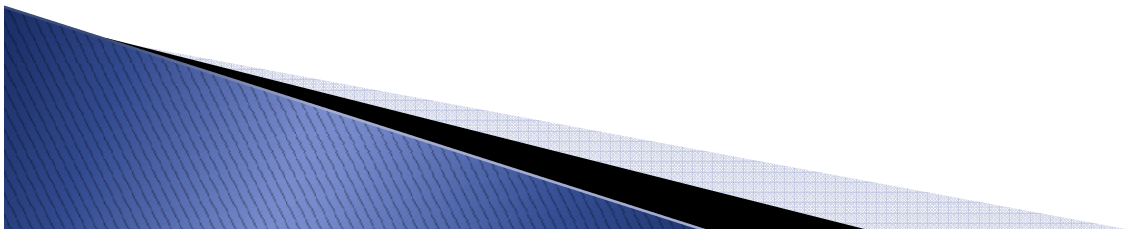
- Based on Competency Profile (CP) and existing curriculums
- Structured according to projected modules
- Reviewed by Subject Matter Experts (SMEs)



PROGRESS TO DATE – Curriculum development

Who reviewed the Curriculum?

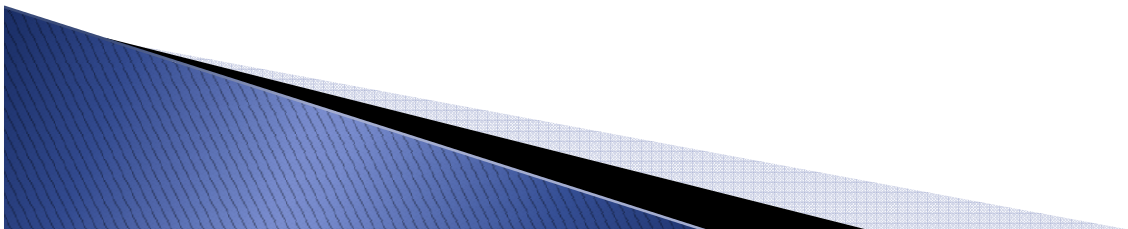
- Agents, trainers, industry stakeholders
- Participants from all Occupational Analysis Workshop (OAW) host provinces
- Participants representing
 - Large firms
 - Independant firms: brokerages, training consultants
 - Stakeholders : associations, Course Providers



PROGRESS TO DATE – Curriculum development

How were the modules set?

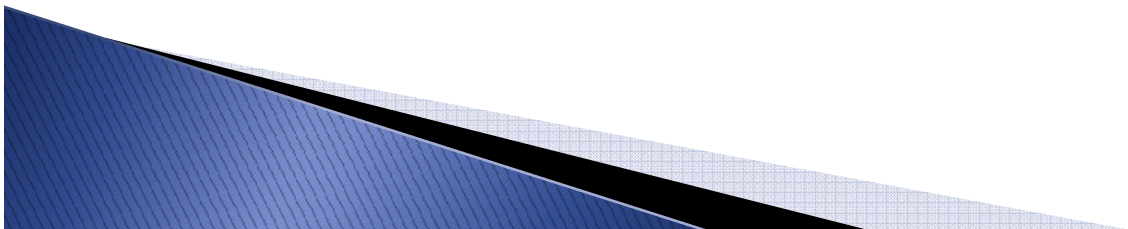
- ▶ Content-based validation
- ▶ Pragmatic considerations
 - Time required
- ▶ List of modules:
 - Law, Ethics and Taxation (Québec or common-law provinces)
 - Life Insurance
 - Accident and Sickness Insurance
 - Segregated Funds and Annuities



PROGRESS TO DATE – Curriculum development

What are the main areas covered by each module?

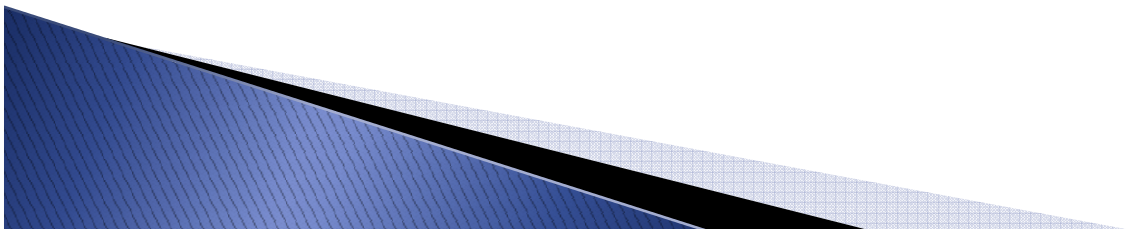
- ▶ Law, Ethics and Taxation
 - General law and taxation framework
 - Industry-specific law and taxation concepts
 - Ethics
- ▶ Products
 - Needs analysis
 - Product knowledge
 - Recommendation
 - Customer service



PROGRESS TO DATE – Curriculum development

How are modules linked to exam?

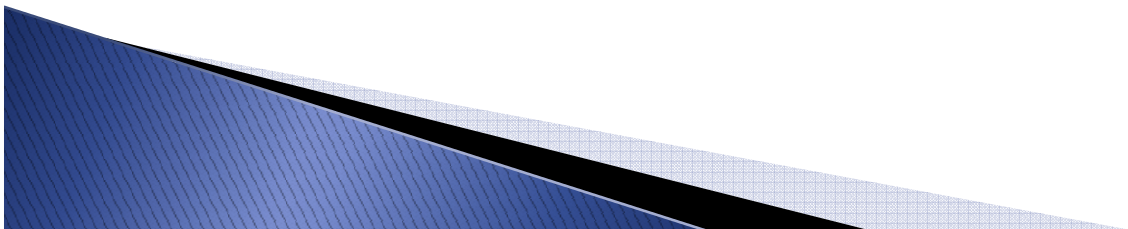
- ▶ 1 module = 1 competency
- ▶ Modules are independent
- ▶ All modules must be successfully passed to obtain a license.



PROGRESS TO DATE – Curriculum development

How does the scope of this Curriculum compare to that of existing curriculums?

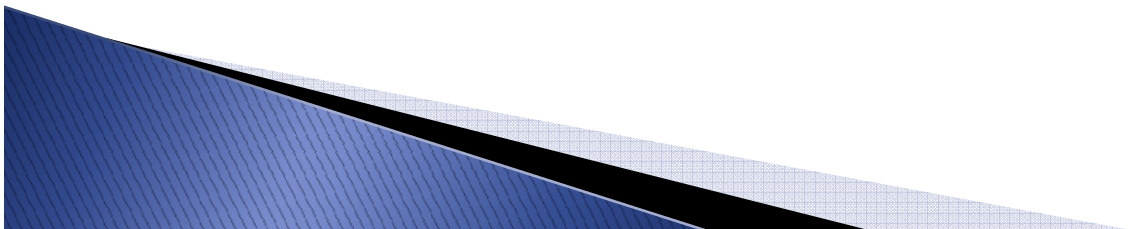
- Important similarities due to continuity in process and products
- Law, ethics and taxation
- Group insurance



PROGRESS TO DATE – Curriculum development

What advantages does the scope of this Curriculum provide for stakeholders?

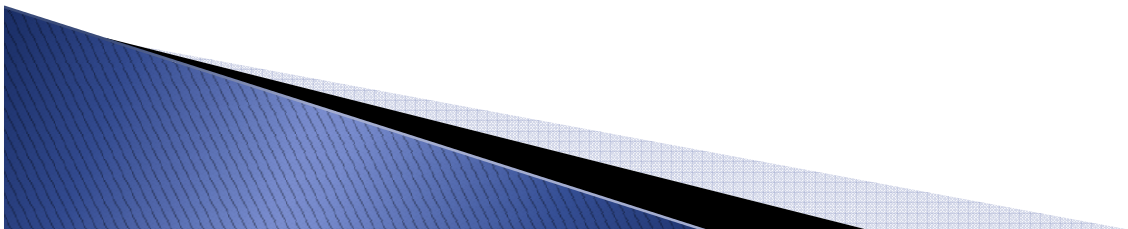
- No drastic review
- Practice-oriented approach
- Room for development of additional content
- Use of standardized terminology



PROGRESS TO DATE – Curriculum development

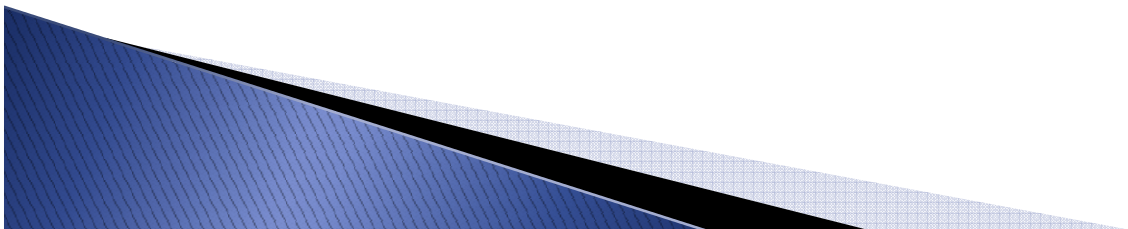
Which aspects of the Curriculum are being validated by stakeholders?

- Wording and scope of evaluation objectives
- Scope and structure of contents
- Terminology

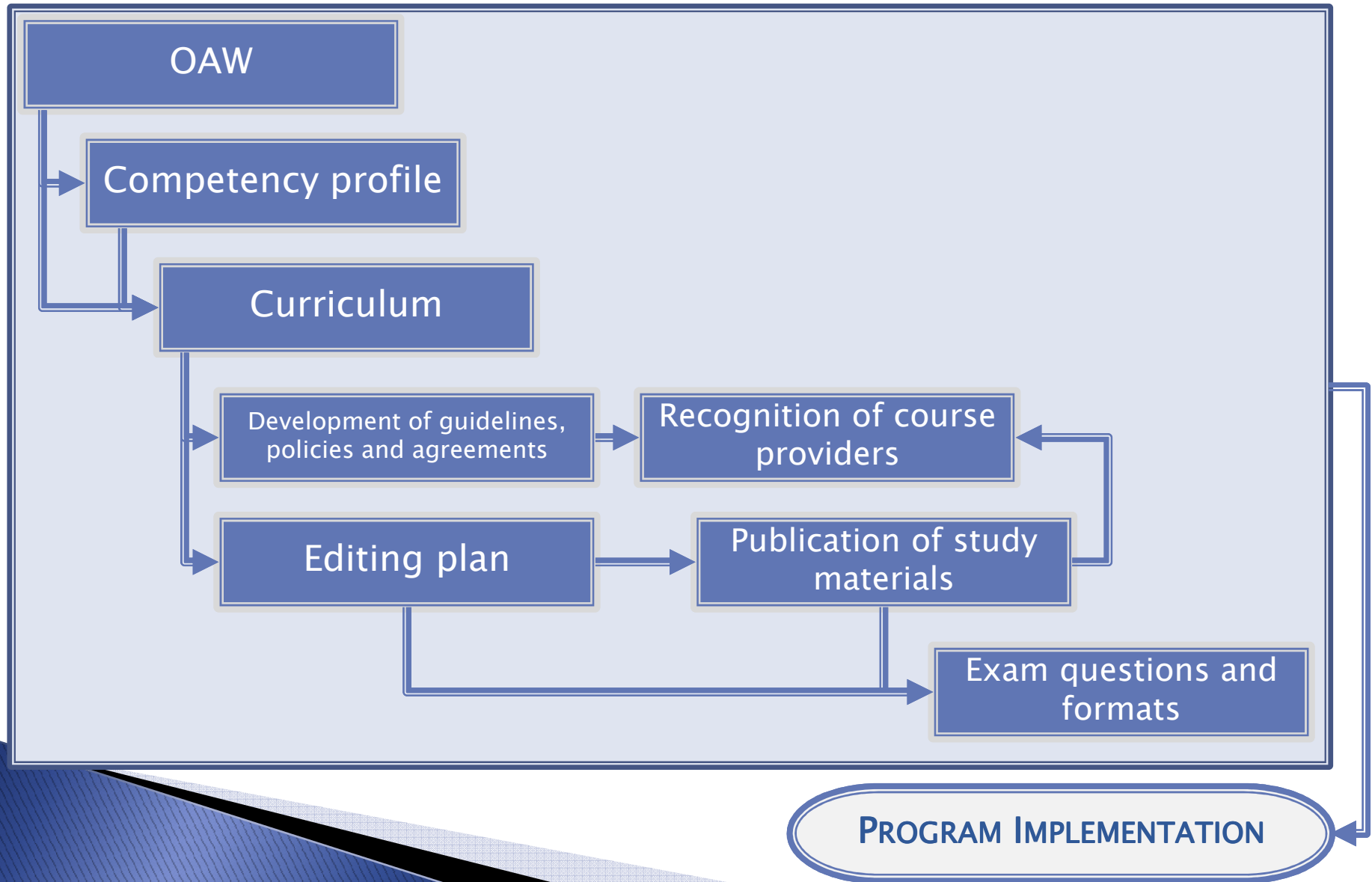


Curriculum Survey: Points of interest

- ▶ Partial results indicate Curriculum is appropriate
 - Respondents from various profiles representing different professional profiles
 - Modifications being considered are minor changes to contents and weighting
- ▶ Survey is open until November 3
 - Follow link on Committees & Initiatives page of CISRO website

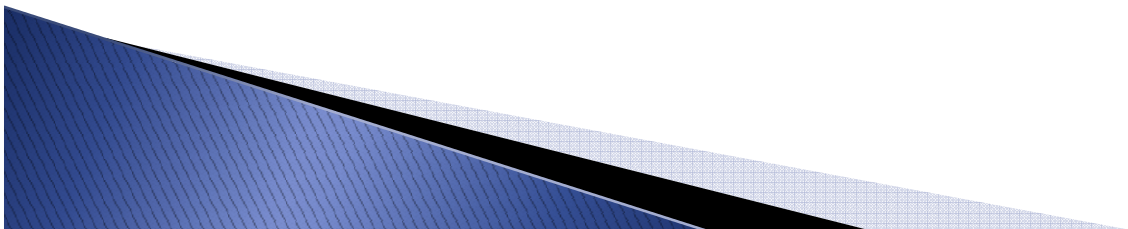


REVIEW: Development process



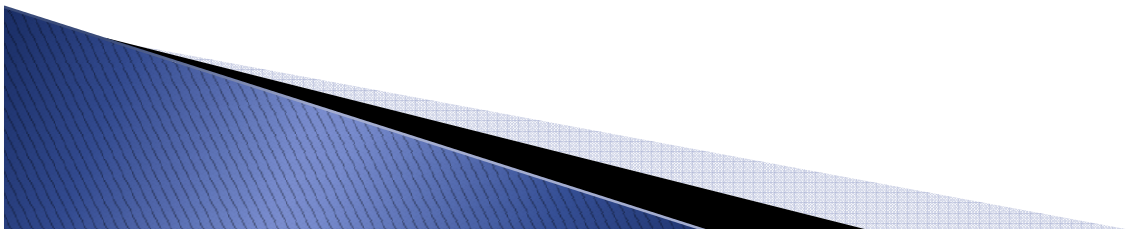
TIMELINE – 2013–2014

Key Milestone or Activity	Target Date/Period
Release of draft Curriculum for stakeholder comment	October 2013 (revised)
Release of Curriculum revised according to stakeholder comments	November 2013 (revised)
Release of editing plan (for information only)	Early 2014 (revised)



TIMELINE – 2014–2015

Key Milestone or Activity	Target Date/Period
Recognition criteria and licensing agreement	Spring 2014 (revised)
Release of policies, guidelines and procedures	Ongoing
Recognition of Course Providers	Summer 2014 (revised)
Publication of study material for recognized Course Providers	Winter 2015 (revised)
Program implementation	January 2016 (revised)



NEXT STEPS – 2013

- ▶ Publication of revised Curriculum according to stakeholder comments
- ▶ Drafting and publication of editing plan
 - Will proceed similarly to drafting of Curriculum: content expert committees for each module.
 - No stakeholder review planned but publication in early 2014 to facilitate Course Providers' course preparation.
 - As plans are finalized, drafting of the study material will begin.

Title of the chapter	Competency component and sub-components	Contents			Recoverable items from previous editions (manual number and pages)
1 st level	2 nd level	3 rd level	4 th level		Tables, diagrams and examples
1.	1.1.	1.1.1.	1.1.1.1.		
		1.1.2.			

NEXT STEPS – 2013 (cont.)

- ▶ Production of detailed timeline for each manual

1 module = 1 manual



Law, Ethics and Taxation



Law, Ethics and Taxation Québec



Life Insurance



Accident and Sickness Insurance



Segregated funds and Annuities

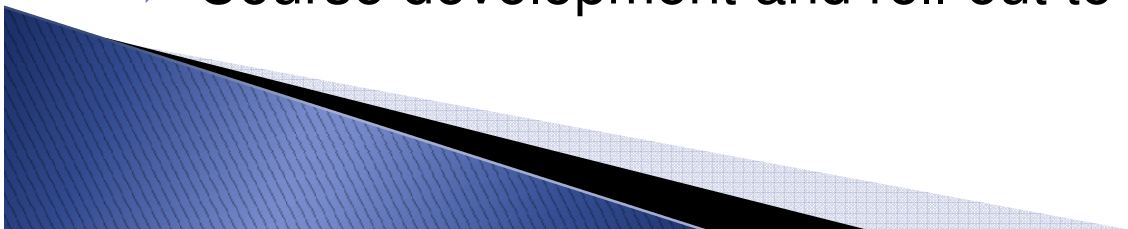
NEXT STEPS – 2013 (cont.)

- ▶ Production of the study material graphic layout

	TABLE OF CONTENTS	1
TABLE OF CONTENTS		
List of tables, figures and diagrams		vi
List of Abbreviations		vii
<hr/>		
CHAPTER 1		
SOURCES OF LAW RELATING TO INSURANCE OF PERSONS		
1.1. Sources of Canadian law		x
1.1.1. The Canadian Constitution		x

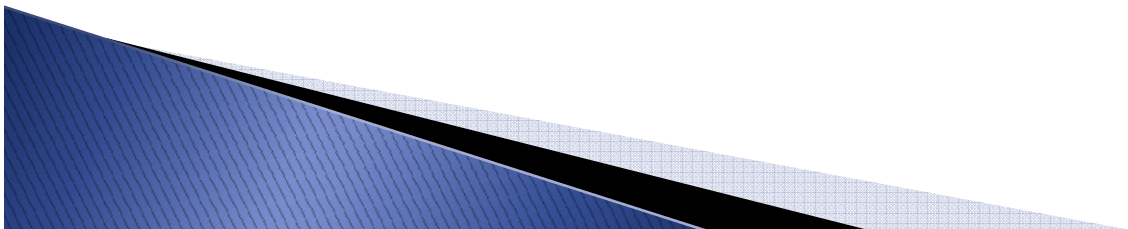
NEXT STEPS 2014–2015

- ▶ Drafting of Course Provider recognition criteria and licensing agreement
 - Current criteria and agreements will be taken into account.
 - Recognition criteria should be built into agreement.
- ▶ Publication of policies, guidelines and procedures.
 - Exam eligibility
 - Exam sittings
 - Exam review
 - Exam rewrite rules
 - Measures for candidates having obtained their certificate to pass the LLQP exam in 2015
- ▶ Course development and roll-out to course providers.



WRAP-UP

- ▶ CISRO remains committed to ongoing stakeholder engagement throughout development and implementation of new program.
- ▶ Information will be made available to stakeholders as work on this initiative continues.
- ▶ Inquiries
 - New program – Ron Fullan
 - Existing LLQP – Pat Chamberlain
 - Existing AMF Program – René Brisson





Agenda Item 6(d)(ii)

November 26, 2013 EOC Meeting

Highlights of October 30, 2013 LLQP Stakeholder Information Session

- The information shared at this session was largely a historical recap of “Progress to Date” since the inception of the LLQP modernization project
- The new information of interest was conveyed on slides 17-19 and 23, and through the Q&A session with Ron Fullan
- The Next Step in the process is the Release of a Revised Curriculum, which will reflect stakeholder feedback on the initial draft of the Curriculum
- Slide 18 indicates that the Target Date for implementation of the new LLQP has been pushed back to January 2016. Ron Fullan said that this was “due to feedback received that implementation would be best at the beginning of a new calendar year (more time to adapt).”
- On Slide 23, under Next Steps in 2014-15, the “Publication of policies, guidelines, and procedures” will be a key step, to which CAFII members will want to be alert. However, there is no indication that there will be a feedback opportunity on the policies, guidelines, and procedures.
- In Q&A, Ron Fullan indicated the following
 - course material will be provided in an electronic, editable format;
 - it’s important that students be able to challenge the entire breadth of the exam (ie. all four modules) in one day, so that is what’s planned;
 - total sitting time for the entire exam: can’t imagine it exceeding four hours;
 - total number of questions: can’t imagine it exceeding the current 140;
 - as at present, course providers will certify that students are ready to write a module’s exam; and
 - the LLQP Committee will be setting aside a day in February 2014 – target date: Monday, February 10 – to allow stakeholder groups to come in and meet with us one-on-one to discuss any concerns.



POSITION PAPER

ELECTRONIC COMMERCE IN INSURANCE PRODUCTS

This document reflects the work of regulators who are members of CCIR. The views expressed should not be considered as legal opinions.

This document does not necessarily represent the official position or views of any provincial, territorial or federal government or agency.

**ADOPTED
October 2013**

Table of Contents

1. INTRODUCTION..... 2

 1.1 CCIR 2

 1.2 ELECTRONIC COMMERCE COMMITTEE 2

 1.3 PURPOSE OF THIS PAPER 3

2. RESULTS OF ISSUES PAPER CONSULTATION AND RECOMMENDATIONS..... 4

CONSUMER PROTECTION OUTCOMES 4

 2.1 Consumers Have Access to Additional Information/Advice 4

 2.2 Consumers Know They are Dealing with a Regulated Entity 6

 2.3 Consumers Have and Understand the Necessary Information about the Products 7

 2.4 Consumers Have the Opportunity to Review the Accuracy of Information They Provide 8

 2.5 Consumers are Aware of the Terms and Conditions 8

 2.6 Consumers Can Rely on the Transaction 8

 2.7 The Consumer’s Personal Information is Secure 9

EXISTING PAPER TRANSACTIONS 9

 2.8 Designation of Beneficiary 9

 2.9 Termination of Insurance Contract by Insurer 11

COMPARISON SHOPPING SITES 11

SOCIAL MEDIA 12

1. INTRODUCTION

1.1 CCIR

The Canadian Council of Insurance Regulators (CCIR) is a forum for Canadian insurance regulators to collaborate to improve insurance regulation to serve the public interest.

CCIR adopted our *Approach to Risk-based Market Conduct Regulation* several years ago. Since then we have been implementing a risk-based approach in everything we do. We don't just react - we identify and assess risks first. We focus on the outcomes needed and how to accomplish them, not on rules and forms. We recognize that the best control is self-control, so we work with our industry stakeholders to develop industry standards so that all market participants know what is expected of them.

With a risk-based approach, regulators try first to understand what is happening in the marketplace, give industry the opportunity to respond, assess the quality of the industry response, and then determine if there are risks or gaps that may require the engagement of government policy staff to change the laws. In other words, policy-makers will intervene where problems remain unaddressed by the industry. This can also be described as a progressive approach to market conduct regulation.

If gaps or risks are identified, it is up to policy-makers in each jurisdiction to determine - based on their specific legislation and public policy objectives - what particular measures, if any, will be introduced, and in what manner, so that the regulatory goals of fair treatment of consumers and compliance with the laws can be met.

1.2 ELECTRONIC COMMERCE COMMITTEE

The use of the Internet by insurance providers has increased significantly over the past decade and should continue to grow.

While there is legislation in all Canadian jurisdictions governing electronic commerce in Canada, none applies specifically to financial products. As well, much of the insurance legislation currently in place in Canada was developed long before electronic transactions were contemplated. Both of these circumstances have been cited by some industry participants as factors in inhibiting the growth of electronic commerce for insurance products.

In CCIR's view, consumers must be afforded an adequate level of information and protection regardless of how the insurance is sold. In January 2012, CCIR's Electronic Commerce Committee (ECC) released an issues paper, entitled *Electronic Commerce in Insurance Products*, for public consultation. The goal of the issues paper was, among other things, to obtain

stakeholders' views on various issues and on how best to achieve the following consumer protection goals in the electronic commerce context:

- 1) Consumers have access to additional information/advice from a licensed intermediary;
- 2) Consumers know they are dealing with a regulated entity;
- 3) Consumers have and understand the necessary information about the products;
- 4) Consumers have the opportunity to review the accuracy of the information they provide;
- 5) Consumers are aware of the terms and conditions;
- 6) Consumers can rely on the transaction; and,
- 7) The consumer's personal information is secure.

The paper was also seeking stakeholders' comments on whether consumers are better protected if the designation of beneficiaries and the termination of an insurance policy continue to be paper transactions.

ECC met with a variety of stakeholders during the consultation period and ultimately received 25 submissions from stakeholders, the full-text of which has been posted on CCIR's website. We received responses from industry organizations representing insurers (both direct writers and others) and agents and brokers as well as individual insurers. No consumer groups were heard from, though their input was requested.

We wish to thank all of those who participated in the consultation.

1.3 PURPOSE OF THIS PAPER

ECC's objective with this position paper is to communicate back to stakeholders what we have learned from the consultation and to set out ECC's recommendations to CCIR members regarding the issues discussed.

This position paper was first released for comment in May 2013. ECC was pleased to note the general agreement amongst respondents to the recommendations. While some submissions noted additional points for ECC to consider, given industry's positive response to the Position Paper, ECC decided to present the position paper to CCIR for adoption with only minor amendments.

2. RESULTS OF ISSUES PAPER CONSULTATION AND RECOMMENDATIONS

CONSUMER PROTECTION OUTCOMES

The ECC was seeking several kinds of input from stakeholders with regard to the various consumer protection outcomes presented in the issues paper:

- Whether the description of the topic was factually correct;
- Whether the issues identified were, indeed, significant (i.e. have the potential to negatively affect consumers);
- Whether all significant issues had been identified; and
- How the significant risks could be managed, referencing both the methods suggested as examples and other methods possible to achieve our consumer protection goals.

2.1 Consumers Have Access to Additional Information/Advice

There is a substantial information imbalance between the consumer and the insurer. It was the case before and, even though the Internet provides the consumer with much more information than before, it is still the case now. If not remedied, this gap can lead to undesirable situations that can negatively affect the consumer (invalid contract, over-insurance, etc.).

Consultation Outcome

The issues paper suggested various ways to overcome this issue of information imbalance. The majority of stakeholders provided their opinions on how to achieve the goal of protecting the consumer facing this lack of information or advice. The positions expressed were polarized:

- Generally, brokers and intermediaries are of the view that a licensed agent should be involved in each insurance transaction. They argue that a consumer who deals with such an agent to complete an application for insurance has access to appropriate, specific and suitable information from an individual who has a duty to act in the consumer's interest. Without the individualized guidance from a licensed agent, there is an increased risk of purchasing an unsuitable product, due to the consumer's lack of knowledge.

Others propose that at least the consumer be allowed to contact a licensed agent at any stage in the process.

- Insurers generally believe that the Internet allows for the same level of advice as other methods of interaction. Through the Internet, they provide consumers with products and self-assessment information and thus, there is no need to involve a licensed agent in each

transaction. They argue that Web architecture gives the insurer the ability to clarify information and present it to consumers in a logical and consistent manner.

They believe that consumers should be able to compare and access insurance products that meet their needs using the delivery channel and mode of interaction they want to choose. For insurers, the consumer's choice should prevail. Consequently, they generally support having a licensed agent available for contact at the consumer's request during business hours.

Recommendations

The mandate of insurance regulators is, among others, to make sure that the consumer's interests are adequately protected when purchasing insurance products. This mandate does not include influencing the consumer's preferred means of acquiring this product. It is indeed the consumer's right to choose which product to purchase and how they would like to purchase it.

To protect the consumer's interests, the ECC believes that, regardless of the means of communication, the product chosen by the consumer should suit their needs. For this goal to be achieved, it is of paramount importance that consumers have access to all the information needed so they can understand the product offered and, ultimately make an informed decision.

In order to make an informed decision about purchasing insurance products, some consumers may need advice others may not. Moreover, the level of advice needed may vary depending on the consumer. It is ECC's view that consumers should receive proper advice when needed, regardless of how they purchase the insurance product.

Some insurance products are more complex than others. By their nature, simple or generic products require less advice than more sophisticated or complex products. The level of advice needed may vary depending on the complexity of the product. Therefore, the level of advice provided could be tailored to the nature of the product offered. In all cases, consumers purchasing an insurance product should have access to clear, straightforward and suitable advice at all times.

Finally, the ECC believes that it is not sufficient to provide the on-line consumer with information or to provide them with access to advice. The consumer should also be made aware of the importance of this advice. Before beginning an on-line process, the consumer should be presented with a disclosure underscoring the importance of advice and how it can be accessed.

On-line insurance providers, whether licensed agents, insurers or firms, have the responsibility to make sure that consumers purchasing an insurance product make informed decisions by:

- Providing them with the information needed, in a timely and comprehensive way;
- Providing them with access to a suitable level of advice, taking into account, among other factors, the complexity of the product;
- Making them aware of the importance of advice.

2.2 Consumers Know They are Dealing with a Regulated Entity

On the internet, consumers have access to information originating from many countries and from various sources. Therefore, a consumer might have trouble determining whether the service provider is indeed registered with the regulator. For example, the consumer might buy an insurance product from a company that is not an insurer, or from an insurer that is not registered with a regulator of its jurisdiction.

Consultation Outcome

Most of the stakeholders agree with the importance for a consumer to have access to specific information with regard to the identity of the provider. However, they are of the view that this information should not necessarily be found on the website homepage of a provider.

Recommendation

To allow consumers to verify the identity of the service provider and, if need be, to check whether it is registered with the regulator, the following information should be made easily, directly and permanently accessible on the websites of all providers that distribute insurance products online:

- Legal name of the provider;
- Geographic address of the provider;
- Telephone and electronic contact information, whereby consumers can reach the provider directly and easily;
- A statement that the provider is registered with the regulator, including its registration number and type;
- Contact information and information on how consumers can file a complaint, including a link to the regulator's website.

2.3 Consumers Have and Understand the Necessary Information about the Products

In order to make informed insurance decisions, consumers must have access to a minimum of specific information about the product they are interested in. It is important that consumers receive disclosure that can give them a basic and accurate understanding of the product and costs associated with it.

It is also important that this information be presented in a simple, clear and timely manner.

Consultation Outcome

Most of the stakeholders agree with the benefits of presenting the consumer with sufficient information on the products and that timing is relevant when it comes to providing this information.

Recommendation

- Providers offering insurance products online should bring to the consumer's attention the following information before buying an insurance product, in clear and simple language:
 - The type of consumer for whom the product is intended;
 - Main characteristics of the product;
 - Options and coverage provided by the product, as applicable;
 - Exclusions and limitations associated with the product, if any;
 - The total premium and other charges that the consumer will have to pay (including all applicable taxes) or, if an exact amount cannot be indicated, the basis for the calculation of the amount, so that the consumer can verify it;
 - The consumer's right to cancel, if applicable, as well as the duration of the cancellation period and procedures for exercising that right;
 - Any time limit on the validity of the information provided.
- Disclosure on providers' websites must meet all the legal obligations that are incumbent upon them.

2.4 Consumers Have the Opportunity to Review the Accuracy of Information They Provide

On the Internet, it is the consumer who completes the insurance application form. That process may be subject to error. To avoid such errors that would negatively affect consumers and providers, consumers should be given the opportunity to validate their answers once more.

Consultation Outcome

Stakeholders' submissions showed strong support for this proposition.

Recommendation

- Providers offering insurance products online should present a summary of the information provided in the application form to the consumer before a contract is concluded.

2.5 Consumers are Aware of the Terms and Conditions

It is important that consumers have a copy of the contract that they can refer back to following the transaction.

Consultation Outcome

Stakeholders' submissions showed support for this proposition.

Recommendation

- Providers offering insurance products online should provide the consumer with a copy of the contract in a form that enables reproduction and storing.

2.6 Consumers Can Rely on the Transaction

Computer systems are not fault-free. A defect in a provider's computer network could have negative consequences:

- The transaction is not carried out;
- Information is not transmitted;
- Unauthorized alteration of a document.

Recommendation

- Providers offering insurance products online have the responsibility to use trustworthy systems which consumers can rely upon.

2.7 The Consumer's Personal Information is Secure

The internet is an intangible medium that is easily accessible and therefore can be vulnerable. Using it to carry out insurance transactions has the potential to put the consumers' personal information at risk through:

- Leaking of personal information;
- Identity theft (of the insured, of the intermediary or of the insurer);
- Fraud and misappropriation;
- Money laundering.

Recommendation

- In compliance with applicable laws, providers offering insurance products online have the responsibility to ensure that the personal information of consumers is secure.

EXISTING PAPER TRANSACTIONS

2.8 Designation of Beneficiary

The consultation paper asked whether insurers and consumers should have the option of designating and changing beneficiaries using electronic means.

Although tacitly allowed by current legislation, in the absence of specific legislative provisions that authorize electronic beneficiary designations, insurers continue to require designations to be made in paper form. Without a designation on paper, insurers consider there to be no designation at all and any insurance benefits are paid to the estate by default. This not only delays insurance payments to beneficiaries, but also renders the insurance proceeds both taxable and vulnerable to claims from creditors – probably not the result the consumer intended, yet our research shows that this is a very common result.

Both British Columbia and Alberta recently implemented regulatory changes that may make insurers more comfortable using electronic beneficiary designations¹. An industry best practices guideline is under consideration in Alberta which may include additional consumer protection such as acknowledgment of change in beneficiaries by electronic or other means.

We thank the CLHIA for giving us access to their proposed guideline/process for designating, altering or revoking beneficiaries electronically for consideration during the electronic commerce discussions.

The issues around beneficiary designation – electronic and otherwise – are all centered on whether a court will accept the designation, therefore, admissibility and related evidentiary issues should form a key component of any best practices guidelines. Evidence Acts already exist and care should be taken to follow them.

Consultation Outcome

Seven stakeholders (six insurer groups and one group of intermediaries) supported the notion that electronic designations should be an option available for consumers to choose. It would be a convenient and reliable method for exercising this important right.

One group of investment planners, however, suggested that beneficiary designations should continue to take the form of written documents.

None of the commentators would make any distinction between requirements for the initial designation versus a change in beneficiary.

Recommendation

- To protect consumers and to harmonize standards across Canadian jurisdictions, the Committee concluded that CCIR should recommend that insurers have in place effective systems for offering consumers the option of designating and changing beneficiaries by electronic means.
- Electronic Beneficiary designation transactions should be acknowledged by electronic or other means as a critical protection against fraud.
- Any best practice guidelines, whether promulgated by industry or regulators, should clearly address evidentiary issues.

¹ See Section 547(2) of Alberta's Insurance Act and Section 5.4 of their Fair Practices Regulation

2.9 Termination of Insurance Contract by Insurer

Today, insurers give notice of termination of insurance contracts by registered mail or personal delivery. The consultation paper asked whether insurers should be able to terminate an insurance contract by electronic means, with both parties' consent.

BC and Alberta recently made significant changes in their insurance regimes but chose to continue the previous requirement that a notice of termination of insurance by the insurer be done on paper.

Consultation Outcome

Six insurer groups said that an electronic notice of termination of an insurance policy should be an option that consumers can choose, perhaps with an acknowledgement from the consumer or a "read receipt."

Three intermediary groups thought the current practice of paper notices should continue, perhaps with an additional notification by e-mail.

Recommendation

- In the interest of harmonization, the Committee does not recommend changes to existing practices at the current time.

COMPARISON SHOPPING SITES

The main function of these websites, namely, comparing various available coverage options, is similar to the advisory role normally played by brokers. However, the manner in which these entities are remunerated, and their ownership or business relationships with the insurers, raise questions about their independence, disclosure issues, and indeed, whether or not they are involved in transacting insurance and are therefore subject to regulation.

Consultation Outcome

The prevailing view is that no additional rules appear to be necessary at this time. Those sites should be held to the same obligations and bound by the same regulatory framework as other insurance entities in terms of information and advice provided. Regulators should enforce the applicable legislation.

Recommendation

- The line between simple comparisons only versus transacting insurance must be clear. If not properly licensed, these entities must not:
 - provide advice;
 - hold themselves out as licensed insurers or firms; or
 - post insurance applications, which could mislead a consumer into thinking they are an insurance provider.
- Regulators will survey these websites and enforce the regulation when needed.

SOCIAL MEDIA

Social media are very much in vogue. As a rule, they facilitate social interconnection. They offer users a platform where they can interact, post content and share their views, thereby creating virtual communities and a sense of belonging.

There is also a commercial purpose to social media. Consumers visit sites to express an opinion about a company or product, or to read customer reviews prior to making a purchasing decision. Consumers' opinions about a company or product are now largely influenced by peer opinions.

The insurance industry is no exception: It is increasingly leveraging social media. Insurers are using social media sites to build and maintain customer relations, as a customer service tool and for marketing purposes.

Social media can benefit both providers of insurance products and consumers. However, risks are an inherent part of this communications channel: In the realm of social media, the barrier between consumers and professionals is thin and the "social" component clouds the issue by establishing a relationship of trust. Some providers could take advantage of the consumer's vulnerability, and often that leads to issues of conflict of interest and disclosure, in particular.

Recommendation

Although the issues paper did not specifically address social media, due to the growing popularity of this medium, it is important to communicate ECC's view on this topic.

- Social media are a form of communication like any other. CCIR is therefore of the view that the current legislative and regulatory framework apply. Consequently, rules pertaining to, in particular, ethics, advertising, suitability and file record-keeping, are to be followed when insurers and representatives use social media.

CAFII Regulator Visit Plan 2013-14¹

updated November 25, 2013

Jurisdiction	Regulator	Annual Courtesy Call	Purpose/Issues	Attendees	Date/Venue	Status
British Columbia	Insurance Council of BC: Gerry Matier, Exec. Dir.	X	-Update on Council priorities -Maintain and strengthen relationship	S. Gelgor J. Lewsen R. Beckford T. VanMeggelen B. Wycks	Invite when in Toronto	Five CAFII reps had liaison lunch meeting with G. Matier in Toronto on May 15, 2013; covered range of topics in CAFII Briefing document
	Financial Institutions Commission(FICOM): Carolyn Rogers , CEO, FICOM & Superintendent of Insurance (CCIR chair); Doug McLean, Deputy Superintendent	X	-update on FICOM priorities -Maintain and strengthen relationship (-CAFII has decided not to submit a formal response to FICOM's summer 2013 Consultation on Use of Managing General Agents, as that is not CAFII members' distribution channel.)		Surrey, BC When Carolyn is in Toronto; or CAFII Board member in Vancouver	-Targeted networking with C. Rogers occurred during CAFII 15 th Anniversary event on April 10, 2013; and at CLHIA Compliance Conference in Vancouver in May 2013 -J. Lewsen and B. Wycks met with Harry James, of FICOM and Chair of CCIR's Agencies Regulation Committee, and Carol Shevlin of CCIR on September 26, 2013 around CCIR's TPA Review initiative. Presented opportunity to have brief side meeting with Harry around BC/FICOM regulatory issues

Jurisdiction	Regulator	Annual Courtesy Call	Purpose/Issues	Attendees	Date/Venue	Status
Alberta	Alberta Insurance Council : Joanne Abram, CEO; Tom Hampton, Chief Operating Officer; Ron Gilbertson, Chair (2012-15)	X	-Update on Council priorities -Council Representation -Licensing for 3 rd party providers -Business number registration system -Maintain and strengthen relationship	S. Gelgor M. Gill J. Lewsen R. Beckford T. VanMeggelen	When Joanne or Tom is in Toronto; or CAFII Board member in Edmonton	Brendan Wycks met briefly with J. Abram over lunch at the CLHIA Consumer Complaints Officers Section Fall Seminar on November 21, 2013; discussion captured in Regulatory Visit Report. Five CAFII reps met with J. Abram and R. Gilbertson in Vancouver on May 7, 2013; discussion captured in Regulatory Visit Report CAFII has arranged opportunity for two AIC staff execs. to give demo presentation of new "Canadian Insurance Participant Registry" (CIPR) to CAFII member audience on January 8, 2014

Jurisdiction	Regulator	Annual Courtesy Call	Purpose/Issues	Attendees	Date/Venue	Status
	Ministry of Finance: Mark Prefontaine, Superintendent of Insurance Brad Geddes, Deputy Superintendent of Insurance		-Update on Superintendent's priorities -Maintain and strengthen relationship		When Mark is in Toronto; or CAFII Board member in Edmonton	Targeted networking with M. Prefontaine and B. Geddes occurred during CAFII 15 th Anniversary event on April 10, 2013 Effective June 27, 2013 Laurie Balfour became Deputy Superintendent of Insurance - Alberta. Brad Geddes has been seconded to the Government of Alberta's Flood Recovery Task Force as the Director of Stakeholder Engagement. This is for an indefinite period of time, likely for at least 6 months.
	New President of Treasury Board and Minister of Finance Doug Horner					

Jurisdiction	Regulator	Annual Courtesy Call	Purpose/Issues	Attendees	Date/Venue	Status
Saskatchewan	Sask. Insurance Council: Ron Fullan, Chair	X	-Update on Council priorities -Council Representation -Maintain and strengthen relationship		Invite when Ron is in Toronto	<p>B. Wycks had Get Acquainted discussions with April Stadnek, Director of Compliance, Saskatchewan Insurance Councils, during dinner immediately following CLHIA CCOS Fall Seminar and in conjunction with FSCO Life & Health Sector Symposium, November 21-22, 2013; discussion captured in Regulatory Visit Report.</p> <p>Targeted networking with R. Fullan occurred during CAFII 15th Anniversary Event on April 10, 2013, and during CLHIA Compliance Conference in May 2013.</p> <p>CAFII reps had breakfast meeting with R. Fullan on Monday, July 29, 2013 to discuss main themes in CAFII's Proposal For Restricted Licensee Representation in Sask. Proposal submitted to R. Fullan on October 10, 2013</p>

Jurisdiction	Regulator	Annual Courtesy Call	Purpose/Issues	Attendees	Date/Venue	Status
	Financial and Consumer Affairs Authority , David Wild, Chairperson and Superintendent of Insurance; Ian McIntosh, Deputy Superintendent of Insurance		-Courtesy visit, Introduction of CAFII -Insurance Act Review, ISI; Council Representation -Maintain and strengthen relationship		When David or Ian is in Toronto; or CAFII Board member in Regina	
	Consultant (ex Superintendent) Jim Hall		-Update on Insurance Act review -Maintain and strengthen relationship		When Jim is in Toronto; or CAFII Board member in Regina	

Jurisdiction	Regulator	Annual Courtesy Call	Purpose/Issues	Attendees	Date/Venue	Status
Manitoba	Ministry of Finance: Jim Scalena, Superintendent	X	-Update of Insurance Act review and ISI regime -Maintain and strengthen relationship		Winnipeg	<p>Targeted networking with J. Scalena, Superintendent, occurred during CAFII 15th Anniversary Event on April 10, 2013;</p> <p>Manitoba's release of Draft ISI Regulation in early June 2013. CAFII responded with detailed submission.</p> <p>S. Moore, Deputy Superintendent, called B. Wycks on October 2, 2013 with detailed update on progress and timelines re Draft ISI Regulation. On October 8/13, Board supported a recommendation that CAFII seek a meeting with Minister of Finance re imperative of harmonization of Manitoba ISI Regime with other provinces. In early, November, B. Wycks had a follow-up telephone conversation with S. Moore, which confirmed that a CAFII meeting with the Minister would be prudent and necessary.</p>

Jurisdiction	Regulator	Annual Courtesy Call	Purpose/Issues	Attendees	Date/Venue	Status
	Manitoba Insurance Council: Erin Pearson, Exec Director;	X	-Update on Council priorities -Restricted Certificate holder representation on Council -Maintain and strengthen relationship		When Erin is in Toronto; or CAFII Board member in Winnipeg	
	Ministry of Finance Minister Stan Struthers		Letter of introduction sent; include on a visit of CAFII Chair or other reps to Manitoba. Letter requesting meeting with Minister re Draft ISI Regime Regulation and other CAFII issues to be sent imminently			
Ontario	FSCO: Phil Howell, CEO & Superintendent	X	-Update on FSCO priorities -Maintain and strengthen relationship		Toronto	Targeted networking during CAFII 15 th Anniversary event on April 10, 2013. B. Wycks had Get Acquainted lunch meeting with P. Howell, at his request, on July 5, 2013. Insights gained captured in Regulatory Visit Report

Jurisdiction	Regulator	Annual Courtesy Call	Purpose/Issues	Attendees	Date/Venue	Status
	<p>FSCO: Grant Swanson, Executive Director, Licensing & Market Conduct Division</p> <p>FSCO: Anatol Monid, Director, Market Regulation Branch</p>		<p>Consultation Proposal on “Modernizing Disciplinary Hearings for Insurance Agents and Adjusters”</p> <p>Industry consultation on “Life Insurance & Mortgage Broker Product Suitability Review”</p>			<p>On February 14, 2013, B. Wycks and Rosemary Troiani, RBC Insurance, met with G. Swanson, Isobel Scovino and Jim Fox around FSCO’s plans for Modernizing Disciplinary Procedures For Life Insurance Agents and Independent Adjusters</p> <p>Adrienne Warner of A. Monid’s team is “point person” for FSCO’s “Life Insurance & Mortgage Broker Product Suitability Review,” scope of which was narrowed to cover just term life, whole life, and universal life sales.</p> <p>CAFII reps participated in focus group discussion with A. Monid, A. Warner, and other FSCO reps on this matter on July 18, 2013. Follow-up discussion on draft survey of insurance agents occurred on September 6, 2013. FSCO issued two follow-up requests of CAFII member on Sept. 30/13 re removing Call Centre agents from universe for random sample for online survey; and recommending “paragon of best practices” agents for focused meetings.</p>

Jurisdiction	Regulator	Annual Courtesy Call	Purpose/Issues	Attendees	Date/Venue	Status
	FSCO: Company Complaint Officer Day			-individual companies -CAFII Executive Director	Toronto November	FSCO's 6 th Annual Symposium for the Life and Health Insurance Sector took place on November 22, 2013. Networking by B. Wycks and several CAFII volunteer leaders in attendance occurred with G. Swanson, A. Monid, A. Warner, L. Miclescu, and other FSCO senior staff.

Jurisdiction	Regulator	Annual Courtesy Call	Purpose/Issues	Attendees	Date/Venue	Status
Quebec	New AMF CEO effective July 2, 2013: Louis Morisset		-Update on AMF priorities -Maintain and strengthen relationship		When Louis is in Toronto; or CAFII Board member in Quebec City	R. Hebert, M. Gill, R. Beckford, I. Choquette, and B. Wycks met with Mario Albert, CEO; Eric Stevenson; Julien Reid; and Louise Gauthier in Quebec City on June 7, 2013 for a very productive/informative two hour lunch liaison meeting L. Morisset has accepted CAFII invitation to speak to CAFII Board or at related event on April 8, 2014, provided that event is held in Montreal.
	AMF: Superintendent, Client Services and Distribution Oversight: Eric Stevenson AMF: Superintendent of Solvency, Patrick Dery	X				Targeted networking with E. Stevenson and P. Dery occurred during CAFII 15 th Anniversary event on April 10, 2013

Jurisdiction	Regulator	Annual Courtesy Call	Purpose/Issues	Attendees	Date/Venue	Status
	AMF: Stephane Langlois, Senior Director, Distribution Practices				Fall	B. Wycks had networking discussions with S. Langlois at CLHIA CCOS seminar and FSCO symposium on November 21-22, 2013. No further update at this time on release date for next iteration of two-page Distribution Guide

New Brunswick	Superintendent (Acting) Angela Mazerolle-Stephens		<ul style="list-style-type: none"> -Update on Superintendent's priorities -Discuss /educate on creditor's group insurance (CGI) and Avalon; -Licensing issues, electronic licensing; Insurance Act Review Status; including consultation on "Opportunities for Reforming the Licensing Framework for Other-than-Life Agents and Brokers" announced in late August 2013 -Maintain and strengthen relationship -David Weir (Deputy Superintendent); Atlantic Taskforce on ISI (Chair) 		TBD Fredericton	Targeted networking with A. Mazerolle-Stephens, Acting Superintendent of Insurance; and David Weir, Deputy Superintendent of Insurance, occurred during CAFII 15 th Anniversary Event on April 10, 2013
	Consumer Advocate For Insurance, Ronald Godin		<ul style="list-style-type: none"> -Update on Consumer Advocate's priorities -Discuss /educate on creditor's group insurance (CGI) and Avalon -Build relationship 		When Ronald Godin is in Toronto; or CAFII Board member in Fredericton	

Nova Scotia	Superintendent Doug Murphy		-Update on Superintendent's priorities -Discuss /educate on creditor's group insurance (CGI) and Avalon; -Atlantic Taskforce on ISI -Build relationship		TBD Halifax	Targeted networking with D. Murphy occurred during CAFII 15 th Anniversary event on April 10, 2013
PEI	Superintendent Robert Bradley		Courtesy- Low priority for 2013 (only if CAFII Board member in Charlottetown) -Update on Superintendent's priorities -Build relationship		Charlottetown	Targeted networking with R. Bradley occurred during CAFII 15 th Anniversary event on April 10, 2013
Newfoundland	Superintendent Douglas Connolly		-Update on Superintendent's priorities -Discuss /educate on creditor's group insurance (CGI) and Avalon -Build relationship		St John's	Targeted networking with D. Connolly occurred during CAFII 15 th Anniversary event on April 10, 2013

Atlantic Canada	Joint Forum of Insurance Regulators		<ul style="list-style-type: none"> - Update on Superintendents' priorities -Discuss /educate on creditor's group insurance (CGI) and Avalon -Build relationships 		Moncton or Charlottetown ?	<ul style="list-style-type: none"> -M. Gill contacted David Weir, Deputy Superintendent of Insurance, New Brunswick, re prospect of CAFII having a Joint Meeting with all four Atlantic Canada insurance regulators in Fall 2013 - CAFII made proposal for joint meeting with all Atlantic Canada insurance regulators in Fall 2013 or Spring 2014; this meeting to occur in Spring 2014 as Nova Scotia and New Brunswick have indicated strong preference for that timing -Such a joint visit to Atlantic Canada regulators was strongly encouraged by Phil Howell of FSCO
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CCIR	Carol Shevlin, Policy Manager	X	-Annual lunch. Discuss priorities -Maintain and strengthen relationship		Toronto	-B. Wycks had a Get Acquainted Lunch with C. Shevlin in January 2013; and is in regular contact with her -J. Lewsen and B. Wycks had meeting with Carol Shevlin and Harry James, ARC Chair, on September 26, 2013 around CCIR's TPA Review initiative
	CCIR Executive		Meet when pressing issues or opportunistic meeting occasions arise.		October 30, 2013 in Toronto	CAFI Board members, EOC members, and B. Wycks had "industry stakeholder meeting" with CCIR Executive on October 30, 2013. Discussion captured in Regulatory Visit Report.
CISRO	Ron Fullan Chair		-Update on CISRO priorities -Maintain and strengthen relationship -LLQP Modernization		-invite when in Toronto	B. Wycks contacted R. Fullan to inquire if his travel plans and itinerary would allow for a breakfast, lunch, or coffee meeting around his trip to Toronto for CISRO LLQP Stakeholder Info Session on October 30, 2013. Itinerary did not allow for such a meeting on this trip.
Federal	Federal Finance Dept.		Educational – marketing of CGI			
	OSFI: Julie Dickson, Superintendent					
	OBSI: Doug Melville Ombudsman		Educational – marketing of CGI			

	Financial Consumer Agency of Canada (FCAC)		Financial Literacy re insurance			<p>Ursula Menkes retired from FCAC Commissioner role at end of May 2013; Finance Minister Flaherty announced appointment of Lucie Tedesco as new Commissioner on September 4, 2013.</p> <p>A congratulatory letter from CAFII re appointment to be sent to Ms. Tedesco. Follow-up Get Acquainted meeting may be in order. M. Gill has received reply from FCAC contact that they would like to meet soon. M. Gill to propose several December 2013 dates that would work for B. Wycks and her for a meeting with FCAC officials in Ottawa.</p>
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Agenda Item 6(f)(i)

November 26, 2013 EOC Meeting

From: Brendan Wycks [mailto:brendan.wycks@cafii.com]

Sent: November-13-13 3:16 PM

To: 'Gill, Moira'

Cc: 'Jennifer Hines'; 'Sara Gelgor'; Rose Beckford (rose.beckford@scotiabank.com); 'Yeung, Paul' (paul.yeung@rbc.com); Grant Greg (Greg.Grant@cibc.com); 'Lewsen, John'; 'Leya Duigu'

Subject: Follow-up Phone Conversation With Scott Moore Re Manitoba Draft ISI Regulation

Hi, Moira.

I've now had a chance to speak to Scott Moore about how important it is to CAFII that Manitoba harmonize with the other ISI regimes in the country. I got clarification on the areas in which Manitoba appears to be dug-in on taking a non-harmonized approach and an update on their timelines.

The information I obtained is **not** very comforting to us. Therefore – unless you advise to the contrary – I'll go ahead and revise the meeting request letter to the Minister of Finance and make it more broadly focused. Also, I'd say that we should send off the letter and try to arrange the meeting with the Minister asap, rather than waiting for the release of the Revised Draft Regulation and the brief two to three week consultation period that is to follow.

Your thoughts on that?

Here are the updates I obtained from Scott:

Issue: Rostering Requirement, ie. Section 26(2)(c), 30(1)(c) to (e), and 30(2)(b): Maintaining Records of Persons Authorized To Transact Insurance

The Regulation will be tweaked to accept from a restricted licence applicant a numerical range for the number of employees who will be authorized to transact insurance, rather than a precise number.

Other than that, however, the language that was in the Draft Regulation will not be significantly changed.

*In other words, there will still be a requirement for a restricted licence applicant/holder to maintain a roster. The Regulation will be clarified, though, to make it clear that it is **not** a requirement that the Roster be provided at the time of licence application or renewal, as a matter of routine.*

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The regulatory issue here remains one of verification/authentication when an issue comes up; and requiring the maintenance of a Roster is the one fail-safe way we see for the Insurance Council to be able to do that. The authority and the discretion has to be there for the Council or the Superintendent to be able to ask to see supporting documents when a circumstance arises that warrants such a request. In other words, situations will sometimes come up where the regulator needs to say “Prove it. Show me the documentation.” Of course, that authority will only be exercised in those exceptional circumstances. But that’s what this provision in the Reg is all about.

Sections 26(2)(b) and 28: Designation of Operating Agent

*We have cleaned up the language and clarified our intent on this point. We agreed with the general tenor of the feedback we received on the Draft Regulation on this point, and the Council and our drafter also concurred. The original term we used was “Operating Agent.” We’ve changed that to “Designated Official” and clarified that this person will **not** be expected to supervise the employees of the applicant.*

Section 26(2)(d)(ii): Requirement To Submit Policies And Procedures With Licence Application

You made the point in your CAFII submission that this section seemed to indicate that an application for a restricted licence must be accompanied by reasonable and demonstrable policies and procedures to ensure that anyone who transacts insurance on behalf of the applicant is knowledgeable. I can assure you that the Council won’t be asking for the submission of training manuals at the time of a licence application or renewal. Especially not from the financial institutions that are your members. Something more basic will be adequate from your members.

The requirement to submit fulsome policies and procedures is something that is there moreso for the peripheral ISI players, but we have to have it in the Regulation as a requirement that may be called into play.

As with several of the provisions in the Regulation, how it will be put into effect is a matter of interpretation. Here again, the concern is about when an issue comes up; and being able to call for the provision of training policies, plans, and procedures is a key mechanism that will allow the Insurance Council to fulfill its verification/authentication responsibilities.

Timelines:

Our goal is still to have both regulatory components – the other insurance-related Regs from last year and the ISI Regulation -- completed and adopted by the end of 2013, and we believe that it’s still possible to achieve that.

*We expect to be in a position to put things back in the hands of the Council within the next few weeks. **And then there will be a brief follow-up consultation on the Revised Draft Regulation, which might be a period of two or three weeks.***

If the our plan to move forward with both regulatory components in tandem by the end of this calendar year doesn't work out, then our contingency plan is to move forward in a two-phase approach:

- (i) moving ahead with the other insurance-related Regs first, for adoption by the end of 2013; and*
- (ii) moving forward with the ISI Regulation in a second phase, for adoption in early 2014, likely by the end of the first quarter.*

In any event, we definitely want to have our ISI Regime come into force in 2014. And given that there will be a period of time allowed for industry to become familiar with the Regime and to adapt to its requirements, it's just a question of whether the "in force" date will be July 1, 2014 or December 31, 2014. The operative date depends upon how things unfold from here on in.

Brendan Wycks, BA, MBA, CAE

Executive Director

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From: Gill, Moira [<mailto:moira.gill@td.com>]

Sent: November-07-13 12:16 PM

To: Brendan Wycks

Cc: 'Jennifer Hines'; 'Sara Gelgor'

Subject: RE: Draft CAFII Meeting Request Letter to Manitoba Minister of Finance

I believe that it was the issue of the roster, and it may have come up in a CLHIA meeting. Manitoba may not be willing to harmonize with Alberta and Saskatchewan with respect to maintaining a roster of authorized personnel under the restricted license. The proposed requirement is to maintain a current record of all persons authorized to transact insurance on behalf of the restricted licence holder (including the person's name, date on which the authorization began and ended, the business address from which the person works, whether the person is an employee of the restricted licence holder or a qualified entity, and the class of insurance the person is authorized to transact). We want them to follow Alberta and Saskatchewan, and allow us to provide a numerical range of the people authorized to transact insurance at the time of application.

This became connected to education requirements of some sort in my mind due to your note on your conversation with Scott:

Issue: Rostering Requirement

We're not looking to make anyone's life burdensome or to impose onerous requirements under our ISI regime. But the regulatory issue here is Can the Insurance Council be in a position to confirm that someone has been properly trained? So we think that the solution is for us to provide clarification in the Regulation as to what we're expecting to fulfill this requirement. Our expectations will be reasonable and not unduly burdensome.

It seems like CAFII and CLHIA have heard slightly different (but related) things, about where they are going. It is worth going back to Scott and confirming the timing and the two phase approach that you previously discussed. You can also confirm to him the importance that CAFII attaches to a harmonized approach, and ask if there are any areas that CAFII had identified as a concern where Manitoba is considering a difference (slight or otherwise) from the harmonized approach (really Saskatchewan)

Moira Gill | Government and Industry Relations | **TD Insurance**

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From: Brendan Wycks [<mailto:brendan.wycks@cafii.com>]

Sent: Thursday, November 07, 2013 9:52 AM

To: Gill, Moira

Cc: 'Jennifer Hines'; 'Sara Gelgor'

Subject: RE: Draft CAFII Meeting Request Letter to Manitoba Minister of Finance

Thanks, Moira, for this excellent advice re re-focusing the letter and our approach to seeking a meeting with the Finance Minister in Manitoba. You've even provided a nice agenda outline and many of our talking points for when we do have that meeting.

One quick follow-up question for you re my call to Scott Moore to confirm that they're considering "some departures from a harmonized approach." In a recent meeting, I believe that you mentioned that the main area of departure was around education requirements, which I took to mean mandatory continuing education requirements for sellers of insurance who work for corporate ISI licensees. Is that correct?

When Scott Moore called me on October 2 with an update, he didn't mention this topic at all. So you must have learned about it through a direct conversation with Scott or Jim Scalena? Can you elaborate a bit and fill in the gaps for me about this before I give Scott a call?

Brendan Wycks, BA, MBA, CAE

Executive Director

Canadian Association of Financial Institutions in Insurance

From: Gill, Moira [<mailto:moira.gill@td.com>]
Sent: November-06-13 3:07 PM
To: Brendan Wycks
Cc: Jennifer Hines; Sara Gelgor
Subject: RE: Draft CAFII Meeting Request Letter to Manitoba Minister of Finance

Hi Brendan,

First of all I'd touch base with Scott Moore again, confirm that they are still considering some departures from a harmonized approach, and mention that since CAFII hasn't met at the minister level in some time are considering a meeting in the near future, and this would be one of the items on the agenda.

The letter then, would then be more broadly focused. We would ask for a meeting with the Minister to talk about the key aims that CAFII is pursuing - improving access for the underserved market with simple products which are broadly available through a variety of access points. Add in a couple of stats about the underserved market and how CAFII members are meeting that need, our focus on consumer protection, and the difference we make in people's lives.

In order to achieve all this we need an efficient effective regulatory system harmonized across the country. This would be the focus of the meeting. We can touch on some of the progress that has been made in individual licensing, interprovincial trade agreement, the updated insurance act which is harmonized with the other western provinces, the importance of Manitoba participation in CISRO and CCIR. We'd be interested in learning if there are additional interprovincial discussion or plans within Alberta which could contribute to this goal, and if there are areas where CAFII could be of assistance. Then the last point is that we have been working with the council and super on the corporate licensing regime for creditor insurance, and sharing our experiences with the Alberta and Saskatchewan regimes. Despite these discussions there remain some areas where proposals are outliers from the other western provinces. We like to share our concerns and address the consequences of differing requirements across western markets.

Moira Gill | Government and Industry Relations | **TD Insurance**

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From: Brendan Wycks [<mailto:brendan.wycks@cafii.com>]
Sent: Wednesday, November 06, 2013 11:58 AM
To: Gill, Moira
Cc: Nasturas, Mona; 'Hines, Jennifer'; 'Leya Duigu'; sara.gelgor@scotiabank.com
Subject: FW: Draft CAFII Meeting Request Letter to Manitoba Minister of Finance

Just a quick follow-up note to see if you've had a chance to review the attached draft letter?

Brendan Wycks, BA, MBA, CAE

Executive Director

Canadian Association of Financial Institutions in Insurance

From: Brendan Wycks [<mailto:brendan.wycks@cafii.com>]
Sent: November-01-13 5:19 PM
To: Gill Moira (moira.gill@td.com)
Cc: 'Hines, Jennifer' (jennifer.hines@rbc.com); sara.gelgor@scotiabank.com; 'Leya Duigu'
Subject: Draft CAFII Meeting Request Letter to Manitoba Minister of Finance

Moira:

Please find attached a draft letter to Manitoba Finance Minister Stan Struthers for your consideration, to address this Action Item from the October 8 Board meeting:

Manitoba: M. Gill provided an update on the draft ISI regulation, noting a troubling new direction with respect to requirements around education. The Board was supportive of her recommendation that this issue be raised at the political level via an in-person meeting with the relevant Minister, of which the regulators would also be notified. Harmonizing with other jurisdictions such as Alberta is the key message that we want to deliver.

Action: A meeting with the Minister in Manitoba to be requested to discuss matters related to the draft ISI regulation and harmonization. Volunteer leader attendees could include both Board and EOC members.

In the draft letter, I've set it up as coming from you, as LEIC Chair. But given that the letter is to a Minister of Manitoba government, for "title optics", I would recommend that we send the letter under Mark's signature as Board Chair or perhaps under my own as Executive Director.

Once I receive your feedback, I will adjust the signatory, if you concur, as part of the edits/refinements. And then, I'll run the letter by Mark for approval if it's going out under his signature.

Brendan Wycks, BA, MBA, CAE

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CAFII Priorities by Committee – November 25, 2013

Executive Operations Committee

Membership: As per CAFII Bylaw 6.01. Sub-committees may strike taskforces drawing on expertise of other individuals associated with member companies.

Mandate	Activities	Issues of Interest
Recommend budget and priorities to Board	Draft and review Financial Reports	
Keep environment open to key products	Be aware of current and emerging issues (Regulatory Update).	
	Develop responses to regulatory initiatives. Forward to board for approval as necessary. Oversight of Distribution and Market Conduct Policy Committee (DMC)	Regulation of ISI
		International regulation of creditor products
		Market Conduct Regulation
		Electronic Commerce
		Provincial Insurance Act Reviews
		Quebec Distribution Guide
Keep environment flexible /efficient	Identify barriers to efficient operations. Oversight of Licensing Efficiency Issues Committee (LEIC)	Licensing Irritants
		Provincial Insurance Councils and CISRO issues, including LLQP
		Electronic licensing
		Multi-jurisdictional licensing/mutual recognition
Develop communication plans and tools	Oversight of Media and Advocacy Strategy Committee(MAC)	Communications strategy, CAFII Branding Advocacy Strategy Website
Build relationships with key stakeholders	Connect with regulators. Manage and conduct regulator visits. (Manage Regulator Visit Plan) Approve attendees at regulator meetings, review meeting notes and manage follow-up actions	
	Oversight of Networking and Events committee	
Other items	Continuance under new Canada Not for Profit Corporations Act (CNCA)	Articles of Continuance to be filed by October 17, 2014
	Changes to CAFII Management structure – development of Executive Director role	Executive Director hired effective December 2012; oversight of establishment of ED's role, its evolution and effectiveness

Distribution and Market Conduct Policy Committee

Membership: The committee will have 4 permanent members including 2 co-chairs all of whom are members of the EOC.

Co-Chairs: 1) Sue Manson CIBC 2) ? **Other members:** 3) Emily Brown BMO 4) Brian Wise, Assurant

5) Andre Duval, DSF 6) Rose Beckford Scotiabank Financial **Mandate:** Oversee development of CAFII policy positions as directed by EOC. Oversee taskforces as required. Activities: Draft CAFII submissions, Manage and interpret industry research projects as approved by EOC

Item	Description	Activities Completed/Industry Developments	Status/Next Steps
Regulation of ISI	Quebec <ul style="list-style-type: none"> DWR (review of Insurance Act) 	<ul style="list-style-type: none"> CAFII members met with Eric Stevenson November 15, 2012 and with AMF staff executives on June 7, 2013 Insurance Act Overhaul/Re-write formally announced by Quebec Government on April 30, 2013 	<ul style="list-style-type: none"> Active
	Quebec <ul style="list-style-type: none"> Review of Distribution Guide 	<ul style="list-style-type: none"> CAFII input provided on Guide (e.g. signature, remuneration) through letter sent to AMF June 2012, meeting with Eric Stevenson on November 15, 2012 and follow-up letter sent to AMF Dec 2012 	<ul style="list-style-type: none"> Active EOC involvement and oversight Met with AMF in Quebec City on June 7, 2013 DMC proposes information session
International Regulation of Creditor Insurance	PPI IAIS Core Principles	<ul style="list-style-type: none"> B. Wycks reported on US and UK developments CAFII Project 	<ul style="list-style-type: none"> Active/Monitor ongoing Board approval received on June 11, 2013 to secure draft communication of project outcomes Post-Implementation Review
		<ul style="list-style-type: none"> Subcommittee working on matrix of impact of Insurance Core Principles (ICPs) and international regulations 	<ul style="list-style-type: none"> EOC Input obtained Active
Industry Complaint Statistics		<ul style="list-style-type: none"> Subcommittee working on compilation of Industry Complaint Statistics 	<ul style="list-style-type: none"> EOC Input obtained DMC Subctte. met on June 4 and 25, 2013
Consultations	FSCO life insurance product suitability review	<ul style="list-style-type: none"> FSCO has held consultation meetings with CAFII on this initiative in July and September 2013 	<ul style="list-style-type: none"> Having provided significant input through two meetings, CAFII will be consulted on final draft of survey of life agents, and on final report from Suitability Review

CAFII Priorities by Committee – November 25, 2013

Item	Description	Activities Completed/Industry Developments	Status/Next Steps
	E-commerce	<ul style="list-style-type: none"> CCIR and AMF – upcoming consultations 	<ul style="list-style-type: none"> Active with Release of CCIR E-Commerce Position Paper on May 23, 2013 CAFII submitted detailed response to CCIR E-Commerce Position Paper in July 2013 CCIR Final E-Commerce Position Paper released November 15, 2013; CAFII to analyze; issue communication to members; and respond to CCIR, if necessary
	Provincial Insurance Acts	<ul style="list-style-type: none"> Manitoba 	<ul style="list-style-type: none"> Draft ISI Regulations released on June 3, 2013; Licensing Committee to deal with this matter. CAFII submitted detailed response to Draft ISI Regulation in July 2013 Scott Moore, Deputy Superintendent, called B. Wycks on October 2, 2013 to provide detailed update on progress with and timelines for ISI Regulation B. Wycks had further conversation with S. Moore in early November 2013 CAFII to request meeting with Manitoba Minister of Finance to stress imperative of harmonization of provincial ISI regimes
		<ul style="list-style-type: none"> Saskatchewan 	<ul style="list-style-type: none"> Watch
		<ul style="list-style-type: none"> Ontario 	<ul style="list-style-type: none"> Watch

CAFII Priorities by Committee – November 25, 2013

Item	Description	Activities Completed/Industry Developments	Status/Next Steps
Comparison of creditor insurance on mortgages with term life and individual disability insurance project	Survey members companies, update analysis and research	<ul style="list-style-type: none"> Comparison of creditor insurance on mortgages with term life and individual disability insurance: pricing, approval rates, claim approval rates, etc. 	<ul style="list-style-type: none"> Active Last conducted in late 2009/early 2010 on 2008 data DMC secured Board approval for refresh of this study, using 2013 data; to be conducted in late 2013 and first quarter of 2014. Avalon proposal and draft survey brought to EOC at September 24, 2013 meeting. Due to concerns, committee advised to negotiate with Avalon for better terms and also to “shop” the Study DMC to make recommendation to EOC on this study at November 26, 2013 meeting; and subsequently seek Board approval at December 4, 2013 meeting

AMF Distribution Guide Task Force

(Task Force of Distribution and Market Conduct Policy Committee)

Members: Emily Brown, Brian Wise, Rose Beckford, Moira Gill, Sue Manson

Purpose: Recommend changes to the AMF Distribution Guide based on the Mutual Fund Guide, customized for exclusion disclosure

Licensing Efficiency Issues Committee

Membership – 1 Chair who is a member of EOC and 3 members from representative companies.

Chair: Moira Gill, TD 2) Sara Gelgor , ScotiaLife Financial 3) Brian Wise, Assurant 4)Greg Grant, CIBC

Mandate: Identify and manage licensing efficiency issues for restricted and individual licensing processes.

Priorities	Issues	Currently active issues	Status
Licensing operation issues Streamlining and harmonizing licensing requirements (training, CE, other)	Request for restricted certificates for 3 rd parties Alberta	v	CAFII letter to the Council (2011). Council responded that they did not support the request. Committee decision to address the issue with the Council again in <u>year ?</u>
	CISRO project to redesign LLQP – project completion target Sept 2014		Quarterly Stakeholder Information Sessions being held by CISRO, incl. January 17/13 and April 9, 2013. Next Session to be held on October 30, 2013.
	Licensing process -streamlining and harmonization		Identification of issues ongoing
ISI regime implementation	Manitoba – issues to be resolved with implementing regulations		Included in Insurance Act Spring 2012 Letter sent in August 2012 -CAFII response to draft ISI Regulations sent in early July 2013. May require more detailed follow-up submission and a visit by a CAFII rep(s) to Jim Scalena, Superintendent of Insurance, and/or Scott Moore, Deputy Superintendent, in Winnipeg. On October 8, 2013, Board supported recommendation that CAFII seek a meeting with the Minister re imperative of harmonization of Manitoba's ISI Regime with other provinces

CAFII Priorities by Committee – November 25, 2013

Provincial Insurance Councils and CISRO issues	Opportunities to have restricted licensees represented or otherwise participate on Council discussed with Saskatchewan and Alberta. Committee identified a need for an analysis of options for BC, Alberta & Saskatchewan. Council representation needed		<p>Legal assistance engaged and analysis of options underway.</p> <p>Meeting with AIC Jan 2012.</p> <p>Meetings with Sask. held</p> <p>Meeting with Manitoba held</p> <p>CAFII Concept Proposal For A Saskatchewan Insurance Councils' Restricted Insurance Agents Advisory Committee finalized in early October for EOC Review. Submitted to R. Fullan on October 10, 2013.</p> <p>In a meeting with B. Wycks on November 21, 2013, J. Abram, CEO of Alberta Insurance Council, indicated that AIC would be open to a proposal from CAFII re representation for restricted licence holders. Q1 of 2014 could be quite opportune to begin discussions re establishing a "Restricted Licence Holder Council," she advised.</p>
Electronic licensing	Promote use of electronic licensing systems by provincial regulators; possible use of "business numbers" to link		Letter of support sent to CISRO May 2012
Multi-jurisdictional licensing/ mutual recognition	Trade Agreements - promote mutual recognition (Ontario – Quebec, New West Partnership)		Attended trade agreement update meeting May 2012

Media and Advocacy Strategy Committee

Membership: The committee will have 4 permanent members including 2 co-chairs, all of whom are members of EOC. EOC chair is co-chair.

Co-Chairs: 1) Sara Gelgor 2) John Lewsen

Members: 3) Paul Yeung, 4) Moira Gill 5) Greg Grant 6) Charles Blaquiére

Resources: Leya Duigu, Brendan Wycks

Mandate: Identify key stakeholders and develop, recommend and implement communication and advocacy strategy. Oversee CAFIL branding. Oversight of Media Response taskforce.

Areas of Interest: Underserved Market: Creditor Insurance (value proposition, disclosure); Counter broker lobby messages

Initiatives	Status/Explanation	Resp	Next steps
-Develop a Communications Strategy	<p>-Update Communications Strategy: CAFIL-branded “Regulatory Value Added Strategy” for website and regulator communication. Most materials exist but materials should be reviewed and recommendations made as to how to package and brand materials. Include concept of sending targeted messages to regulators when an issue is in the media.</p> <p>-bring strategy up to date, should be a refresher at every board meeting</p>	ED	<p>-Draft External Communications Strategy prepared by B. Wycks and reviewed with MAC on September 19, 2013. Highlights presentation shared with EOC on September 24, 2013. Executive Summary of Strategy document – reflecting MAC and EOC feedback -- prepared for Board review and approval on October 8, 2013.</p> <p>-Based on Board feedback, Communications Strategy refined by MAC, for EOC Review on October 29, 2013. Revised “Media” and “Public and Consumer Interest Groups” strategies to be presented to Board on December 4, 2013</p>
<p><u>Website</u></p> <p>-collect testimonials, post on site</p> <p>-Refresh CAFIL mission statement</p>	<p>-Testimonial (written or video)- 1 per member , have 7 or 8 available and determine how to rotate through (value –add to members)</p> <p>-review mission statement to ensure it is in line with branding,</p>	<p>J Lewsen</p> <p>ED</p>	<p>-Email reminder sent w/o Oct 22, 2012; One written and two video testimonials received to date. B. Wycks to follow-up with direct request to each Voting Member, via EOC members</p> <p>-Removed from MAC Priorities, as Mission Statement is solely within Board purview and typically is reviewed as part of Strategic Plan renewal. J. Hines and B. Wycks to discuss with Chair M. Cummings</p>

CAFII Priorities by Committee – November 25, 2013

Initiatives	Status/Explanation	Resp	Next steps
-expand tabs to include other products & regulators/industry	-incorporate alternate distribution (underserved market)	ED	-Underserved market material drafted, to be approved for website. In process with ED B. Wycks
	- Travel insurance product – ED to reach out to travel association and CLHIA; look at it from distribution perspective	ED	B. Wycks met with CLHIA Execs. on April 1, June 3, and October 7; had get acquainted discussion with John Thain, volunteer President of Travel Health Insurance Association, who works for Assurant Solutions, at CAFII 15 th Anniversary event. Will have a full meeting with Thain in Fall 2013.
-Develop CAFII “Did you know” video to convey important facts	-(Charles Blaquiere suggestion)	ED	-In process as part of CAFII Re-Branding and Visual Identity Modernization initiative
-what’s new	-In place, ongoing update of news	ED	-Ongoing
<u>CAFII Branding</u> -develop marketing tagline	several taglines to be sent to Board, -identify differentiating factor, eg advocating for insurance access , choice, all Canadians	J Lewsen	Completed
	- include tagline on all submissions, website, swag, and letters to regulators	ED	-In process; to be completed in conjunction with Re-Branding and Visual Identity Modernization initiative
-CAFII newsletter for regulators	-Insurance regulatory news to be collected and shared with regulators as a value added service	ED	-Completed and ongoing.

CAFII Priorities by Committee – November 25, 2013

Initiatives	Status/Explanation	Resp	Next steps
-CAFII “look”	-Develop a font and layout unique to CAFII to be used in letters, submissions and newsletter; assess if new logo needed	ED	-Completed
-Acquire soft marketing tools (pads, pens etc),	-Coasters suggested– include tagline and web address on next re-order		-Completed
<u>Media Protocol</u> -Develop and manage protocol for handling media requests -media training for ED	-Protocol to be revised with arrival of ED	ED	-Completed; revised Media Protocol approved by MAC on January 17/13 -Schedule training for Q1 2014. Expand to include Board members who are interested and available on the day booked for media training.
-Monitor Media		ED	Ongoing
-Develop List of Friendly media			Paul & Moira have completed list
-Notify communications departments of member firms	-To be done when messaging is reviewed		
-News Release	-Send out notification re new ED		-Notice sent to all CAFII members. Included in first issue of Regulators’ newsletter. Also to be sent directly to each regulator with a cover letter from M. Cummings
Develop 2-3 likely scenarios		ED	-B. Wycks reviewing material drafted by G. Grant.
Key Message Development - identify issues and develop key messages	-Key message document: develop and review stock messages to be used in communication opportunities	ED	-Key Messages reviewed and refined by B. Wycks as part of External Communications Strategy development
-Regulator Kit -develop booklet /brochure	For new regulators. Compile package of information for regulators which can include -booklet - past submissions, -testimonials and -key fact sheet.	ED	-Some content developed by RBC intern -To be completed as part of External Communications Strategy implementation

CAFII Priorities by Committee – November 25, 2013

Initiatives	Status/Explanation	Resp	Next steps
-Key Facts sheet	Booklet - take images from website, testimonials, designed to highlight major issues. Small 10 page booklet that can be given out with business cards. -develop a “Key Facts” sheet to be part of regulator package	ED ED	-To be completed as part of External Communications Strategy implementation
Manage research to support message (eg. Pollara) - develop key messages - manage plan of use of research - determine when and what research must be undertaken or renewed	-Pollara plan of use in place	MAC	-Research is a key component of External Communications Strategy. Plan of use to be reviewed by ED in light of Strategy, once approved
-Industry Statistics	-identify and keep current statistics from LIMRA and CAFII research	ED	-overlapping responsibility with DMC. Referred/delegated to DMC.
-Webinars Develop and offer webinar education Determine distribution of webinar material	-develop / oversee development of new webinars -review and keep webinars current -track who has seen which webinars -plan number of webinars per year, have list of upcoming webinars -deliver webinars	ED	-Digital commerce and social media webinar, developed by Davis Yoo and Debbie Dimoff of PwC, delivered to CCIR audience on May 30, 2013. -Topic and timing of next webinar for CCIR under consideration.

Media Response Taskforce

Membership: Taskforce consists of any two members of the Media and Advocacy Strategy committee plus Brendan Wycks.

Purpose: Deal with media issues as they arise. Make recommendation to Board communications committee (Members: Mark Cummings, Scotialife Financial; Dave Minor, TD; Rick Lancaster, CIBC; Julie Barker-Merz BMO)

CAFII Priorities by Committee – November 25, 2013

Networking and Events Committee

Membership: 1 Chair - 2 members , EOC chair is an ex-officio member

Chair: Paul Yeung RBC 2) Maria Sanchez –Chung TD 3) Ex-officio: Jennifer Hines Resources: Leya Duigu, Brendan Wycks

Mandate : Operate CAFII events and receptions to maintain contact with regulators, associate members and other key stakeholders.

Priority	Activities	Status
Plan Quarterly Speaker and reception events, and member-only event	-February 2014 Speaker Event (members only)	-Annual Members' Luncheon moved to February 11, 2014, with Chrys Lemon, Partner, McIntyre & Lemon, PLLC, Washington, DC, speaking on "Update On Credit Card Insurance Market In The U.S. Since 2012."
	-April 8, 2014	-Louis Morriset, AMF CEO, has agreed to speak to CAFII Board/EOC group or at a larger Regulator Reception event, provided that it is held on April 8 and in Montreal
	-June 2014 AGM/Regulator Reception Event	-Speaker required
	October Speaker Event	-Speaker required
	December 2014 Reception	
Keep current lists of key contacts		
Christmas cards to key contacts?		
Seek out other opportunities to meet with contacts (eg. corporate table)		

CAFII

2014 External Communications Strategy

Revised October 28, 2013



Executive Summary

Overall Communications Strategy

- Support achievement of CAFII's strategic objectives by communicating and effectively engaging with key external audiences
- Demonstrate the value of the insurance solutions and channels offered by CAFII members by creating greater awareness and understanding
- Gain control of the "communications agenda" and change perceptions among key audiences

2014 External Communications Objectives

- Build on CAFII's current proactive communications strategy with regulators, while broadening audience focus and resource allocation to include policy-makers
- Ensure all audiences are well-informed about both the benefits of Creditor Insurance and alternate distribution channels
- CAFII and its members are seen to be advocates for alternate distribution channels and easy access to insurance solutions
- Be better prepared and positioned to respond strategically and effectively to the media and consumers

	Regulators and Policy-Makers	Media	Public and Consumer Interest Groups
Current State	<ul style="list-style-type: none"> •CAFII has strong relationships, a good reputation and regular interaction with regulators. •Inconsistent relationships with policy-makers 	<ul style="list-style-type: none"> •Little or no interaction with media and varying views amongst members about 'how far should we go?' •Selectively reactive with media 	<ul style="list-style-type: none"> •Enhanced CAFII web site serves a passive communications vehicle for Key Messages about Creditor Insurance and alternate distribution
	Short to mid-term objectives Proactive Advocacy	Mid to long-term objectives Reactive But Prepared	Mid to long-term objectives Prepared And Responsive
Future Vision	<ul style="list-style-type: none"> •CAFII interacts even more frequently with regulators and regularly with policy-makers, through a variety of approaches. •They are fully aware of the needs of Canadians regarding Creditor Insurance and the role CAFII members play in providing ease of access to valuable products. 	<ul style="list-style-type: none"> •The benefits of Creditor Insurance are clearer. •Myths regarding Creditor Insurance are dispelled. •CAFII is seen to be a consumer advocate related to easy, convenient access to a straightforward product. •CAFII is regarded as a "go to" resource for credible information on Creditor Insurance 	<ul style="list-style-type: none"> •CAFII Members are proud to serve Canadians with products that meet their needs in terms of both protection and availability. •CAFII Members are seen as proponents of consumer access to simple, convenient insurance products; <u>and of Consumer Financial Literacy</u> •CAFII is regarded as a "go to" resource for credible information on Creditor Insurance

Contents

- Overall Strategy and 2014 External Communications Objectives
- Current Situation and SWOT Analysis
- External Communications Objectives and Future Vision
- Future State
- Measures of Success

APPENDICES

(Samples for illustration purposes – to be updated once Communications Strategy approved)

A: 2014 Communications Tactics

B: Implementation Timelines For New Tactics – Regulators and Policy-Makers

C: Key Message Map : Benefits/Value of Creditor's Insurance

Objectives

Overall Communications Strategy

- Support achievement of CAFII's strategic objectives
- Communicate and effectively engage with key external audiences
- Demonstrate the value of the insurance solutions and channels offered by CAFII members:
 - Creditor insurance
 - Alternate distribution channels (non-broker driven)
- Create greater awareness and understanding
- Gain control of the “communications agenda” and change perceptions among key audiences

2014 External Communications Objectives

- Build on past strengths by enhancing CAFII's current proactive communications strategy with regulators, while broadening the audience focus and resource allocation to include policy-makers
- Ensure all audiences are well-informed about the benefits of Creditor Insurance and alternate distribution channels
- Enhance the perception of CAFII among key audiences so that:
 - CAFII begins to be regarded as the “go to” resource for credible information related to Creditor Insurance
 - CAFII and its members are seen to be advocates for alternate distribution channels, easy access to insurance solutions, and Consumer Financial Literacy
- Be better prepared and positioned to respond strategically and effectively to the media and consumers re mis-information about Creditor Insurance products and alternate distribution channels
- Assess opportunities and tactics to begin outreach to and to influence non-FI Creditor Insurance players whose practices could give rise to PPI-type regulations, around adopting industry best practices

Current Situation:

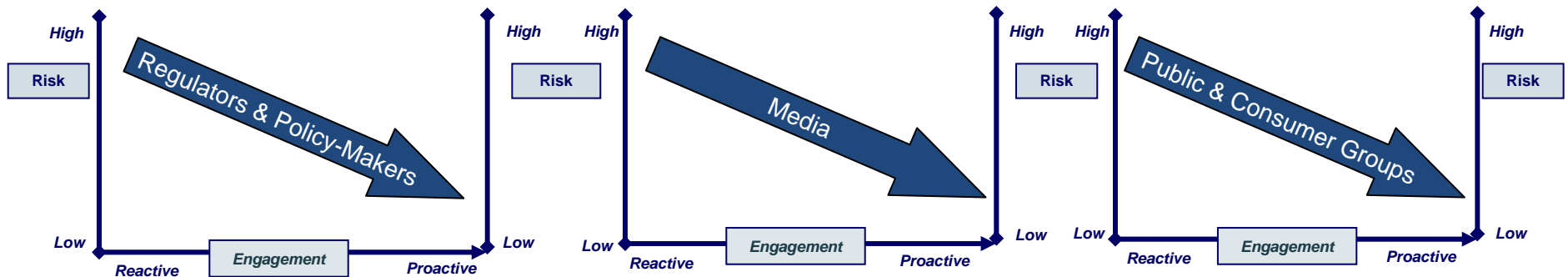
External Communications SWOT Analysis

Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> • Respect from most regulators. • CAFII is a “go to” resource for regulators on issues related to Creditor Insurance and, in many cases, insurance distribution. 	<ul style="list-style-type: none"> • Limited profile with all audiences except Regulators. • CAFII is not a “go to” resource for the media, the public, consumer interest groups, or other industry players when issues arise related to Creditor Insurance. 	<ul style="list-style-type: none"> • Strengthening relationships with policy-makers on a consistent basis. • Developing relationships with some consumer interest groups and media. • Both actions would better protect CAFII members for the future. 	<ul style="list-style-type: none"> • Lack of more visible messaging may make CAFII a target for opponents. • But by responding to negative press and mis-information, run the risk of making things worse.
<ul style="list-style-type: none"> • CAFII has completed occasional research that reinforces the benefits of Creditor Insurance. 	<ul style="list-style-type: none"> • CAFII does not have a clear consensus among members for a well-articulated strategy related to external communications to media and consumers, except for media contact contingencies. 	<ul style="list-style-type: none"> • Research will provide a valuable foundation for potential advocacy and/or rebuttal points when Bank Act consultations commence in 2015. • More frequent reinforcement of messaging to regulators and policy-makers utilizing a variety of approaches, including in-person meetings, website content and webinars. 	<ul style="list-style-type: none"> • Existing research has a limited shelf life.
<ul style="list-style-type: none"> • CAFII has additional capacity to deal with adverse media developments. (i.e. Executive Director) 	<ul style="list-style-type: none"> • CAFII does not control the communications agenda related to Creditor Insurance. 	<ul style="list-style-type: none"> • New website provides a rationale for introducing CAFII and our key messages to a broader audience. 	<ul style="list-style-type: none"> • Publicizing positive research results provides opponents with new “intelligence.” Being more proactive may attract more negative attention.
<ul style="list-style-type: none"> • New web site initiative provides better communication potential. 	<ul style="list-style-type: none"> • Without a strong advocacy position, CAFII member employees may not be as confident in Creditor Insurance as they should be. 	<ul style="list-style-type: none"> • Enhanced advocacy may facilitate a better public awareness of Creditor Insurance and alternate distribution, and support member sales efforts. 	<ul style="list-style-type: none"> • Unexpected media or regulatory action.
<ul style="list-style-type: none"> • The external environment related to Creditor Insurance has been relatively quiet. 	<ul style="list-style-type: none"> • CAFII does not influence the practices of a segment of Creditor Insurance that regulators could target (egs. auto dealers, payday loan companies, non-FIs) 	<ul style="list-style-type: none"> • Potential to engage with consumer interest groups for monitoring and environmental scanning purposes. • Potential to engage with non-FI Creditor Insurance players to fend off broad brush PPI-type regulations. 	<ul style="list-style-type: none"> • Regulators might introduce broad brush new regulations for Creditor Insurance, to address concerns not being caused by CAFII members.

External Communications Audiences and Approaches: Current State and Future Vision

	Regulators and Policy-Makers	Media	Public and Consumer Interest Groups
Current State	CAFII has strong relationships, a good reputation and regular interaction with regulators. Inconsistent contact and relationships with policy-makers	Little or no interaction with Media and varying views amongst members about 'how far should we go?' Prepared to be selectively reactive with media	No specific current objective or strategy
	Selective use of CAFII research in: •Regulatory submissions •Meetings occasioned by regulatory consultations	Selective use of CAFII research in "defence scenarios" currently contemplated	New website contemplates content designed for the public
Future Vision	Short- to Mid-term Objectives •CAFII interacts even more frequently with regulators and policy-makers through a variety of approaches. •They are fully aware of the needs of Canadians regarding Creditor Insurance and the role CAFII members play in providing ease of access to valuable products.	Mid- to Long-term Objectives •The benefits of Creditor Insurance are clearer. •Myths regarding Creditor Insurance are dispelled. •CAFII is seen to be a consumer advocate for easy, convenient access to a straightforward product; <u>and for Consumer Financial Literacy</u>	Mid- to Long-term Objectives •CAFII Members are proud to serve Canadians with products that meet their needs in terms of both protection and availability. •CAFII Members are seen as proponents of consumer access to simple, convenient insurance products; <u>and of Consumer Financial Literacy.</u>
	•Targeted research is regularly conducted on strategic issues •Research is regularly leveraged. •Messages for other stakeholders are tested with regulators and policy-makers. •Assess opportunities and tactics to begin outreach and influence non-FI Creditor Insurance players whose practices could give rise to PPI-type regulations	•CAFII (and not others) is the "go to" place for credible information related to Creditor Insurance. •Detailed research findings are available to support messaging.	•Better information and facts are available regarding Creditor Insurance and alternate distribution.

Future State Engagement with Key Audiences: From Reactive to Proactive – How Far to Move?



Future Vision			
Target Audience & Approach	Regulators and Policy-Makers	Media	Public and Consumer Interest Groups
	Proactive Advocacy	<i>Prepared and Selectively Proactive</i>	<i>Prepared And Selectively Proactive</i>
Rationale	<ul style="list-style-type: none"> •Reduces risk and increases opportunities to influence. •Receptive to understanding the value that Creditor Insurance and alternate distribution channels provide to under-served consumers, despite strong broker advocacy •Absence of this advocacy and CAFII messaging could lend credibility to broker messaging amongst this audience 	<ul style="list-style-type: none"> •<u>CAFII has not previously engaged with media, and therefore has no earned credibility with this audience</u> •<u>If CAFII remains solely reactive and makes first media appearance in a defensive posture, that will be a long-lasting, negative impression</u> •<u>A reactive-only approach is the high risk strategy</u> •<u>Starting to engage proactively is the only way to build credibility with media and enter the marketplace in the right way</u> 	<ul style="list-style-type: none"> •<u>CAFII has not previously engaged with the public or consumer interest groups, and therefore has no earned credibility with this audience</u> •<u>If CAFII remains solely reactive and has a defensive posture in first exposure with public and consumer groups, that will be a long-lasting, negative impression</u> •<u>A reactive-only approach is the high risk strategy</u> •<u>Starting to engage proactively is the only way to build credibility with the public and consumer interest groups and enter the marketplace in the right way</u>
Future Vision	<ul style="list-style-type: none"> •CAFII is increasingly proactive in its strategic use of facts and research findings to advocate for Creditor Insurance and the related public policy benefits of providing ease of access to simple insurance products 	<ul style="list-style-type: none"> •<u>CAFII is well-prepared to respond to media inquiries and to be selectively proactive, using strategic Key Messages and scenario-based Stock Answers, based on facts and research. CAFII takes advantage of media exposure opportunities where it "controls the pen" and earns "go to" credibility through selective proactive engagement.</u> 	<ul style="list-style-type: none"> •<u>CAFII is well-prepared to respond to public and consumer interest group inquiries and to be selectively proactive, using strategic Key Messages and scenario-based Stock Answers, based on facts and research. Having earned credibility with this audience, CAFII proactively engages on a selective basis. The Association and its members are seen as advocates for Consumer Financial Literacy.</u>

11/25/2013

Draft for Discussion Purposes

7

Future State:

Summary of 2014 External Communications Tactics

Regulators and Policy-Makers

Proactive Advocacy

- Expand Regulator contact to include policy-makers
- Enhanced Regulatory Visit Plan
- Regulator events /webinars
- Proactive written contact
- Strategic submissions
- Enhanced web content
- 'Regulator Kit'
- Targeted research to support messaging
- Commitment to face-to-face meetings with targeted regulators and policy-makers plus ongoing written contact
- Assess opportunities to influence non-FI Creditor Insurance groups on industry best practices

Media

Prepared and Selectively Proactive

- Respond strategically and selectively to media and social media misinformation
- Apply approved Media Protocol
- Targeted Key Messages, written from a Consumer Financial Literacy lens
- Media section on website.
- "About Creditor Insurance" Media Kit, disseminated to targeted friendly media.
- Participation in "pen control" media opportunities
- Independent research provides content for Media Releases on targeted insurance topics, building and sustaining CAFII credibility

Public and Consumer Interest Groups

Prepared and Selectively Proactive

- Enhanced targeted web site:
- Key Messages
 - FAQs
 - Revamped "Contact Us"
 - Consumer testimonials
 - Search Engine Optimization to drive traffic to CAFII site
 - Leverage targeted research to support messaging
 - Monitoring of consumer interest groups for environmental scanning purposes
 - CAFII engages proactively, on a selective basis, with the public and consumer interest groups, mainly in support of Consumer Financial Literacy

Q4 of 2014

For each audience, revisit and assess strategy, level of engagement, and tactics for 2015

Measures of Success

We will know we have been successful when.....

Regulators and Policy-Makers

This Audience:

- Accepts and acts on policy recommendations and positions advocated by CAFII in a great majority of cases
- Recognizes CAFII as a credible, well-prepared “go to” resource on matters pertaining to Creditor Insurance and alternate distribution
- Regulators and Policy-Makers differentiate between CAFII members and other non-FI players that ‘dabble’ in certain forms of Creditor Insurance (egs. car dealers; payday loan companies; retailers)
- Becomes more fully aware of the benefits and value of Creditor Insurance to a broad, under-served segment of Canadian consumers
- Recognizes CAFII and its members as leading industry advocates and providers of convenient consumer access to simple, straightforward insurance products
- Has “first name basis” relationships with key CAFII representatives
- Knows that CAFII will meet with them regularly (minimum every 18 months) to maintain a face-to-face relationship, and will have ongoing written and phone contact
- Knows that interaction will be informative and worthwhile and include new industry insights, updates on important issues, and/or significant and reasonable “asks”
- Looks forward to receiving the results of CAFII’s independent research on insurance issues, and respects the credibility of the data
- Non-FI Creditor Insurance Players look to CAFII as the “go to” source re industry practices; some/all have become Associate members; and practices of concern to regulators are modified

Media

CAFII has:

- Made progress on changing media perceptions about Creditor Insurance through well-prepared handling of reactive media situations; acting and communicating to correct misinformation published about Creditor Insurance; and selective dissemination of well-developed Media Kit materials
- Delivered Key Messages and Stock Answers that resonate with media and are quoted in resulting media coverage
- Participated in “pen control” media communication opportunities and maximized the utility and impact of the resulting exposure
- Launched a program of Media Releases based on independent, third party consumer research on targeted insurance topics, and measured its effectiveness
- Monitored media coverage and social media posts; and responded when appropriate, thereby achieving initial progress on dispelling media myths about Creditor Insurance and alternate distribution channels
- Begun to be seen as a consumer advocate identified with the Association’s tagline: “Making Insurance Simple and Accessible for all Canadians” and as a proponent of Consumer Financial Literacy

The Public and Consumer Interest Groups

CAFII has:

- Leveraged enhanced information on the web site for responding to questions about Creditor Insurance and alternate distribution
- Web site stats that show consistent growth in traffic, especially to consumer testimonials
- When and if appropriate, engaged proactively with the public and/or consumer interest groups around Consumer Financial Literacy or other targeted insurance topics
- Become identified with the Association’s tagline: “Making Insurance Simple and Accessible for all Canadians” and as a proponent of Consumer Financial Literacy

APPENDICES

APPENDIX A: 2014 Communications Tactics

- Regulators and Policy-makers
- Media
- Public and Consumer Interest Groups

APPENDIX B: Implementation Timelines For New Tactics – Regulators and Policy-Makers

APPENDIX C: Key Message Map : Benefits/Value of Creditor's Insurance

Samples for illustration purposes – to be confirmed once plan approved

Appendix A: 2014 Communications Tactics

Regulators and Policy-Makers

- ✓ Continued strong proactive focus on this key audience, broadened to include Policy-Makers in addition to Regulators
- ✓ Majority of activity is provincially focused, with selective activity against federal authorities, i.e. Financial Consumer Agency of Canada (FCAC)
- ✓ Maximize use of face-to-face interaction opportunities, as the warmest and most effective channel to build relationships and deliver key messages
- ✓ Strategic use of all written contacts (submissions, regulatory newsletters, etc.) as an opportunity to reinforce communications objectives

Communication Tactics	Details
Proactive Face-to-Face Interaction	<p><i>Continued Activity, with enhanced focus:</i></p> <ul style="list-style-type: none"> • Invitations to CAFII Speaker and Networking events • Pre-consultation and consultation meetings with regulators • Enhanced Regulator Visit Plan, focused on dedicated, face-to-face meetings with each provincial regulator at least once every 18 months, in Toronto or their location - Leverage regional meetings where common interest exists - Periodic liaison meetings with provincial regulator executive teams, as needs/issues arise <p><i>New/Enhanced Activity:</i></p> <ul style="list-style-type: none"> • Identify key provincial and federal policy-makers and develop a Policy-Maker Visit Plan, with targeted key messages • Meet with relevant provincial policy-makers, in conjunction with regulator meetings • Attendance at industry conferences, symposia, and related events where regulators and policy-makers will be present • Assess options to engage and influence non-FI Creditor Insurance players around regulatory risk discussions and industry education, including targeting them as possible Associate Members of CAFII
Proactive Written Communications	<p><i>Continued Activity, with enhanced focus:</i></p> <ul style="list-style-type: none"> • Timely, high quality regulatory submissions emblazoned with new CAFII branding • Webinars for CCIR and the CISRO community (on annual basis at a minimum) • Regulatory Newsletter, distributed to regulators and policy-makers as an information resource • Regular phone contact by Executive Director to source newsworthy developments • Interaction with related Associations (i.e. CLHIA, CBA) to ensure Key Messages are aligned yet still tailored to reflect CAFII's perspective <p><i>New/Enhanced Activity:</i></p> <ul style="list-style-type: none"> • Sponsor more frequent independent consumer research on key CAFII issues to provide content for submissions and proactive Releases . (i.e.. inclusion of two or three targeted questions on quarterly omnibus survey, eg. Pollara's syndicated "InsurPoll") • Strategically share results with regulators and policy-makers in timely, focused manner through both written Releases and educational webinars • Regulator Kit of briefing documents focused on CAFII's key messages (both electronic and paper distribution) • Leverage enhanced, regularly updated web site content which provides CAFII-branded regulator and policy-maker-focused resources

Appendix A: 2014 Communications Tactics

Media

- ✓ Focus on gradual transition to a “Prepared and Selectively Proactive” strategy, to begin earning credibility and bona fides with this Key Audience
- ✓ Focus on developing air-tight Key Messages to fuel confidence in being selectively proactive; and on using third party research to buttress messages
- ✓ Reassess strategy as part of 2015 communications planning

Communication Tactics	Details
<u>Prepared and Selectively Proactive</u>	<p><u>New /Enhanced Activity:</u></p> <ul style="list-style-type: none"> • <u>Develop a broad inventory of Key Messages which can also be used with other Key Audiences and develop potential story scenarios with up-to-date scripted responses (share with CAFII members for their own use)</u> • <u>Develop three to four short, non-provocative articles on various aspects of the case for Creditor Insurance and Alternate Distribution, written as much as possible from a Consumer Financial Literacy lens. Use this content for “pen control” media communication opportunities, a Media Kit, the website, and other applications</u> • <u>Leverage independent consumer research on targeted insurance topics to provide content for a program of feature-style Media Releases; and dissemination of findings to other audiences</u> • <u>Identify “friendly” media representatives</u> • <u>Respond to media requests for information and interviews, in accordance with Board-approved Media Protocol</u> • <u>Monitor media coverage and social media posts (English and French) re Creditor’s Insurance and related CAFII-relevant issues</u> <ul style="list-style-type: none"> – <u>Strategically and selectively respond to published misinformation about Creditor’s Insurance products, using Key Messages and Stock Answers</u> • <u>Provide media training session for Executive Director and available Board members, based on approved Key Messages and Stock Answers</u> • <u>Create “About Creditor Insurance” Media Kit from web-based resources, for ready dissemination when need arises</u> <ul style="list-style-type: none"> – <u>some overlap with Regulator Kit content, so likely dual application of information pieces developed</u> – <u>Develop Media-focused section on CAFII web site</u> • <u>Revisit and assess this Communications Strategy in Q4 2014 to determine if CAFII wishes to continue a “Prepared and Selectively Proactive” approach or transition to more proactive media communications tactics beginning in 2015</u>

Appendix A: 2014 Communications Tactics

The Public and Consumer Interest Groups

- ✓ Focus on gradual transition to a “Prepared and Selectively Proactive” strategy, to begin earning credibility and bona fides with this Key Audience
- ✓ Focus on developing air-tight Key Messages to fuel confidence in being selectively proactive; and on using third party research to buttress messages
- ✓ Reassess strategy as part of 2015 communications planning

Communication Tactics	Details
<u>Prepared and Selectively Proactive</u>	<p>New/Enhanced Activity:</p> <ul style="list-style-type: none"> • Increase reliance on the recently enhanced website to communicate with this audience: <ul style="list-style-type: none"> – Ensure Key Messages and FAQs are added to the website and easily accessible to the public – Source member company testimonial videos or short stories citing the positive impact of Creditor Insurance. – Enhance “Contact Us” section to facilitate consumer questions about Creditor Insurance, or about CAFII and its members. Ensure responses to questions are provided on a timely basis – Invest in Search Engine Optimization (SEO) services to drive consumers with “Creditor Insurance” and related queries to the site • Leverage independent consumer research on key CAFII issues (developed primarily for use with Regulators /Policy-Makers and Media) to provide content for responding to Public and Consumer Interest Group information requests • Monitor the agendas and activities of key Consumer Interest Groups for environmental scanning purposes: <ul style="list-style-type: none"> – i.e.. Consumers Council of Canada; Consumer’s Association of Canada; Public Interest Advocacy Centre, etc. – identify opportunities to provide value-added information (eg. “Creditors Insurance: Are Consumers Being Well Served?” report prepared by Consumers Council of Canada for Office of Consumer Affairs, Industry Canada, March 2009) <p><u>• When and if appropriate, engage proactively with the public and/or consumer interest groups around Consumer Financial Literacy or other targeted insurance topics</u></p> <p><u>• Revisit and assess this Communications Strategy in Q4 2014 to determine if CAFII wishes to continue a “Prepared and Selectively Proactive” approach or transition to more proactive communications tactics beginning in 2015</u></p>

Appendix B: Implementation Timelines For New Tactics

Regulators and Policy-Makers

(Sample only. To be revised – along with Implementation Timelines for other Key Audiences – once Communications Strategy approved and Tactics finalized)

				2013		2014											
				Period	oct	nov	dec	jan	feb	mar	apr	may	jun	jul	aug	sep	oct
Objective	Comms. Objective	Audience	Activity														
Engage effectively with Key Audience	Position CAFII as the “go to” resource for credible information about Creditor Insurance	Regulators and Policy-Makers	Update Regulatory Visit Plan to achieve objective of meeting face-to-face with each relevant regulator and policy-maker at least once every 18 months	X	X												
		“	Include provision for expenses re augmented Regulatory Visit Plan in 2014 Operating Budget	X	X												
		“	Compile list of industry conferences, symposia, etc. that provide a meaningful opportunity for interaction with regulators and policy-makers	X	X												
		“	Include provision for expenses re attendance and liaison meetings at industry conferences, symposia etc. in 2014 Operating Budget	X	X												
		“	Compile list of events that provide meaningful opportunity for interaction with regulators and policy-makers	X	X												
		“	Include provision for expenses re CAFII participation in relevant events in 2014 Operating Budget	X	X												
“	“	“															
Demonstrate the value of Creditor Insurance	Communicate the consumer benefits of Creditor Insurance, and positively influence perceptions, awareness, and understanding	Regulators and Policy-Makers	Develop Regulator Kit														
“	“	“	Disseminate Regulator Kit	X	X	X											
“	“	“	Formulate plan and budget for increased use of independent consumer research	X	X	X											
		(Non-FI Creditor Insurance Groups)	(Identify and engage with non-FI Creditor Insurance Groups around regulatory risk discussions and industry education; and possible Associate membership in CAFII)	X	X	X											

Appendix C:

Key Message Map - Benefits/Value of Creditor's Insurance

(Sample only for illustration purposes - Key Message Map available for each Key Message)

Net Impression Takeaway:

Overall, Creditor's Insurance is a competitive and affordable product, and meets a distinct market need.

Key Message #1	Key Message #2	Key Message #3
Creditor mortgage Insurance is affordable and competitive with term life insurance, and more advantageous for some consumers	Creditor mortgage insurance's approach to pricing and payments benefits the consumer	Creditor insurance protects specific debt obligations, thereby allowing other personal and/or group coverage to take care of other financial obligations of the consumer's family
SUPPORTING PROOF POINTS		
<ul style="list-style-type: none"> ▪ Creditor offers level premium for duration of original debt, be it 5 or 35 years ▪ Creditor pricing model of initial age and initial balance, with coverage paid on declining balance, equalizes premium over mortgage term, making coverage more affordable and accessible for younger, lower net worth, lower income borrowers ▪ While individual term life provides a consistent coverage level, annual premium cost may be prohibitive for some home buyers, particularly in early years, so they don't buy coverage ▪ Creditor may be more expensive at certain ages, as it's based solely on age bands versus male/female and smoker/non-smoker for term insurance ▪ i.e.: term 10/20 may be cheaper for young female non-smokers, but term premiums increase at set intervals (every 10 or 20 years), which can be very costly in long run ▪ Over the life of a mortgage, the cost of creditor insurance is very competitive with term 10/20. 	<ul style="list-style-type: none"> ▪ Creditor offers level premium for duration of original debt, be it 5 or 35 years ▪ In most cases, same premium is charged for the life of the mortgage, based on client's age and mortgage amount at time of application, even if mortgage is renewed (so long as mortgage amount doesn't change) ▪ This spreads out the total cost of insurance coverage over life of the mortgage, making it easier to "budget expenses" and afford the needed coverage ▪ Premiums are conveniently paid via the regular mortgage payment and remain constant during term of mortgage ▪ This approach also protects consumers from increased insurance costs as they move to older, higher premium age bands 	<ul style="list-style-type: none"> ▪ Creditor insurance complements other insurance coverage by providing a family with full protection in the event of death or disability ▪ Creditor insurance is a cost-effective way to protect a mortgage or loan debt and one's credit rating ▪ By directly covering a specific debt obligation, creditor insurance frees up other individual and group life and disability benefits to protect a family's quality of life by covering such expenses as medical, education, childcare, burial, capital gains taxes, etc. ▪ 50% of Canadian adults under age 50 will experience a disability lasting between three months and two years before age 65, during which debt and new expenses must be covered ▪ Combined with individual and group disability coverage (typically maximum 70% of income), creditor insurance provides complementary coverage and full protection in the event of death or disability. All should be considered as part of an overall financial plan ▪ 59% of Canadians who have creditor insurance also own individual life insurance; 38% of them also have group life (Ipsos-Reid Canadian Financial Monitor for year ending December 2005)



Agenda Item 7(c)(i)(b)

November 26, 2013 EOC Meeting

Highlights of Changes Made To CAFII Communications Strategy To Reflect Board Feedback

As per the direction received from the CAFII Board on October 8, 2013 – which was subsequently interpreted and advanced by the Media & Advocacy Committee, and reviewed with the Executive Operations Committee, into a number of key refinements to the “Media” and “Public and Consumer Interest Groups” audience sections – the following summarizes the high level changes made to the CAFII External Communications Strategy, 2014 to reflect the Board’s feedback:

- Our approach to “Media” and the “Public and Consumer Interest Groups” will shift from “Reactive But Prepared” to “Prepared And Selectively Proactive”;
- CAFII will embrace and become a proponent of Consumer Financial Literacy, which presents a win-win communications and advocacy proponent with respect to all three key target audiences. Taking a supportive and engaged orientation towards Consumer Financial Literacy has been integrated throughout the Communications Strategy.

With respect to both the Media and the Public and Consumer Interest Groups, our focus will be on *making a gradual transition to a “Prepared and Selectively Proactive” strategy, to begin earning credibility and bona fides with these key audiences; on developing air-tight Key Messages to fuel confidence in being selectively proactive; and on using third party research to buttress messages.*

With respect to Media,

- our Future Vision is *“CAFII is well-prepared to respond to media inquiries and to be selectively proactive, using strategic Key Messages and scenario-based Stock Answers, based on facts and research. CAFII takes advantage of media exposure opportunities where it ‘controls the pen’ and earns ‘go to’ credibility through selective proactive engagement.”*
- our Rationale for taking a “Prepared and Selectively Proactive” stance is
 - CAFII has not previously engaged with media, and therefore has no earned credibility with this audience*
 - If CAFII remains solely reactive and makes first media appearance in a defensive posture, that will be a long-lasting, negative impression*
 - A reactive-only approach is the high risk strategy*
 - Starting to engage proactively is the only way to build credibility with media and enter the marketplace in the right way*
- our Communications Tactics are as set out on slide 12, key among them being

-developing a series of short, folksy non-provocative articles on various aspects of the case for Creditor Insurance and Alternate Distribution, written as much as possible from a Consumer Financial Literacy lens. We will use this content for “pen control” media communication opportunities, a Media Kit, the website, and other applications; and

- *investing regularly in independent consumer research on targeted insurance topics and leveraging it to provide content for a range of CAFII documents, including a program of feature-style Media Releases; and dissemination of research findings to other audiences*

With respect to the Public and Consumer Interest Groups,

- *our Future Vision is “CAFII is well-prepared to respond to public and consumer interest group inquiries and to be selectively proactive, using strategic Key Messages and scenario-based Stock Answers, based on facts and research. Having earned credibility with this audience, CAFII proactively engages on a selective basis. The Association and its members are seen as advocates for Consumer Financial Literacy.”*
- *our Rationale for taking a “Prepared and Selectively Proactive” stance is*
 - CAFII has not previously engaged with the public or consumer interest groups, and therefore has no earned credibility with this audience*
 - If CAFII remains solely reactive and has a defensive posture in first exposure with public and consumer groups, that will be a long-lasting , negative impression*
 - A reactive-only approach is the high risk strategy*
 - Starting to engage proactively is the only way to build credibility with the public and consumer interest groups and enter the marketplace in the right way*
- *our Communications Tactics are as set out slide 13, key among them being*
 - Leveraging independent consumer research on key CAFII issues (developed primarily for use with Regulators /Policy-Makers and Media) to provide content for responding to Public and Consumer Interest Group information requests*
 - Monitoring the agendas and activities of key Consumer Interest Groups for environmental scanning purposes:*
 - i.e.. Consumers Council of Canada; Consumer’s Association of Canada; Public Interest Advocacy Centre, etc.*
 - identify opportunities to provide value-added information (eg. “Creditors Insurance: Are Consumers Being Well Served?” report prepared by Consumers Council of Canada for Office of Consumer Affairs, Industry Canada, March 2009); and*
- *When and if appropriate, engaging proactively with the public and/or consumer interest groups around Consumer Financial Literacy or other targeted insurance topics.*

2014 Speaker Suggestions

1. Annual Members Luncheon and Speaker Forum

When: Tuesday, February 11, 2014 from 12:00 – 1:30 pm **tentative date*

Location: Toronto - TBA

Speaker: Chrys Lemon, Partner, McIntyre & Lemon, PLLC

Topic: Suggested topic will be similar to his presentation at the 2012 Summit on Credit Card Insurance entitled "Advances in Customer Engagement: A U.S. Perspective and Overview." Final topic and description tba.

Budget: \$3,000 = \$2000 travel + \$1000 honorarium payment

2. Pre-Board Meeting Luncheon and Presentation, Tuesday, April 8, 2014

Date: Tuesday, April 8, 2014

Where: Montreal – TBA (host: Desjardins)

Speaker: Louis Morisset, President and CEO, *Autorité des marchés financiers* ("AMF")

Comments: The preliminary format for this event is a lunch meeting, AMF presentation/discussion with CAFII Board, followed by the Board Meeting. Alternative formats include a Board discussion and potential presentation to a larger audience at a reception in Montreal.

3. Post-Board Meeting Speaker Presentation & Reception

When: Tuesday, June 10, 2014 at 5:30 pm

Where: Toronto hosted by TBA

Speaker: TBA

4. Post-Board Meeting Speaker Presentation & Reception

When: Tuesday, October 7, 2014 at 5:30 pm

Where: Toronto hosted by TBA

Speaker: TBA

5. Post-Board Meeting Reception – end-of-year reception, no speakers

When: Tuesday, December 2, 2014

Where: Toronto hosted by TBA



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2014 SCHEDULE OF MEETINGS

EOC:

All meetings will be held at 1pm (Tuesday) unless otherwise specified

January 14, 2014 – EOC Luncheon at 12:00 pm prior to meeting

February 18, 2014

March 25, 2014

April 22, 2014

May 27, 2014

June 24, 2014

July 22, 2014 (optional summer meeting conference call)

September 23, 2014

October 28, 2014

November 18, 2014

BOARD:

All meetings will be held at 2pm unless otherwise specified

Tuesday, April 8, 2014

HOST: Desjardins, in Montreal, QC

Tuesday, June 10, 2014

HOST: *TD Insurance (tentative)*

Tuesday, Oct 7, 2014

HOST: *AMEX (tentative)*

Tuesday, December 2, 2014

HOST: ScotiaLife Financial (tentative)

AGM: June 10, 2014

Host: AMEX

Receptions

Spring Member Luncheon and Speaker Forum

February 11, 2014

Toronto 12-2:00 pm

Venue: TBA

Speaker: Chrys Lemon, McIntyre & Lemon, PLLC

CAFII Member, Associate Member and Regulator Receptions (following Board meetings)

April 8

Quebec

Jun 10, Oct 7, Dec 2, 2014

Toronto

2013 Board Meetings Hosted by:

RBC Insurance, CIBC Insurance, Assurant, BMO Insurance

2012 Board Meetings Hosted by:

National Bank, Desjardins Financial Security, TD Insurance, ScotiaLife Financial; AGM: *Desjardins Financial Security*

2014 Committee Meetings

Media & Advocacy Committee	Distribution & Market Conduct Committee	Licensing Committee
<i>Meetings will be held at 1:00 p.m. unless otherwise specified.</i> <ul style="list-style-type: none">• January 7• February 11• March 18• April 15 at 12:30 pm• May 20• June 17• September 16• October 21• November 11	<i>Meetings will be held at 2:00 pm unless otherwise specified.</i> <ul style="list-style-type: none">• January 8 (to be rescheduled)• March 4• April 15• June 3	<i>To be called at the discretion of the chair</i>