

CAFII Executive Operations Committee Virtual Meeting Agenda

Date: Tuesday, October 24, 2023
Chair: R. Dobbins
Location: [Virtual MTeams Meeting](#)

Time: 2:00 – 3:30 p.m. EST
Dial-In: 437-703-4263
Phone Conference ID: 669 915 109#

1. Call to Order, Welcome, and Priority Matters	2:00 p.m.	Presenter	Action	Document
a. Call to Order		R. Dobbins		
2. Consent Items	2:01 p.m.	Presenter	Action	Document
a. Consultations/Submissions Timetable				✓
b. October 2023 Regulatory Update				✓
c. Regulator and Policy-Maker Visit Plan Recap				✓
d. Summary of Board and EOC Action Items				✓
e. Board-Approved Schedule of CAFII 2023 Meetings and Events				✓
f. Board-Approved Scheduled of CAFII 2024 Meetings and Events				✓
3. Financial Management	2:02 p.m.	Presenter	Action	Document
a. CAFII Financial Statements as at September 30/23	2:02 p.m.	D. Hinnecke	Update	✓
b. Forecast for CAFII 2023 Fiscal Year as at September 30/23	2:06 p.m.	D. Hinnecke	Update	✓
c. Proposed CAFII Electronic Payables and Cheque Signing Authorities Policy	2:10 p.m.	B. Wycks	Update/ Discussion/ Endorsement	✓
d. Critical Path for Development of 2024 CAFII Operating Budget	2:16 p.m.	B. Wycks	Update	✓
4. Committees and Working Groups	2:19 p.m.	Presenter	Action	Document
a. Diversity, Equity and Inclusion	2:19 p.m.			✓ (Written Update)
i. Current Priorities and Initiatives for the Working Group	2:19 p.m.	T. Harri-Morar/ K. Martin	Update	✓
b. Market Conduct & Licensing	2:23 p.m.			
i. FSRA Significant Rewrite of “Proceeds of Enforcement Guidance,” Including to Reflect Feedback in CAFII Written Submission	2:23 p.m.	B. Kuiper/ K. Martin	Update	✓ (4)
ii. CCIR Consultation on Type and Nature of Complaints to Be Disclosed Through Annual Statement on Market Conduct (ASMC) via Complaint Report Tool (Submission Deadline: November 3/23)	2:26 p.m.	B. Wycks	Update	✓
iii. FSRA Consultation on “2024-25 Statement of Priorities and Budget” (Submission Deadline: November 13/23)	2:29 p.m.	K. Martin	Update	✓ (2)
c. Quebec/AMF Issues	2:32 p.m.			
i. Insights Gained from September 28/23 French Presentation of CAFII’s 2023 Research Results-Focused PowerPoint Deck to AMF Staff Executives in Quebec	2:32 p.m.	K. Martin	Update	✓ (2)
d. Media Advocacy	2:36 p.m.			
i. Engagement of New Media Consultant	2:36 p.m.	K. Martin	Update	✓ (3)
e. Research and Education	2:40 p.m.	A. Stuska		✓ (Written Update)
i. Launch of EOC-Approved CAFII 2023 Research Project with LIMRA on CPI’s Accessibility to and Utility for Canadian Consumer Segments	2:40 p.m.	K. Martin	Update	✓ (2)
ii. Proposal That CAFII Present Its 2023 Research Results-Focused PowerPoint Deck to Financial Consumer Agency of Canada (FCAC) Staff Executives	2:44 p.m.	K. Martin	Update/ Discussion	
f. Networking & Events	2:49 p.m.	C. Manno		✓ (Written Update)

5. Strategic and Regulatory Initiatives	2:51 p.m.	Presenter	Action	Document
a. Insights Gained from October 10/23 CAFII/AMF Informal Liaison Lunch; and CAFII/AMF 'Industry Issues Dialogue', Including: i. CAFII Plans for Further Dialogue with AMF on Spousal Insurance Issue	2:51 p.m.	K. Martin/ B. Wycks	Update/ Discussion	✓ (3)
b. Insights Gained from In-Person CAFII 2023 Atlantic Canada Insurance Regulators and Policy-Makers Visits Tour: Phase 1 (PEI and New Brunswick) and Phase 2 (Nova Scotia and Newfoundland)	2:57 p.m.	K. Martin/ B. Wycks	Update/ Discussion	✓ (2)
c. Insights Gained from October 23/23 Saskatchewan Restricted Insurance Agent Advisory Committee (RIACC) Meeting	3:03 p.m.	B. Wycks/ K. Martin	Update	

6. Governance	3:06 p.m.	Presenter	Action	Document
a. Implementation of New CAFII Management Structure, Including Development of Comprehensive "Policies and Procedures Manual"	3:06 p.m.	K. Martin	Update	
b. Plans for Document on CAFII Succession Plan	3:10 p.m.	K. Martin	Update	
c. Draft Minutes of September 19/23 EOC Meeting	3:13 p.m.	B. Wycks	Approval	✓

7. Read Only Items		Presenter	Action	Document
a. Survey of CAFII Member Companies on Distribution Methods of CPI Fulfilment Packages				✓
b. Update on Appointment of Paul Cosgrove, President & CEO, Assurant Canada, as New CAFII Board Vice-Chair				✓
c. Final Version of CISRO 2023 to 2026 Strategic Plan (Released on October 3/23)				✓ (2)
d. Insurance Council of BC 2022-2023 Annual Report (Released on October 4/23)				✓ (2)
e. Plans for In-Person/Hybrid Presentation of CAFII's 2023 Research Results-Focused PowerPoint Deck to FSRA Staff Executives on November 15/23				✓
f. Plans for October 26/23 CAFII Webinar on "Words Matter" with Elissa Gurman, MacPhie Consulting				✓

8. In-Camera Session	3:15 p.m.	Presenter	Action	Document

9. Tracking Issues and Bring-Forward Items		Presenter	Action	Document
a. AMF Consultation on Declaration of Operational Incidents				
b. FCAC: Phase 2 of Domestic Bank Retail Sales Practices Review				

Reminder: EOC Members are requested to remain after the conclusion of the open, minuted portion of each EOC meeting for an informal, unminuted *In-Camera Session* discussion involving CAFII Member representatives alone – i.e. absent CAFII management/staff – typically of 10 to 15 minutes duration

Next EOC Meeting: Tuesday, November 14/23, 2:30 to 4:30 p.m. EDT In-Person/Hybrid Meeting; Location: TBA

Next Board Meeting: Tuesday, December 5/23, 3:00 to 5:00 p.m. EDT Hosted by Scotia Insurance at 40 Temperance Street, Toronto, Ontario, to be Followed by CAFII Holiday Season/Year-End Reception at 40 Temperance Street, 10th Floor, Toronto, Ontario

Briefing Note

CAFII EOC Meeting 24 September 2023—Agenda Item 1(a) Call to Order, Welcome, and Priority Matters—Call to Order

Purpose of this Agenda Item—Start of Meeting

Start of meeting.

Background Information

The meeting will be called to order by EOC Chair Rob Dobbins.

Recommendation / Direction Sought—Start of Meeting

No action required.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting 24 September 2023—Agenda Item 2(a-f) Consent Items

Purpose of this Agenda Item – Information Only

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

Background Information

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

- a. Consultations/Submissions Timetable;
- b. October 2023 Regulatory Update;
- c. Regulator and Policy-Maker Visit Plan Recap;
- d. Summary of Board and EOC Action Items;
- e. Board-Approved Schedule of CAFII 2023 Meetings and Events; and
- f. Board-Approved Scheduled of CAFII 2024 Meetings and Events.

Recommendation / Direction Sought – Information Only

No action required.

Attachments Included with this Agenda Item

Six (6) attachments.

CAFII Consultations/Submissions Timetable, 2023

Regulatory Issue	Deliverable	Deadline	Accountable
Financial Consumer Agency of Canada (FCAC)	<ul style="list-style-type: none"> CAFII submission on “Proposed Guideline on Appropriate Products and Services For Banks and Authorized Foreign Banks” CAFII meets virtually with FCAC staff executives to present highlights of submission on “Proposed Guideline on Appropriate Products and Services For Banks and Authorized Foreign Banks” FCAC virtual meeting with K. Martin and B. Wycks to present its decisions on elements in CAFII’s submission on “Proposed Guideline” FCAC releases final version of “Guideline on Appropriate Products and Services For Banks and Authorized Foreign Banks” 	<ul style="list-style-type: none"> January 6/22 January 15/22 February 17/22 February 24/22 	<ul style="list-style-type: none"> Mkt Conduct & Licensing Committee; Co-EDs to monitor
BC Ministry of Finance 10-Year Review of FIA (Public Consultation Paper issued June/15); and Resulting Restricted Insurance Agency (RIA) Licensing Regime To Be Developed and Launched By Insurance Council of BC	<ul style="list-style-type: none"> Ministry releases consultation paper on introducing a Restricted Insurance Agent licensing regime in BC (October 3/22 submission deadline) CAFII submission on BC RIA licensing regime consultation paper Ministry advises that Rule to empower RIA Regime and ensuing Insurance Council implementation work to be developed by Spring 2023 <i>Insurance Council of BC arranges early consultation meeting with CAFII re RIA regime</i> CAFII meets in-person/hybrid with BC Ministry of Finance; and with Insurance Council of BC, as part of 2023 Western Canada Tour CAFII response submission on Insurance Council of BC Rule(s) developed to create framework for and implement Restricted Insurance Agency regime in BC (following Ministry of Finance Summer 2023 release of Council-empowering Regulation) <i>CAFII meetings with Insurance Council of BC around Rules for RIA regime</i> 	<ul style="list-style-type: none"> June 30/22 October 3/22 January 13/23 May 8/23 June 13 and June 14/23 Q4 2023 thru Q2 2024 (expected) Q4 2023 thru Q2 2024 	<ul style="list-style-type: none"> Mkt Conduct & Licensing Committee; Co-EDs to monitor
British Columbia Financial Services Authority (BCFSA)	<ul style="list-style-type: none"> CAFII submission on BCFSA’s “Draft Insurer Code of Market Conduct” CAFII submission on Two Follow-up Questions from BCFSA on Its Draft Insurer Code BCFSA releases update promising update report on ‘Insurer Code of Market Conduct’ in 2023 BCFSA holds short virtual meeting with CAFII to advise re how it intends to proceed with a BC “Insurer Code of Market Conduct CAFII meets in-person/hybrid with BCFSA, as part of 2023 Western Canada Tour BCFSA releases final version of its principles-based BC Insurer Code of Market Conduct (derived from CCIR/CISRO Guidance: Conduct of Insurance Business and Fair Treatment of Customers) BCFSA’s BC Insurer Code of Market Conduct to come into force 	<ul style="list-style-type: none"> September 9/22 November 11/22 December 15/22 May 8/23 June 13/23 July 10/23 April 1/24 	<ul style="list-style-type: none"> Mkt Conduct & Licensing Committee; Co-EDs to monitor
AMF: Quebec Bill 141 and Related Regulations (including Regulation Respecting Alternative Distribution Methods, RADM)	<ul style="list-style-type: none"> CAFII submission on Draft 2 of ‘Regulation Respecting Complaint Processing’ CAFII and AMF resolve impasse issue re Regulation respecting Alternative Distribution Methods (RADM)’s applicability to credit card-embedded insurance benefits via an “unwritten understanding” that Fact Sheet and Notice of Rescission do not have to be distributed to card holders CAFII and AMF hold special purpose virtual meetings on AMF’s ‘Regulation Respecting Complaint Processing’ (as outgrowth from quarterly one-on-one meetings of CAFII Board Chair and AMF Superintendent, Client Services and Distribution Oversight) CAFII and AMF hold special purpose virtual meeting on purpose behind AMF’s gathering of CAFII member company statistics on claims denial rates and “return of premium” to customers CAFII and AMF begin dialogue, via a quarterly CAFII Board Chair/AMF Supt. one-on-one meeting, about AMF possibly relaxing/amending/dropping requirement to complete runoff termination of in-force CPI spousal coverage by January 1/25 	<ul style="list-style-type: none"> February 15/23 February/March 2022 May 11/23 and June 21/23 June 8/23 July 4/23; and October 18/23 	<ul style="list-style-type: none"> Mkt Conduct & Licensing Committee; Co-Eds to monitor

Regulatory Issue	Deliverable	Deadline	Accountable
CCIR/CISRO	<ul style="list-style-type: none"> • CAFII submission on CCIR/CISRO proposed “Incentives Management Guidance” • CAFII written submission on CCIR’s Draft 2023-2026 Strategic Plan (following preliminary feedback provided via Virtual Stakeholder Session on November 4/22) • CCIR releases “2021 Annual Statement on Market Conduct Public Report” • CAFII in-person/hybrid stakeholder meeting with CCIR/CISRO Incentives Management Committee re questions/clarifications around final “Incentives Management Guidance” published in November 2022 • CAFII makes submission (in both official languages) on CISRO’s embargoed Consultation Draft of 2023-2026 Strategic Plan • <u>CISRO releases final version of 2023-2026 Strategic Plan</u> • <u>CAFII submission to CCIR consultation on “Type and Nature of Complaints to Be Disclosed Through Annual Statement on Market Conduct Report Tool”</u> 	<ul style="list-style-type: none"> • November 30/22 • December 15/22 • February 28/23 • April 21/23 • <u>October 3/23</u> • <u>November 3/23</u> 	<ul style="list-style-type: none"> • Mkt Conduct & Licensing Cttee; Co-Eds to monitor
FCNB Insurance Act Rewrite and Introduction of RIA Regime	<ul style="list-style-type: none"> • FCNB Releases “Proposed Rule INS-001: Insurance Intermediaries Licensing and Obligations” for consultation, with February 7/22 submission deadline • CAFII submission on FCNB’s “Insurance Act Rewrite: Questions For Industry, Dec. ‘21” • CAFII submission on Proposed Rule INS-001: Insurance Intermediaries Licensing and Obligations • CAFII submission on Proposed Rule INS-002: Insurance Fees • CAFII submission on FCNB legislative change proposals re Life Insurance and Accident & Sickness Insurance sections of Insurance Act (informal sounding board consultation) • FCNB releases ‘Notices to Industry’ on coming into force of final versions of Rule INS-001 and Rule INS-002 (having received Ministerial approval) on February 1/23 • FCNB Rules INS-001 and INS-002 come into force. • CAFII meets with FCNB to discuss implementation questions/clarifications re Rule INS-001 • At CAFII’s behest, FCNB removes RIR licence applicant requirements to submit Disclosure Forms and Criminal Record Checks for Board Directors • FCNB grants CAFII request for deadline extension (60 days to June 30/23) for filing initial RIR licence application on FCNB Portal; exempts OSFI- and FCNB-regulated RIR licensees from having to maintain trust accounts; and clarifies RIR licence application issues • CAFII delegation meets with FCNB Superintendent of Insurance and other staff executives for relationship-building and, in part, to discuss lingering problems/issues re INS Rule-001 and RIR regime, as part of Fall 2023 Atlantic Canada tour 	<ul style="list-style-type: none"> • November 2021 • January 31/22 • February 7/22 • February 18/22 • May 20/22 • December 13-14/22 • February 1/23 • February 24/23 • March 9/23 • April 14/23 • September 22/23 	<ul style="list-style-type: none"> • Mkt Conduct & Licensing Cttee; Co-Eds to monitor
Financial Services Regulatory Authority of Ontario (FSRA) Regulatory Consultations	<ul style="list-style-type: none"> • CAFII responds to FSRA “Information Guidance on Complaints Resolution” consultation • CAFII submission on FSRA’s “Principles-Based Regulation” consultation document • CAFII submission on FSRA’s “Principles of Conduct for Insurance Intermediaries” • CAFII submission on FSRA’s “Use of Retained Revenues Guidance” • FSRA provides feedback on CAFII’s submission on “Use of Retained Revenues Guidance” • CAFII submission on FSRA’s Proposed 2023-24 Statement of Priorities and Budget • CAFII submission on FSRA’s “Proposed Rule 2022-001: Assessments and Fees” • CAFII decides not to make a submission on FSRA’s “Proposed Guidance on IT Risk Management”, determining it to be largely “out of scope” • FSRA launches consultation on “Proposed Guidance: Administrative Monetary Penalties” with May 31/23 submission deadline • CAFII submission on FSRA’s “Proposed Guidance: Administrative Monetary Penalties” • <u>FSRA releases significantly rewritten final version of “Proceeds of Enforcement Guidance” (formerly “Proposed Guidance: Administrative Monetary Penalties)</u> • <u>CAFII response submission to FSRA’s consultation on “Proposed 2024-25 Statement of Priorities and Budget”</u> 	<ul style="list-style-type: none"> • February 15/22 • April 29/22 • May 3/22 • May 31/22 • Sept 9/22 • November 15/22 • February 27/23 • March 31/23 • March 27/23 • May 31/23 • <u>October 12/23</u> • <u>November 13/23</u> 	<ul style="list-style-type: none"> • Mkt Conduct & Licensing Cttee; Co-EDs to monitor

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

Summary of CAFII Board and EOC Action Items					
	Source	Action Item	Responsible	Deadline	Status Oct. 20, 2023
		Association Strategy, Governance and Financial Management			
1	BOD: June 9, 2020	Revisit the launch of the CAFII Working Group On A Proposed Lower Dues Category Of CAFII Membership once the economic environment stabilizes, via a first meeting and a draft Terms of Reference for this Working Group.	K. Martin	31-Dec-23	In Progress
2	EOC May 29, 2018	Develop a summary job description for the CAFII EOC Chair role and circulate it to EOC Members.	B. Wycks/ K. Martin	31-Dec-23	In Progress
3	EOC February 27, 2018	Document in writing the process for reviewing, approving, and admitting applicants for CAFII Members and Associate status	B. Wycks	31-Dec-23	In Progress
		Regulatory Initiatives			
4	BOD December 6, 2022	Maintain ongoing dialogue with AMF Superintendent Eric Jacob and keep CAFII management and EOC Chair and Vice-Chair informed of any developments re resolving impasse issue re RADM's applicability to credit card-embedded insurance benefits and any other CAFII Member-relevant issues	P. Thompson	Ongoing	Ongoing
5	BOD April 4, 2023	At an appropriate time, suggest to the FCNB that they broaden the language of Clause 46 to include consulting a representative of a financial advisor or a representative of the insurance company	B. Wycks/ K. Martin	30-Sep-23	Completed
6	EOC September 19, 2023	Produce and circulate detailed written summaries, in English and French, of the September 28/23 CAFII French PowerPoint deck presentation to AMF staff executives	K. Martin	10-Oct-23	Completed
7	EOC September 19, 2023	Make a CAFII request of the AMF, through Superintendent Eric Jacob, that any existing Spousal Insurance policies be run-off through natural attrition over an indefinite period of time. If this is not accepted, the request of another deadline extension should be made instead.	P. Thompson	31-Dec-23	In Progress
		Association Operations			

	Source	Action Item	Responsible	Deadline	Status Oct. 20, 2023
8	EOC May 17, 2022	Regularly scan website videos to ensure that they are up-to-date and don't include broken links	K. Martin/ B. Wycks	Ongoing	Ongoing
9	BOD June 6, 2023	If necessary, request from the Board a financial provision, outside of the approved 2023 Operating Budget, for a partial rebuild of the CAFII back-end website in 2023	K. Martin	10-Oct-23	Completed

Agenda Item 2(e)

October 24/23 EOC Meeting

Board-Approved Schedule of CAFII 2023 Meetings and Events

(Approved At October 11/22 CAFII Board Meeting)

EOC Meetings: *To be held virtual-only and in-person/virtual-hybrid, in alternating months*

- **Tuesday, January 17, 2023** (2:00–4:00 p.m. MS Teams virtual-only meeting)
- **Tuesday, February 14, 2023** (2:00–4:00 p.m. in-person/virtual-hybrid meeting)
(Family Day Stat Holiday in Ontario: Monday, February 20)
- **Tuesday, March 21, 2023** (2:00–3:30 p.m. MS Teams virtual-only meeting)
(Quebec Spring Break: March 6 – March 10. Ontario March Break: March 13 – March 17)
- **Tuesday, April 25, 2023** (2:00–4:00 p.m. in-person/virtual-hybrid meeting)
(Passover: Wednesday, April 5 – Thursday, April 13. Good Friday: Friday, April 7. Easter Monday: Monday, April 10)
- **Tuesday, May 16, 2023** (2:00–3:30 p.m. MS Teams virtual-only meeting)
(Victoria Day Stat Holiday: Monday, May 22)
- **Tuesday, June 27, 2023** (2:00–4:00 p.m. in-person/virtual-hybrid meeting)
- **Tuesday, July 18, 2023** tentative summer meeting (2:00–3:30 p.m. MS Teams virtual-only meeting)
- **Tuesday, August 15, 2023** tentative summer meeting (2:00–3:30 p.m. MS Teams virtual-only meeting)
(Civic Stat Holiday: Monday, August 7)
- **Tuesday, September 19, 2023** (3:00–5:00 p.m. in-person/virtual-hybrid meeting, followed by EOC Annual Appreciation Dinner)
(Labour Day: Monday, September 4. Rosh Hashanah: September 15 – 17. Yom Kippur: September 24 – 25. National Day for Truth and Reconciliation: Saturday, September 30)
- **Tuesday, October 24, 2023** (2:00–3:30 p.m. MS Teams virtual-only meeting)
(Thanksgiving Stat Holiday: Monday, October 9)
- **Tuesday, November 14, 2023** (2:00–4:00 p.m. in-person/virtual-hybrid meeting)
(Remembrance Day: Saturday, November 11. Diwali: Sunday, November 12)

Board Meetings:

- **Tuesday, April 4, 2023** (3:00–5:00 p.m. in- person/virtual-hybrid meeting, followed by ensuing Reception)
(Passover: Wednesday, April 5 – Thursday, April 13. Good Friday: Friday, April 7. Easter Monday: Monday, April 10)
HOST: Canadian Tire Bank (at private venue rental in downtown Toronto)
- **Tuesday, June 6, 2023** (2:30–5:00 p.m. in- person/virtual-hybrid meeting, preceded by 2023 Annual Meeting of Members and followed by ensuing Reception).
HOST: Manulife, 200 Bloor St. East, Toronto
- **Tuesday, October 10, 2023** (2:20–4:00 p.m. in- person/virtual-hybrid meeting, immediately following liaison lunch and Industry Issues Dialogue with AMF staff executives)
HOST: RBC Insurance (Montreal); Alternate: BMO Insurance (Montreal)

- **Tuesday, December 5, 2023** (3:00-5:00 p.m. in- person/virtual-hybrid meeting, followed by Holiday Season/Year-End Reception)

HOST: Scotia Insurance; Alternate: RBC Insurance

2023 Annual Members and Associates Luncheon:

- *Tuesday, May 9, 2023 from 11:45 a.m. EST to 2:15 p.m. EST at St. James Cathedral Centre Event Venue, 65 Church St., Toronto*

2023 EOC Annual Appreciation Dinner:

- *Tentative Date: Tuesday, Sept 19, 2023 at 5:30 p.m. at a TBD location*

Webinars:

- January 25 or 26, 2023
- March 29 or 30, 2023
- April 26 or 27, 2023
- September 26 or 27, 2023
- October 25 or 26, 2023
- November 22 or 23, 2023

2022 Board meetings Hosted by:

TD Insurance, Desjardins Insurance, CIBC Insurance

2021 Board meetings Hosted by:

None, due to COVID-19 pandemic situation

2020 Board meetings Hosted by:

None, due to COVID-19 pandemic situation

2019 Board meetings Hosted by:

CUMIS (National Club), Manulife Financial, National Bank Insurance, TD Insurance

2018 Board Meetings Hosted by:

CAFII; ScotiaLife Financial; BMO Insurance; The Canada Life Assurance

2017 Board Meetings Hosted by:

TD Insurance; CAFII; Desjardins Insurance; CIBC Insurance

Recent Years' Annual Members and Associates Luncheons

2022 Annual Members and Associates Luncheon

Date: Tuesday, November 9, 2021 from 1:00 p.m. – 2:30 p.m. EDT

Topic: “With Authority: Executing On A Bold Vision for A New Kind of Financial Services Regulator in Ontario; and Laying the Groundwork for Its Long-Term Success”

Speaker: Mark White, CEO, FSRA

Venue: St. James Cathedral Centre Event Venue, 65 Church St., Toronto, Ontario

2021 Annual Members and Associates Virtual Luncheon Webinar

Date: Tuesday, November 9, 2021 from 1:00 p.m. – 2:30 p.m. EDT

Topic: “The Changing Regulatory Environment – Challenges, Risks and Opportunities”

Panelists: Jill McCutcheon, Partner, Torys LLP; Stuart Carruthers, Partner, Stikeman Elliott LLP; Marc Duquette, Partner, Norton Rose Fulbright Corporation. Panel Moderator: Keith Martin, CAFII

Venue: Virtual-Only Webinar

2020 Annual Members and Associates Virtual Luncheon Webinar

Date: Wednesday, October 21, 2020 from 12 Noon to 1:00 p.m. EDT

Topic: “Setting the Bar Higher: How the Financial Consumer Protection Framework Sets a New Standard for Fairness and Transparency”

Speakers: Frank Lofranco, Deputy Commissioner, Supervision and Enforcement, Financial Consumer Agency of Canada (Remarks actually delivered by Teresa Frick, Director, FCAC who was subbed in for Frank Lofranco at the last minute)

Venue: Virtual-Only Webinar

2019 Annual Members and Associates Luncheon

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

Topic: “The Changing Regulatory Environment – Challenges, Risks and Opportunities”

Panelists: Stuart Carruthers, Partner, Stikeman Elliott LLP; Koker Christensen, Partner, Fasken; Jill McCutcheon, Partner, Torys LLP. Panel Moderator: Nicole Benson, CEO, Canadian Premier Life/Valeyo

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

Agenda Item 2(f)

October 24/23 EOC Meeting

Board-Approved Schedule of CAFII 2024 Meetings and Events

(Approved by CAFII Board on October 10/23)

EOC Meetings: *To be held virtual-only and in-person/virtual-hybrid, in alternating months*

- **Tuesday, January 23, 2024** (2:00–4:00 p.m. MS Teams virtual-only meeting)
- **Tuesday, February 27, 2024** (2:00–3:30 p.m. MS Teams virtual-only meeting)
(Family Day Stat Holiday in Ontario: Monday, February 19)
- **Tuesday, March 26, 2024** (2:00–4:00 p.m. MS Teams virtual-only meeting)
(Quebec Spring Break: March 4 – March 8. Ontario March Break: March 11 – March 15)
- **Tuesday, April 23, 2024** (2:00–4:00 p.m. in-person/virtual-hybrid meeting)
(Passover: Evening of April 23 – April 30)
- **Tuesday, May 14, 2024** (2:00–3:30 p.m. MS Teams virtual-only meeting)
(Victoria Day Stat Holiday: Monday, May 20)
- **Tuesday, June 25, 2024** (2:00–4:00 p.m. in-person/virtual-hybrid meeting)
- **Tuesday, July 16, 2024** (tentative summer meeting (2:00–3:30 p.m. MS Teams virtual-only meeting)
- **Tuesday, August 13, 2024** (tentative summer meeting (2:00–3:30 p.m. MS Teams virtual-only meeting)
- **Tuesday, September 17, 2024** (3:00–5:00 p.m. in-person/virtual-hybrid meeting, followed by EOC Annual Appreciation Dinner)
(National Day for Truth and Reconciliation: September 30)
- **Tuesday, October 29, 2024** (2:00–3:30 p.m. MS Teams virtual-only meeting)
(Yom Kippur: October 12. Thanksgiving Stat Holiday: October 14. Diwali: October 31)
- **Tuesday, November 19, 2024** (2:00–4:00 p.m. in-person/virtual-hybrid meeting)
(Remembrance Day: November 11)

Board Meetings:

- **Tuesday, April 9, 2024** (3:00–5:00 p.m. in- person/virtual-hybrid meeting, followed by ensuing Reception)
HOST: Assurant Canada
(Good Friday: Friday, March 29; Easter Monday: Monday, April 1)
- **Tuesday, June 4, 2024** (2:30–5:00 p.m. in- person/virtual-hybrid meeting, preceded by 2024 Annual Meeting of Members and followed by ensuing Reception). (To comply with CAFII Bylaw provisions, the Annual Meeting of Members materials package must be disseminated between 60 days and 21 days prior to the date of the Annual Meeting: i.e. between Friday, April 5, 2024 and Tuesday, May 14, 2024)
HOST: Securian Canada
- **Tuesday, October 8, 2024** (2:20–4:00 p.m. in- person/virtual-hybrid meeting, immediately following liaison lunch and Industry Issues Dialogue with AMF staff executives)
(Rosh Hashanah: October 3; Thanksgiving Stat Holiday: Monday, October 14)
HOST: National Bank Insurance; Alternate: BMO Insurance (Montreal)

- **Tuesday, December 3, 2024** (3:00-5:00 p.m. in- person/virtual-hybrid meeting, followed by Holiday Season/Year-End Reception)

HOST: Chubb Life Insurance Company of Canada

2024 Annual Members and Associates Luncheon:

- *Tentative Date: Tuesday, May 28, 2024, from 11:45 a.m. EST to 2:15 p.m. EST at St. James Cathedral Centre Event Venue*

2024 EOC Annual Appreciation Dinner:

- *Tentative Date: Tuesday, Sept 17, 2024 at 5:30 p.m. at a TBD location*

Webinars:

- January 31 or February 1, 2024
- March 27 or 28, 2024
- April 24 or 25, 2024
- September 11 or 12, 2024
- October 9 or 10, 2024
- November 13 or 14, 2024

2023 Board meetings Hosted by:

Canadian Tire Bank, Manulife, RBC Insurance, Scotia Insurance

2022 Board meetings Hosted by:

TD Insurance, Desjardins Insurance, CIBC Insurance

2021 Board meetings Hosted by:

None, due to COVID-19 pandemic situation

2020 Board meetings Hosted by:

None, due to COVID-19 pandemic situation

2019 Board meetings Hosted by:

CUMIS (National Club), Manulife Financial, National Bank Insurance, TD Insurance

2018 Board Meetings Hosted by:

CAFII; ScotiaLife Financial; BMO Insurance; The Canada Life Assurance

2017 Board Meetings Hosted by:

TD Insurance; CAFII; Desjardins Insurance; CIBC Insurance

Recent Years' Annual Members and Associates Luncheons

2023 Annual Members and Associates Luncheon

Date: Tuesday, May 9, 2023 from 11:45 a.m. to 2:15 p.m. EDT

Topic: "The Changing Insurance Law and Regulatory Environment: Challenges, Risks, and Opportunities"

Speaker: Stuart Carruthers, Partner, Stikeman Elliot and Jill McCutcheon, Partner, Torys LLP

Venue: St. James Cathedral Centre Event Venue, 65 Church St., Toronto, Ontario

2022 Annual Members and Associates Luncheon

Date: Tuesday, September 13, 2022 from 12:00 p.m. – 2:30 p.m. EDT

Topic: "With Authority: Executing On A Bold Vision for A New Kind of Financial Services Regulator in Ontario; and Laying the Groundwork for Its Long-Term Success"

Speaker: Mark White, CEO, FSRA

Venue: St. James Cathedral Centre Event Venue, 65 Church St., Toronto, Ontario

2021 Annual Members and Associates Virtual Luncheon Webinar

Date: Tuesday, November 9, 2021 from 1:00 p.m. – 2:30 p.m. EDT

Topic: "The Changing Regulatory Environment – Challenges, Risks and Opportunities"

Panelists: Jill McCutcheon, Partner, Torys LLP; Stuart Carruthers, Partner, Stikeman Elliott LLP; Marc Duquette, Partner, Norton Rose Fulbright Corporation. Panel Moderator: Keith Martin, CAFII

Venue: Virtual-Only Webinar

2020 Annual Members and Associates Virtual Luncheon Webinar

Date: Wednesday, October 21, 2020 from 12 Noon to 1:00 p.m. EDT

Topic: "Setting the Bar Higher: How the Financial Consumer Protection Framework Sets a New Standard for Fairness and Transparency"

Speakers: Frank Lofranco, Deputy Commissioner, Supervision and Enforcement, Financial Consumer Agency of Canada (Remarks actually delivered by Teresa Frick, Director, FCAC who was subbed in for Frank Lofranco at the last minute)

Venue: Virtual-Only Webinar

Briefing Note

CAFII EOC Meeting 24 September 2023—Agenda Item 3(a) Financial Management – CAFII Financial Statements as at September 30/23

Purpose of this Agenda Item – Update

To update the EOC on the Association's financial position as at September 30/23.

Background Information

CAFII Treasurer Donald Hinnecke will provide an update based on the CAFII Financial Statements as at September 30/23.

Recommendation / Direction Sought – Update

This is an update only.

Attachments Included with this Agenda Item

One (1) attachment.

CAFII
411 Richmond Street E, Suite 200
Toronto, ON M5A 3S5
Statement of Operations
As at Sep 30th, 2023

	Current Month	Budget Sep-23	Variance to Monthly Budget	Current YTD	Budget '23 YTD	Variance Budget to YTD	Budget 2023
Revenue							
Membership Dues	\$79,425	\$77,497	\$1,928	\$714,823	\$697,473	\$17,350	\$929,964
Interest	\$1,080	\$458	\$622	\$8,349	\$4,122	\$4,227	\$5,500
Investments - Interest-Savings, Short-term CD	\$1,105	\$0	\$1,105	\$8,009	\$0	\$8,009	\$0
Misc (One time event fees)	\$0	\$0	\$0	\$380	\$0	\$380	\$0
TOTAL REVENUE	\$81,609	\$77,955	\$ 3,654	\$731,562	\$701,595	\$29,966	\$935,464
Expenses							
Office Costs							
Management Fees (CAFII staff and Managing Matters)	\$69,642	\$44,899	(\$24,743)	\$451,230	\$404,091	(\$47,139)	\$538,784
New hire for 6 months overlap	\$0	\$17,149	\$17,149	\$0	\$51,447	\$51,447	\$102,895
Audit Fees	\$1,367	\$1,367	\$0	\$11,801	\$12,303	\$502	\$16,402
Insurance	\$722	\$575	(\$147)	\$5,515	\$5,175	(\$340)	\$6,902
Member Communication and Technology Tools	\$1,338	\$734	(\$604)	\$8,958	\$6,606	(\$2,352)	\$8,810
Telephone/Fax/Internet	\$556	\$482	(\$74)	\$4,221	\$4,338	\$117	\$5,789
Postage/Courier	\$0	\$7	\$7	\$73	\$56	(\$17)	\$86
Office Expenses	\$755	\$896	\$141	\$2,143	\$8,064	\$5,922	\$10,751
Bank Charges	\$25	\$52	\$27	\$371	\$468	\$97	\$628
New Office Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation Computer/Office Equipment	\$206	\$235	\$29	\$756	\$2,115	\$1,359	\$2,821
Miscellaneous Expense	\$0	\$0	\$0	\$0	\$250	\$250	\$500
Total Office related expenses	\$74,611	\$66,396	(\$8,215)	\$485,067	\$494,913	\$9,846	\$694,369
Legal and consulting costs associated with regulatory submissions and initiatives	\$0	\$8,040	\$8,040	\$17,987	\$66,280	\$48,293	\$90,400
Board/EOC/AGM							
Annual Members and Associates Luncheon	\$0	\$0	\$0	\$13,577	\$16,120	\$2,543	\$16,120
Board Hosting (External)	\$0	\$0	\$0	\$7,500	\$16,050	\$8,550	\$24,075
Board/EOC Meeting Expenses	\$1,260	\$3,454	\$2,194	\$9,087	\$20,724	\$11,637	\$31,089
Industry Conferences and Events	\$147	\$0	(\$147)	\$147	\$2,800	\$2,653	\$3,627
EOC Annual Appreciation Dinner	\$2,964	\$5,676	\$2,712	\$2,964	\$5,676	\$2,712	\$5,676
Speaker fees & travel	\$0	\$0	\$0	\$0	\$1,500	\$1,500	\$1,500
Gifts	\$0	\$107	\$107	\$0	\$963	\$963	\$1,284
Networking Events	\$0	\$1,412	\$1,412	\$9,262	\$4,237	(\$5,025)	\$5,650
CAFII 25th Anniversary Celebration	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Board/EOC/AGM	\$4,371	\$10,649	\$6,278	\$42,537	\$68,070	\$25,533	\$89,021
Regulatory and Industry							
Provincial Regulatory Visits and Relationship-Building	\$4,657	\$16,400	\$11,743	\$12,448	\$41,000	\$28,552	\$41,000
Federal Regulatory Visits and Relationship-Building	\$0	\$2,500	\$2,500	\$0	\$5,000	\$5,000	\$5,000
Research/Studies	\$2,034	\$0	(\$2,034)	\$10,848	\$16,950	\$6,102	\$67,800
Webinar Fees	\$1,921	\$2,561	\$640	\$9,605	\$10,244	\$639	\$15,368
Website SEO and Enhancements	\$0	\$0	\$0	\$22,600	\$22,600	\$0	\$45,200
CAFII Benchmarking Study/RSM Canada	\$0	\$0	\$0	\$33,900	\$35,596	\$1,696	\$71,190
Media Outreach	\$384	\$2,260	\$1,876	\$1,735	\$6,780	\$5,045	\$9,040
Media Consultant Retainer	\$2,543	\$3,125	\$583	\$25,051	\$28,125	\$3,074	\$37,500
Marketing Collateral	\$0	\$0	\$0	\$1,462	\$0	(\$1,462)	\$7,000
Total Regulatory and Industry	\$11,539	\$26,846	\$15,307	\$117,648	\$166,295	\$48,647	\$299,098
TOTAL EXPENSE	\$90,520	\$111,931	\$21,411	\$663,239	\$795,558	\$132,319	\$1,172,888
NET INCOME	(\$8,911)	(\$33,976)	25,065	\$68,323	(\$93,963)	\$ 162,285	(\$237,424)
proof	- 0	-	-	0	-	-	-

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

CAFII
411 Richmond Street E., Suite 200
Toronto, ON M5A 3S5
Balance Sheet
As at Sep 30th, 2023

	CAFII Operations		
ASSETS	30-Sep 2023	31-Aug 2023	31-Dec 2022
Current Assets			
Bank Balance	\$161,846	\$71,171	\$324,108
Savings Account	\$425,594	\$424,514	\$417,244
TD Investment in GIC- 1104 8045480 01	\$400,000	\$600,000	\$0
Accounts Receivable	\$0	\$0	\$0
Interest Receivable	\$1,105	\$6,904	\$0
Prepaid Expenses	\$8,641	\$7,058	\$6,397
Computer/Office Equipment	\$17,880	\$14,369	\$10,878
Accumulated Depreciation -Comp/Equip	(\$9,486)	(\$9,280)	(\$8,730)
Total Current Assets	\$1,005,580	\$1,114,737	\$749,898
TOTAL ASSETS	\$1,005,580	\$1,114,737	\$749,898
	-	-	
LIABILITIES			
Current Liabilities			
Accrued Liabilities	\$14,038	\$10,750	\$15,916
Credit Card	\$1,138	\$352	\$566
Account Payable	\$14,532	\$39,427	\$64,141
Deferred Revenue	\$238,275	\$317,699	\$0
Total Current liabilities	\$267,983	\$368,229	\$80,623
TOTAL LIABILITIES	\$267,983	\$368,229	\$80,623
	-	-	
UNRESTRICTED NET ASSETS			
Unrestricted Net Assets, beginning of year	\$669,275	\$669,275	\$505,900
Excess of revenue over expenses	\$68,322	\$77,233	\$163,374
Total Unrestricted Net Assets	\$737,597	\$746,508	\$669,275
Total Unrestricted Net Assets	\$737,597	\$746,508	\$669,275
TOTAL LIABILITIES AND UNRESTRICTED NET ASSETS	\$1,005,580	\$1,114,737	\$749,898
	-	-	
Financial Reserves Targets as per 2023 Budget:			
Minimum 3 months (25%) of Annual Operating Expenses=		\$ 293,222	- 0.04
Maximum 6 months (50%) of Annual Operating Expenses=		\$ 586,444	- 0.08
Current Level of Financial Reserves (total unrestricted net assets):		\$737,597	
Current Level of Financials Reserve (%) :		63%	0.00

CAFII

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

Membership Fees

		<u>Feb-23</u>		<u>Method of Payment</u>	<u>Received Date</u>
		<u>Billed</u>	<u>Received</u>		
TD Insurance	2023 Upper Tier Member	\$ 77,110	\$ 77,110	Cheque	23-Feb-23
BMO Bank of Montreal	2023 Upper Tier Member	\$ 77,110	\$ 77,110	Direct Payment - EFT	16-Mar-23
CIBC Insurance	2023 Upper Tier Member	\$ 77,110	\$ 77,110	Direct Payment - EFT	27-Feb-23
RBC Insurance	2023 Upper Tier Member	\$ 77,110	\$ 77,110	Direct Payment - EFT	02-Mar-23
Scotia Insurance	2023 Upper Tier Member	\$ 77,110	\$ 77,110	Direct Payment - EFT	28-Feb-23
Desjardins Financial Security Life Assura	2023 Upper Tier Member	\$ 77,110	\$ 77,110	Cheque	28-Feb-23
National Bank Insurance	2023 Upper Tier Member	\$ 77,110	\$ 77,110	Direct Payment - EFT	16-Feb-23
Manulife Financial	2023 Upper Tier Member	\$ 77,110	\$ 77,110	Direct Payment - EFT	13-Feb-23
The Canada Life Assurance Company	2023 Upper Tier Member	\$ 77,110	\$ 77,110	Direct Payment - EFT	19-Apr-23
Securian Canada	2023 Lower Tier Member	\$ 38,555	\$ 38,555	Cheque	23-Feb-23
Assurant	2023 Lower Tier Member	\$ 38,555	\$ 38,555	Direct Payment - EFT	23-Mar-23
Valeyo	2023 Lower Tier Member	\$ 38,555	\$ 38,555	Direct Payment - EFT	03-Mar-23
CUMIS Group Ltd	2023 Lower Tier Member	\$ 38,555	\$ 38,555	Cheque	28-Mar-23
Canadian Tire Bank	2023 Lower Tier Member	\$ 38,555	\$ 38,555	Direct Payment - EFT	20-Apr-23
Chubb Life Insurance Company of Canada	2023 Initiation Members (Lower Tier)	\$ 23,133	\$ 23,133	Cheque	04-Apr-23
RSM Canada	Associate	\$ 4,800	\$ 4,800	cheque	11-Apr-23
Willis Towers Watson	Associate	\$ 4,800	\$ 4,800	Direct Payment - EFT	13-Apr-23
KPMG LLP	Associate	\$ 4,800	\$ 4,800	Cheque	18-Apr-23
Optima Communications	Associate	\$ 4,800	\$ 4,800	Direct Payment - EFT	17-Feb-23
RGA Life Reinsurance Company of Canada	Associate	\$ 4,800	\$ 4,800	Direct Payment - EFT	31-Mar-23
Torys LLP	Associate	\$ 4,800	\$ 4,800	Direct Payment - EFT	28-Feb-23
Stikeman Elliott	Associate	\$ 4,800	\$ 4,800	Cheque	21-Mar-23
Norton Rose Fulbright Canada	Associate	\$ 4,800	\$ 4,800	Direct Payment - EFT	04-Apr-23
Royal & Sun Alliance Insurance Company	Associate	\$ 4,800	\$ 4,800	Cheque	28-Mar-23
Feb Invoices		\$953,098	\$953,098		
Total Membership Fees		\$953,098			
Total amount to realocate monthly Jan-Dec. 2023		\$79,424.83			

Briefing Note

CAFII EOC Meeting 24 September 2023—Agenda Item 3(b)

Financial Management – Forecast for CAFII 2023 Fiscal Year as at September 30/23

Purpose of this Agenda Item – Update

To provide an update to the EOC on the Association's financial forecast through to the end of the 2023 fiscal year, as at September 30/23.

Background Information

CAFII Treasurer Donald Hinnecke will provide an update based on the CAFII Fiscal Year Forecast as at September 30/23.

Recommendation / Direction Sought – Update

This is an update only.

Attachments Included with this Agenda Item

One (1) attachment.

2023 CAFII Budget
In \$ Cdn

	2019 Actuals	2020 Actuals	2021 Actuals	2022 Actuals	CAFII 2023 Budget	2023 YTD Sep 2023	2023 Forecast	Comment/Rationale
Revenue								
Membership Dues	734,664	884,721	955,970	\$991,653	\$929,964	\$714,823	\$953,097	New member not in plan (Lower tier)
Interest	982	399	236	\$2,579	\$5,500	\$8,349	\$11,350	Higher interest rates
Investments - Interest-Savings, Short-term CD	-	-	-	\$0	\$0	\$8,009	\$9,009	Not in Plan
CCBPI Revenue + one time event fees	195	-	-	\$12,511	\$0	\$380	\$380	
TOTAL REVENUE	735,841	885,120	956,206	\$1,006,743	\$935,464	\$731,562	\$973,836	
EXPENSE								
Office Costs								
Management Fees (CAFII staff and Managing Matters)	465,134	476,844	486,711	\$507,904	\$538,784	\$451,230	\$640,254	Includes costs for new staff and one time fees of ~\$27,000
New hire for 6 months overlap					\$102,895	\$0		Included in Mgmt fees
Audit Fees	14,799	16,743	13,224	\$15,187	\$16,402	\$11,801	\$15,902	Run Rate
Insurance	5,338	5,385	5,877	\$6,275	\$6,902	\$5,515	\$7,681	Run Rate
Member Communication and Technology Tools	10,022	5,765	6,958	\$7,990	\$8,810	\$8,958	\$11,163	Run Rate; new costs for additional staff members
Telephone/Fax/Internet	6,494	5,808	6,799	\$5,935	\$5,789	\$4,221	\$6,471	Run Rate; new costs for additional staff members
Postage/Courier	159	53	-	\$60	\$86	\$73	\$150	Placeholder, not material
Office Expenses	2,025	2,158	2,694	\$7,898	\$10,751	\$2,143	\$3,643	Run rate, slightly elevated for fall program
Bank Charges	112	236	663	\$548	\$628	\$371	\$596	Same as budget
New Office Equipment				\$0	\$0	\$0	\$0	Same as budget
Depreciation Computer/Office Equipment	1,136	1,136	1,136	\$716	\$2,821	\$756	\$1,386	Run rate, new equipment re new staff
Miscellaneous Expense	-	-	-	\$283	\$500	\$0	\$0	Same as budget
Total Office related expenses	505,219	514,128	524,061	\$552,796	\$694,369	\$485,067	\$687,246	
Legal and consulting costs associated with regulatory submissions and initiatives	-	28,975	74,221	\$0	\$90,400	\$17,987	\$37,987	Actual spend plus additional \$20,000 for legal work yet to be defined
							\$0	
Board/EOC/AGM								
Annual Members and Associates Luncheon	12,052	-	-	\$13,147	\$16,120	\$13,577	\$13,577	Actual spend, no further costs
Board Hosting (External)	14,001	-	-	\$203	\$24,075	\$7,500	\$15,000	Reduced spend projected
Board/EOC Meeting Expenses	35,419	4,676	1,822	\$11,361	\$31,089	\$9,087	\$17,827	Actual spend with increases Q3/Q4 due to new staff members
Industry Conferences and Events	-	-	-	\$615	\$3,627	\$147	\$147	rolled into other lines
EOC Annual Appreciation Dinner	2,193	4,244	-	\$2,501	\$5,676	\$2,964	\$3,964	Hold to Budget for year
Speaker fees & travel	1,189	-	-	\$0	\$1,500	\$0	\$0	rolled into other lines
Gifts	200	-	-	\$765	\$1,284	\$0	\$0	rolled into other lines
Networking Events	-	-	-	\$1,854	\$5,650	\$9,262	\$20,262	June event and Retirement event
CAFII 25th Anniversary Celebration	-	-	-	\$15,315	\$0	\$0	\$0	
Total Board/EOC/AGM	65,053	8,920	1,822	\$45,761	\$89,021	\$42,537	\$70,777	Same as budget
Regulatory and Industry								
Provincial Regulatory Visits and Relationship-Building	16,833	983	-	\$9,205	\$41,000	\$12,448	\$21,448	Revised estimate
Federal Regulatory Visits and Relationship-Building	442	540	-	\$0	\$5,000	\$0	\$0	Included in Proincial
Research/Studies	5,368	28,646	75,473	\$73,026	\$67,800	\$10,848	\$55,848	CAFII 2023 Research Project w LIMRA in Q4
Webinar Fees				\$7,684	\$15,368	\$9,605	\$13,605	Revised estimate
Website SEO and Enhancements	40,914	31,144	50,737	\$45,200	\$45,200	\$22,600	\$45,200	Revised estimate
CAFII Benchmarking Study/RSM Canada	-	68,365	67,800	\$67,800	\$71,190	\$33,900	\$67,800	Revised estimate
Media Outreach	5,683	350	9,542	\$2,779	\$9,040	\$1,735	\$2,335	Revised estimate
Media Consultant Retainer	27,120	27,685	29,792	\$37,331	\$37,500	\$25,051	\$35,551	New Media consultant Oct 23, run rate higher than plan
Marketing Collateral	1,629	845	717	\$1,787	\$7,000	\$1,462	\$2,362	Revised Esitmate
Total Regulatory and Industry	105,543	179,462	254,966	\$244,812	\$299,098	\$117,648	\$244,149	
							\$0	
TOTAL EXPENSE	675,816	731,485	855,070	\$843,368	\$1,172,888	\$663,240	\$1,040,159	
Excess of Revenue over Expenses	60,025	153,636	101,136	\$163,375	-\$237,424	\$68,322	-\$66,323	
Unrestricted Net Assets (beginning of year)	170,198	230,223	230,223	\$505,900	\$621,727	\$669,275	\$669,275	
Unrestricted Net Assets (end of period)	230,223	383,859	331,359	\$669,275	\$384,303	\$737,597	\$602,951	

Explanatory Notes:
(1) Assumes Two Co-Executive Directors, one @ 5 days per week; one @ 4.5 days per week; plus Managing Matters Admin support
(2) Amortization of office equipment based on 4 year straight line depreciation

Actual/Forecasted Financial Reserves	2019 Actuals	2020 Actuals	2021 Actuals	2022 Actuals	CAFII 2023 Budget	2023 YTD Sep 2023	2023 Forecast
Minimum 3 months (25%) of Annual Operating Expenses =	\$168,954	\$182,871	\$213,767	\$210,842	\$293,222	\$165,810	\$260,040
Maximum 6 months (50%) of Annual Operating Expenses =	\$337,908	\$365,742	\$427,535	\$421,684	\$586,444	\$331,620	\$520,080
Actual/Forecasted Level of Financial Reserves:	\$230,223	\$383,859	\$331,359	\$669,275	\$384,303	\$737,597	\$602,951
Actual/Forecasted Level of Financial Reserves %:	34%	52%	39%	79%	33%	111%	58%

Briefing Note

CAFII EOC Meeting 24 September 2023—Agenda Item 3(c)

Financial Management – Proposed CAFII Electronic Payables and Cheque Signing Authorities Policy

Purpose of this Agenda Item – Update/Discussion/Endorsement

To provide an update to the EOC on the Proposed CAFII Electronic Payables and Cheque Signing Authorities Policy.

Background Information

Co-Executive Director Brendan Wycks will update the EOC on CAFII's Proposed Electronic Payables and Cheque Signing Authorities Policy.

At the previous EOC meeting on September 19/23, the EOC supported CAFII's recent transition to electronic payments and the need to document current practices in a new policy; however, members expressed the need for some amendments, including a change that stipulates that, when approving payables which include Managing Matters as a payee, two CAFII staff members/representatives must be the approvers of all such electronic payables.

This is an opportunity for the EOC to review and endorse an amended version of the Proposed Electronic Payables and Cheque Signing Authorities Policy.

Recommendation / Direction Sought – Update/Discussion/Endorsement

This is an update item with the opportunity for discussion and, if approved, endorsement.

Attachments Included with this Agenda Item

One (1) attachment.

Agenda item 3(c)

October 24/23 CAFII EOC Meeting

DRAFT ONLY

MEMORANDUM

To: CAFII Board of Directors

From: Keith Martin and Brendan Wycks, Co-Executive Directors

Date: November 28, 2023

Subject: Proposed CAFII Electronic Payables and Cheque Signing Authorities Policy

Recommendation: The Board of Directors is asked to approve the proposed CAFII Electronic Payables and Cheque Signing Authorities Policy set out below (as Appendix A, Parts 1 and Part 2), as a replacement for the former CAFII Cheque Signing Authorities Policy; and to indicate that, once approved, the new CAFII Electronic Payables and Cheque Signing Authorities Policy should come into immediate force and effect.

As part-and-parcel of this Recommendation for Board approval via a formal Resolution/Motion, the following positions/individuals with responsibility for CAFII financial stewardship shall be designated as the Association's Electronic Payables and Cheque Signing Authorities, revoking any previous such appointments in those capacities:

- CAFII (Co-) Executive Director (currently Keith Martin; becomes sole Executive Director effective January 1/24)
- CAFII Co-Executive Director (currently Brendan Wycks; retiring December 31/23)
- CAFII Operations Manager (currently Shanay Smith)
- CAFII Research Analyst (currently Robyn Jennings)
- CAFII Treasurer (currently Donald Hinnecke, RBC Insurance)
- CAFII EOC Chair and Board Secretary (currently Rob Dobbins, Assurant Canada)
- CAFII Vice-EOC Chair and Vice-Board Secretary (currently Karyn Kasperski, RBC Insurance)
- President at the Association Management Company providing support services to CAFII (currently Jenny Faucher, President and CEO, Managing Matters)
- Controller/Accountant at the Association Management Company providing support services to CAFII (currently Ricky Nason, Controller/Accountant, Managing Matters)

Background and Rationale: The Board of Directors has the authority to appoint CAFII's Electronic Payables and Cheque Signing Authorities; and similarly to change or replace the former *CAFII Cheque Signing Authority Policy* (see Appendix B), as it deems necessary from time-to-time. CAFII's bank, TD Canada Trust, requires that it be presented with a formal resolution passed by the Association's Board in order for a change in, or replacement of, such a policy to be effected.

Appendix A

CAFII Electronic Payables and Cheque Signing Authorities Policy

Document Owner:	Executive Operations Committee (EOC)
Practice Applies to:	CAFII Electronic Payables and Cheque Signing Authorities
Process Responsibility:	Executive Director
Final Accountability:	Executive Operations Committee

Part 1: CAFII Electronic Payables

This policy applies to all electronic payables initiated and processed/approved by the Canadian Association of Financial Institutions in Insurance (CAFII).

1. Payment by electronic means of invoiced amounts owed by CAFII (Electronic Payables) – provided that the relevant invoice has been reviewed and approved for payment by at least one of the Electronic Payables Authorities designated in Group A below -- shall normally be initiated by the Controller/Accountant at the Association Management Company which provides support services to CAFII. In exceptional circumstances, another designated Electronic Payables Authority may initiate CAFII Electronic Payables via the process required by CAFII's bank.
2. All CAFII Electronic Payables must be approved, via the Electronic Payables process established by CAFII's bank, by any two of the Executive Director, Co-Executive Director, Operations Manager, Research Analyst, Treasurer, Executive Operations Committee Chair, or Executive Operations Committee Vice-Chair.
3. A designated CAFII Electronic Payables Authority may participate as an Approver in an Electronic Payables process which includes an item that is payable to himself/herself personally or is payable to his/her company or organization, but only if that particular payables item was previously reviewed and approved for payment by at least two other designated CAFII Electronic Payables and Cheque Signing Authorities.

Part 2: CAFII Cheque Signing

This policy applies to all Cheques prepared and issued by the Canadian Association of Financial Institutions in Insurance (CAFII).

1. Payment by Cheque of invoiced amounts owed by CAFII – provided that the relevant invoice has been reviewed and approved for payment by at least one of the Cheque Signing Authorities designated in Group A below -- shall normally be initiated by the Controller/Accountant at the Association Management Company which provides support services to CAFII. In exceptional circumstances, another designated Cheque Signing Authority may initiate CAFII payment by cheque via the related process required by CAFII's bank.
2. All CAFII Cheques in amounts greater than \$2,500 must be signed by any two of (Group A): the Executive Director, Co-Executive Director, Operations Manager, Research Analyst, Treasurer, Executive Operations Committee Chair, or Executive Operations Committee Vice-Chair.
3. All CAFII Cheques in amounts of less than \$2,500 may be signed by any two of (Group A): the Executive Director, Co-Executive Director, Operations Manager, Research Analyst, Treasurer, Executive Operations Committee Chair, or Executive Operations Committee Vice-Chair; **or** (Group B): Controller/Accountant at the Association Management Company which provides support services to CAFII; or the President at the Association Management Company which provides support services to CAFII. At least one of the designated Cheque Signing Authorities who signs a Cheque in an amount of less than \$2,500 must come from Group A.
4. A designated Cheque Signing Authority 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.
5. At least semi-annually, the Treasurer -- or in his/her absence, the EOC Chair -- shall review and initial-off on all cheque stubs and their backup invoices/documentation, as a post-issuance internal audit and control measure.

Authority and Periodic Review

The Board of Directors has the authority to change or modify the CAFII Electronic Payables and Cheque Signing Authorities Policy as it may from time-to-time deem required.

This policy will be reviewed by the Board of Directors from time-to-time. At a minimum, it will be reviewed every five (5) years.

Appendix B

CAFII Cheque Signing Authorities Policy (last updated April 2017)

Document Owner:	Executive Operations Committee (EOC)
Practice Applies to:	CAFII Signing Authorities
Process Responsibility:	Executive Director
Final Accountability:	Executive Operations Committee

This policy applies to all cheques prepared and issued by the Canadian Association of Financial Institutions.

1. All Canadian Association of Financial Institutions (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.
2. 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 Managing Matters, or the President of Managing Matters. 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.
3. 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.
4. 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.

Authorization

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

The policy will be reviewed by the Board of Directors from time-to-time. At a minimum it will be reviewed every five (5) years.

Any changes to the Cheque Signing Authority Policy may not be ratified by electronic means.

Briefing Note

CAFII EOC Meeting 24 September 2023—Agenda Item 3(d)

Financial Management – Critical Path for Development of 2024 CAFII Operating Budget

Purpose of this Agenda Item – Update

To provide an update to the EOC on the Critical Path for Development of 2024 CAFII Operating Budget.

Background Information

Co-Executive Director Brendan Wycks will update the EOC on the Critical Path for Development of 2024 CAFII Operating Budget.

Recommendation / Direction Sought – Update

This is an update only.

Attachments Included with this Agenda Item

One (1) attachment.

Critical Path for Development and Approval of 2024 CAFII Operating Budget

Task	Responsible	Timing/Deadline
Reach out to CAFII Committee Chairs and Vice-Chairs, on behalf of Co-Executive Directors, with request for input submissions on individual portfolio 2024 Operating Budget spending requests, along with related rationale, by October 4/22	Ricky Nason (new CAFII Controller)	October 6/23
Provide input submissions on individual portfolio 2024 Operating Budget spending requests, along with related rationale, to Controller R. Nason (with c.c. to D. Hinnecke, B. Wycks, and K. Martin)	Committee Chairs and Vice-Chairs	October 17/23
Prepare Draft 1 of 2023 Operating Budget, in consultation with K. Martin, S. Smith, R. Jennings, and B. Wycks	R. Nason	October 27/23
Meet virtually to review and amend, as necessary, Draft 1 of 2024 Operating Budget	D. Hinnecke, B. Wycks, K. Martin, R. Nason, S. Smith, R. Jennings	October 30/23
Prepare Draft 2 of 2024 Operating Budget, with oversight from K. Martin, S. Smith, R. Jennings, and B. Wycks	R. Nason	November 2/23
Meet virtually to review and amend Draft 2 of 2024 Operating Budget; and finalize Draft 3 for inclusion in November 14/23 EOC Meeting Materials Package	D. Hinnecke, B. Wycks, K. Martin, R. Nason	November 6/23
Post Draft 3 of 2023 Operating Budget for November 14/23 EOC Meeting and incorporate it into consolidated package of meeting materials	T. Woodland, B. Wycks, S. Smith	November 10/23
Review and provide feedback on Draft 3 of 2023 Operating Budget, in November 14/23 EOC meeting and thereafter by November 17/23	EOC Members	November 14 and 17/23
Prepare and send Draft 4 of 2024 Operating Budget, which includes EOC feedback, to Committee Chairs, Vice-Chairs and EOC members, with request for review and final feedback by November 23/23	R. Nason	November 17/23
Provide feedback on Draft 4 of 2023 Operating Budget to Controller R. Nason (with c.c. to D. Hinnecke, B. Wycks, and K. Martin)	Committee Chairs, Vice-Chairs, and EOC Members	November 23/23
If necessary, prepare Draft 5 of 2024 Operating Budget for inclusion in December 5/23 Board Meeting Consolidated Meeting Materials Package	R. Nason	November 24/23
If necessary, meet virtually to review and finalize Draft 5 of 2024 Operating Budget for inclusion in December 5/23 Board Meeting Materials Package	D. Hinnecke, B. Wycks, K. Martin, R. Nason, S. Smith, R. Jennings	November 27/23
Include and Disseminate Draft 5 of 2024 Operating Budget in December 5/23 Board of Directors meeting materials package	T. Woodland, B. Wycks, S. Smith	November 28/23
Present Draft 5 of 2023 Operating Budget to Board of Directors with rationale/case for approval	D. Hinnecke	December 5/23
Review, discuss, and approve Draft 5 of 2024 Operating Budget (must be in open Board meeting so the approval decision can be minuted)	Board of Directors	December 5/23

Briefing Note

CAFII EOC Meeting 24 September 2023—Agenda Item 4(a)i

Committees and Working Groups – Diversity, Equity, and Inclusion - Current Priorities and Initiatives for the Working Group

Purpose of this Agenda Item – Update

To update the EOC on the current priorities and initiatives of the Diversity, Equity, and Inclusion Working Group.

Background Information

Working Group Chair Tejal Harri-Morar and CAFII Co-Executive Director Keith Martin will update the EOC on the current priorities and initiatives of the Diversity, Equity, and Inclusion Working Group.

Recommendation / Direction Sought – Update

This is an update only.

Attachments Included with this Agenda Item

One (1) attachment.

Agenda Item 4(a)
October 24/23 EOC Meeting

Diversity, Equity and Inclusion Working Group (Chair: Tejal Harri-Morar)

The Diversity, Equity and Inclusion Working Group last met on 10 July, 2023 for its third meeting.

That meeting was focused mainly on progressive discussions about the objectives of the Working Group regarding scope and to identify what success is. It was agreed that the outcome of any research would determine what the scope of the Working Group should be, and that a clearer understanding of the appropriate scope would evolve as the meetings and the related research progressed.

The members of the Working Group have put together some initial research on what other industry Associations have in place with respect to DEI initiatives. The intention is to collate this research in order to allow the Working Group to gain an understanding and appreciation of what is currently out there; and what to develop for CAFII so that it is in alignment with what the member companies have in place in their own organizations.

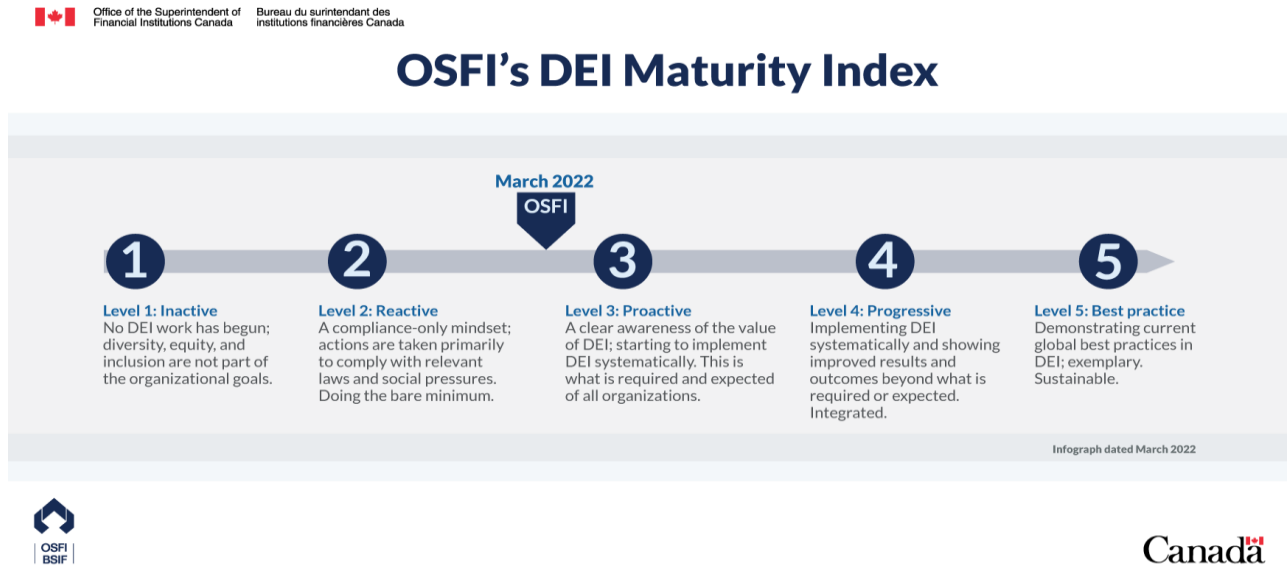
Due to summer vacation schedules, the next Working Group meeting was scheduled for 16 October, 2023; and the progress and next steps coming out of that meeting will be reported on verbally at the 24 October, 2023 EOC meeting.

We would like to remind EOC members and other member company representatives to join and participate in this Working Group. If you would like to join, please reach out to Keith, Brendan or myself.

CAFII Board Diversity Working Group Meeting				
Organization / Government Department	Link to public website	Outcome of investigation	Contact details of organization (if any)	Comments
United Nations - Guidance for Banks Gender Equality Setting	https://www.unepfi.org/industries/banking/guidance-on-gender-equality/	1) Looks at Sustainable Development Goals and examples that the banking industry can use to develop goals and provide practical examples to enhance gender equality in the workplace.		1) Can have a look at the practical examples to help us determine how to enhance gender equality and participation by members in CAFII.
Global Federation of Insurance Associations (GFIA)	https://gfainsurance.org/search?q=Diversity&s=&r=&y=2023&from=&to=#publications	1) GFIA has a document entitled principles on diversity, equity and inclusion (DEI) 2) GFIA favours the development of voluntary DEI policies , governed by anti-trust laws, based on global best practice examples. Any DEI policies should assure proportionality and confidentiality. 3) Current Status: GFIA welcomes the commitment of the International Association of Insurance Supervisors (IAIS) to continue its work on DEI. GFIA stands ready to engage on this topic with the IAIS and other international organisations and standard-setters, such as the G20. GFIA recognises that, while financial inclusion and access to insurance have been a subject of considerable work by the IAIS and numerous international organisations, the development of policy on DEI will necessitate broad consideration and consensus, at both national and international levels.	GFIA contacts Francisco Astelarra, Chair, Diversity, Equity & Inclusion WG (fastelarra@fideseguros.com) GFIA secretariat (secretariat@gfiainsurance.org)	1) Principle based and therefore broad principles will evolve after the engagement with IAIS.
International Association of Insurance Supervisors (IAIS)	https://www.iaisweb.org/2023/01/stakeholder-session-on-the-iais-work-on-diversity-equity-and-inclusion-dei-in-the-insurance-industry/	<p>1) Currently beginning on work: The IAIS gave an overview of the DEI stocktake report (published in December 2022) and the IAIS' planned next DEI projects:</p> <p>a) Examine the link between DEI within an insurers' institution and its governance, risk management and corporate culture.</p> <p>b) The other will examine how DEI considerations in insurers' conduct of business, and in their supervision, may result in fairer treatment of consumers who are vulnerable, under-served or have different needs in comparison with a normative or majority consumer profile.</p> <p>In advance, registered participants were told the IAIS is particularly interested to hear from them on topics such as:</p> <p>Institutional DEI: What are the corporate governance, risk management and corporate culture implications and risks when an insurer/intermediary lacks diversity and has poor inclusion within its workforce and leadership? (i.e. what does it look like when it is done badly?)</p> <p>Institutional DEI: What are the most important and impactful 'ingredients' an insurer/intermediary should put in place to improve diversity, equity and inclusion within its workforce and leadership? (i.e. what does it look like to implement a meaningful commitment to doing better?)</p> <p>DEI in conduct of business: In what ways can an insurer/intermediary ensure that products and services are accessible and the treatment of customers is fair, when you accept that a customer cohort involves diversity with people being different one from another? (i.e. how to treat customers fairly and not expect customers to have the same demographics, abilities, knowledge, experience etc.?)</p>		1) Still beginning the work on approach etc.

<u>Canadian Government Centre on Diversity and Inclusion</u>	https://www.canada.ca/en/treasury-board-secretariat/corporate/organization/centre-diversity-inclusion.html	<p>Mosaic Leadership Development program: leadership development program for employees at the EX minus 1 level that equips equity-seeking employees to enter the EX group.</p> <p>Mosaic has three main components: sponsorship, learning and an experience-building opportunity.</p> <p>Sponsorship: participants are supported throughout their participation in the Mosaic program and are offered access to opportunities they wouldn't otherwise have</p> <p>Experience-building: participants have opportunities for assignments and secondments to practise and develop their leadership skills and competencies</p> <p>Learning: participants are provided with a customized curriculum to target the behaviours and skills needed to succeed as an executive.</p> <p>Increasing the diversity of executives will boost diversity and inclusion overall, as leaders have a significant influence on organizational culture. More diverse and representative senior ranks will accelerate the culture shift that the Government of Canada desires, toward a better and more inclusive federal public service.</p> <p>Mentorship Plus</p> <p>The Mentorship Plus program supports career progression for equity-seeking groups.</p> <p>The program is unique as it is co-developed with equity seeking groups and enhances traditional mentorship by adding the element of sponsorship. As such, the program pairs employees with Executive mentors/sponsors to:</p> <p>navigate the system for upward career mobility provide better visibility in informal networks access development opportunities to build skills necessary for the executive cadre</p>	1) To be looked at for board diversity and might assist in that regard.
<u>Office of the Superintendent of Financial Institutions (OSFI)</u>	https://www.osfi-bsif.gc.ca/Eng/osfi-bsif/rep-rap/Pages/dei-strat-2225.aspx	<p>1) Ensure HR policies, processes and practices align with and promote the concepts of diversity, equity and inclusion.</p> <p>2) Gather Employment Equity data and information on DEI-related activities taking place at OSFI, and report out in a timely manner.</p> <p>3) Close representation gaps of designated EE and equity-seeking groups.</p> <p>1) The internationally recognized Centre for Global Inclusion's Diversity, Equity and Inclusion Benchmarks (GDEIB) will form the basis of the KPIs that will help us track our progress against our broader vision for DEI at OSFI.</p> <p>2) Strategy lays the groundwork to transform OSFI into an organization that truly embodies DEI at every level.</p> <p>3) Focus of the DEI strategy is currently on 3 main areas: Culture, Career and Commitment.</p> <p>a) Culture: OSFI is a workplace where every employee feels included, driving better decision-making, stimulating innovation and increasing organizational agility.</p> <p>b) Career: OSFI develops a workforce that is representative of the diversity of Canada, through thoughtful hiring and retention.</p> <p>c) Commitment: OSFI reviews and improves OSFI policies and processes in order to remove systemic barriers and create an inclusive workplace.</p>	1) Need to look at what we can leverage from OSFI.

of Financial Institutions (OSFI) <https://www.osfi-bsif.gc.ca/Eng/osfi-bsif/rep-rap/Pages/dei-strat-2225.aspx>



<u>Canadian Bankers Association (CBA)</u>	https://www.ibc.ca/about/who-we-are	1) No policies available for members as can be seen from the public website.	2) Has response been received from CBA?
<u>Insurance Bureau of Canada (IBC)</u>	https://www.ibc.ca/about/who-we-are	1) Nothing available on the public website.	
<u>Canadian Life and Health Insurance Association (CLHIA)</u>		1) DEI statement in employee handbook	1) Response as provided for by CLHIA. Cathy Goudreau
<u>CFA Institute</u>	https://www.cfainstitute.org/en/ethics-standards/codes/diversity-equity-inclusion?s_cid=olm_DEI_Consult_PR	CFA Institute has developed a voluntary code to guide DEI, beginning in the United States and Canada. 1) Diversity, Equity, and Inclusion Code (USA and Canada) <i>Principle 1: Pipeline—We commit to expanding the diverse talent pipeline.</i> <i>Principle 2: Talent Acquisition—We commit to designing, implementing, and maintaining inclusive and equitable hiring and onboarding practices.</i> <i>Principle 3: Promotion and Retention—We commit to designing, implementing, and maintaining inclusive and equitable promotion and retention practices to</i>	1) Something to look at as seems the more established approach.
<u>Travel Health Insurance Association (THIA)</u>	https://www.thiaonline.com/	1) Nothing available on the public website.	
<u>National Association of Insurance Commissioners in the United States</u>	https://content.naic.org/about/diversity https://content.naic.org/sites/default/files/diversity-report-2022.pdf	DE&I Approach At the NAIC, DE&I is integral to sustainability, so they intentionally integrate it into their operations and business units. Goals are to: <ul style="list-style-type: none">• Have our talent pool reflect the country we serve.• Partner with community organizations and universities that support underrepresented groups for career opportunities.• Minimize bias and inequality through awareness and education.• Ensure our guiding principles include the values we aspire to achieve as we transform our culture.• Assess and update current employment policies to reflect the future workplace Have strategic initiatives in place to enable them to seamlessly embed DE&I into the organization. These initiatives will help guide business operations, processes, products and services; protect the brand; and enhance the culture: <ul style="list-style-type: none">• Communication• Awareness Campaigns• Cultural Awareness events• Training and development• Policy and Procedure Review	1) Consider leveraging some of the approaches taken and look at whether it would be to our benefit to adopt some approaches.

Briefing Note

CAFII EOC Meeting 24 September 2023—Agenda Item 4(b)i

Committees and Working Groups – Market Conduct & Licensing - FSRA Significant Rewrite of “Proceeds of Enforcement Guidance,” Including to Reflect Feedback in CAFII Written Submission

Purpose of this Agenda Item – Update

To update the EOC on FSRA’s Significant Rewrite of its “Proceeds of Enforcement Guidance,” including to reflect feedback derived from CAFII’s written submission on FSRA’s draft “Proceeds of Enforcement Guidance.”

Background Information

Market Conduct & Licensing Chair Brad Kuiper and CAFII Co-Executive Director Keith Martin will update the EOC on the significant rewrite done by FSRA on its “Proceeds of Enforcement Guidance.”

Recommendation / Direction Sought – Update

This is an update only.

Attachments Included with this Agenda Item

Four (4) attachments.

FSRA Significant Rewrite of “Proceeds of Enforcement Guidance,”

Including to Reflect Feedback in CAFII Written Submission

From: Stuart Wilkinson <Stuart.Wilkinson@fsrao.ca>
Sent: October 12, 2023 10:49 AM
To: Brendan Wycks <brendan.wycks@cafii.com>; Keith Martin <Keith.Martin@cafii.com>; Robyn Jennings <Robyn.Jennings@cafii.com>
Subject: Proceeds of enforcement guidance

Hi Brendan, Keith and Robyn,

I’m writing to let you know that FSRA has published revised guidance on its approach to using proceeds of enforcement for consumer research and education purposes. Our announcement is [here](#).

CAFII has expressed interest in this topic in the past – I’m attaching your previous submission to us on the topic for reference. You will see from the guidance when you have a chance to review it that we have done a pretty significant rewrite of what you saw previously.

One key point from your submission was about transparency in the use of proceeds of enforcement. That is top of mind to us and the new guidance has a section dedicated to reporting.

Please let me know if you have any questions about the guidance once you’ve had a chance to review.

Thanks,
Stuart Wilkinson
Chief Consumer Officer and Director of the Consumer Office,
Financial Services Regulatory Authority of Ontario

From: Keith Martin <Keith.Martin@cafii.com>
Sent: Thursday, October 12, 2023 11:03 AM
To: Robyn Jennings <Robyn.Jennings@cafii.com>
Cc: Brendan Wycks <brendan.wycks@cafii.com>; Shanay Smith <Shanay.Smith@cafii.com>
Subject: RE: Proceeds of enforcement guidance

We made a submission on this. We will separately likely need to include this in the upcoming EOC agenda. You will see that Stuart has said that they rewrote an entire section based on our feedback—that is an important development.

Keith Martin
Co-Executive Director / Co-Directeur général
Canadian Association of Financial Institutions in Insurance

From: Brendan Wycks <brendan.wycks@cafii.com>
Sent: October 12, 2023 11:54 AM
To: Keith Martin <Keith.Martin@cafii.com>; Robyn Jennings <Robyn.Jennings@cafii.com>
Cc: Shanay Smith <Shanay.Smith@cafii.com>; 'Rob Dobbins' <rob.dobbins@assurant.com>; 'Karyn Kasperski' <karyn.kasperski@rbc.com>; Kuiper, Bradley <bradley.kuiper@scotiabank.com>; Fay Coleman <fay.coleman@td.com>
Subject: [External] RE: Proceeds of enforcement guidance

An absolutely important development, when a major regulator rewrites a draft regulatory guidance document based, at least in part, on CAFII's feedback and input!

Brendan Wycks, BA, MBA, CAE
Co-Executive Director
Canadian Association of Financial Institutions in Insurance
Brendan.wycks@cafii.com
T: 647.218.8243
Alternate T: 647.361.9465
www.cafii.com

From: Kuiper, Bradley <bradley.kuiper@scotiabank.com>
Sent: Thursday, October 12, 2023 2:16 PM
To: Brendan Wycks <brendan.wycks@cafii.com>; Keith Martin <Keith.Martin@cafii.com>; Robyn Jennings <Robyn.Jennings@cafii.com>
Cc: Shanay Smith <Shanay.Smith@cafii.com>; 'Rob Dobbins' <rob.dobbins@assurant.com>; 'Karyn Kasperski' <karyn.kasperski@rbc.com>; Fay Coleman <fay.coleman@td.com>
Subject: RE: [External] RE: Proceeds of enforcement guidance

Excellent news!

Testimony to the hard work of our Market Conduct and Licensing Committee, the EOC and moreover the great relationship that Brendan and Keith have established with FSRA (and others), establishing us as a valued partner in the regulatory process.

Regards, Brad

Brad Kuiper, CIP, CIPP/C | Senior Compliance Manager

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Scotiabank is a business name used by The Bank of Nova Scotia

October 12, 2023

Investing in consumer education initiatives and research

FSRA accepting applications for grant funding

The Financial Services Regulatory Authority of Ontario (FSRA) is using the money it collects from enforcement actions to help consumers with financial literacy, financial awareness and the understanding of market trends in the province.

The funding must be used for specific purposes, such as research or educational initiatives. It is being distributed through an application-based program and open to proposals from within FSRA and external third-parties, such as not-for-profit organizations.

We encourage anyone with a good idea, whether it's an education initiative or a research project, to check out our page on grant funding to see if you qualify.

More information on how we use Proceeds from Enforcement can be found in our updated Use of Proceeds from Enforcement Guidance.

Learn more:

- [Use of Proceeds from Enforcement Guidance](#)
- [Grant funding](#)
- [Learn more about the Consumer Office](#)

FSRA continues to work on behalf of all stakeholders, including consumers, to ensure financial safety, fairness, and choice for everyone.

Learn more at www.fsrao.ca.

Use of proceeds from enforcement under regulation “Money retained outside the consolidated revenue fund” Guidance



No. GR0012APP **Active**

Purpose

Ontario Regulation 554/21^{[1](#)} (the “Regulation”) under the *Financial Services Regulatory Authority of Ontario Act, 2016* permits the Financial Services Regulatory Authority of Ontario (“FSRA”) to retain revenue from administrative monetary penalties (“AMPs”) and enforcement proceedings orders or settlements, other than orders for costs (collectively, “Proceeds from Enforcement”), which must be used for the purposes set out in the Regulation. Previously, FSRA paid Proceeds from Enforcement into the Government of Ontario’s Consolidated Revenue Fund.

The Regulation sets out the required purposes for the use of Proceeds from Enforcement by FSRA. The purpose of this Guidance is to inform the public of FSRA’s practices and approach with respect to its use and administration of Proceeds from Enforcement, including grants. These practices and approach include information on applying for funding, eligibility considerations, and other information for applicants and potential applicants.

Scope

This Guidance affects all FSRA regulated entities, consumers, members and beneficiaries.

This Guidance affects the aspects of FSRA’s operations and regulatory activities that are related to the required purposes for use of Proceeds from Enforcement in accordance with the Regulation.

Rationale and background

FSRA imposes, enforces and collects AMPs and settlement monies for violations of applicable regulatory obligations contained in the sector statutes, their regulations and certain FSRA Rules.

The Regulation requires that FSRA only use Proceeds from Enforcement for the following purposes:

- funding research or educational initiatives to enhance financial literacy, financial awareness, knowledge of rights and obligations or the informed decision making of consumers or pension plan beneficiaries
- funding research or educational initiatives that:
 - enhance the knowledge or understanding of persons or entities carrying on business in the regulated sectors, including activities, operations, regulatory obligations, or market trends in the regulated sectors
 - have the goal of:
 - improving the protection of consumers
 - protecting and safeguarding the pension benefits and rights of pension plan beneficiaries
 - promoting the good administration of pension plans
 - improving compliance by persons or entities carrying on business in the regulated sectors
- enhancing knowledge or information about the regulated sectors

Proceeds from Enforcement will not be used to fund normal FSRA operating costs, which are funded through assessments and fees collected by FSRA under FSRA Fee Rule.^[2]

The Regulation requires that FSRA make all reasonable efforts to use Proceeds from Enforcement in relation to the specific regulated sector that the money came from, or proportionately across multiple regulated sectors including the regulated sector that the money came from.

The Regulation requires FSRA to report in its annual financial statements:

- a breakdown of the Proceeds from Enforcement from each regulated sector
- the purposes for which the Proceeds from Enforcement from each regulated sector was used by FSRA
- how those purposes for use were fulfilled or advanced

Approach

Funding internal and third party initiatives

FSRA intends to use the Proceeds from Enforcement to fund internal and/or third party initiatives that are consistent with the purposes set out in the Regulation.

Internal proposals are defined as FSRA initiating, conceptualizing and proposing the initiative, and allocating Proceeds from Enforcement for use by FSRA. Internal proposals may involve FSRA retaining the services of appropriate third parties.

“Grants” or “Grant funding” refers to a funding vehicle that uses Proceeds from Enforcement for third party initiatives. This type of funding may include:

- **Unsolicited Proposals** – When FSRA indicates on its website that FSRA is open to accepting proposals for funding, third party applicants may submit proposals for project funding. Grants may be awarded in response to unsolicited funding requests from third party organizations for self-initiated projects (i.e., projects initiated and conceptualized by a third party); and/or
- **Solicited Proposals** – Grants may be awarded further to FSRA conceiving an opportunity and then identifying one or more third parties whose knowledge, experience and resources qualify them to pursue the initiative via invitation for proposal. FSRA, in its sole discretion, assesses and determines whether the third party’s knowledge, experience and resources qualify them for the initiative.

For Grant funding, FSRA may provide part of the funding, from Proceeds of Enforcement, necessary to accomplish the initiative’s objective. See “Funding Amount and Timing” in this Guidance for further information.

All proposals, including internal proposals and Grant funding proposals, may be subject to eligibility and project evaluation protocols and controls as FSRA in its discretion determines. Making a request or proposal for funding does not guarantee that a Grant or other allocation of Proceeds from Enforcement will be awarded by FSRA.

Funding amount, duration and timing

The Grant funding program may be a shared-cost program. For example, FSRA may award 75% of total project costs while applicants contribute 25% of the total project costs in cash or in-kind.

FSRA may consider use of Proceeds from Enforcement to fund internal proposals or Grants on an annual basis. FSRA staff and third parties may submit proposals for Proceeds from Enforcement funding on an

annual basis. FSRA will accept proposals for time limited periods and FSRA will disclose key dates and deadlines for applications. FSRA will consider the amount of funding that is available when assessing internal or external proposals. FSRA may decide not to open any window for internal proposals and/ or for Grant proposals in any given year. Consideration by FSRA as to whether to accept and fund proposals during any given year will be in FSRA's discretion and may depend on several factors including, without limitation, the availability of Proceeds from Enforcement that have not already been allocated; FSRA's plans (including annual plans); as well as the eligibility and quality of proposals received.

Using Proceeds from Enforcement to fund internal proposals or Grants may be considered and awarded for a single year period, for less than a year or for longer than a year, but not multiple years, in FSRA's discretion.

FSRA may decide, in its discretion, on the amount of funds, if any, to retain/ holdover, based on any relevant factors, such as organizational priorities, resource limitations and contingency planning.

Proceeds from Enforcement may vary from year to year. Annual variability may be considered by FSRA in decision-making on funding and on potential carry over of available funds from one period to the next. All requests will be considered based on actual funds received and available at the time of the request.

Application process

The first step in applying for a funding, by an internal party or a third party, is the submission of a project concept proposal. The application form can be requested from FSRA. Certain applicants who make a proposal may be invited to submit additional information.

Eligibility, proposal assessment and decision-making

Assessment of internal proposals and Grant funding proposals may consist of the following phases of review:

- eligibility assessment
- initiative assessment by an evaluation committee to evaluate and prioritize
- executive level review of evaluation committee's recommendations, including recommended prioritization, and proposed funding amounts

The first phase of a proposal's review process consists of an eligibility assessment. Under the direction of the Chief Consumer Officer, FSRA staff may review proposals to make an eligibility determination.

All proposals must present an eligible proposed initiative. Before applying, the applicant should determine if it meets the Grant funding parameters. Please consider whether your proposed initiative meets the eligibility criteria.

FSRA encourages entities who have the following elements, and who also have an eligible initiative in accordance with the required purposes of the Regulation, to apply for a Grant:

- not-for-profit organization structure
- incorporated in Ontario or Canada for at least one year
- for education projects, entities with reach across an industry or broad reach to consumers, or to certain consumer groups, such as vulnerable consumer groups or demographics
- entities with accountability procedures to administer, manage and oversee any funding it receives from FSRA
- Entities who maintain appropriate insurance coverage. Note that “appropriate” insurance coverage is determined by FSRA in its discretion by considering, amongst other circumstances and factors, the nature of the event being funded by Proceeds of Enforcement.

There must be an eligible initiative proposed in the case of internal proposals and third party Grant proposals. For an initiative to be considered eligible for funding, an initiative must comply with the parameters set out in the Regulation for use of Proceeds from Enforcement. Only eligible proposals can move to the second phase of consideration: initiative assessment.

The second layer of review is initiative assessment. This will only apply to eligible initiatives. The initiative assessment phase of review will focus on, amongst other factors, the merits of the initiative and quality of the proposal. FSRA may also consider if the initiative addresses FSRA priorities. The Chief Consumer Officer will coordinate and select members for an evaluation committee for this review to be used any time eligible initiatives go through committee initiative assessment. The evaluation committee will:

- review and evaluate eligible proposals
- prioritize proposals of interest.

In assessing eligible initiatives’ merits, the evaluation committee will consider the following attributes, and any additional ones that FSRA may, in its discretion consider relevant:

- ability to deliver, with a substantiated practical and detailed plan for initiative deliverables
- ability to deliver broadly to networks of industry or consumers

- understanding of challenges related to the sector(s) FSRA regulates
- track record of relevant experience or expertise to effectively develop the initiative
- offers a credible and feasible approach for reaching the intended audience(s)
- ability to deliver on time and on budget
- benefit to target audience beyond funding period and over the longer term
- access to relevant expertise related to FSRA sectors
- addresses a key FSRA priority

Based on the evaluation committee's evaluation and recommendations of prioritization of proposed initiatives, FSRA's Chief Executive Officer may, in his or her discretion, accept or reject a recommendation from the evaluation committee.

Costs for Grant funding

FSRA may consider the types of costs associated with the Grant funding proposals. FSRA welcomes proposals that seek Grant funding to cover costs that are closely and directly (as opposed to indirectly or tenuously) tied to the work involved in the proposed initiative and the required purposes under the Regulation. For example, direct costs may include, non-exhaustively, project development and implementation costs, project administration and coordination, salaries for personnel and consultants/contractors who are working on the initiative, translation, promotion and marketing that is necessary for or that supports the effectiveness of the initiative.

Partnership

The Grants program encourages collaboration. At FSRA's sole discretion, applicants are permitted to partner with other organizations, acting in the capacity of co-applicants, to meet project objectives. Co-applicant organizations can be private, public or not-for-profit sector organizations.

Distribution of Grant funds

An award of Grant funding is contingent upon successful negotiation of a Grant agreement with FSRA within a reasonable time. If a grantee and FSRA cannot successfully negotiate a Grant agreement within a reasonable time, as determined by FSRA, the funding will not be released. After a Grant agreement is executed, funds may be disbursed in installments contingent upon performance and not to exceed the Grant amount.

Reporting

The Proceeds from Enforcement will be forecasted, collected, tracked, and reported in accordance with FSRA's fiscal management policies^[3]

In addition to the financial requirements outlined under "Rationale and background", projects using the Proceeds from Enforcement and unallocated funds may be described in FSRA's Annual Report, including:

- how much money FSRA collected from each regulated sector
- a list of projects by sector
- how much money from each sector/ or the total used for each purpose
- how aligned strategic initiatives were fulfilled or advanced with the use of these funds
- unallocated funds

Effective date and future review

The predecessor Guidance to this guidance became effective on August 3, 2021 and was updated on October 12, 2023. This version of the Guidance became effective on October 12, 2023. FSRA expects to review the guidance by October 12, 2028.

About this Guidance

This document is consistent with [FSRA's Guidance Framework](#). As Approach Guidance describes FSRA's internal principles, processes and practices for supervisory action and application of Chief Executive Officer discretion. Approach Guidance may refer to compliance obligations but does not in and of itself create a compliance obligation. Visit [FSRA's Guidance Framework](#) to learn more.

Effective Date: August 3, 2021

Updated: October 12, 2023

^[1] See [O. Reg. 554/21](#)

^[2] *Insurance Act*, R.S.O. 1990, c.18 section 441.6.

Compulsory Automobile Insurance Act, R.S.O. 1990, c.C.25 section 14,7.

Credit Unions and Caisses Populaires Act, 1994, S.O. 1994, c. 11 section 331.6.

Mortgage Brokerages, Lenders and Administrators Act, 2006, S.O. 2006, c.29 Section 42.

Pension Benefits Act, R.S.O. 1990, c. P.8 section 108.5.

Automobile Insurance Rate Stabilization Act, 2003, S.O. 2003, c. 9 section 11.6.

^[3] See [FSRA Fee Rule - Consolidated](#)

FSRA Significant Rewrite of “Proceeds of Enforcement Guidance,”

Including to Reflect Feedback in CAFII Written Submission

Grant Funding

FSRA is currently accepting applications for grant funding from October 12, 2023 until January 12, 2024.

Overview

FSRA awards grants for consumer education initiatives or research that focus on financial literacy or awareness, or initiatives that strengthen the knowledge of those doing business in the sectors we regulate.

Prior to submitting a proposal for funding, we encourage applicants to read through the information below as well as our [Use of Proceeds from Enforcement Guidance](#). The Guidance includes important information on process, eligibility, costs and additional information that potential applicants should become familiar with prior to submitting a proposal.

Types of eligible initiatives
Who can apply
What to include in your grant proposal

FSRA intends to use the Proceeds from Enforcement to fund initiatives that are consistent with the purposes set out in the Regulation. These include:

- funding research or educational initiatives to enhance financial literacy, financial awareness, knowledge of rights and obligations or the informed decision making of consumers or pension plan beneficiaries
- funding research or educational initiatives that:
 - enhance the knowledge or understanding of persons or entities carrying on business in the regulated sectors, including activities, operations, regulatory obligations, or market trends in the regulated sectors
 - have the goal of:
 - improving the protection of consumers

- protecting and safeguarding the pension benefits and rights of pension plan beneficiaries
 - promoting the good administration of pension plans
 - improving compliance by persons or entities carrying on business in the regulated sectors
- enhancing knowledge or information about the regulated sectors

How to apply

Eligible applicants who have reviewed FSRA's Use of Proceeds from Enforcement Guidance and who wish to apply should submit their proposal to grantfunding@fsrao.ca

Contact us

If you have questions about FSRA's grant funding that aren't addressed in the Guidance or on this page please contact grantfunding@fsrao.ca.

Consideration by FSRA as to whether to accept and fund proposals during any given year will be in FSRA's discretion and may depend on several factors including, without limitation, the availability of Proceeds from Enforcement that have not already been allocated; FSRA's plans (including annual plans); as well as the eligibility and quality of proposals received.

Grant funding may be a shared-cost program. For example, we may award 75% of total project costs while applicants contribute 25% of total project costs in cash or in-kind.

Briefing Note

CAFII EOC Meeting 24 September 2023—Agenda Item 4(b)ii

Committees and Working Groups – Market Conduct & Licensing - CCIR Consultation on Type and Nature of Complaints to Be Disclosed Through Annual Statement on Market Conduct (ASMC) via Complaint Report Tool (Submission Deadline: November 3/23)

Purpose of this Agenda Item – Update

To provide an update to the EOC on CCIR's current "Consultation on Type and Nature of Complaints to Be Disclosed Through Annual Statement on Market Conduct (ASMC) via Complaint Report Tool" (Submission Deadline: November 3/23).

Background Information

CAFII Co-Executive Director Brendan Wycks will update the EOC on CCIR's current Consultation on Type and Nature of Complaints to Be Disclosed Through Annual Statement on Market Conduct (ASMC) via Complaint Report Tool (Submission Deadline: November 3/23).

Recommendation / Direction Sought – Update

This is an update only.

Attachments Included with this Agenda Item

One (1) attachment.

From: CCIR-CCRRA <ccir-ccrra@fsrao.ca>
Sent: Tuesday, October 10, 2023 10:29 AM
Cc: CCIR-CCRRA <ccir-ccrra@fsrao.ca>
Subject: Consultation on Complaints
Importance: High

Consultation on the Type and Nature of the Complaints to be disclosed through the Annual Statement on Market Conduct via the Complaint Report Tool

Greetings,

We would like to thank all stakeholders who responded to the survey on the new complaints reporting process last May. The results were useful in preparing this consultation on the type and nature of complaints to be reported via the Complaint Report Tool as part of the Annual Statement on Market Conduct (the “ASMC”).

CCIR members now intend to use the definition of a complaint provided by the [Guidance Conduct of Insurance Business and Fair Treatment of Customers](#) in their analysis of the ASMC.

A complaint can be defined as an expression of dissatisfaction about the service or product provided by an Insurer or Intermediary. It may involve, but is differentiated from, a claim (unless relating to the administration of the claim process) and does not include a simple request for information.

The following is the CCIR's proposal for the type and nature of complaints to be disclosed:

Type and nature of complaints to be disclosed via the ASMC in 2025 (2024 data)

Any complaint (written or otherwise) that was referred or escalated to the next level (requiring approval or processing by someone other than the initial examiner or first operational level) and any other complaint related to these alleged misconducts:

- Breach of confidentiality of customer information
- Illegal activities
- Ethical misconduct
- Product design issues
- Unfair sales practices

For all other complaints, the insurer must only report the number of complaints and their nature (class of insurance and complaint category).

Please email your comments and questions on this proposal to [CCIR](#) by **November 3, 2023**.

Following the consultation all comments and questions received will be included in an updated [Q&A](#) on our web page. We will inform you of any changes at the November information session.

If you need technical assistance regarding this consultation, the ASMC or the Complaint Report, consult the [AMF website](#), or [contact the AMF](#).

Sincerely,

CCIR Members

Briefing Note

CAFII EOC Meeting 24 September 2023—Agenda Item 4(b)iii
Committees and Working Groups – Market Conduct & Licensing - FSRA Consultation on “2024-25 Statement of Priorities and Budget” (Submission Deadline: November 13/23)

Purpose of this Agenda Item – Update

To update the EOC on FSRA’s request for consultation on their “2024-25 Statement of Priorities and Budget.”

Background Information

CAFII Co-Executive Director Keith Martin will update the EOC on FSRA’s recently announced consultation on its “2024-25 Statement of Priorities and Budget,” which has a submission deadline of November 13/23.

Recommendation / Direction Sought – Update

This is an update only.

Attachments Included with this Agenda Item

Two (2) attachments.

Agenda Item 4(b)(iii)(1)
October 24/23 EOC Meeting

From: Financial Services Regulatory Authority / Autorité ontarienne de réglementation des services financiers <donotreply@fsrao.ca>

Sent: Tuesday, October 10, 2023 11:21 AM

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

Subject: FSRA will continue to prioritize consumer protection and effective principles-based regulation / L'ARSF continuera à donner la priorité à la protection des consommateurs et à une réglementation ...



**FSRA will continue to prioritize
consumer protection and effective
principles-based regulation**

In this eblast

October 2023 (Le français suit)

Have your say on FSRA's proposed priorities

The Financial Services Regulatory Authority of Ontario (FSRA) is launching a public consultation on its proposed **2024-25 Statement of Priorities and budget**.

The focus is on principles-based regulation while delivering on outcomes that protect the public interest, foster competition, innovation and effectively address emerging risks in Ontario's financial services sector.

Getting input from our committees and stakeholders is an essential part of FSRA's commitment to transparency and accountability. The consultation will close on November 13, 2023.

The Statement of Priorities and budget will form the core of FSRA's Annual Business Plan which will then be submitted to the Minister of Finance for approval.

Learn more:

- [Consultation on FSRA's proposed 2024-25 Statement of Priorities](#)

Proposed FY2024-2025 Statement of Priorities

October 10, 2023

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Overview

The Financial Services Regulatory Authority of Ontario (“FSRA”) is pleased to present its proposed 2024-25 fiscal year (“FY”) priorities and associated financial plan. The intention of this view is to generate feedback from stakeholders through public consultation.

FSRA protects the Ontario public, which includes consumers¹, credit union members, pension plan beneficiaries, investors, and other key stakeholders. It provides prudential and market conduct regulation and supervision in the following sectors:

- Property & Casualty and Auto Insurance
- Life and Health Insurance
- Credit Unions and Caisses Populaires²
- Loan and Trust companies
- Mortgage Brokering
- Health Service Providers (related to Auto Insurance)
- Pension Plans
- Financial Planners and Advisors

FSRA is an independent regulatory agency that is principles-based, and outcomes focused. FSRA was created to improve consumer and pension plan beneficiary outcomes in Ontario.

FSRA’s focus

In 2021-22, FSRA developed and implemented its [2022-25 Strategic Framework](#) (“Strategic Framework”) which reflects FSRA’s legislative objectives and encompasses the organization’s [Vision, Mission, and Values](#). FSRA is using the Strategic Framework to achieve its statutory objects as defined in the *Financial Services Regulatory Authority of Ontario Act*. The objects reflect the following objectives:

- regulate and generally supervise the regulated sectors
- contribute to public confidence in the regulated sectors

¹ For the purposes of this document, the term ‘consumers’ includes the public, credit union members, pension plan beneficiaries, investors, borrowers, and other key stakeholders. It also includes insurance customers and potential customers. A ‘customer’ refers to a policy holder, which may include a certificate holder, or prospective policyholders with whom an insurer or intermediary interacts, and includes, where relevant, other beneficiaries and claimants with a legitimate interest in the policy.

² The term “credit unions” includes caisses populaires throughout this document, unless otherwise noted.

- monitor and evaluate developments and trends in the regulated sectors
- cooperate and collaborate with other regulators, where appropriate
- promote public education and knowledge about the regulated sectors
- promote transparency and disclosure of information by the regulated sectors
- deter deceptive or fraudulent conduct, practices, and activities by the regulated sectors
- carry out such other subjects as may be prescribed

FSRA's objects with respect to financial services sectors are to:

- promote high standards of business conduct
- promote the rights and interests of consumers
- foster strong, sustainable, competitive, and innovative financial services sectors

For pension plans, additional objects are to:

- promote good administration of pension plans
- protect and safeguard the pension benefits and rights of pension plan beneficiaries

For credit unions, additional objects are to:

- provide insurance against the loss of part or all of deposits with credit unions
- promote and otherwise contribute to the stability of the credit union sector in Ontario, with due regard to the need to allow credit unions to compete effectively, while taking reasonable risks, and
- pursue the objects set out as defined in the FSRA Act for the benefit of persons having deposits with credit unions and in such manner as will minimize the exposure of the Deposit Insurance Reserve Fund to loss

FSRA's objects with respect to the *Financial Professionals Title Protection Act, 2019* are to administer and enforce that Act.

Value for money audit:

In 2022-23, FSRA participated in a value-for-money (“VFM”) audit, the first since its launch in June 2019. The audit was launched on November 30, 2022 by the Office of the Auditor General of Ontario (“OAGO”). Titled ‘*Value-for-Money Audit: Financial Services Regulatory Authority: Regulation of Private Passenger Automobile Insurance, Credit Unions and Pension Plans*’, the audit report included 18 recommendations and 60 action items for FSRA and the Ministry of Finance (“MOF”), many of which are intended to help FSRA accelerate its efforts to protect consumers and contribute to public confidence. Many of the OAGO’s recommendations were addressed by initiatives already underway at the time of the report’s release, while others were addressed in the 2023-2026 Annual Business Plan (ABP), as well as through this Statement of Priorities.

Environmental scan

FSRA regulates dynamic markets that are affected by several socio-economic factors. As Ontario emerges from the unprecedented conditions experienced over the last three years, several internal and external factors will impact FSRA's operations and shape its priorities.

FSRA is committed to furthering its understanding of the sectors, entities, and individuals it regulates, including how conditions are changing and are likely to evolve over time. This is essential to adequately protect consumers, all while continuing to deliver financial safety, fairness, and choice.

Economic outlook

Inflationary pressures, interest rate hikes, housing market fluctuations, and shifting labour market conditions have led to an overall uncertain economic environment. Extended periods of economic uncertainty may impact consumer vulnerability, confidence, and harm.

Macro highlights to note:

- According to Statistics Canada, **inflationary pressures** remain a significant issue, although there are signs of inflation lessening in 2024. As of July 2023, the Canada-wide consumer price index (CPI) was 3.3% y/y.³ High inflation impacts peoples' cost base, making business transactions more complicated. Efforts to counter the inflationary pressure led the Bank of Canada ("BoC") to increase interest rates several times in 2022 and 2023.
- The **cost of living** continues to be an issue facing many Ontarians. Despite a slow-down and slight reduction in the average house price in some municipalities, affordability continues to be an issue. While higher interest rates have had an impact on somewhat "cooling down" the housing market⁴, they have had negative impacts on consumers carrying variable-rate mortgages and those needing to renew. According to the Financial Consumer Agency of Canada's ("FCAC") report on the financial well-being of Canadian homeowners with mortgages, two-thirds of mortgage holders are having difficulty meeting financial commitments, increasing household debt, and reducing the suitability of mortgages for consumers.⁵ Additionally, FSRA's Consumer Research on Mortgage Brokering data shows that consumers' potential to turn to private lending remains high because of interest rate hikes and inflation.⁶
- Despite slight upticks, Statistics Canada reports that **unemployment levels** remain below their pre-COVID-19 pandemic average.⁷ Some of FSRA's regulated entities

³ [Consumer price index portal \(statcan.gc.ca\)](https://www150.statcan.gc.ca/n1/pub/62-022-x/2023001/article/00001-eng.htm)

⁴ [July 14 2023 News Release | CREA Statistics](https://www150.statcan.gc.ca/n1/pub/62-022-x/2023001/article/00001-eng.htm)

⁵ [FCAC Report: The financial well-being of Canadian homeowners with mortgages - Canada.ca](https://www150.statcan.gc.ca/n1/pub/62-022-x/2023001/article/00001-eng.htm)

⁶ [Mortgage brokering sector Supervision Plan 2022-23 | Financial Services Regulatory Authority of Ontario \(fsrao.ca\)](https://www150.statcan.gc.ca/n1/pub/62-022-x/2023001/article/00001-eng.htm)

⁷ [The Daily — Labour Force Survey, June 2023 \(statcan.gc.ca\)](https://www150.statcan.gc.ca/n1/pub/62-022-x/2023001/article/00001-eng.htm)

have flagged challenges around **talent acquisition** and **retention**.

- There are several macroeconomic and geopolitical risks that may ultimately affect consumers in FSRA's regulated sectors. For instance, the lagged effects of interest rate increases during calendar years 2022-23 **raise the possibility of a recession in F2024-25**. Additionally, various geopolitical events (e.g., the war in Ukraine) may lead to global macroeconomic risks. The short and long-term impact of these factors can have a material impact on FSRA's regulated sectors. FSRA will remain adaptive in the face of economic uncertainty and will respond to changing conditions accordingly.

Technological advancement and innovation

The use of technology in Ontario's financial services and pension plan sector has been in constant evolution over the last few years, this change has been driven by a rapid increase in consumer uptake of digital services. FSRA is committed to actively monitoring and encouraging innovation in its regulated sectors while reducing the risk of consumer harm.

Notable trends in this area include:

- **Increased use of technology** – Financial service providers and pension plans have increased the overall use of technology in their internal and consumer-facing processes/ products. Regulated entities and individuals are investing in areas of automation, artificial intelligence ("AI"), machine learning, digital security, as well as preparing for participation in Open Banking. The greater use of technology, however, can result in greater IT risk, particularly an Information Technology ("IT") risk incident, such as a cyber breach or a failure in IT infrastructure. This poses a risk to the operational resiliency of FSRA's regulated entities and can pose potential harm to consumers (e.g., privacy, access to essential services).
- **AI and digital platforms** – The increased use of AI has also contributed to the automation of processes across a lot of financial services. AI has been crucial to the development of digital chat assistants, including ChatGPT, which provide advice to consumers without the direct intervention of financial advisors or managers. This has led to a significant increase in consumers' use of digital platforms. For example, consumers' use of digital platforms to facilitate the sale of crypto assets is expected to increase, despite the volatility of cryptocurrency markets. There is an inherent risk that consumers take on when using digital platforms to receive advice that is not tailored to their specific needs, circumstances, or level of financial literacy. This can lead to several outcomes such as being sold products that are ill-suited for their needs and/or taking on more risk than the consumer was initially comfortable with.

Emerging issues and trends

FSRA performs ongoing scans of its regulated sectors, and financial services more broadly, to better understand trends and identify emerging risks and potential issues which may impact consumers.

Notable trends that FSRA is currently monitoring include:

- **Environmental, social and governance (“ESG”)** – Regulated entities have been further exploring the use of ESG factors in how they assess their approach to risk and investing. This includes Diversity, Equity, and Inclusion (“DEI”) strategies to strengthen their internal governance and improve internal and external relationships. FSRA’s regulated entities are increasingly adapting to the risks associated with climate change and natural catastrophes, though the severity and frequency of specific natural disasters and events pose unique challenges.
- **Vulnerable persons** – It has been evident through research findings, such as FSRA’s 2022 Consumer Survey, that in all of FSRA’s regulated sectors, vulnerable groups tend to be less trusting, less satisfied, and less confident. Other findings through FSRA’s supervisory work have provided evidence suggesting that vulnerable consumers experience poorer outcomes, are at greater risk of being susceptible to harm (such as fraud), and may experience more issues with product accessibility and suitability.⁸ Some regulated entities have signaled that they are shifting their focus to how they can better ensure vulnerable persons receive an adequate level of protection.
- **Consolidation** – Financial services and pension plans are experiencing an increase in consolidation and are becoming increasingly complex. This trend is resulting in larger and more sophisticated credit unions, insurers, insurance intermediaries, mortgage brokerages, pension plans and multi-employer platforms for pensions. This includes consolidation in the number of credit unions and pension plans in Ontario specifically, which continue to decline in overall number year over year due to mergers and acquisitions. The key driving forces behind consolidation of pension plans include benefit security for plan beneficiaries and the opportunity to maintain or introduce a defined benefit plan at a workplace.
- **Alternative and private lending** – There has been an increase in the number and monetary value of alternative and private mortgage transactions, a consequence of decreased housing affordability. Increased reliance on private lenders increases the risk of predatory lending and unsuitable mortgage advice. These financial options can present additional risks that may not typically be associated with mortgages from traditional lenders. Furthermore, FSRA’s 2022 Consumer Research Study on Mortgage Brokering highlighted that Ontarians with slight (36%), moderate (46%), and high (64%) vulnerability are significantly more likely to consider using an alternative

⁸ [FSRA Consumer research | Financial Services Regulatory Authority of Ontario \(fsrao.ca\)](https://www.fsrao.ca/consumer-research)

lender or private mortgage company.⁹

As it matures as an organization, FSRA continues to focus on its FY2023-24 priorities and deliver on its statutory objects. New or revised priorities reflect an enhanced need to protect the public interest, while fostering competitive and innovative financial services sectors in Ontario. FSRA will continue to report back progress on its priorities and statutory objects while also considering the changing socio-economic climate in the province and the interaction with other entities, such as governments, the private sector, and other regulators.

⁹ [2022 Consumer Research Report Mortgage Apr 26 2023 \(fsrao.ca\)](#)

Strategic framework

In 2021-22, FSRA launched its Strategic Framework, which consists of four Pillars that articulate high-level strategic objectives. The Framework reflects FSRA’s legislative objects and encompasses the organization’s Vision, Mission and Values. FSRA’s 2024-25 Annual Business Plan priorities support the Pillars.

Operate effectively to be a high-performing regulator

- We will consistently deliver on our core business functions.
- We will apply continuous improvement methodologies to review operations.
- We will modernize tools and processes with a continued focus on digitization and automation.
- We will create an improved experience for stakeholders interacting with FSRA.
- We will clearly communicate our expectations to increase stakeholders’ understanding of FRSA’s regulatory approaches and activities.
- We will continue to work with government partners to maintain an alignment of priorities.

Protect the public interest to enhance trust and confidence in the sectors we regulate

- We will embed a consumer lens in our guidance and rules.
- We will thoughtfully engage with regulated sectors, consumers, credit union members, and pension plan beneficiaries to understand their current and future needs.
- We will enable innovation and greater choice for consumers.
- We will conduct research to better understand risks and opportunities for consumers, credit union members, and pension plan beneficiaries.
- We will support efforts to enhance consumer, credit union member, and pension plan beneficiary education and knowledge.



Transform our regulatory processes to make evidence-based and risk-based decisions

- We will apply a consistent and transparent approach to regulatory oversight and decision-making.
- We will collect more data and increase our internal capabilities to make evidence and risk-based decisions.
- We will be responsive to the regulatory environment and adapt our approach to regulation as needed.
- We will continue transitioning to principles-based regulation by focusing our efforts on desired outcomes.
- We will build stronger relationships with other regulators through cooperation, collaboration, and sharing of leading practices.

Attract talent and evolve our culture to achieve the mission and vision of the organization

- We will retain and develop top talent with deep expertise and invest accordingly.
- We will foster a culture that is inclusive and exemplifies our values.
- We will organize and support our talent to effectively deliver on FSRA’s strategic priorities and regulatory operational requirements.
- We will promote a culture where staff are actively empowered to lead, held accountable, and recognized for outcomes.

FSRA 2024-25+ proposed priorities

						
Cross-sectoral	4. Property & Casualty and Auto Insurance	5. Credit Unions	6. Life & Health Insurance	7. Mortgage Brokering	8. Pensions	9. Financial Planners & Advisors
1. Advance the consumer interest	4.1 Execute strategy for reforming the regulation of auto insurance rates and underwriting	5.1 Promote resilience, stability, and public confidence in Ontario's credit union sector	6.1 Strengthen Managing General Agents (MGA) regulatory framework	7.1 Promote strong conduct culture	8.1 Assess systemic and high priority risks in Ontario's pension sector	9.1 Ensure the effectiveness of the title protection framework for financial planners/financial advisors
2. Enable innovation	4.2 Support reforms of the auto insurance system	5.2 Enhance FSRA's regulatory framework	6.2 Protect consumers who invest in segregated fund contracts	7.2 Enhance professional competence of licensed individuals	8.2 Support the development of target benefit regulation	
3. Modernize systems and processes	4.3 Ensure the fair treatment of customers of property and casualty insurance	5.3 Enhance financial stability structures				
	4.4 Promote resilience, stability, and public confidence in the Ontario-incorporated insurance companies and reciprocals sector					

Strategic priorities

1. Advance the consumer interest

Overview

FSRA regulates and supervises sectors that serve Ontarians on a day-to-day basis and in some of the most important parts of their life. To successfully deliver financial safety, fairness, and choice for Ontarians, FSRA aims to:

- build consumer awareness and education to advance FSRA's statutory object to protect the rights and interests of consumers
- better understand consumer perspectives and act with a focus on consumer outcomes
- effectively enforce regulatory requirements to maintain high standards of business conduct and deter misconduct and fraud

The Consumer Office works closely with FSRA partners to amplify the voice of consumers, build strategic foundations, and develop policy advice on cross-cutting issues and opportunities. FSRA's enforcement function investigates suspected non-compliance referred to it by the core regulatory areas or through the whistleblower program and takes action to impose sanctions and remedial measures, as appropriate.

Outcomes we are seeking

- i) A consumer centric culture at FSRA in which a broad range of consumer voices inform FSRA's strategic direction as well as its regulatory and supervisory activities.
- ii) Enhanced protection of consumer rights and interests with an emphasis on vulnerable consumers.
- iii) Enforcement that is balanced, transparent, effective and considers the impact of non-compliance on consumers.

Key activities to achieve outcomes

- a) Identifying and acting on opportunities to better protect vulnerable consumers, such as improving capacity and/or processes to help identify risks of consumer harm for vulnerable groups.
- b) Building awareness of key consumer issues through different tools, including:
 - the publication and promotion of FSRA's consumer research agenda, this includes adopting an open data approach to any survey research; and

- earned and paid media targeting vulnerable consumers on key risks
- c) Expanding the existing framework for the effective, fair and transparent use of FSRA's investigation and enforcement tools across FSRA sectors to reinforce consumer-centric supervisory processes and to deter misconduct.

2. Enable innovation

Overview

Enabling innovation in the regulated sectors is a foundational part of FSRA's mandate as a regulator. The Innovation Office promotes innovative thinking and helps innovators develop their ideas to enable 'responsible innovation'. Some keyways the Innovation Office does this is through its Innovation Framework, its Test and Learn Environment ("TLE"), and other tools at its disposal. FSRA will build and learn from current activities to broaden awareness of the Innovation Office, to expand the TLE and to identify the best use of FSRA's regulatory tools to support innovation. The Innovation Office will continue to monitor key technological trends and work with the regulated sectors and other market participants to identify new opportunities and barriers to innovation.

Outcomes we are seeking

- i) Strengthened brand recognition of FSRA as a regulator that supports and enables innovation and is open to collaboratively identifying new innovation opportunities.
- ii) Broader awareness and interest in the TLE from innovators in Ontario's financial services, and thus improve participation in the TLE.

Key activities to achieve outcomes

- a) Continuing to enhance engagement with innovative organizations and the broader stakeholder community to identify collaboration opportunities and continuing to promote FSRA's Test and Learn Environments to help build a pool of potential test partners for future testing.

3. Modernize systems and processes

Overview

FSRA is continuing to modernize processes and systems. This commitment will enable FSRA to operate as a high-performing regulator by developing and enabling processes that promote evidence-based and risk-based decisions. FSRA is following a multi-year roadmap (the “roadmap”) for its technology and information systems to support its core regulatory activities and procedures. The roadmap incorporates both sector-specific business priorities and enterprise-wide technology requirements. It also creates a flexible and adaptable business-operating model, supported by streamlined workflows and operational processes and system improvements.

Outcomes we are seeking

- i) Improved regulatory oversight through greater access to data and analytics tools across all sectors.
- ii) Improved relationships with stakeholders through enhanced relationship- and case-management capabilities, better tracking, and operational processing capabilities.
- iii) Improved and, where possible, customized user experience with the FSRA online portal.
- iv) Improved turnaround time for licensing, filing, and registration processes.
- v) Improved access to information for consumers and other stakeholders.

Key activities to achieve outcomes

- a) Implementing technology solutions to enable simplified and fully digitized operations, including a 360-degree view of regulated entities, case management, content management and data analytics tools, with enhanced client portals.
- b) Implementing advanced online information sharing on FSRA portals.
- c) Extending digital document processing and digital signature capabilities to support streamlined processing of all paper-based channels.
- d) Enabling data analytics for each of the regulated sectors to empower FSRA policy and supervisory activities. Across the sectors, enhancing infrastructure, establishing new data interfaces (both new sources and improved exchanges), and implementing advanced analytics and reporting systems to enable more efficient decision-making.

4. Property & Casualty and Auto Insurance priorities

4.1 Execute strategy for reforming the regulation of auto insurance rates and underwriting

Overview

FSRA's strategy for reforming the regulation of auto insurance rates and underwriting rules will make the oversight more dynamic, flexible, and transparent for Ontario's consumers to ensure fair rates and underwriting.

Outcomes we are seeking

- i) A reformed supervisory framework for auto insurance rate and underwriting regulation to ensure fairer treatment of consumers.
- ii) Improved sector operations through a supervisory framework that sets out FSRA's process reforms that enable market entry, responsiveness, innovation and deliver value-for-money to consumers.
- iii) Consumers are empowered to make more informed decisions by enhancing transparency and providing resources to enhance the understanding of auto insurance.

Key activities to achieve outcomes

- a) Developing, consulting on, and issuing fairness guidance to better define just and reasonable (not excessive) rates and appropriate underwriting rules.
- b) Developing and implementing a framework to more effectively review rates and underwriting rules, and supervising insurer governance, controls and process related to developing and administering such rates and rules.
- c) Improving transparency for consumers to create awareness, supporting informed decision-making and making regulated entities more accountable.

4.2 Support reforms of the Auto Insurance system

Overview

FSRA is continuing to support the government's initiatives to reform the auto insurance product and provide expert advice to inform their choices.

Outcomes we are seeking

- i) Improved ability to quantify, better detect, prevent, and deter auto insurance fraud.
- ii) Improved auto insurance product that better serve consumers.

Key activities to achieve outcomes

- a) Developing and implementing initiatives to reduce fraud and abuse in the system, including the development of a new Fraud Reporting Service Rule and guidance.
- b) Supporting government on the implementation of auto insurance reform initiatives.

4.3 Ensure the fair treatment of customers of Property and Casualty Insurance

Overview

FSRA continues to monitor and supervise the Property & Casualty (“P&C”) insurance sector to encourage high standards of conduct in the interest of building public confidence and consumer protection. FSRA has started and continues to build supervision capacity and market intelligence in the P&C sector. Through its supervision work, FSRA intends to develop a deeper understanding of the entities involved in product manufacturing, distribution, claims management and service to ensure fair outcomes for consumers.

Outcomes we are seeking

- i) Fair treatment of customers in the P&C sector through efficient and effective regulation that protects the rights and interests of consumers and promotes high standards of business conduct and public confidence.

Key activities to achieve outcomes

- a) Building on FSRA’s current supervision activities to develop and implement a market conduct framework for P&C insurance to address priority areas for supervision, including insurance distribution and claims management.

4.4 Promote resilience, stability, and public confidence in the Ontario-incorporated insurance companies and reciprocals sector

Overview

As part of FSRA's multi-year initiative to transform its supervisory approach and satisfy its statutory objects, FSRA is implementing the Risk Based Supervisory Framework for Ontario-Incorporated Insurance Companies and Reciprocals ("RBSF-I"). This framework sets out practices for integrated market conduct and prudential supervision. FSRA has developed a 4-year work plan for prudential rules and guidance for insurers and will continue to carry out the initiatives identified over the course of this year. The initiatives set out, combined with the continued implementation of the RBSF-I, will guide FSRA in its assessment and supervision of the Insurers while continuing to build prudential and market conduct supervisory integration, capacity, and capability.

Outcomes we are seeking

- i) A better-governed and stronger Ontario-incorporated insurance companies and reciprocals sector.
- ii) Enhanced resilience of insurers and reduction in the likelihood of failure.
- iii) A strong, stable, and resilient sector where policyholders and consumers are protected and have confidence in the sector.

Key activities to achieve outcomes

- a) Completing and maintaining accurate and consistent risk profile assessments of insurers.
- b) Developing tools and building capabilities to incorporate enhanced information collection into the supervisory approach to assess the risk profiles of Insurers more accurately and consistently.
- c) Developing, consulting on, and issuing guidance that enables effective regulation and supervision of insurers.

5. Credit Union priorities

5.1 Promote resilience, stability, and public confidence in Ontario's credit union sector

Overview

FSRA is continuing to advance its integrated, comprehensive, and continuous supervisory approach under the Risk Based Supervisory Framework for credit unions ("RBSF-CU"), and modernizing data systems to better analyze, manage and monitor risks. FSRA will use evidence identified from its supervisory assessments and monitoring activities to better inform future needs and enhancements of the approach, methodology, and framework. This will promote sector resilience, better protect depositors, enhance sector stability, and improve regulatory efficiency.

Outcomes we are seeking

- i) A better-governed and stronger credit union sector.
- ii) Enhanced credit union resilience and reduction in the likelihood of failure.
- iii) Improved protection of members and their deposits and greater public confidence in the credit union sector.

Key activities to achieve outcomes

- a) Continuing to incorporate risk data received through Enhanced Data Collection into the supervisory approach to assess the risk profiles of credit unions more accurately and consistently.
- b) Completing and maintaining accurate and consistent risk profile assessments of credit unions.

5.2 Enhance FSRA's regulatory framework

Overview

FSRA is continuing to enhance the regulatory framework for Ontario credit unions by way of rules and guidance that promote high standards of business conduct, sector stability, confidence in the sector, and the protection of credit union depositors, members, and consumers.

In 2022-23, FSRA engaged with key credit union stakeholders to develop a 5-year work plan for rules and guidance impacting the sector. FSRA continues to work with the Ministry of Finance and key stakeholders in a transparent and collaborative manner to carry out the initiatives set out in the work plan. FSRA will address areas of emerging risks and ensure that the regulatory framework remains effective in enabling FSRA to carry out its statutory objects for the credit union sector.

Outcomes we are seeking

- i) A stable and resilient credit union sector in Ontario with better alignment of capital and risk.
- ii) Better protection of credit union members' rights and their deposits.
- iii) Continued transparency among credit union stakeholders.

Key activities to achieve outcomes

- a) Reviewing FSRA's Capital Adequacy Framework (including the Capital Adequacy Requirements Rule and related guidance), Liquidity Adequacy Framework (including Stress Testing Guidance and Liquidity Guidance) and the Securitization Guidance to identify and make pre-liminary recommendations on elements to be added or amended.
- b) Developing and publicly consulting on a new Unclaimed Deposits Rule, and subject to approval by the Minister of Finance, issuing the Rule, to fully bring the *Credit Unions and Caisses Populaires Act, 2020* framework into effect.
- c) Enhancing stakeholder engagement by continuing to improve understanding of FSRA's supervisory approach and expectations (i.e., Annual FSRA conference for Credit Union Board of Directors etc.).

5.3 Enhance financial stability structures

Overview

FSRA is continuing to promote a stable and resilient credit union sector through enhanced financial stability structures such as the Deposit Insurance Reserve Fund (“DIRF”), a robust resolution regime, and enabling access to emergency liquidity. These structures ensure members’ deposits are protected, particularly during stressful events, and promote sector stability.

Outcomes we are seeking

- i) Reduced exposure of the DIRF to loss.
- ii) Strengthened depositor protection and sector stability.
- iii) Enhanced confidence in credit unions.

Key activities to achieve outcomes

- a) Enhancing credit unions' access to adequate emergency funding during idiosyncratic and systemic stress in order to reduce the likelihood of disruption of credit union operations and service to members.
- b) Continuing to work with credit unions to develop and enhance credible recovery and resolution plans.
- c) Enhancing the modelling and analytics of the DIRF Adequacy Assessment Framework by the inclusion of additional risk data received from Ontario credit unions through the Enhanced Data Collection project.

6. Life and Health Insurance priorities

6.1 Strengthen Managing General Agents (“MGA”) regulatory framework

Overview

FSRA continues to identify consumer risks and gaps in market conduct compliance, particularly in independent distribution channels such as MGAs.

In response, FSRA is strengthening the regulatory framework to address potential consumer risks and challenges posed by the MGA distribution channel and continuing proactive and risk-informed supervision under its Life Agent Supervisory Framework.

Outcomes we are seeking

- i) Obligations of insurers, MGAs and sales agents in product sales/service are clear, particularly in relation to distribution practices.
- ii) Consumers are treated fairly and sold products that suit their needs based on advice provided by an adequately trained/monitored life agent.

Key activities to achieve outcomes

- a) Completing stakeholder consultation on proposed MGA Rule and supporting guidance and implementing new standards, and, subject to Finance Minister approval, a new Rule.
- b) FSRA is developing a plan and acquiring resources and capabilities to effectively oversee new regulatory standards.

6.2 Protect consumers who invest in segregated fund contracts

Overview

FSRA is continuing to enhance standards for the design, distribution and administration of segregated fund contracts. These standards will help ensure agents give customers suitable advice. They will also give customers the information they need to understand the contracts in which they invest, including what they pay to invest, and help them to make suitable choices about insurance and investments.

Outcomes we are seeking

- i) Insurers and agents put customers' interests first and manage conflicts of interest appropriately when they design, sell and administer segregated fund contracts.
- ii) Agents take appropriate steps to ensure they understand the products they sell and their customers' needs, give suitable advice about how segregated fund contracts can meet those needs, and give customers the information they need to make suitable choices.
- iii) Insurers train and monitor agents to ensure they make suitable recommendations and provide appropriate service over the lifetime of the contracts.

Key activities to achieve outcomes

- a) Working with the Canadian Council of Insurance Regulators (CCIR) and Canadian Insurance Services Regulatory Organizations (CISRO) to create consolidated national guidance relating to the design, distribution, issuance, sale, and administration of segregated funds.
- b) Developing a rule and (if necessary) guidance, consistent with the CCIR and CISRO consolidated national guidance, to address related gaps in consumer protection.

7. Mortgage Brokering priorities

7.1 Promote strong conduct culture

Overview

FSRA is continuing to actively promote strong conduct culture in the sector in 2023-25. A firm's conduct culture drives the norms, attitudes and behaviours of its management and staff with respect to treatment and outcomes for their customers.

Outcomes we are seeking

- i) Governance, controls and processes at licensed firms help ensure these firms and their licensed individuals make decisions and carry out their business activities in a manner that delivers fair outcomes for their clients and fulfills regulatory requirements.
- ii) Consumers receive mortgage advice that is suitable to them based on their needs and circumstances.

Key activities to achieve outcomes

- a) Developing rules and accompanying guidance to enhance principal broker effectiveness.
- b) Commencing supervision against regulatory expectations outlined in the mortgage suitability guidance and mortgage administrator financial filing guidance.
- c) Implementing a risk-based conduct intervention approach to address deficiencies in a licensed firm's operations or misconduct in a proportional way based on impact on consumer protection.

7.2 Enhance professional competence of licensed individuals

Overview

Professional competence ensures that brokers and agents have the necessary knowledge and skills to provide clients (borrowers and/or lenders/investors) suitable recommendations for mortgages and/or mortgage investments based on the client's needs and circumstances. Industry participants have continuously made suggestions to strengthen the proficiency and education of mortgage brokers and agents to increase the sector's overall professional standards.

FSRA will finalize its work of enhancing the educational requirements of this sector, which is critical in an uncertain market with changing interest rates and high rates of inflation. Within this environment, consumers may be driven to mortgages funded by alternative and private lenders. With enhanced competency and a more systematic approach to assessing the suitability of a mortgage recommendation, brokers and agents will be better placed to serve their clients.

Outcomes we are seeking

- i) Agents and brokers are equipped with appropriate competencies to work with increasingly sophisticated options and products for consumers in a complex financial services industry.
- ii) Consumers receive recommendations for mortgages/mortgage investments that are suitable for their specific circumstances and needs, protect their rights and interests, and promote high standards of business conduct and public confidence in the sector.

Key activities to achieve outcomes

- a) Publishing final guidance that outlines FSRA's interpretation of how it evaluates the suitability of mortgage brokers and agents to hold a licence.
- b) Publishing final guidance to support appropriate conduct of suitability assessments by brokers and agents.
- c) Developing and implementing a framework to supervise against the licensing and mortgage suitability guidance that leverages the governance, controls and processes within licensee firms to help achieve the desired outcomes.
- d) Implementing enhanced competency and continuing education frameworks for brokers and agents.

8. Pension priorities

8.1 Assess systemic and high priority risks in Ontario's pension sector

Overview

FSRA supports the good administration of pension plans and protection of benefits in Ontario's pension sector through various initiatives. Many of the initiatives that FSRA implemented over the past four years are now part of FSRA's on-going regulatory and supervisory activities.

Over the fiscal year 2024-25, FSRA will focus regulatory resources and efforts on the assessment of systemic and high-priority risks in Ontario's pension sector.

- review and enhance FSRA's supervisory framework to strengthen prudential supervision of large public sector pension plans ("LPSPPs")
- deliver regulatory excellence with priority focus on plan amendments and surplus applications that is principles-based and outcomes-focused
- continue to review the long-term viability and financial sustainability of the Pension Benefits Guarantee Fund, including the impact of the federal *Pensions Protection Act* (Bill C-228)

Outcomes we are seeking

- i) Identify and help proactively mitigate potential risks and reduce possible harms.
- ii) Maintain public confidence in the pension sector.
- iii) Preparedness for full implementation of the federal Pension Protection Act, including supporting the Government with its mandated reviews of the PBGF.
- iv) Transparency of FSRA's pension supervisory activities.

Key activities to achieve outcomes

- a) Finalizing and implementing the prudential supervisory guidance for LPSPPs.
- b) Developing the prudential supervision approach, tools, and capabilities to effectively implement the LPSPPs supervisory framework.
- c) Publishing the final plan amendment guidance and initiate stakeholder engagement on an updated draft surplus guidance.

8.2 Support the development of target benefit regulation

Overview

FSRA is supporting the government in its development and implementation of a new target benefit framework for defined benefit multi-employer pension plans (“DB MEPPs”), as announced in the 2022 Ontario Budget released on April 28, 2022. This will require FSRA to develop and implement a supervisory approach, tools, and methods that it will use in its proactive supervision.

Outcomes we are seeking

- i) Support the successful implementation of the new target benefit framework.
- ii) Adoption of effective funding and governance policies by DB MEPPs.
- iii) Members understand the reducibility nature of their target benefit plans.
- iv) Identify and proactively mitigate potential risks and reduce possible harms.

Key activities to achieve outcomes

- a) Publishing for consultation the draft prudential supervisory guidance for target benefit plans for DB MEPPs.
- b) Developing and implementing supervisory approach, tools, and resources to effectively supervise DB MEPPs.
- c) Publishing a benchmarking report of defined benefit multi-employer pension plans against FSRA’s published leading practices.

9. Financial Planner/Financial Advisor priorities

9.1 Ensure the effectiveness of the title protection framework for Financial Planners/Financial Advisors

Overview

The Financial Professionals Title Protection Framework (“FPTPF”) is intended to promote confidence and professionalism in the sector by ensuring that individuals using the Financial Planner (“FP”) / Financial Advisor (“FA”) titles are appropriately qualified by meeting minimum standards. Consumers who work with an FP or FA can have confidence that they are dealing with an individual who:

- has a minimum standard of education
- is actively supervised by an approved credentialing body
- is subject to a complaints and discipline process

A way to ensure the effectiveness of the title protection framework is through national harmonization of minimum standards and a robust oversight program that holds credentialing bodies, and by extension credential holders, to a high standard of professionalism and accountability.

The FPTPF’s third year of operation corresponds with the end of the transition period for individuals using the FA title. After March 28, 2024, individuals who wish to continue to use the FA title in Ontario will be required to obtain an approved credential from a FSRA-approved credentialing body.

FSRA will also focus resources on consumer education to create awareness of the framework and provide consumers with the information they need to make informed decisions when choosing a FP or FA.

Outcomes we are seeking

- i) Protect consumers through effective oversight of credentialing bodies and individuals misusing the FP and FA titles.
- ii) Harmonize, to the extent possible, with other Canadian jurisdictions’ title protection frameworks.
- iii) Ensure individuals using the FP/FA title are appropriately credentialed post-transition.

Key activities to achieve outcomes

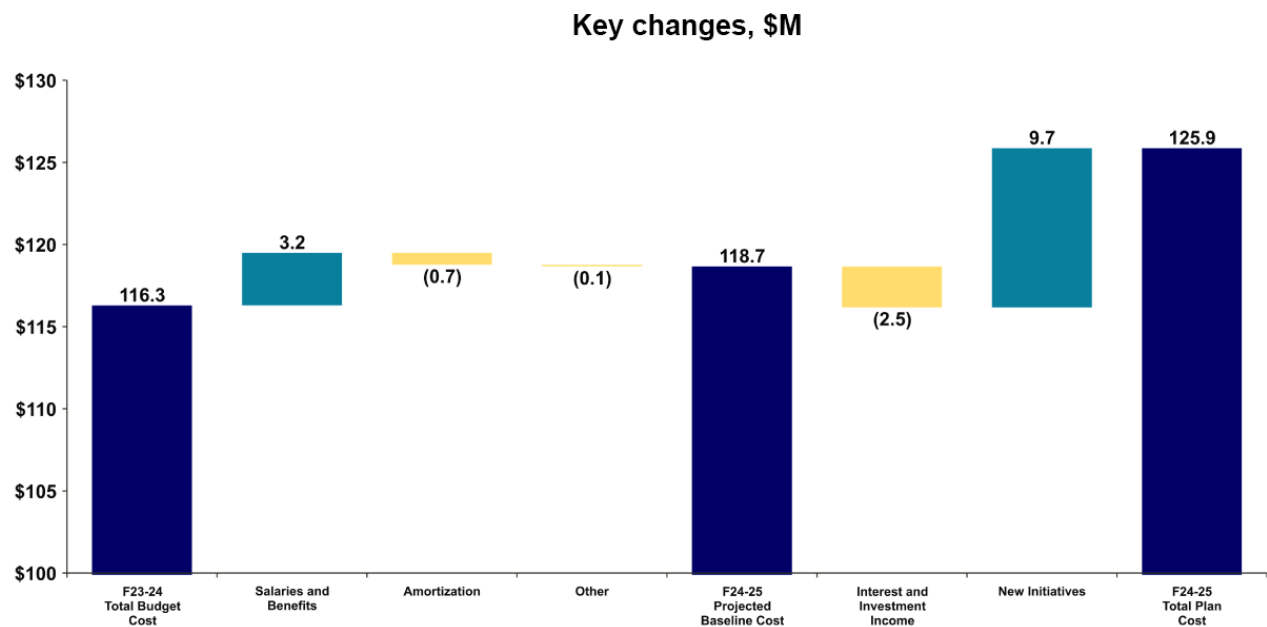
- a) Implementing a supervision plan for approved credentialing bodies and individuals who use the FA title without an approved credential, including developing the necessary supervisory tools, resources and capabilities to implement the plan.
- b) Continuing to work with other Canadian jurisdictions to implement similar title protection frameworks.
- c) Publishing a report on framework evaluation, which would explore possible future enhancements to the framework.
- d) Conducting a targeted campaign for businesses to assess and improve compliance with title usage.

Financial outlook

Cost projection

To fulfill its mandate and stated priorities, FSRA is proposing a \$125.9 million financial plan for FY2024-25. This is an 8.3% increase from the FY2023-24 budget and 5.1% higher than the FY2024-25 plan in the 2023-2026 ABP.

The chart below demonstrates the projected costs compared to the FY2023-24 budget.



Salaries and benefits are projected to increase by \$3.2 million primarily due to mandatory collective bargaining agreements, anticipated increase in benefit premiums, higher pension bucket, and adjustments for the impact of the *Protecting a Sustainable Public Sector for Future Generations Act* disputes.

Overall amortization has decreased by \$0.7 million. The decrease in amortization expense is attributed to the delay in the FSRAForward project, resulting in a reduction of \$0.4 million in the FY2024-25 Plan to align with the year-to-date actual and projected FSRAForward amortization expenses. The in-year investment for FSRAForward is \$6.3 million, of which \$5.0 million of the Non-GAAP will be deferred and amortized over a five-year period. In FY2025-26 FSRAForward amortization is expected to peak at \$6.6 million and will gradually decrease in the subsequent years.

The reduction of \$0.1 million in the other category is due to increased recoveries from Pension Benefit Guarantee Fund (“PBGF”) for salaries and benefits reimbursement.

The projected operating cash balance is expected to generate interest and investment income of \$5.3 million. This represents an increase of \$2.5 million or 89.3% compared to FY2023-24.

New initiatives

FSRA anticipates spending \$9.7 million in new initiatives to advance FSRA's statutory objects to protect the rights and interests of consumers, supports and enable innovation, improve regulatory oversight through greater access to data and analytics tools across all sectors, and effectively enforce regulatory requirements. More specifically, in each sector, the new initiatives would allow FSRA to deliver the following:

- support Auto Insurance product reform and conduct proactive supervision of operational risks (Priority 4.1)
- develop and implement initiatives to reduce fraud and abuse in the Auto Insurance system, including the development of a new Fraud Reporting Service Rule and guidance (Priority 4.2)
- launch supervisory review of unsupervised insurance company functions carried out by P&C Managing General Agents ("MGAs") (Priority 4.3)
- build capacity and expertise in Credit Union while realigning resources to implement principles-based regulation and risk-based supervision (Priority 5.2)
- lead the development, calibration, and implementation of risk modelling to enhance the long-term financial sustainability of the Deposit Insurance Reserve Fund ("DIRF") (Priority 5.3)
- strengthen Managing General Agents ("MGA") Regulatory Framework, including continuing proactive and risk-informed supervision under its FSRA's Life Agent Supervisory Framework (Priority 6.1)
- support Innovation Office to sustain its ability to conduct on-going outreach and maintain an active presence and engage with the ecosystem / relevant external stakeholders to better support awareness and interest in FSRA's Test and Learn Environment and strengthen FSRA's brand recognition (Priority 2)
- implement a new framework for providing legal advice and opinions to support a more principles-based and outcomes focused approach (Priority 5.2)
- support development, implementation and monitoring of supervisory guidance to Multi Employer Pension Plans/Target Benefit Plans (Priority 8.2)
- support development, implementation and monitoring of prudential supervision framework for Large Public Sector Pension Plans ("LPSPPs") (Priority 8.1)

- improve technology solutions for monitoring, VPN, SAN Technology, Network Access Control, Software & Hardware Maintenance, Software Licenses & Subscriptions, Cloud Subscriptions & Services, and Telecommunications (Priority 3)

Sector fee assessments

FSRA proposes total sector revenues showing a net increase of 4.2% or \$4.6 million over the FY2023-24 budget. The variable sector fee assessment component of these total revenues increases by 6.0% after accounting for the anticipated increase in revenues for fixed fee/activity fees and by crediting \$12.0 million of cumulative surplus to offset variable sector fee increases.

- the variable sector fee assessment is \$1.8 million or 2.2% above the committed year 2 in the 2023-2026 ABP.

Sector view summary: proposed FY2024-2025 plan of \$125.9M

Sector (\$000's)	Insurance					Pensions	Credit Unions	Mortgage Brokers	Loans & Trusts	Financial Planners & Financial Advisors	Total
Subsector	Auto Products	Health Service Providers	P&C Conduct	P&C Prudential	Life & Health						
Activity and Licensing Fees		3,500	1,300		7,300			18,200		100	30,400
Fee Assessment	15,800		9,300	3,600	9,500	24,900	18,900		800	700	83,500
FY2024-2025 Proposed Revenue	15,800	3,500	10,600	3,600	16,800	24,900	18,900	18,200	800	800	113,900
Direct Cost	12,100	2,400	8,100	2,800	12,100	19,000	14,400	12,800	600	600	84,900
Common Cost	5,700	1,100	3,900	1,300	6,000	9,200	7,000	6,200	300	300	41,000
FY2024-2025 Proposed Cost	17,800	3,500	12,000	4,100	18,100	28,200	21,400	19,000	900	900	125,900
Expected Fixed Fee Over/(Under)	200	-	100	-	100	200	200	(800)	-	-	-
Contribution to Common Costs											
Recovery Over/(Under)	(2,200)	-	(1,500)	(500)	(1,400)	(3,500)	(2,700)	-	(100)	(100)	(12,000)
Funding from Cumulative Surplus	2,200	-	1,500	500	1,300	3,500	2,700	-	100	100	12,000
FY2023-2024 Budget Revenue	14,220	3,616	9,500	3,416	15,564	24,857	18,741	17,798	534	1,051	109,297
Revenue Variance	1,580	(116)	1,100	184	1,236	43	159	402	266	(251)	4,603
Increase/(Decrease)	11.1%	-3.2%	11.6%	5.4%	7.9%	0.2%	0.9%	2.3%	49.8%	-23.9%	4.2%
FY2023-2024 Cost	15,356	3,616	10,258	3,690	16,188	26,839	20,282	18,358	576	1,134	116,297
Cost Variance	2,444	(116)	1,742	410	1,912	1,361	1,118	642	324	(234)	9,603
Increase/(Decrease)	15.9%	-3.2%	17.0%	11.1%	11.8%	5.1%	5.5%	3.5%	56.1%	-20.6%	8.3%

Note: In the view above, net interest income is included as a reduction to the common cost across all sectors. It will be depicted as a revenue item in the FSRA's annual financial statement.

Sector allocation rates are based on the last year's ABP, except for where the information provided by the business division

The proposed business plan is presented at a high level. Management is developing a detailed budget for FY2024-25, which will include specific spend and benefits of new initiatives and revenue impacts on individual sectors. This will be included in the upcoming ABP.

FSRA financial plan

- This financial plan reflects the estimated resources FSRA requires to fulfill its regulatory mandate and continue the transformation into a principles-based, independent, and transparent regulator through its priorities and operating activities.
- The draft financial plan below presents the forecasted financial activities for the fiscal year from April 1, 2024, to March 31, 2025. Subject to revisions based on stakeholders' feedback, it will form the basis of FSRA's proposed 2024-2027 Annual Business Plan. See the appendices for assumptions and methodologies on which the budget is based.
- Total revenue will increase 4.2% year over year compared to the FY2023-24 Budget. The proposed variable sector fee assessment is 6.0% higher than prior year and \$1.8 million higher than FY2024-25 Plan in the 2023-2026 ABP.
- Activity and Licensing fees are expected to be 0.5% lower due to an anticipated decrease in renewal and emerging applications primarily in the HSP and Life and Health sectors. Mortgage Broker License Fees are projected to increase by 2.3% from FY2023-24.
- Direct Costs are expected to increase by \$18.4 million or 27.7% compared to the FY2023-24 Budget, partially due to Public Affairs (\$7.1 million) transitioning from using a common rate to a direct rate allocation approach. Net increase in Direct Cost (without Public Affairs transition) is \$11.3 million or 17.1% compared to the previous year.
- Implementation of the new Fee Rule would have a limited impact at the sector level with licensing and activity fees in Life & Health and Mortgage Brokers increasing by \$1.4 million.
- The new Fee Rule would require changing the operating reserve amount from \$5.0 million to 5.0% of the proposed plan cost. FSRA intends to fund the \$1.3 million difference using its accumulated surplus, which was \$36.8 million on a Non-GAAP basis as of March 31, 2023.

(\$000's)	FY2024-2025 Proposed Plan	FY2023-2024 Budget	Variance vs Last Year Budget	
			(\$)	(%)
Revenue:				
Activity and Licensing Fees	30,400	30,556	(156)	-0.5%
Fee Assessment	83,500	78,741	4,759	6.0%
Total Revenue	<u>113,900</u>	<u>109,297</u>	<u>4,603</u>	<u>4.2%</u>
Direct Costs	84,900	66,464	18,436	27.7%
Common Costs	<u>41,000</u>	<u>49,833</u>	<u>(8,833)</u>	<u>-17.7%</u>
Total Costs	<u>125,900</u>	<u>116,297</u>	<u>9,603</u>	<u>8.3%</u>
Utilization of Cumulative Surplus	<u>12,000</u>	<u>7,000</u>		

Appendix 1: Financial assumptions

- FSRA plans implementation of the new Fee Rule, which could result in fee changes. Projected revenue for FY2024-25 is based on the new fee rule.
- Comparable figures are based on the April 1, 2023 – March 31, 2024, budget approved by the FSRA Board and used to charge FY2023-24 variable sector fee assessments.
- The financial information for FY2024-25 SOP is a high-level projection. The detailed budget will be published in the 2024-2027 Annual Business Plan.
- Technology operating investments made during the year are recovered over five years from the sectors rather than expensed in the year paid, to better align costs and benefits.
- The cost allocation methodology for Public Affairs was changed this year from Common Costs to Direct (refer to the following appendix for direct rate allocation rule details).
- Credit Unions IT costs are being transitioned over five years (ending FY2024-25) to bear their pro rata share of common IT costs. This is reflected in the cost allocation.
- FSRA regulates Health Service Providers as part of its Auto Insurance regulatory activities. Any revenue under recovery/overage from Health Service Providers is charged to/credited to the variable sector fee assessment Auto Insurance Product.
- Life Conduct for Life and Health agents is a fixed fee sub-sector. Any cost overage/underage will be charged to life insurers as a variable sub-sector.
- FSRA will recover expenses for its review of Co-op offering statements.

Appendix 2: Sector allocation methodology highlights

Direct cost allocation: includes Insurance, Pension, Credit Union, Market Conduct, Legal, Policy, Public Affairs, Lease and IT Direct (project-specific expenses)

- Pension, Credit Union, and Insurance Division costs: allocated 100% to their respective sectors (with minor exceptions, i.e., the designated team within Credit Union is allocated to the P&C Prudential Regulation sector).
- Market Conduct and Policy Division: based on dedicated full-time equivalents to specific sectors. Full-time equivalents that are not dedicated to specific sectors are allocated based on Market Conduct and Policy direct allocation rates.
- Legal Division: allocation based on anticipated use of service considering full-time equivalents allocated to each sector and historical activity.
- Public Affairs: Allocation is determined by the anticipated use of service, considering the number of full-time equivalent employees assigned to each sector as well as past activity. The allocation of operating expenses will be based on projections for their respective sectors. Full-time equivalents and operating expenses that aren't dedicated to specific sectors will be distributed according to Public Affairs' direct allocation rates.
- Lease costs: allocated based on full-time equivalents.
- IT specific sector projects: charged to sectors directly. Additional IT costs are allocated to sectors proportionately based on their direct costs.

Common cost allocation: includes CEO Office, Corporate Services (which included IT non-specific project costs), Interest, Amortization

- FSRA allocates common costs to sectors proportionately based on individual sector's direct cost. E.g., if Auto Product's direct costs represent 15.0% of overall direct costs of \$68.0M, then its share of \$52.5 million total common costs would be \$7.8 million (or 15.0%).

Briefing Note

CAFII EOC Meeting 24 September 2023—Agenda Item 4(c)i

Committees and Working Groups – Quebec/AMF Issues – Insights Gained from September 28/23 French Presentation of CAFII's 2023 Research Results-Focused PowerPoint Deck to AMF Staff Executives in Quebec

Purpose of this Agenda Item – Update

To provide an update to the EOC on insights gained from the September 28/23 presentation in French of CAFII's 2023 Research Results-Focused PowerPoint Deck to AMF Staff Executives in Quebec.

Background Information

CAFII Co-Executive Director Keith Martin will update the EOC the insights gained from the September 28/23 presentation in French of CAFII's 2023 Research Results-Focused PowerPoint Deck to AMF Staff Executives in Quebec. This presentation was conducted by K. Martin in French and in-person; and several CAFII member company representatives attended virtually.

During the 90-minute meeting, the AMF attendees looked engaged and receptive to CAFII's key messages, priorities, and research findings. CAFII spoke about the growing consumer demand for a mixed approach to insurance – both digital and in-person. K. Martin also discussed harmonization, which is an Association priority, and the importance of language clarity. Regarding CAFII's efforts around diversity, equity and inclusion, the AMF requested that any research studies that CAFII knows about on this subject be shared with the AMF, if possible. The same request for research findings was made in regard to consumer feedback on complaints around claims.

Overall, the meeting was very successful and K. Martin's messages delivered on behalf of CAFII were well-received.

Recommendation / Direction Sought – Update

This is an update only.

Attachments Included with this Agenda Item

Two (2) attachments.

CAFII Summary Notes

Presentation of Regulatory and Policy-Maker Deck to the AMF

Quebec City, 28 September, 2023

Background

CAFII has been presenting key messages along with the highlights of commissioned research to regulators and policy-makers across Canada. This is a key element of CAFII's strategic plan, which mandates that CAFII should be meeting with regulators and policy-makers in their own jurisdictions no less than once every 18 months—something we have not done for nearly four years due to the pandemic. To catch up, CAFII is intending to go to all the provinces in 2023 to meet with regulators and policy-makers. In May and June a CAFII delegation met with 7 regulators and policy-makers in British Columbia, Alberta, Saskatchewan, and Manitoba. In September a CAFII delegation met with authorities in PEI and New Brunswick, and in October a CAFII delegation will hold meeting with regulators and policy-makers in Nova Scotia and Newfoundland.

The development of a detailed presentation on CAFII's key messages, priorities, and research findings offered an opportunity to make a similar presentation to the AMF. CAFII reached out to the AMF to make such an offer, and the AMF agreed to a 90-minute meeting, and suggested it be held in Quebec City at their Head Office, and that the presentation be made in French.

Attendees

In attendance in person from the AMF:

- Mario Beaudoin, directeur des pratiques de distribution alternatives (DPDAA);
- Christian Beaulieu, Directeur principal des opérations d'encadrement de la distribution;
- Charlene Boucher, Analyste à l'encadrement de la distribution;
- Julie Dallaire, analyste sous la DPDAA;
- Marie-Eve Bouffard, coordonnatrice experte en surveillance à la DSPC;
- Véronique Martel, coordonnatrice experte en surveillance à la DSPC.

In attendance virtually from the AMF:

- Mélissa Perreault, directrice des pratiques de distr. et des OAR;
- Karim Trad, coordonnateur expert à la direction de l'encadrement prudentiel et des simulations.

In attendance in person from CAFII :

- Deliska Beauregard, Chef des affaires juridiques et Secrétaire Générale, Securian Canada;
- Jonathan Poulin, Conseiller sénior, Affaires juridiques et conformité, BNC;
- Pierre-Olivier Cyr, Directeur Tarification et Évolution des produits, Assurance des particuliers, Desjardins;
- Katia Umutoiwase, Directrice des opérations de vente et de l'activation numérique, Manuvie;
- Keith Martin, co Directeur-général, CAFII.

In attendance virtually from CAFII:

- Jason Beauchamp, Canada Life;
- Jackie Kasongo, CIBC;
- Élyse Lemay, Canada Life;
- Nadine Roy, Assurant Canada;
- Martine Romain, CIBC;

CAFII PRESENTATION TO THE AMF ON 28 SEPTEMBER 2023

- Suzie Blanchard, Manulife;
- Robyn Jennings, CAFII.

Engagement with the AMF

CAFII made a formal presentation to the AMF during the session, a summary of which can be found in Appendix A to this update. If you wish to receive an English or a French version of the presentation, please let Keith Martin know keith.martin@cafii.com

The AMF appeared engaged and interested in the presentation, with lots of nodding and positive body language, as well as asking a number of questions. On the issue of consumers expecting both an excellent digital experience while also wanting to be able to communicate in person, CAFII's delegation said that this was consistent with the experience in their own businesses. On the issue of documentation being understood, several members of the CAFII delegation spoke about the balance between clear language, which is a priority, and the legal requirement to ensure that the details of the insurance contract are laid out for the protection of consumers as well as the company offering the insurance.

Mario Beaudoin asked what percentage of mortgages are insured by CPI, and Keith Martin said that while CAFII did not track that number, he had heard that roughly 36% are, a figure one of the CAFII delegation members said sounded accurate. On the subject of CAFII's efforts around diversity, inclusion, and equity, the AMF requested that any research studies that CAFII knows about on this subject be shared with the AMF, if possible, and Keith Martin said he would follow up on this. Christian Beaulieu, who is Mario Beaudoin's boss, asked about the work we had done regarding the increase in complaints around claims, and specifically whether we were planning on doing more studies on this, and if so if they could be shared with the AMF. Keith Martin said that CAFII would get consumer feedback at some point again and we would share those results with the AMF, but that there is also work being done by our individual members on their own performance around complaints, and that work is internal to the organizations in question. Mr. Beaulieu said that that made perfect sense to him.

After the meeting, there was a separate session with Mario Beaudoin, Christian Beaulieu, Louise Gauthier, and Éric Jacob from the AMF; and Keith Martin and Brendan Wycks from CAFII, to discuss plans for the upcoming 10 October, 2023 liaison lunch and industry dialogue session with the AMF in Montreal. Éric Jacob said he was looking forward to the meeting, but he was extremely busy and could only stay on the call for a few minutes. He did say before leaving that while new AMF CEO Yves Ouellet could not come to the 10 October meeting, he was interested in meeting with CAFII and the AMF would work with us to find an opportunity to arrange for such a meeting. Louise Gauthier was asked about the AMF's views around holding the 10 October meeting in English given the new Charter of the French Language and its mandate that business communication in Quebec should be in French only, and she said that she thought that we needed to be sensitive to that but that in principle the meeting could be held in English. She did suggest that we try to work some French into some of our comments.

Mario Beaudoin said that the AMF presentation at the 10 October meeting would be an update on the statistics that the AMF had gathered around claims denial rates, and he said he would be providing an aggregated perspective of the numbers. He said that the numbers should not be surprising to CAFII as they are consistent with what has been shared in the past. CAFII indicated a desire to have further conversations with the AMF about how to interpret these numbers, and at first Mario Beaudoin seemed

CAFII PRESENTATION TO THE AMF ON 28 SEPTEMBER 2023

reticent, but he eventually said he would explore such a meeting with us. He said that to get further precision around the numbers would also have the potential to be more cumbersome for the industry, as to do this he would likely need to ask for more metrics, for example by moving from collecting information for 10 numbers to 30 numbers.

Mario Beaudoin and Charlène Boucher accompanied Keith Martin and Deliska Beauregard, who was supplied with an office until we left, to the elevator banks. He was very friendly and relaxed, and thanked us for coming to Quebec City for the presentation; and he said he looked forward to seeing us soon in Montreal for our liaison meeting.

Appendix A

Summary of the Presentation Made to the AMF

CAFII's presentation focused on education about CAFII and the industry; key priorities for our Association; and the findings from the 2022 Pollara research on the attitudes of holders of credit protection insurance towards CPI. CAFII's recently expanded, current membership was highlighted, and there was a review of the improvements that have been made to the Association's website, which is a source of consumer-oriented financial literacy information.

The point was made that there had been a tremendous level of regulatory activity in the past year and a half, as regulators caught up on initiatives after a pause due to the COVID-19 pandemic. CAFII's commitment to regulator and policy-maker relationship building was emphasized, including the importance of these sorts of in-person meetings. CAFII deals with 31 different regulator/policy-maker/ombudservice bodies across Canada on behalf of its members, and the complexity of the regulatory environment makes harmonization critical to the industry. There was discussion of the difference between harmonization versus alignment. It was also noted that CAFII understood the unique features of Quebec including French as the official language and a civil law system, and that this would result in some different approaches to harmonization in Quebec. CAFII's commitment to regulators having rule-making authority was noted.

There was a review of some of the key points made by the guest speakers at CAFII Reception events in recent months, and an update on the Association's many webinars. There was a review of technology and digitization changes taking place in the insurance marketplace, including artificial intelligence (AI) deployment, and how these could impact upon the industry and regulators.

CAFII noted that according to LIMRA research, a significant proportion of Canadians is underinsured or uninsured, and that it was important to not restrict Canadians' access to life and health insurance products including credit protection insurance.

CAFII emphasized its members' commitment to the fair treatment of customers, and reviewed how CAFII members plan for, execute on, and monitor activity with respect to proper sales practices not only through employee training, but also by embedding fair treatment of customers-based sales practices in processes and in technology mechanisms.

There was reference made to CAFII's commitment to fostering and supporting diversity, equity and inclusion (DEI). This seemed to be an area the AMF was exploring itself, and the AMF asked if we could share any external research we have access to with them.

It was noted that Brendan Wycks would be retiring at the end of 2023, and that two new hires reporting into Keith Martin had recently been hired.

CAFII PRESENTATION TO THE AMF ON 28 SEPTEMBER 2023

The 2022 Pollara research results were then summarized, with the following being the key highlights:

Canadians with CPI indicate that they are highly satisfied with the products and do not know what they would do without them if an unforeseen life and health insurable event were to occur. It was noted that 69% of CPI holders believe that the products are affordable and 66% believe that they provide good value for the money. According to Pollara, those two data points actually are very good results, as people always feel that the products they purchase are too expensive.

CPI holders are confident that they understand what would happen if they make a claim, and 77% held the view that a claim would be paid as expected.

More than half of CPI holders had sought information from sources other than the firm from which they had obtained the insurance.

On digitization, it was noted that the research results were a bit contradictory, with consumers wanting digital options but also wanting the ability to meet representatives in-person. The key take-away is that a hybrid model will be required going forward.

Consumer comprehension of CPI documentation is good but not great, with 65% saying that they found the documents easy to understand; and this will be a continued area of investment and focus for CAFII and its members going forward.

The Pollara consumer survey respondents reported that more than 8 in 10 processed CPI claims were paid, and 95% of mortgage life insurance claims were paid out.

While 8 in 10 CPI holder claimants were satisfied with the claims experience, complaints about claims went up in 2022 (33%) relative to 2018 (25%); and satisfaction with how the complaints were handled dropped from 85% to 62%. Context for these findings was provided, including the temporary drop in service levels during the pandemic, the increased tendency of people to complain and their increased levels of stress and frustration overall, and the greater ease today, relative to pre-pandemic, to be able to file a complaint. It was noted that while complaints have increased, claims payout levels remained the same. Nevertheless, the fundamental point made was that CAFII and its members are committed to understanding and responding to these findings, and to always seeking to improve the customer experience.



The Canadian Association of
Financial Institutions in Insurance

Mise à jour en septembre 2023 du dialogue de l'ACIFA avec l'Autorité des marchés financiers

*Initiatives récentes et à venir de l'ACIFA; et
nouveaux résultats de recherche de l'ACIFA sur
l'assurance protection de crédit et nos réponses
proposées*

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

À propos de l'ACIFA : Qui sommes-nous?

Une association industrielle sans but lucratif vouée au développement d'un marché de l'assurance ouvert et flexible.

Créée en 1997 pour donner une voix aux institutions financières qui vendent des assurances par le biais de divers canaux de distribution.

À propos de l'ACIFA : Qui sommes-nous?

L'ACIFA propose des assurances protection de crédit (APC), des assurances voyage, d'autres types d'assurances vie et d'assurances maladie et, dans certains cas, des assurances multirisques dans tout le Canada. L'assurance protection de crédit et l'assurance voyage sont des gammes de produits prioritaires pour l'ACIFA dans la mesure où elles sont communes à tous ses membres.

Les membres de l'ACIFA proposent des assurances par l'intermédiaire des agences des institutions financières, des centres de contact avec la clientèle, d'Internet et d'autres canaux numériques, du publipostage et, dans certains cas, des agents et des courtiers (y compris les agents de voyage pour l'assurance voyage).

L'ACIFA regroupe 8 institutions financières (distributeurs d'APC de banques et de coopératives de crédit) et 7 assureurs / assureurs crédit

Les institutions financières



Assureurs



L'ACIFA poursuit ses efforts en vue de créer un site web convivial, notamment au moyen de vidéos



L'ACIFA poursuit ses efforts en vue de créer un site web convivial, notamment au moyen de vignettes



Anne-Sophie et Mathieu, qui ont deux enfants, ont été approuvés pour une hypothèque de 500 000 \$ afin d'acheter une maison. Anne-Sophie est le principal soutien économique de la famille, et la capacité de la famille à effectuer les paiements d'hypothèque dépend largement de son salaire.

La tranquillité d'esprit et la prévisibilité des dépenses sont très importantes pour Anne-Sophie et Mathieu, alors ils achètent une assurance vie hypothécaire pour Anne-Sophie qui payera le solde de leur hypothèque dans l'éventualité où celle-ci décéderait. Ils aiment l'idée que les primes ne changeront jamais pour la durée de leur hypothèque, ce qui signifie qu'ils ne s'exposent pas à des coûts plus élevés pour la couverture malgré le fait qu'elle vieillisse et qu'elle puisse développer des problèmes de santé.

Ils aiment également le fait que les recettes de l'assurance vie hypothécaire seront automatiquement utilisées pour payer le solde de l'hypothèque plutôt que d'être utilisées pour payer d'autres dettes. Il est important pour Anne-Sophie de savoir que, si elle mourait, sa famille pourrait continuer de vivre dans leur maison familiale, sans éprouver de difficultés financières.

Le site web dispose d’une section FAQ renouvelée, qui répond aux questions les plus courantes en se basant sur la littératie financière

Questions d’assurances fréquemment posées

Les réponses aux questions fréquemment posées fournissent des conseils généraux. Les clients doivent toujours se référer à leur certificat d’assurance et aux conditions de leur couverture.

Toutes les questions

Assurance protection de crédit

Assurance vie, invalidité et maladies graves pour prêt hypothécaire

Assurance voyage

- Q: Qu’est-ce qu’une assurance protection de crédit?

+
- Q: Quels sont les avantages d’une assurance protection de crédit?

+
- Q: Est-ce que l’assurance-crédit offre une bonne valeur?

+
- Q: Quels sont les avantages de l’assurance protection de crédit comparativement à l’assurance vie traditionnelle?

+
- Q: Si je fais une réclamation un jour, comment puis-je m’assurer qu’elle ne soit pas refusée?















+

Le site Internet de l'ACIFA a ajouté des informations spécifiques pour les membres sur « la façon de déposer une réclamation »

Comment faire une réclamation d'assurance

Faire une réclamation

Les produits d'assurance crédit et d'assurance voyage proposés par nos membres protègent, vous et votre famille, dans diverses circonstances décrites dans votre certificat d'assurance. Si vous avez des questions sur votre couverture ou si vous souhaitez obtenir plus d'informations sur la façon de faire une réclamation, veuillez cliquer sur le nom de l'institution financière auprès de laquelle vous avez souscrit votre assurance, et cela vous mènera à la section correspondante de leur site Web.

 ASSURANT*	https://cardbenefits.assurant.com/fr/creditor_home <small>* Assurant Bankers Compagnie d'Assurance Vie de la Fonds et Assurant Bankers Compagnie d'Assurance Générale de la Fonds exercent leurs activités commerciales au Canada sous la dénomination société Assurant*</small>		https://cardbenefits.assurant.com/fr/creditor_home		<p>Pour obtenir les formulaires et les documents nécessaires pour faire une réclamation reclamation.desjardinsassurancevie.com</p> <p>Pour envoyer la plupart des documents requis pour l'analyse d'une réclamation https://www.desjardinsassurancevie.com/envoi</p>
 BMO Banque de Montréal	<p>Assurance prêt hypothécaire https://www.bmo.com/principaux/particuliers/prets_hypotheques/assurance-pret_hypotheque/</p> <p>Assurance sur prêt et marge de crédit https://www.bmo.com/principaux/particuliers/assurance-credit/assurance-sur-pret-et-marge-de-credit/</p> <p>Protection solide de la carte de crédit - Améliorée https://bmo.assurant.com/fr/bmo_home</p> <p>Assurance voyage https://www.allianceassistanceclaims.ca/login</p>		<p>Assurance crédit https://www.cibc.com/fr/personal-banking/insurance/creditor.html</p> <p>Assurance voyage facultative https://www.cibc.com/fr/personal-banking/insurance/travel/claims.html</p> <p>Assurance voyage par carte de crédit intégrée https://cibccentre.rsagroup.ca/fr</p>		https://manulife.acmtravel.ca/accounts/login/
 canada vie	https://www.canadavie.com/fr/assurance/assurance-creances.html				<p>Réclamations sur Assurance-vie Banque Nationale, Compagnie d'assurance-vie https://www.assurances-bnc.ca/reclamations.html</p> <p>Réclamations sur Banque Nationale du Canada https://www.bnc.ca/particuliers/assurances/reclamation.html</p>
 securian CANADA Financière Scotia Vie	https://securiancanada.ca/fr/demandes-de-reglement/				<p>Assurance voyage https://www.rbcinsurance.com/fr/assurance-particuliers/reglement-service.html?view=travel</p>
 Sun Life Financial*	https://www.sunlife.ca/fr/explore-products/insurance/affinity-markets/creditor/		https://www.cooperators.ca/fr-CA/Claims.aspx		
 TD Assurance	<p>Réclamations de protection de crédit et d'assurance voyage https://www.tdassurance.com/reclamations</p> <p>Réclamations d'assurance pour soldes https://cardbenefits.assurant.com/fr/creditor_home</p>		https://www.cumis.com/en/claims/Pages/credit-mortgage.aspx		

L'ACIFA devient plus proactive dans ses relations avec les médias et communique publiquement son point de vue

Portail de
L'ASSURANCE

La numérisation de l'assurance protection de crédit devient une priorité

14 juillet 2022

pollara
strategic insights

Recherche de Pollara à l'égard de ce que pensent les consommateurs canadiens de l'assurance protection de crédit—points saillants

16 juin 2021



Peter D. Thompson, de Banque Nationale Assurances, est élu président du conseil d'administration de l'ACIFA

21 juin 2022



Pratiques exemplaires pour la numérisation de l'assurance de protection de crédit – Présenté par Deloitte

29 juin 2022



The Canadian Association of
Financial Institutions in Insurance

Consultations sur la réglementation et harmonisation législative et réglementaire

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

L'axe stratégique de l'ACIFA est l'établissement de relations avec les régulateurs et les décideurs politiques

L'objectif stratégique prédominant et la priorité de l'ACIFA sont l'établissement de relations et la communication avec les régulateurs d'assurance et les décideurs politiques.



Éric Jacob, surintendant,
Services à la clientèle et
distribution

Patrick Déry, surintendant,
Institutions financières

Louise Gauthier, directrice
principale, Politiques de
distribution

Christian Beaulieu, directeur
principal, Pratiques de distribution

Mario Beaudoin, directeur,
Pratiques de distribution
alternatives

Mélissa Perreault, directrice,
Pratiques de distribution et OAR

Nathalie Sirois, directrice principale,
Surveillance prudentielle

L'ACIFA a répondu à un nombre record de consultations réglementaires en 2022 et 2023

Autorité de régulation	Sujet	Date
AMF (Autorité des marchés financiers)	Deuxième consultation sur le projet 2 révisé/actualisé du « Règlement relatif au traitement des plaintes et au règlement des différends dans le secteur financier »	20 février 2023
ARSF (Autorité ontarienne de réglementation des services financiers)	Consultation de l'ARSF sur le « Projet de règlement 2022-001 : Cotisations et frais »	27 février 2023
OCRA (Organismes canadiens de réglementation en assurance)	Consultation des OCRA sur le « Projet de plan stratégique 2023-2026 »	21 avril 2023
ARSF (Autorité ontarienne de réglementation des services financiers)	Consultation de l'ARSF sur le « Projet d'orientation : Sanctions administratives pécuniaires »	31 mai 2023

L'ACIFA a répondu à un nombre record de consultations réglementaires en 2022 et 2023

Autorité de régulation	Sujet	Date	Autorité de régulation	Sujet	Date
ACFC (Agence de la consommation en matière financière du Canada)	Projet de ligne directrice sur les produits et services appropriés pour les banques et les banques étrangères agréées	6 janvier 2022	CCRRA (Conseil canadien des responsables de la réglementation d'assurance)/OCRA	Projet de « Lignes directrices sur la gestion par intéressement »	4 avril 2022
AMF (Autorité des marchés financiers)	Ligne directrice révisée/actualisée sur les pratiques commerciales saines	28 janvier 2022	ARSF (Autorité ontarienne de réglementation des services financiers)	« Document de consultation sur la « réglementation guidée par des principes »	29 avril 2022
FCNB (Commission des services financiers et des services aux consommateurs)	« Projet de règle INS-001 : Licences et obligations des intermédiaires en assurance »	7 février 2022	ARSF (Autorité ontarienne de réglementation des services financiers)	Projet de « Principes de conduite pour les intermédiaires en assurance »	3 mai 2022
ARSF (Autorité ontarienne de réglementation des services financiers)	« Lignes directrices sur le règlement des plaintes »	15 février 2022	FCNB (Commission des services financiers et des services aux consommateurs)	Consultation informelle sur les modifications imminentes aux articles sur l'assurance vie, l'assurance accident et l'assurance maladie de la Loi sur les assurances du Nouveau-Brunswick	Le 20 mai 2022 (article sur l'assurance vie) et le 27 mai 2022 (article sur l'assurance accident et l'assurance maladie)
FCNB (Commission des services financiers et des services aux consommateurs)	Projet de règle INS-002 : Frais d'assurance	18 février 2022	ARSF (Autorité ontarienne de réglementation des services financiers)	Consultation sur les « Lignes directrices régissant l'utilisation des revenus non distribués en vertu du Règlement sur les sommes conservées ailleurs que dans le Trésor »	31 mai 2022
AMF (Autorité des marchés financiers)	Ligne directrice sur la gestion de l'intéressement	18 février 2022			
BCFSA	« Document de discussion : Rapport sur les incidents de sécurité de l'information »	1er mars 2022			

L'ACIFA a répondu à un nombre record de consultations réglementaires en 2022 et 2023

Autorité de régulation	Sujet	Date	Autorité de régulation	Sujet	Date
BSIF (Bureau du surintendant des institutions financières)	Consultation sur la « Gestion du risque culturel »	31 mai 2022	Ministère des finances de la Colombie-Britannique	Consultation sur le projet de régime de permis d'agent d'assurance restreint (RIA) en Colombie-Britannique	3 octobre 2022
Conseil des assurances de la Colombie-Britannique	Consultation sur les « Règlements du Conseil de l'assurance » (qui fixent les conditions et les exigences de la licence pour tous les détenteurs de licence d'assurance de la Colombie-Britannique)	1er juin 2022	ARSF (Autorité ontarienne de réglementation des services financiers)	Consultation sur les priorités et le budget 2023-24 de l'ARSF	11 novembre 2022
OCRA (Organismes canadiens de réglementation en assurance)	Consultation sur les améliorations à apporter au formulaire de déclaration de remplacement d'un contrat d'assurance vie (DRAV)	8 juillet 2022	BCFSA	Deux questions de suivi concernant les cohérences et les divergences entre le « projet de code de conduite des assureurs » de la BCFSA et « les lignes directrices du CCRRA/OCRA sur la conduite des assureurs sur le marché : Conduite des activités d'assurance et traitement équitable des clients »	15 novembre 2022
BCFSA	Projet de code de conduite des assureurs sur le marché et de lignes directrices supplémentaires	9 septembre 2022			
BSIF (Bureau du surintendant des institutions financières)	Consultation sur la mise à jour de la ligne directrice B-10 : Gestion des risques liés à des tierces parties	30 septembre 2022			
			CCRRA	Projet de plan stratégique du CCRRA pour 2023-2026	30 novembre 2022

Principaux secteurs d'intervention de l'ACIFA en matière de politique et de réglementation de l'assurance en dehors du Québec

Lignes directrices du CCRRA/OCRA : La conduite des activités d'assurance et le traitement équitable des clients - une priorité absolue pour les membres de l'ACIFA



ARSF

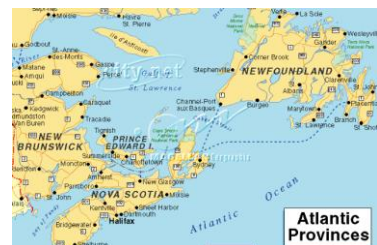
Autorité ontarienne de réglementation
des services financiers

FSRA

Financial Services Regulatory
Authority of Ontario

Un régulateur nouvellement créé et actif en Ontario -
l'autorité de régulation des services financiers de l'Ontario

L'ACIFA a rencontré sept régulateurs et décideurs en Colombie-Britannique,
en Alberta, en Saskatchewan et au Manitoba au printemps 2023



FINANCIAL AND
CONSUMER SERVICES
COMMISSION

À l'automne 2023, l'ACIFA prévoit de rendre visite à tous les organismes de réglementation du
Canada atlantique

Parmi les sujets à discuter : Le nouveau régime de licence de représentant en assurance restreint (RIR)
lancé au Nouveau-Brunswick en février 2023 (premier régime de ce type en dehors de l'Ouest canadien)

L'harmonisation législative et réglementaire est un objectif majeur pour l'ACIFA



Les membres de l'ACIFA comptent 31 régulateurs et autorités à travers le pays



L'alignement n'est pas l'harmonisation - des régimes réglementaires légèrement différents obligent les entreprises à consacrer leurs ressources à la « gestion des exceptions » plutôt qu'aux objectifs de protection des consommateurs recherchés



Nous pensons que le CCRRA et les OCRA - en tant qu'organismes nationaux de coordination - peuvent jouer un rôle plus important et plus ambitieux dans la promotion et la réalisation de l'harmonisation législative et réglementaire dans tout le Canada

Régulateurs et autorités avec lesquels l'ACIFA traite...



La proposition de l'ACIFA sur le projet de plan stratégique 2023-26 encourage l'OCRA à jouer un rôle plus ambitieux en matière d'harmonisation des régimes de licences restreints

Ces quatre régimes de délivrance de permis RIA/RIR ont des objectifs similaires, mais ils se distinguent par certains aspects généralement mineurs. Cependant, dans certains cas, les différences sont plus marquées et créent un positionnement unique. Dans un monde idéal, les OCRA auraient été en mesure de tenir un rôle d'harmonisation en temps réel et de façon efficace en facilitant un processus par lequel il aurait été possible d'harmoniser davantage chaque régime RIA/RIR successif aux régimes qui l'ont précédé. Selon l'ACIFA, il s'agit là d'un rôle et d'un objectif auxquels les OCRA devraient se consacrer, car il serait ainsi possible d'obtenir exactement les mêmes protections des consommateurs que celles que chaque province qui a adopté un régime restreint de permis des agents d'assurance a recherchées. Parallèlement, il serait possible d'éliminer en grande partie la multitude de définitions, de règles et d'exigences propres aux autorités provinciales ou territoriales chargées de la délivrance des permis.

Le fait que les OCRA suivent l'une ou l'autre des deux « approches d'harmonisation » recommandées en matière de RIA/RIR qui suivent ne compromettrait pas l'autonomie provinciale ou territoriale, car chaque administration conserverait son autorité de délivrance de permis, son modèle de gouvernance et ses propres priorités et plans de supervision en ce qui concerne la vérification, la surveillance, la communication et l'application de la loi. Cependant, chaque autorité provinciale ou territoriale fonctionnerait selon le même ensemble de définitions, de règles et d'exigences réglementaires, ce qui permettrait aux acteurs du secteur de se concentrer sur le respect des attentes communes harmonisées plutôt que de procéder à une importante « gestion des exceptions » et de consacrer des ressources pour comprendre les différences subtiles entre les administrations et s'y conformer.

De nombreuses autorités de régulation ont acquis de nouvelles compétences en matière d'élaboration de règles



La BCFSA, l'ARSF et la FCNB (Commission des services financiers et des services aux consommateurs) ont été autorisées à établir des règles au cours des dernières années; l'AMF (Autorité des marchés financiers) le faisait déjà



L'ACIFA a soutenu l'obtention par les autorités de régulation d'un pouvoir réglementaire, car cela leur donne plus de flexibilité, plus d'agilité et leur permet de répondre plus rapidement aux évolutions du marché



Cependant, l'impact du pouvoir réglementaire et son potentiel de création de règles différentes dans différentes juridictions est encore un élément en évolution



The Canadian Association of
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Événements de l'ACIFA, développements de l'association et partage des connaissances

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

L'ACIFA reprend l'organisation de réceptions et d'événements en personne avec des conférenciers de renom

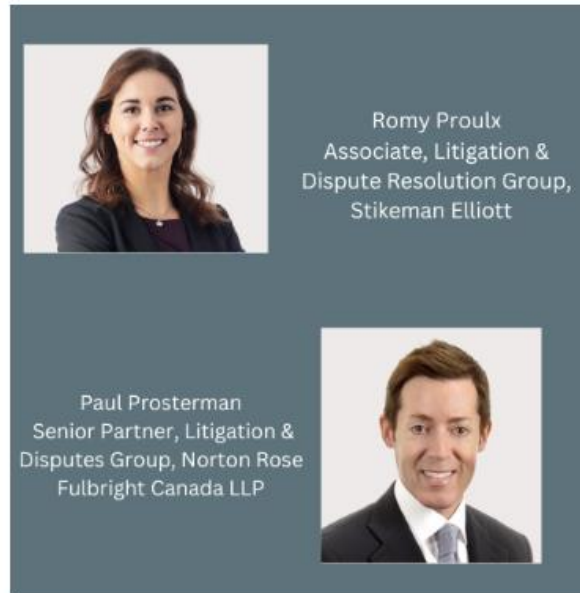


Kartik Sakthivel, vice-président et directeur de l'information, LIMRA/LOMA, sur « Une présentation globale sur les transformations importantes survenues dans le secteur de l'assurance vie et de l'assurance maladie », 4 avril 2023



Anthony Ostler, président-directeur général de l'Association des banquiers canadiens, sur « Les priorités de l'Association des banquiers canadiens », 6 juin 2023

L'ACIFA organise régulièrement des webinaires auxquels sont invités les régulateurs et les décideurs politiques de tout le Canada



18 mai 2023

Webinaire ACIFA: Projet de loi 96 du Québec (Charte de la langue française) : exigences en matière de conformité et facteurs afférents pour communiquer avec les consommateurs et les servir dans le secteur de l'assurance de personnes

Ces webinaires sont tous enregistrés et publiés sur notre site web



28 août 2023
Webinaire ACIFA: Tendances international en matière de réglementation et travaux de l'Association internationale des contrôleurs d'assurance.



4 avril 2023
Une présentation générale des transformations importantes qui se produisent dans le secteur de l'assurance de personnes, Kartik Sakthivel



30 mars 2023
Webinaire ACIFA: Une conversation au coin du feu sur les problèmes de santé mentale et les défis en milieu de travail, Paula Allen et Nigel Branker



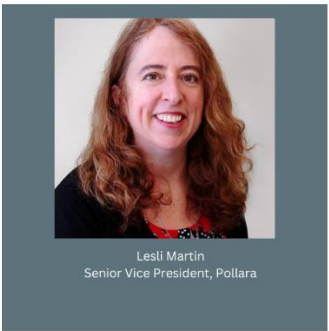
26 janvier 2023
Webinaire ACIFA: Discussion amicale virtuelle entre l'ACIFA, Dallas Ewen et David Elder sur le respect de la vie privée



1 décembre 2022
Webinaire ACIFA: Discussion amicale entre l'ACIFA et Blair Morrison, Directeur général de la British Columbia Financial Services Authority (BCFSA)



3 novembre 2022
Webinaire ACIFA: Tendances en matière de voyage et leurs répercussions sur l'assurance voyage alors que la société sort de la pandémie de COVID-19: Causerie virtuelle avec Elliott Draga, Sheila Burns, Katia Umtoniwase et David Moorcroft



5 octobre 2022
Webinaire ACIFA: Préférences des consommateurs et renseignements sur le développement de produits provenant des récentes recherches dans l'industrie des services financiers et d'autres industries comparables



29 juin 2022
Webinaire ACIFA: Pratiques exemplaires pour la numérisation de l'assurance de protection de crédit – Présenté par Deloitte

Perspectives d'avenir

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

La technologie a un impact considérable sur le secteur de l'assurance

L'ACIFA estime que l'avenir du secteur des assurances vie et maladie sera marqué par une innovation continue et une augmentation de la demande des consommateurs pour le commerce électronique et d'autres formes alternatives de distribution.

Les consommateurs continuent d'exiger un meilleur accès aux achats par le biais des canaux numériques, qui joueront un rôle de plus en plus important pour répondre aux besoins des Canadiens.



L'assurance est « gourmande en données » et extrêmement analytique, et les nouveaux outils technologiques pourraient avoir un effet transformateur.

Les attentes des consommateurs évoluent et augmentent constamment

Les attentes élevées des consommateurs en matière de services technologiques, de facilité, de transparence, de rapidité, d'engagement régulier et d'expérience personnalisée reflétant leurs besoins définissent la manière dont les produits et les services sont fournis.

Leurs préférences et leurs attentes constituent un défi et une opportunité pour le secteur de l'assurance.



L'ACIFA est favorable à des réglementations qui tiennent compte du commerce électronique

L'ACIFA estime que les structures réglementaires devraient favoriser un marché harmonisé, flexible et ouvert où les consommateurs sont en mesure de choisir comment et où acheter une assurance.

La réglementation devrait prendre en compte le rôle de tous les canaux de distribution des assurances pour répondre aux besoins des consommateurs en matière d'assurance.
COVID-19 a accéléré de façon spectaculaire la tendance à l'utilisation de moyens numériques pour interagir avec les clients.



Les Canadiens sont sous-assurés ou non assurés

Couverture inadéquate

La moitié de la population canadienne n'est pas protégée



50%

En 2019, la moitié des Canadiens ne détenaient pas d'assurance vie.

*Source: LIMRA Canadian Life Insurance Ownership Study — 2019 Person-Level Report.

Cette absence d'assurance touche les Canadiens les plus vulnérables

Couverture inadéquate

Les lacunes en matière de couverture ont une incidence disproportionnée sur les familles à revenus faibles ou moyens.



49%

Un peu moins de la moitié des hommes en couple ayant un revenu inférieur à 35 000 \$ ont une assurance vie.

45%

Encore moins de femmes en couple ayant un revenu inférieur à 35 000 \$ ont une assurance vie.

*Source: LIMRA Canadian Life Insurance Ownership Study — 2019 Person-Level Report.

Le traitement équitable des consommateurs est une priorité pour les membres de l'ACIFA



DIRECTIVE CONDUITE DES ACTIVITÉS D'ASSURANCE ET TRAITEMENT ÉQUITABLE DES CLIENTS

L'ACIFA rejoint l'objectif des régulateurs qui est de veiller à ce que les consommateurs soient bien protégés tout en ayant la possibilité d'acheter des produits par le biais du canal de distribution de leur choix.

En matière d'assurance, il ne faut pas oublier qu'une partie de l'objectif global de la FTC est de veiller à ce que les assureurs puissent apporter leur soutien et répondre aux attentes des consommateurs tout au long de l'expérience de l'utilisateur.

Les membres de l'ACIFA intègrent les bonnes pratiques de vente dans leurs processus



La formation est importante pour garantir des connaissances et des compétences appropriées



Mais pour compléter la formation, les membres de l'ACIFA intègrent les bonnes pratiques de vente dans les processus - ainsi, les représentants sont invités à s'assurer que les informations sont correctement communiquées, et sont préenregistrées pour garantir une bonne communication



Ces pratiques sont renforcées par des contrôles rigoureux et la surveillance de ces contrôles

Promouvoir et soutenir la diversité, l'équité et l'inclusion (DEI) - dans la représentation des entreprises membres et la participation à notre association - est devenu un nouvel objectif majeur pour l'ACIFA



Les membres de l'ACIFA ont tous des initiatives en matière de DEI



L'ACIFA veut s'aligner sur les priorités de ses membres et s'assurer que les objectifs en matière de DEI sont au cœur de ses préoccupations



Il s'agit notamment de veiller à ce que les profils des dirigeants bénévoles de l'ACIFA respectent les principes DEI

L'ACIFA a créé un nouveau groupe de travail sur DEI chargé de formuler des recommandations à l'intention de son conseil d'administration

L'ACIFA aura une nouvelle structure de gestion à partir de 2024



Brendan Wycks, après 11 ans au sein de l'ACIFA, prendra sa retraite à la fin de l'année 2023



Bienvenue au nouvel analyste de recherche Robyn Jennings, et au nouveau gestionnaire des opérations, Shanay Smith



The Canadian Association of
Financial Institutions in Insurance

Nouveaux résultats de la recherche sur l'assurance protection de crédit de l'ACIFA et les réponses que nous entendons y apporter

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

La recherche sectorielle à valeur ajoutée de l'ACIFA

L'ACIFA ajoute de la valeur aux relations de conseil et au dialogue continu avec les régulateurs et les décideurs politiques par le biais de la recherche, notamment en demandant et en partageant les résultats d'études indépendantes menées par des tierces parties sur d'importants sujets liés à l'assurance.

Pendant la pandémie de COVID-19, l'ACIFA a fait réaliser deux études sur l'interaction numérique avec les clients.



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Étude ACIFA-Pollara sur l'assurance protection de crédit, les prêts hypothécaires et les lignes de crédit hypothécaire - Étude de suivi



L'ACIFA a fait réaliser une première étude sur les opinions des détenteurs de produits d'assurance protection de crédit à l'automne 2018



Nous avons renouvelé l'étude en novembre 2022



Bien que certaines choses aient changé au cours des quatre années, les opinions des consommateurs d'APC sont restées remarquablement cohérentes dans la plupart des domaines

Étude ACIFA-Pollara sur l'assurance protection de crédit, les prêts hypothécaires et les lignes de crédit hypothécaire - Novembre 2022 - Principales conclusions

Depuis la pandémie, les consommateurs utilisent à la fois des moyens personnels et en ligne pour communiquer avec leurs institutions financières

Principaux points à retenir

Une grande majorité de Canadiens qui détiennent une assurance protection de crédit (APC) croit que cette dernière constitue une manière abordable, pratique et efficace de se protéger, eux-mêmes, ainsi que leur famille, lors de certains événements inattendus

De plus, la plupart des détenteurs d'APC ne savent pas ce qu'ils feraient sans cette assurance si quelque chose leur arrivait, à eux ou à leur famille, ce qui témoigne d'autant plus de l'importance de ces produits

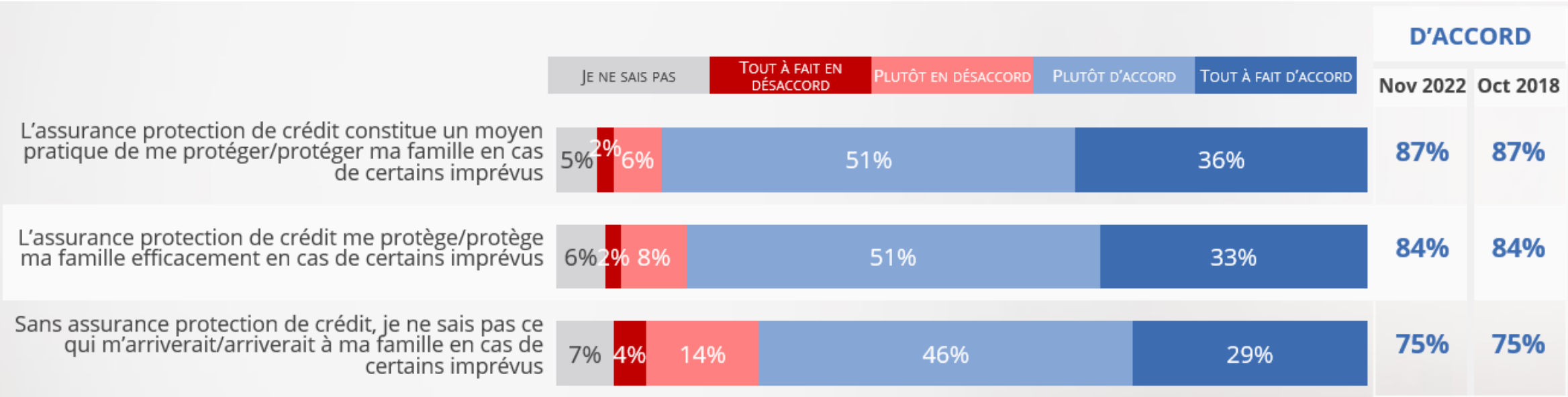
Les détenteurs d'APC montrent un haut taux de satisfaction à l'égard du processus global de souscription et ont confiance en leur connaissance de ces produits (par exemple, les montants des versements et les conditions de la politique d'assurance)

Ces hauts taux de satisfaction à l'égard de la souscription et de connaissance des politiques d'assurance sont imputables aux représentants d'institutions financières, qui relaient de l'information de qualité, en comparaison avec les renseignements présentés dans la documentation relative aux APC

Les attentes des détenteurs d'APC en matière de montants de versement sont satisfaites par le secteur

Cela indique que le secteur informe ses clients de manière efficace, qu'il se montre ouvert et transparent avec ceux-ci au moment de la souscription et qu'il respecte constamment ses engagements

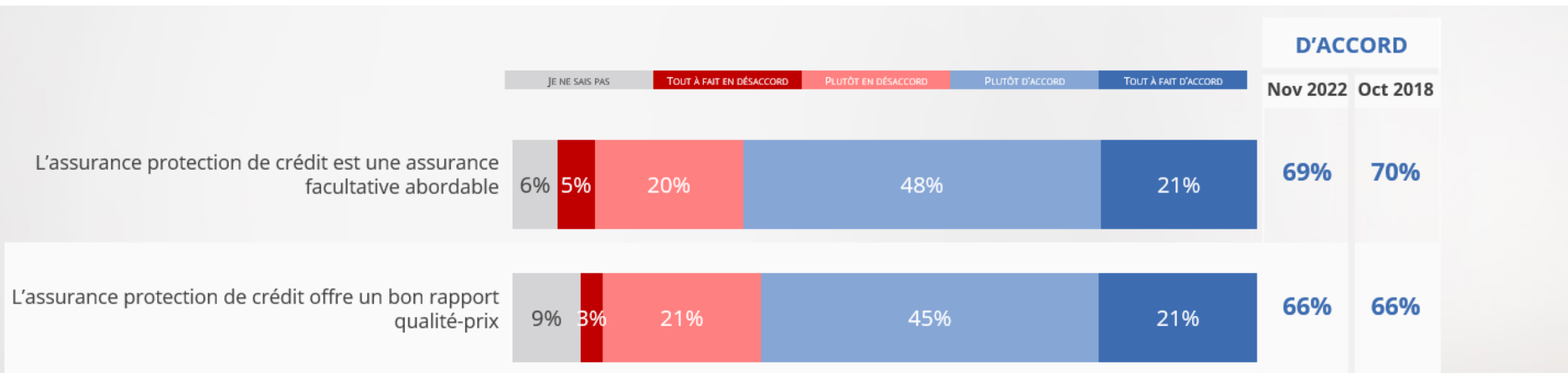
Une majorité de détenteurs d'APC continue de penser que l'assurance crédit est un moyen pratique et efficace de se protéger contre un événement imprévu susceptible de compromettre leurs revenus



Q AB2. Dans quelle mesure êtes-vous d'accord ou en désaccord avec chacun des énoncés suivants portant sur l'assurance protection de crédit pour votre prêt hypothécaire?
Base: Hypothécaire / HELOC APC (N=1001), Oct 2018 (N=1003)

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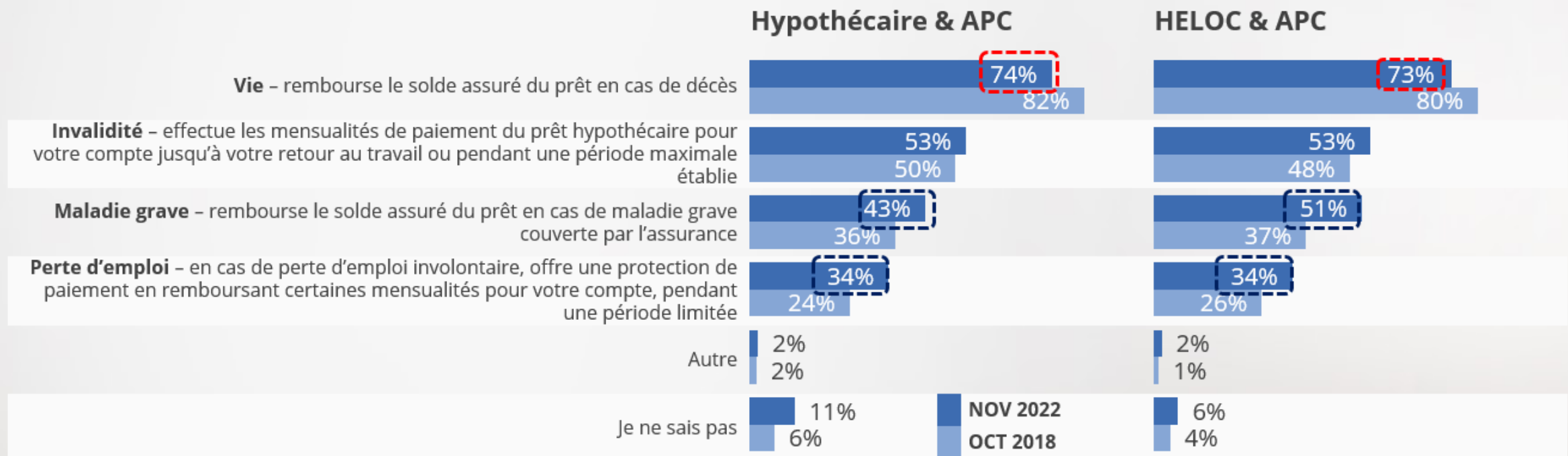
Selon Pollara, les consommateurs estiment que tous les produits sont trop chers. Ces résultats sont conformes à ceux obtenus dans d'autres secteurs, y compris les secteurs réglementés



Q AB2. Dans quelle mesure êtes-vous d'accord ou en désaccord avec chacun des énoncés suivants portant sur l'assurance protection de crédit pour votre prêt hypothécaire?
 Base: Hypothécaire / HELOC APC (N=1001), Oct 2018 (N=1003)

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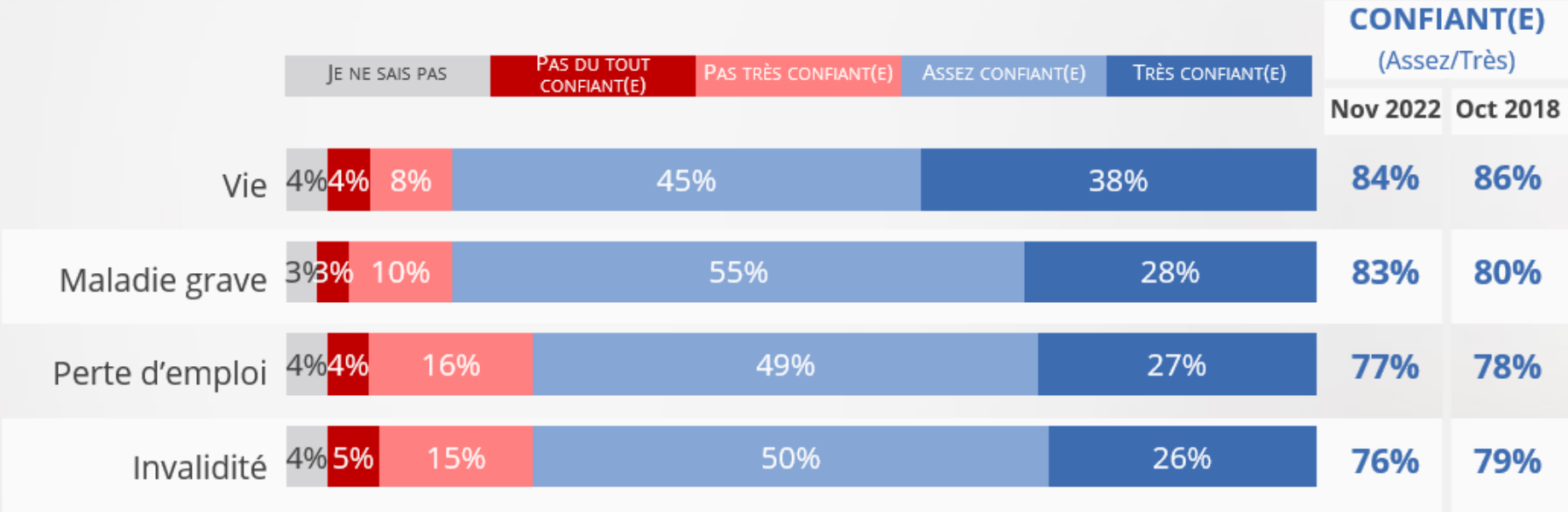
L'assurance vie reste la couverture APC la plus choisie, mais l'intérêt pour d'autres types d'assurance augmente



Q3/ Q6. 3. Et quelles couvertures cette assurance protection de crédit comporte-t-elle? Base: Hypothécaire & APC (N=783), Oct 2018 (N=775), HELOC & APC (N=430), Oct 2018 (N=485)

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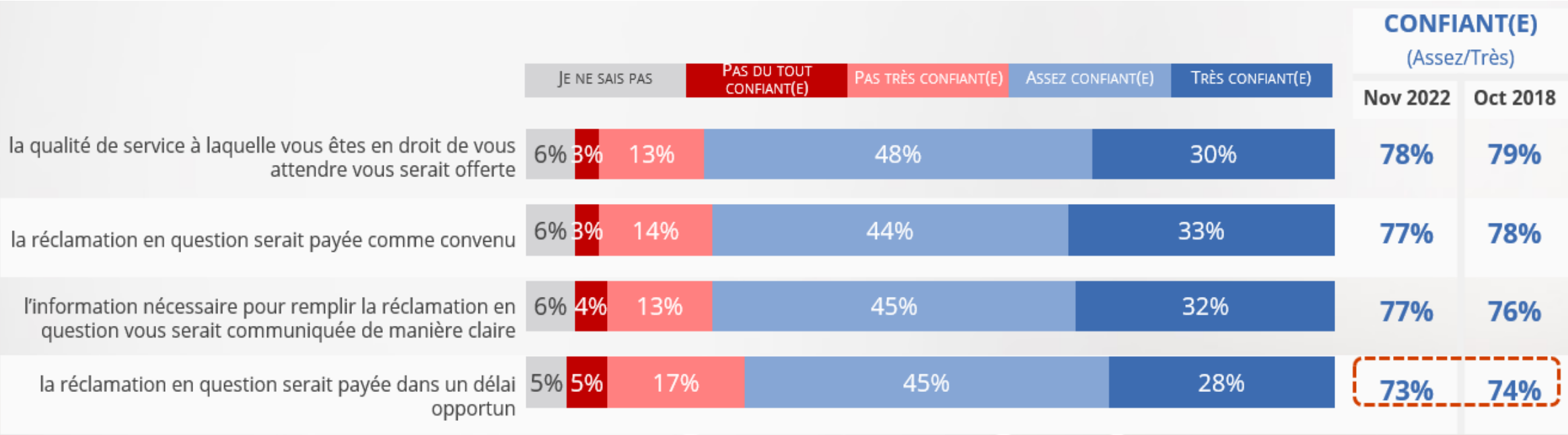
Dans l'ensemble, une grande majorité de titulaires d'APC sont convaincus de savoir ce que leurs prestations leur permettraient de payer en cas de sinistre



Q A/B7. Dans quelle mesure êtes-vous confiant(e) de bien connaître le montant de votre prêt hypothécaire qui sera remboursé par chacune des couvertures que vous avez choisies? Veuillez indiquer votre degré de confiance par rapport à chacune des couvertures. Base: Vie (N=738/828), Maladie grave (N=399/349), Perte d'emploi (N=303/238), Invalidité (N=462/461)

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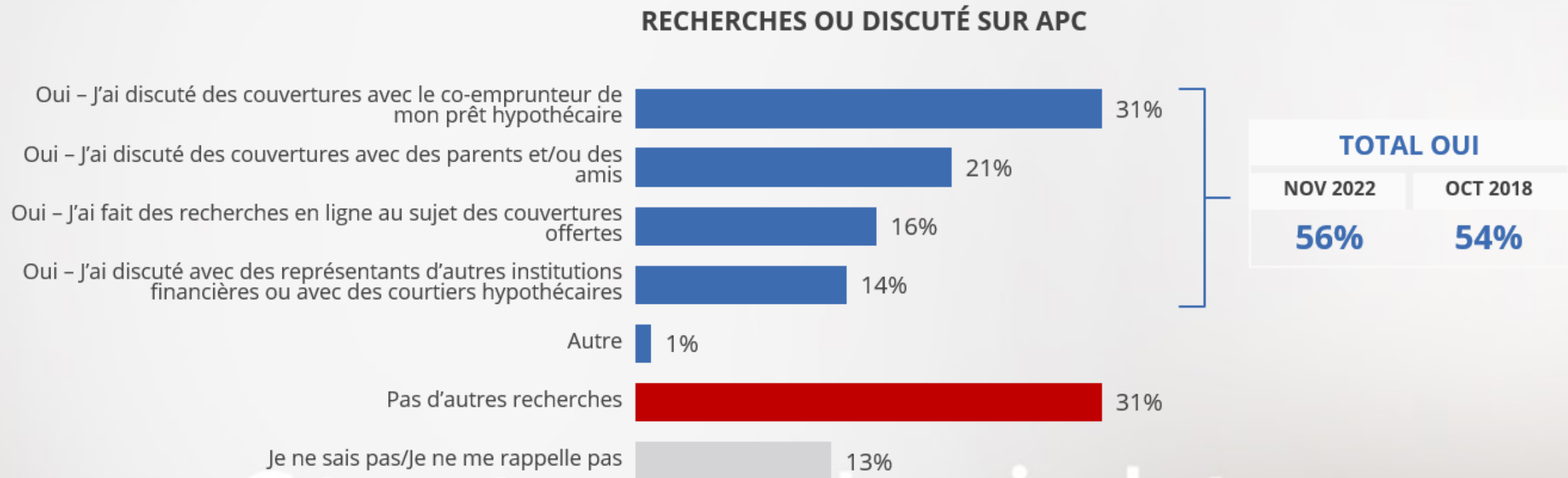
Plus des trois quarts ont confiance dans l'APC en cas de sinistre



Q A/B1. Nous vous demandons maintenant de répondre aux prochaines questions en ayant en tête votre assurance protection de crédit pour votre prêt hypothécaire. En songeant à cette assurance, en général, dans quelle mesure êtes-vous confiant(e) qu'en cas de réclamation...? Base: hypothécaire / HELOC CPI Holder (N=1001), Oct 2018 (N=1003)

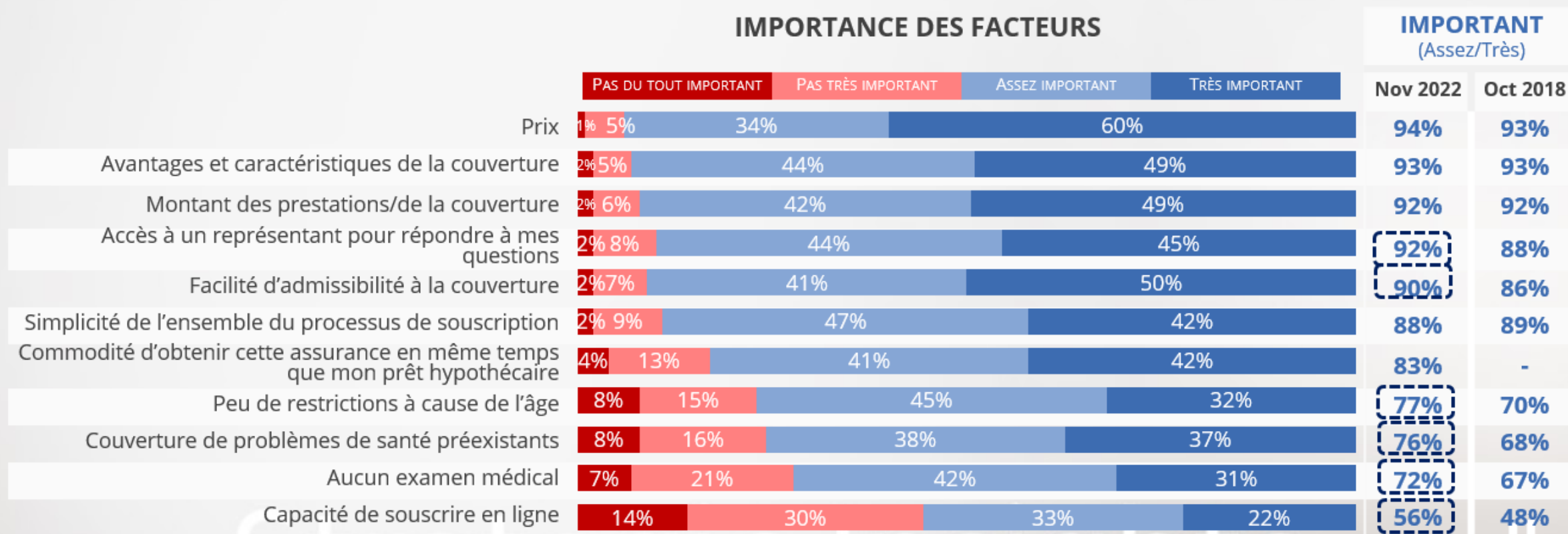
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Plus de la moitié des personnes interrogées ont demandé des informations sur l'APC à des sources autres que leur institution financière



A/B5. À part l'information obtenue auprès de votre institution financière, avez-vous discuté avec quelqu'un d'autre ou effectué des recherches supplémentaires au sujet des couvertures offertes par l'assurance protection de crédit? Base: hypothécaire / HELOC APC Holder (N= 1001), Oct 2018 (N=1003)

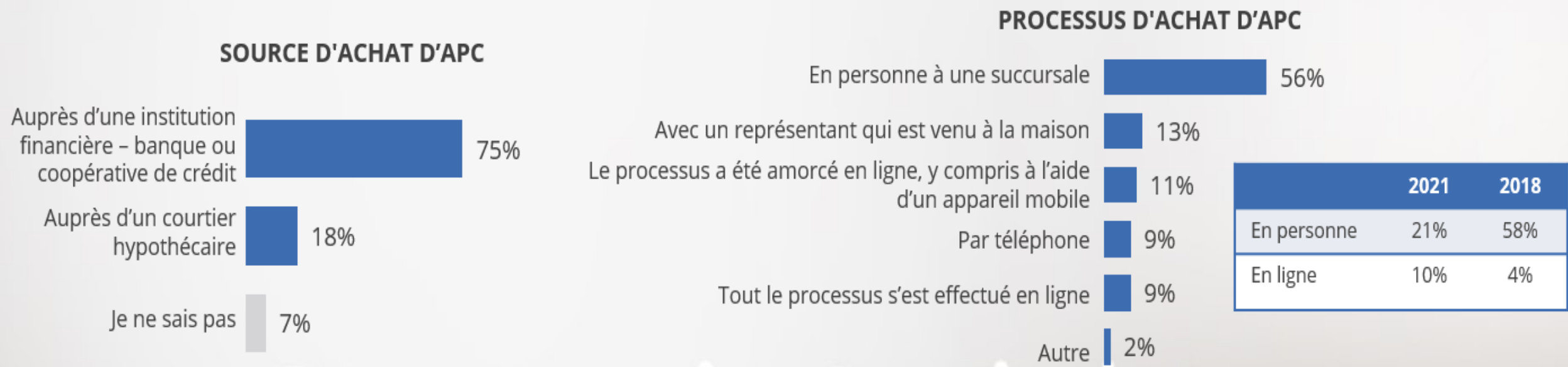
D'autres facteurs que le prix, les prestations et la couverture gagnent en importance



A/B9. Lorsque vous envisagiez de souscrire une assurance protection de crédit pour votre prêt hypothécaire, dans quelle mesure les facteurs suivants étaient-ils importants pour vous? Base: hypothécaire / HELOC APC (N=1001), Oct 2018 (N=1003)

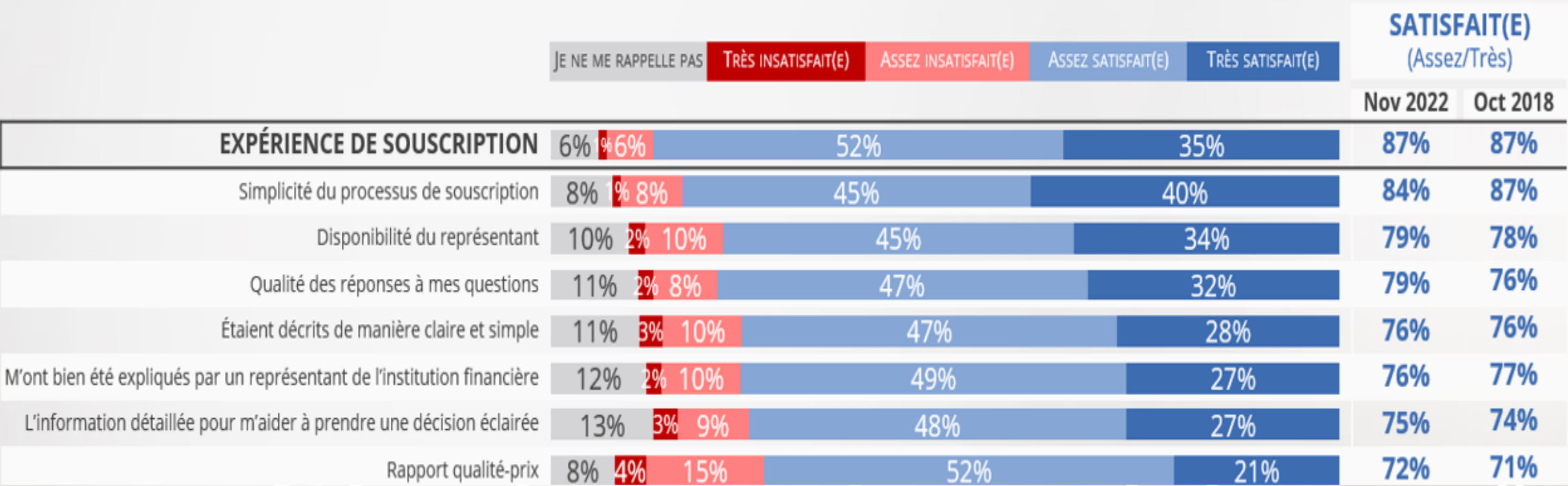


L'achat d'APC en personne a retrouvé son niveau d'avant la pandémie



A/B10A. Les prochaines questions portent sur votre expérience de souscription de l'assurance protection de crédit pour votre prêt hypothécaire. Auprès de qui avez-vous souscrit votre assurance protection de crédit? A/B10B. Comment avez-vous conclu la souscription de votre assurance protection de crédit?

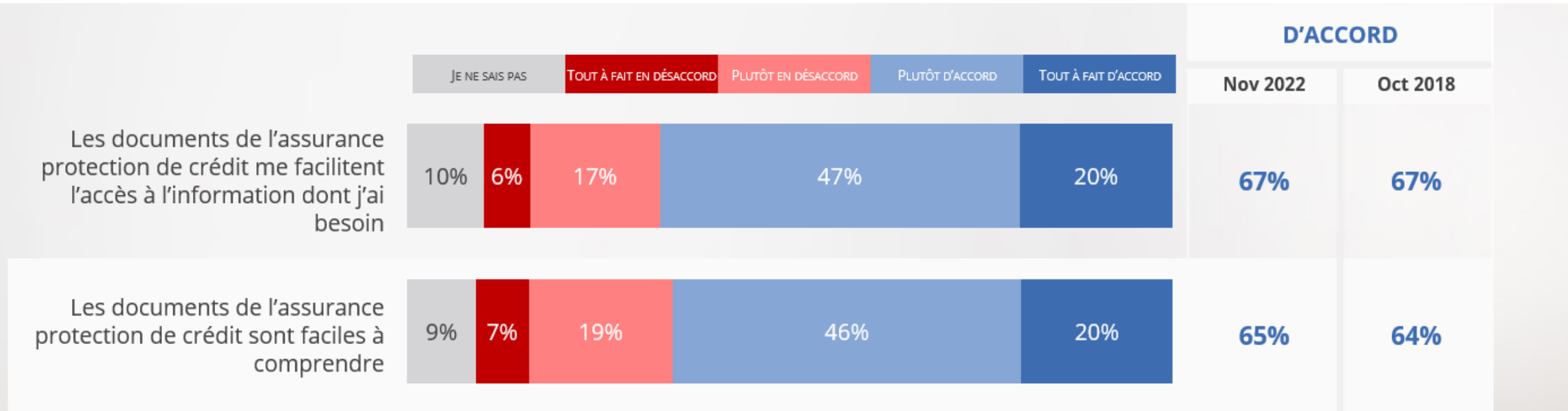
Les niveaux de satisfaction de l'expérience d'achat restent élevés



Q A/B11. Dans l'ensemble, quel est votre degré de satisfaction à l'égard de votre expérience de souscription de l'assurance protection de crédit pour votre prêt hypothécaire/ HELOC?
A/B12. Plus précisément, dans quelle mesure avez-vous été satisfait(e) de chacun des aspects suivants du processus de souscription? hypothécaire / HELOC APC (N=1001), Oct 2018 (N=1003)

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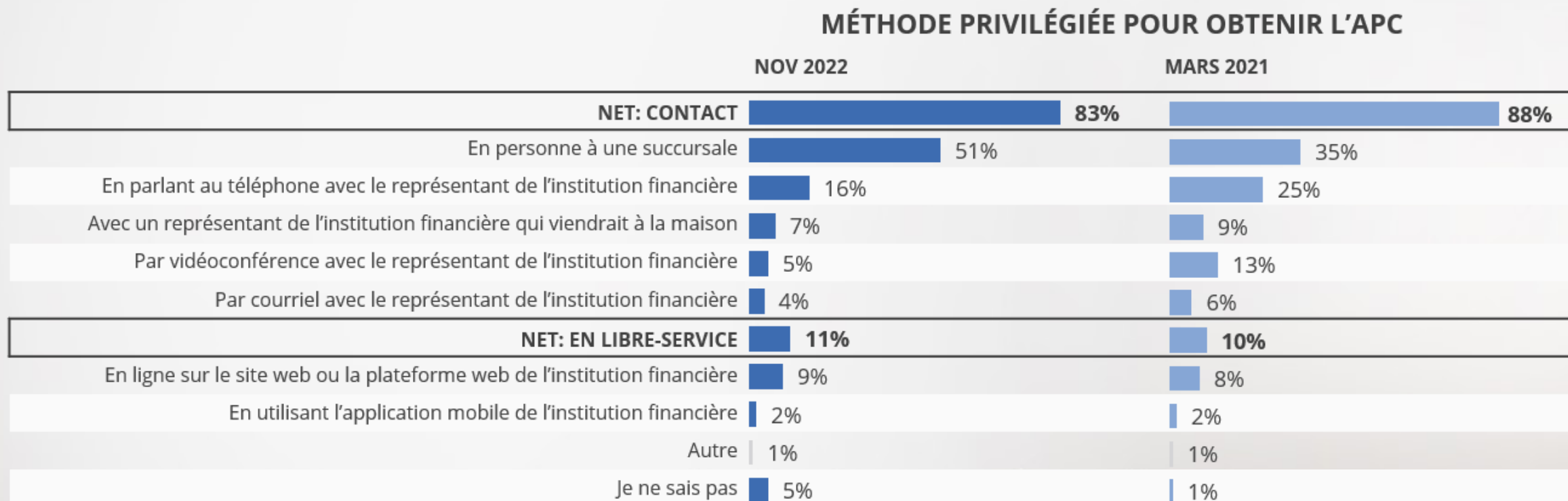
Les consommateurs ont une bonne compréhension de la documentation relative aux APC, mais elle n'est pas parfaite, et c'est une opportunité d'amélioration



A/B8 Dans quelle mesure êtes-vous d'accord ou en désaccord avec chacun des énoncés suivants portant sur les documents expliquant l'assurance protection de crédit pour votre prêt hypothécaire / HELOC. Base: hypothécaire / HELOC APC (N=1001), Oct 2018 (N=1003)

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L'achat d'APC en personne progresse, mais les autres canaux de distribution sont toujours très utilisés



A/B13. Si vous deviez obtenir une assurance protection de crédit maintenant, comment souhaiteriez-vous en faire la demande? Base: (N=1001), Mars 2021 (N=197)

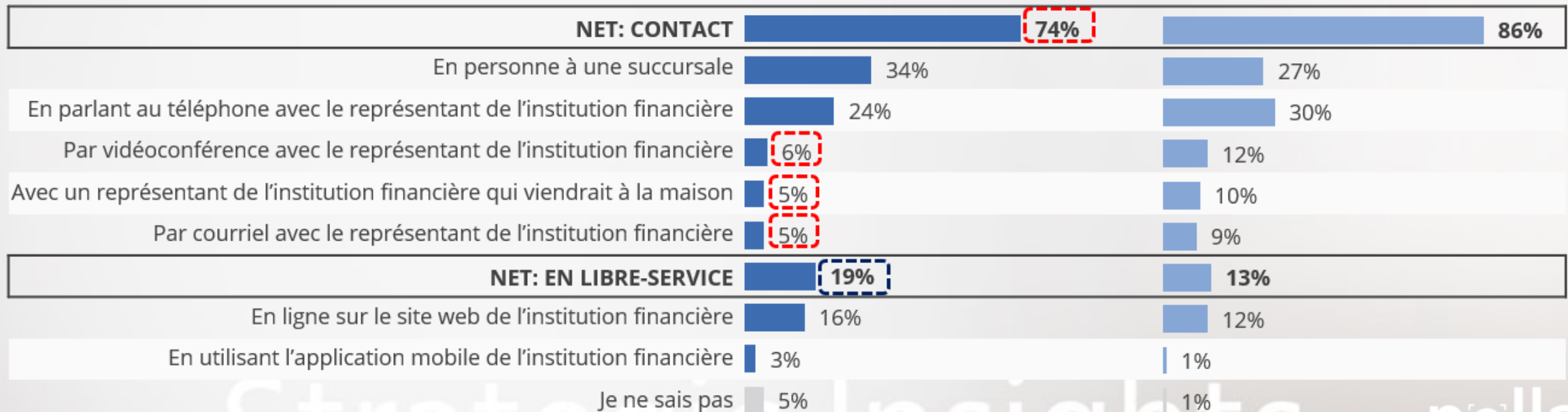


Moins de titulaires d'APC privilégient le contact (par rapport au libre-service) lorsqu'ils déposent une demande de remboursement

MÉTHODE PRIVILÉGIÉE DE PRÉSENTATION DES DEMANDES

NOV 2022

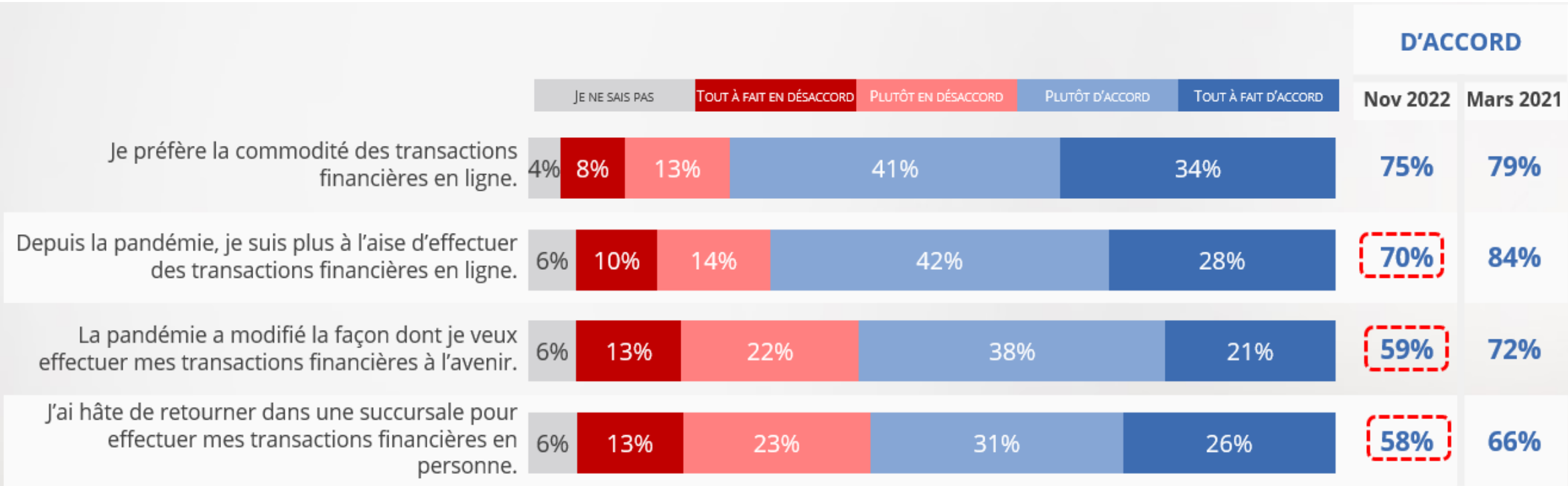
MARS 2021



A/B14 Si vous deviez soumettre une réclamation en vertu de votre assurance protection de crédit maintenant, comment préféreriez-vous le faire Base: (N=1001), Mars 2021 (N=197)

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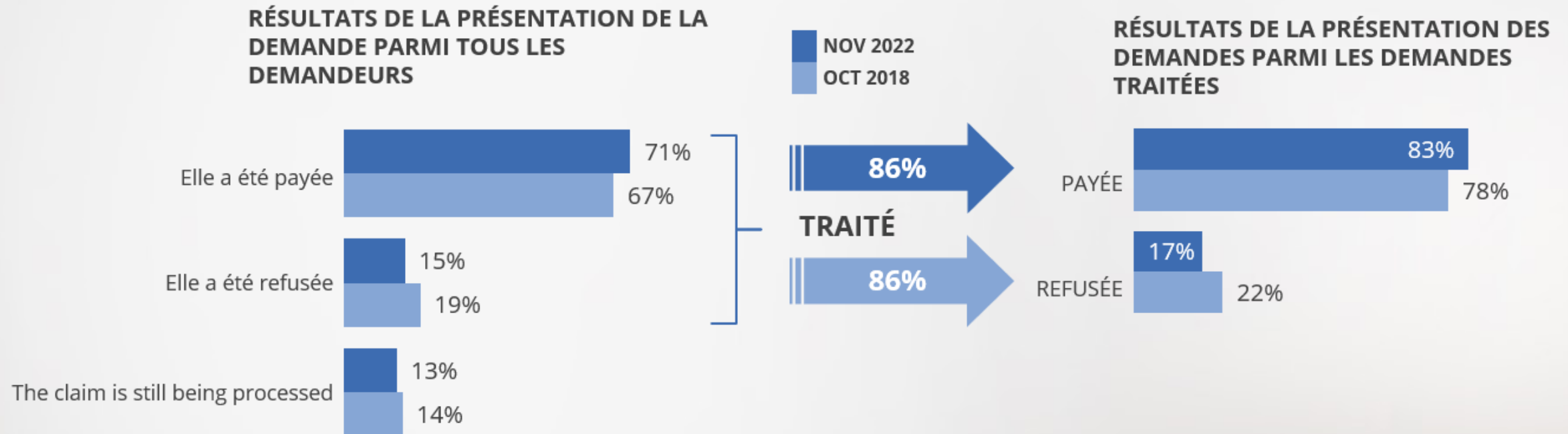
Si les moyens numériques restent une méthode de communication privilégiée avec les institutions financières, les consommateurs reviennent également à la communication en personne



A/B15. Dans quelle mesure êtes-vous d'accord ou en désaccord avec les énoncés suivants portant sur la réalisation de transactions financières depuis le début de la pandémie de COVID-19?
Base: (N=1001), Mars 2021 (N=197)

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Plus de 8 demandes traitées sur 10 ont été payées

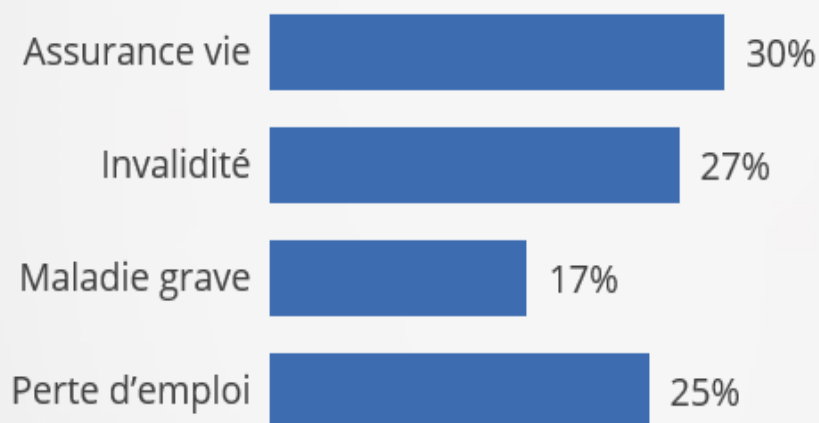


Q D3. Comment votre demande de réclamation a-t-elle été résolue? Base: Réclamation de l'APC (n=379), Oct 2018 (N=286)
Base: Demande de remboursement de l'APC traitée (N=244)

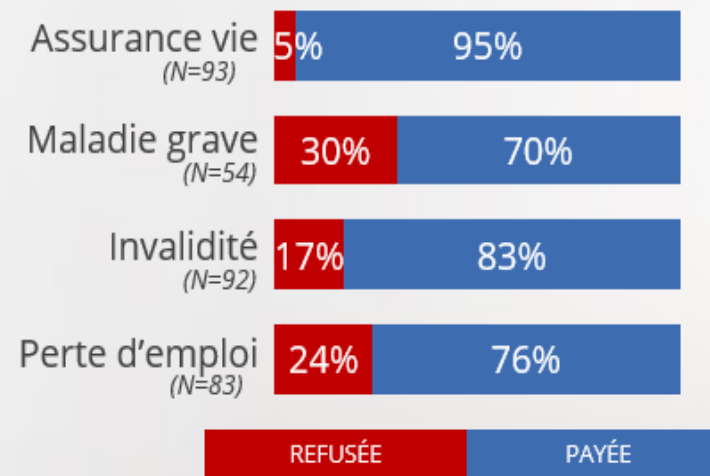
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Pourcentage élevé de sinistres ayant donné lieu au versement d'une prestation, quel que soit le type de sinistre

TYPE DE RÉCLAMATION AVEZ-VOUS FAIT



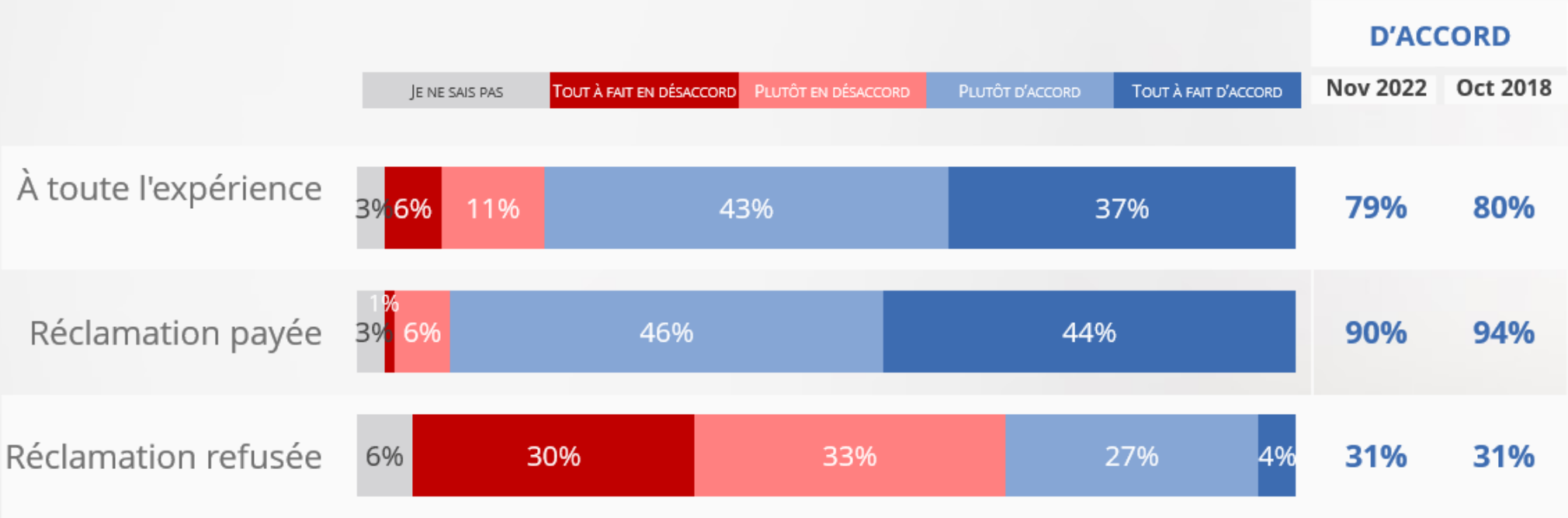
RÉSULTATS DE LA PRÉSENTATION DES DEMANDES PARMI LES TYPES DE DEMANDES (N'inclut pas les réclamations en cours de traitement)



Les membres de l'ACIFA ont indiqué que 92 % des demandes d'indemnités d'assurance-vie ont été payées en 2021, ce qui est conforme aux conclusions de cette étude.

Q D2. Quel type de réclamation avez-vous fait? Base: (N=379)
D3. Comment votre demande de réclamation a-t-elle été résolue?

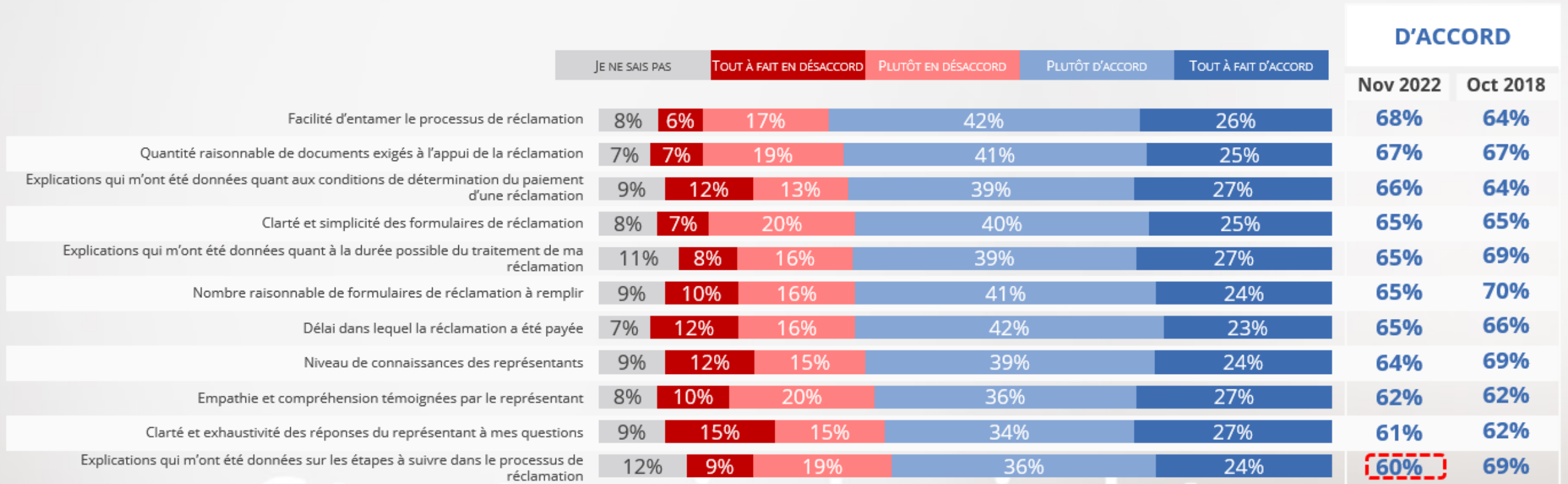
Huit personnes sur dix sont satisfaites de leur expérience en matière de demandes de remboursement



Q D4. Comment qualifieriez-vous votre degré de satisfaction par rapport à toute l'expérience entourant la présentation de votre réclamation, du premier contact au résultat final?
Base: À toute l'expérience (N=322)/(N=244); Réclamation payée (N=263)/(N=194); Réclamation refusée (N=59)/(N=50)

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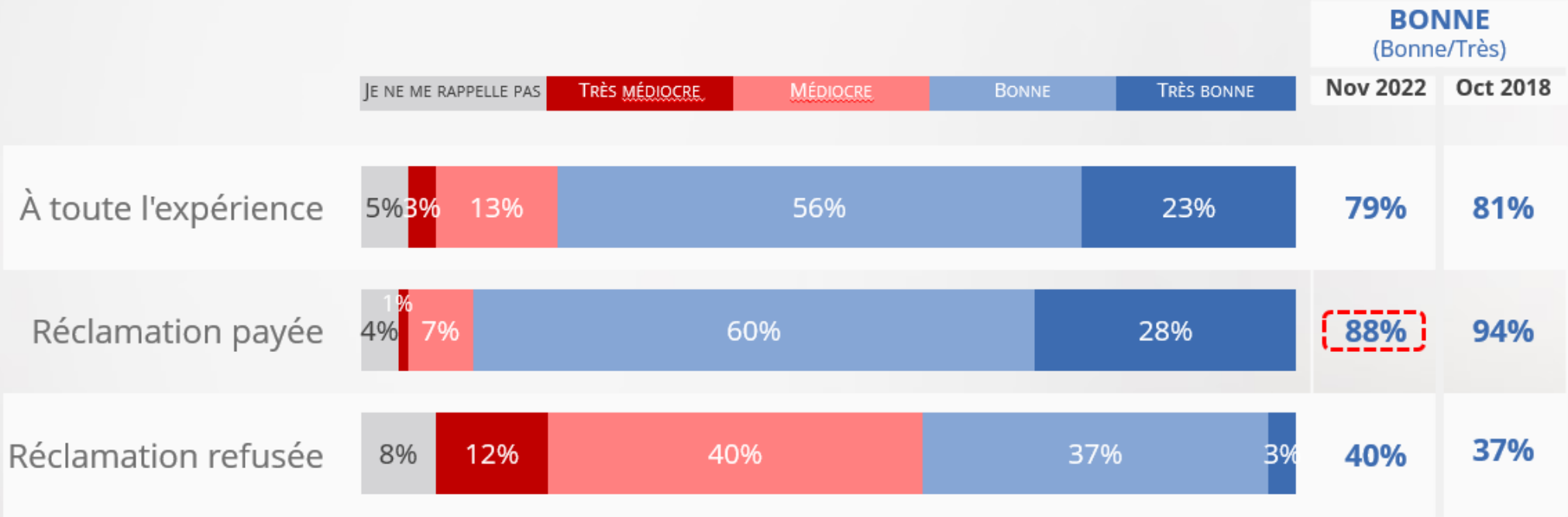
Les demandeurs comprennent généralement les différentes composantes du processus de traitement des demandes de remboursement



Q D5. Et dans quelle mesure avez-vous été satisfait(e) de chacun des aspects suivants du processus de réclamation? Base: Réclamation payée (N=263)/(N=194)

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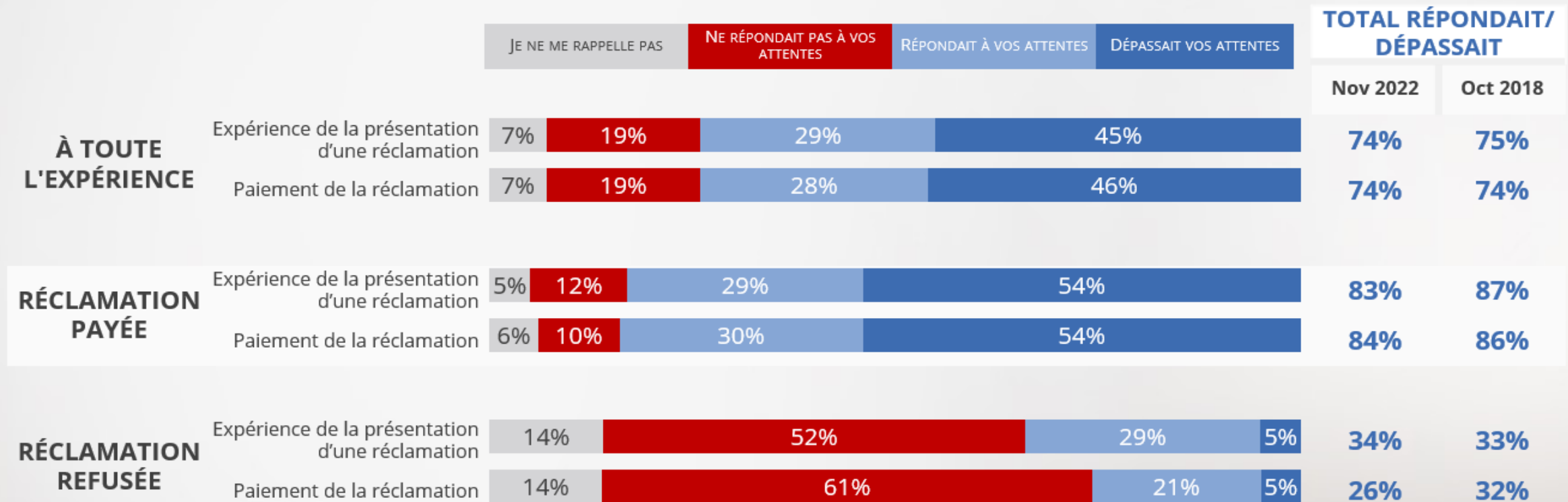
Les explications fournies par l'assureur étaient bonnes/très bonnes pour la quasi-totalité des personnes dont le sinistre a été indemnisé



Q D6. Comment qualifieriez-vous la clarté des explications qui vous ont été données par votre assureur au sujet du paiement de votre réclamation /du refus de votre réclamation Base: À toute l'expérience (N=322)/(N=244); Réclamation payée (N=263)/(N=194); Réclamation refusée (N=59)/(N=50)

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Les attentes ont été satisfaites pour les personnes dont le sinistre a été indemnisé, mais pas pour celles qui n'ont pas reçu de remboursement



D7. Diriez-vous que le paiement de la réclamation répondait à vos attentes, qu'il les dépassait ou qu'il n'y répondait pas?

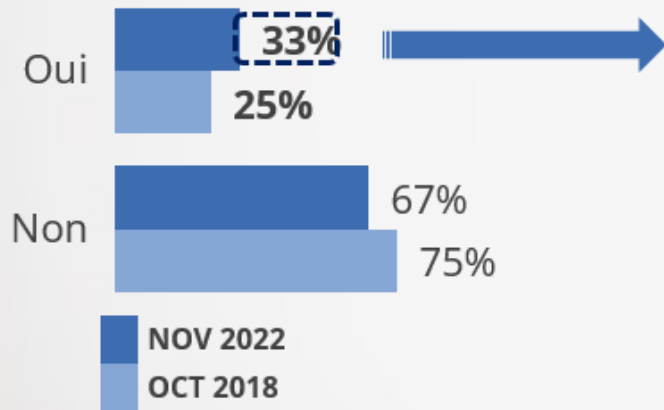
D8. Dans l'ensemble, diriez-vous que votre expérience de la présentation d'une réclamation répondait à vos attentes, qu'elle les dépassait ou qu'elle n'y répondait pas?

Base: À toute l'expérience (N=322)/(N=244); Réclamation payée (N=263)/(N=194); Réclamation refusée (N=59)/(N=50)

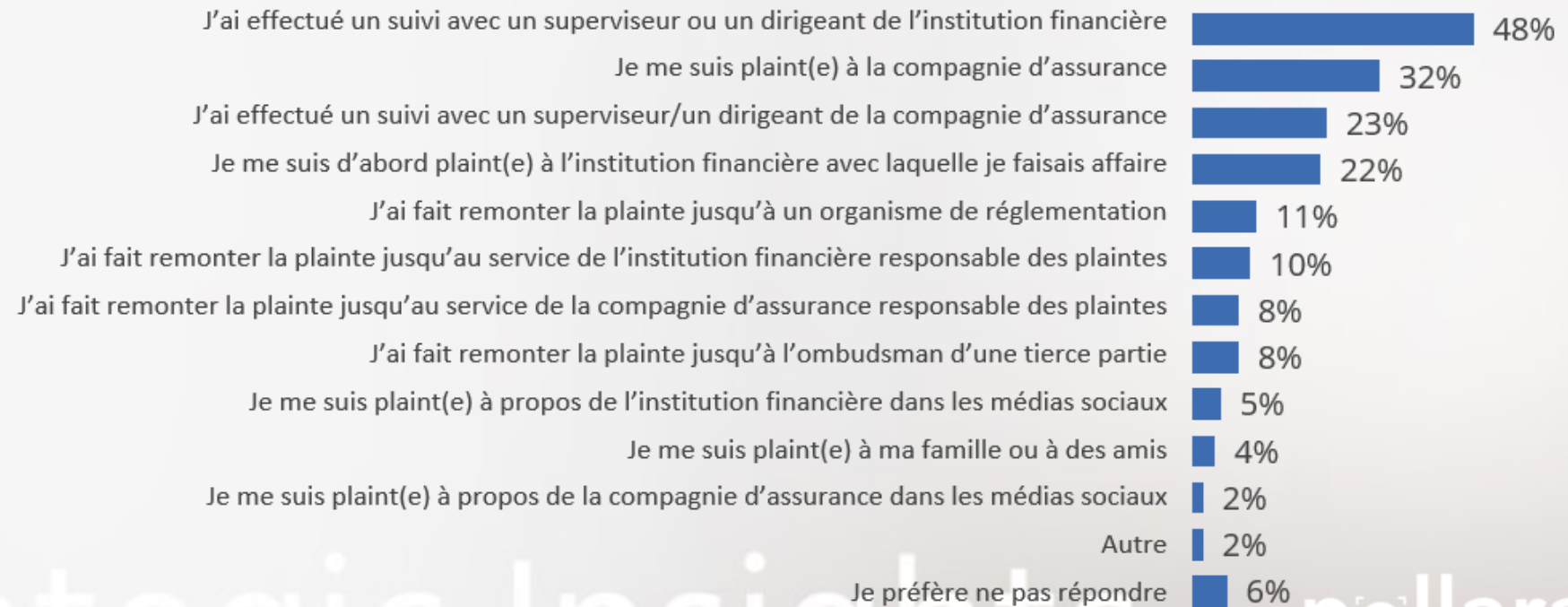
pollara
strategic insights

Augmentation des réclamations déposées au cours de la procédure de demande de remboursement en 2022 par rapport à 2018

Plaint(e) à propos de votre réclamation



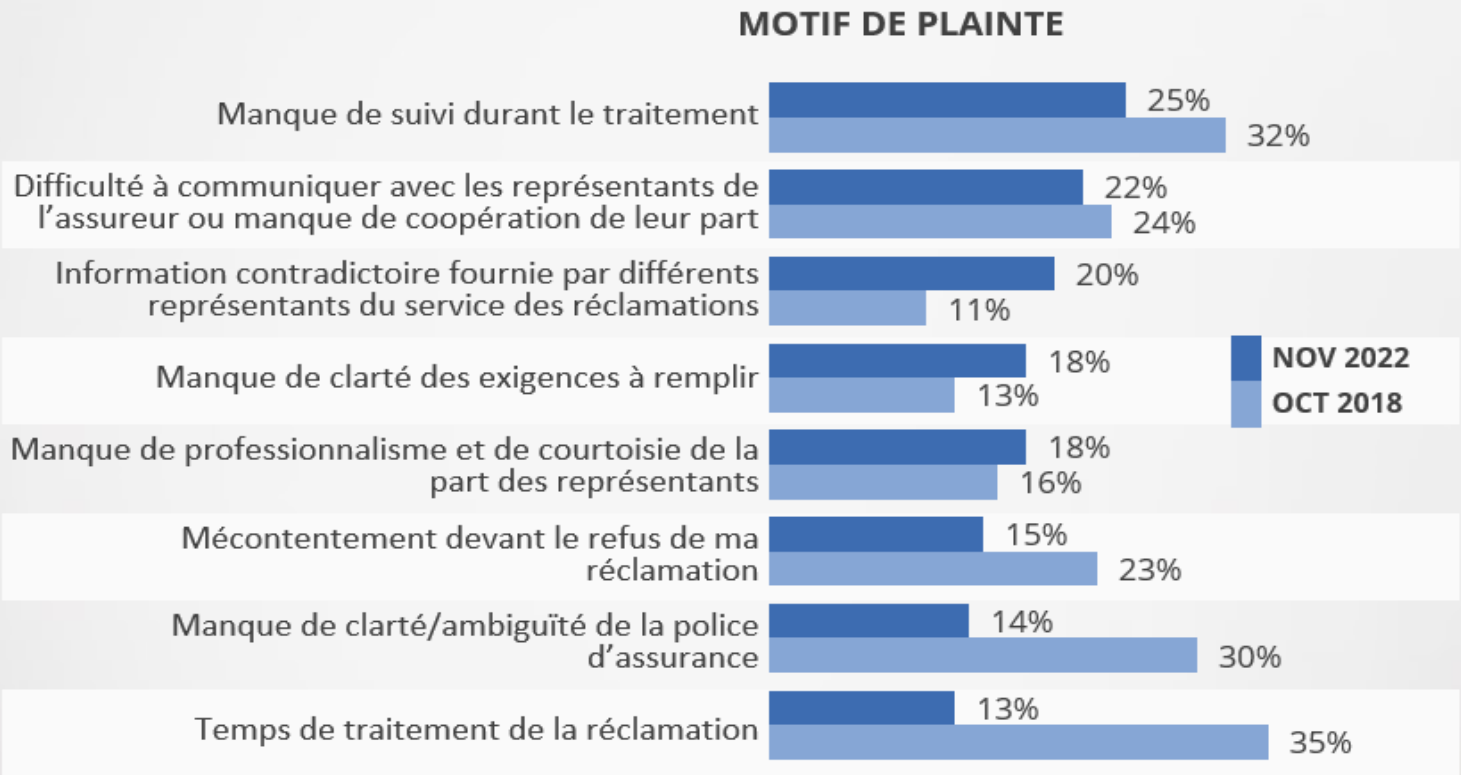
COMMENT LA PLAINTÉ A ÉTÉ DÉPOSÉE



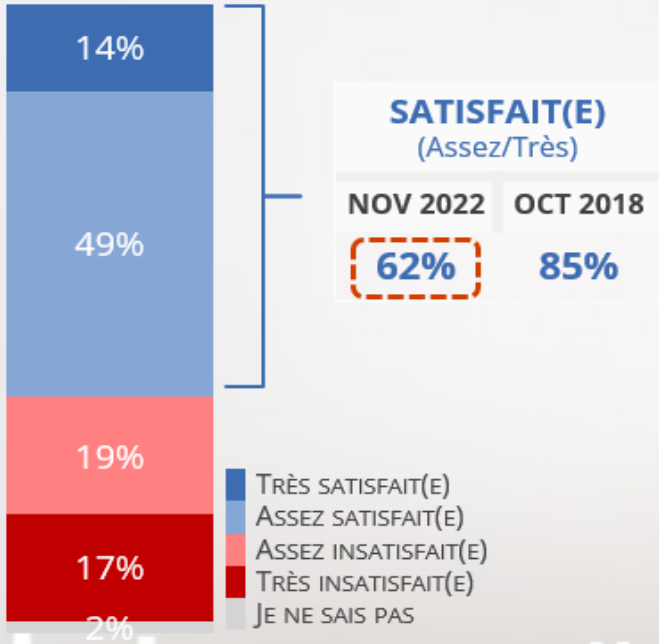
Q D9. Vous êtes-vous plaint(e) à propos de votre réclamation à un moment ou à un autre pendant ou après le processus de réclamation? Base: (N=379)/(N=244)
 D10. De quelle façon vous êtes-vous plaint(e)? Veuillez choisir toutes les réponses pertinentes. ? Base: Plaint(e) à propos de votre réclamation (N=103)/(N=53)

pollara
strategic insights

Le niveau de satisfaction concernant la manière dont la réclamation a été traitée a baissé en 2022 par rapport à 2018



SATISFACTION À L'ÉGARD DU TRAITEMENT DES PLAINTES



D11. Quels étaient le ou les principaux motifs de votre plainte? Veuillez choisir toutes les réponses pertinentes?
D12. Avez-vous été satisfait(e) de la manière dont votre plainte a été traitée?
Base: (N=103)/(N=53)

L'ACIFA mène ces études pour connaître le point de vue des clients d'APC et savoir où les membres devraient investir pour apporter des améliorations et améliorer la satisfaction client



Les résultats des réclamations ont été communiqués à tous les membres de l'ACIFA



Les membres de l'ACIFA disposent tous de groupes internes chargés de comprendre ces résultats et d'y répondre



L'ACIFA continuera à surveiller les performances en matière de réclamations sur les sinistres

Contexte - Beaucoup de choses ont changé depuis l'étude de suivi initiale de 2018



Après mars 2020, la performance du service à la clientèle s'est dégradée pendant un certain temps, car les entreprises se sont adaptées aux exigences en matière de livraison numérique et de travail à domicile, ce qui a entraîné un plus grand nombre de réclamations



La pandémie a entraîné un plus grand nombre de demandes non admissibles, en particulier pour l'assurance perte d'emploi, qui n'ont pas été payées, ce qui a donné lieu à davantage de réclamations



Pollara rapporte que les plaintes ont augmenté dans tous les secteurs, y compris les secteurs réglementés, et que les réclamations sont davantage émotionnelles - les gens sont beaucoup plus stressés

Contexte - Le cadre dans lequel s'inscrivent les réclamations des clients a changé



Les améliorations apportées aux procédures de réclamation des entreprises et les exigences réglementaires ont facilité le dépôt de plaintes



Les clients ont, à juste titre, des attentes plus importantes en matière de prestation de services et comparent leur expérience avec celle d'Amazon

En résumé, l'ACIFA et ses membres s'engagent à analyser ces résultats et à y répondre

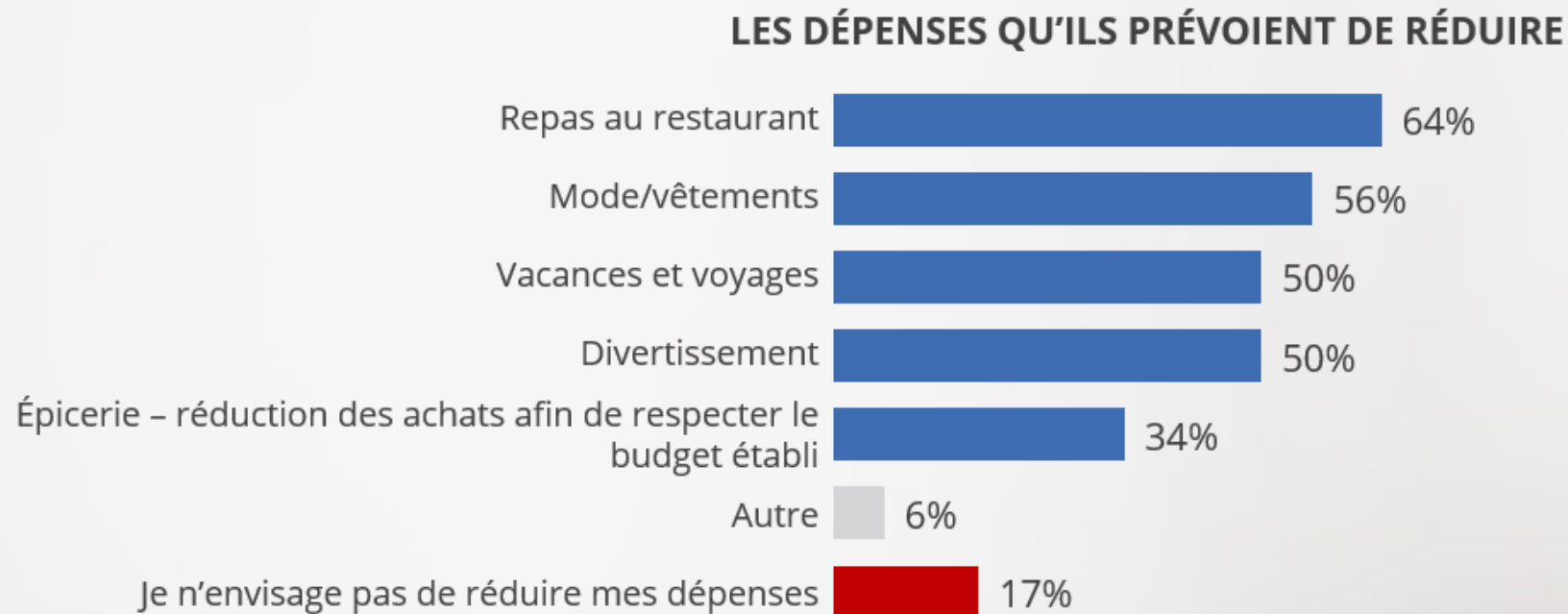


Les remboursements des membres de l'ACIFA sont restés au même niveau très élevé - ce sont les plaintes, et non les remboursements, qui ont changé



En résumé, l'ACIFA et ses membres s'engagent à analyser ces résultats et à y répondre, ainsi qu'à améliorer en permanence l'expérience de leurs clients

Questions économiques - Les consommateurs réduisent leurs dépenses

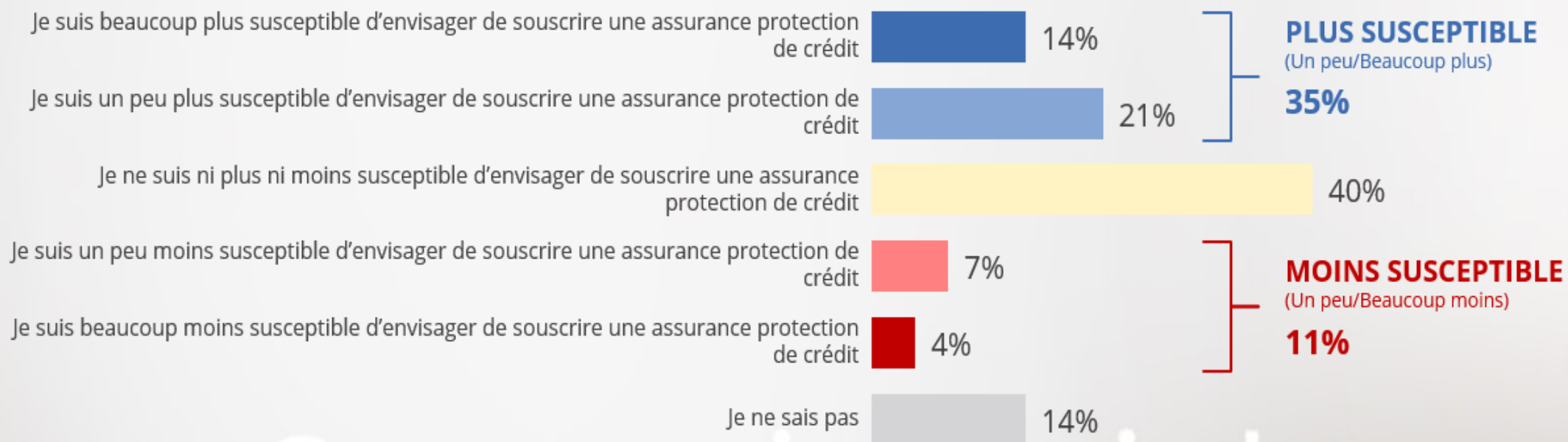


E1. Compte tenu de l'inflation et de la situation économique actuelle, envisagez-vous de réduire vos dépenses dans l'une ou l'autre des catégories suivantes? Base: (N=1494)

pollara
strategic insights

Questions économiques - Les consommateurs veulent toutefois dépenser plus pour les produits APC

INCIDENCE DE LA CONJONCTURE ÉCONOMIQUE SUR LA PROBABILITÉ D'OBTENIR APC



E2. Compte tenu de la hausse de l'inflation, de l'incertitude économique et de la possibilité de redressement du marché immobilier, quel est votre sentiment à l'égard de la souscription d'une assurance protection de crédit pour votre prêt hypothécaire ou votre marge de crédit? Base: (N=1494)

pollara
strategic insights

Autres études

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

L'ACIFA a fait réaliser une étude par Deloitte, publiée en juin 2022, sur les meilleures pratiques en matière de numérisation

Conclusions générales

- 01** La numérisation de l'APC est **une priorité stratégique pour les institutions financières canadiennes**.
- 02** Comparativement aux autres secteurs de l'assurance, l'APC canadienne présente **des défis uniques** en ce qui concerne **sa numérisation**, accentués par la multitude d'intervenants impliqués.
- 03** L'expérience numérique d'APC offerte **dépend fortement du parcours de prêt** (c.-à-d., prêts hypothécaires, marges de crédit).
- 04** L'environnement réglementaire relatif à l'APC peut être **perçu comme difficile à comprendre sur le plan numérique**, en particulier pour les organisations nationales qui offrent de l'APC dans plusieurs provinces.
- 05** Plusieurs distributeurs et souscripteurs d'APC ont fait preuve de **leadership en investissant relativement plus dans le numérique** au cours des dernières années.
- 06** L'adoption de l'expérience numérique **par les représentants et les clients demeure un obstacle à la réalisation des avantages des investissements numériques**.
- 07** La numérisation réussie de l'APC **ne se limite pas aux expériences en contact avec le client**, et comprend les opérations administratives.
- 08** Les expériences numériques rendues possibles par l'automatisation **tout au long de la chaîne de valeur avec les partenaires** (p. ex., souscription, réclamations) ont été les difficultés les plus souvent citées.
- 09** La collaboration entre les distributeurs, les souscripteurs et les organismes de réglementation sera essentielle pour offrir des expériences exceptionnelles.

Faits saillants du sondage

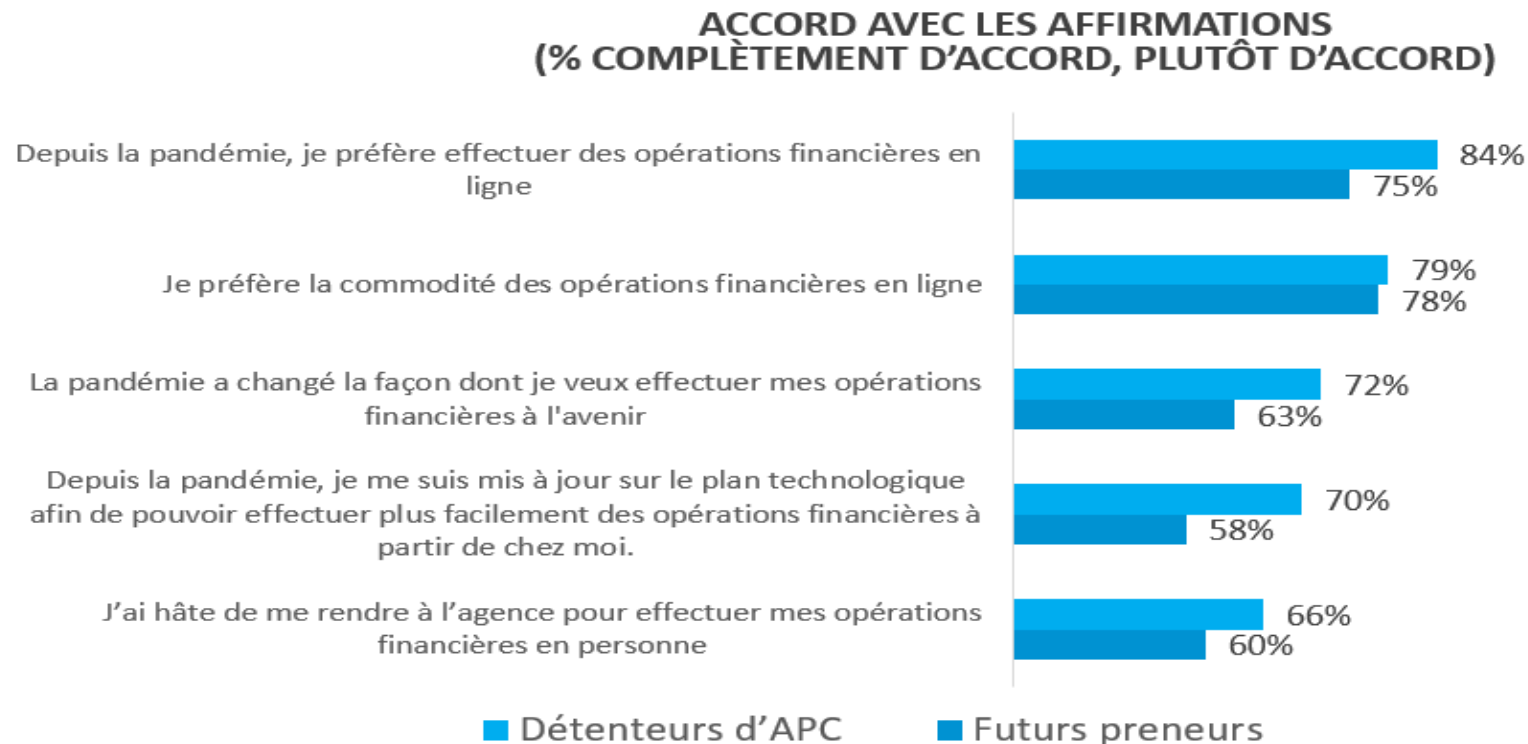
- 100 %** des souscripteurs et distributeurs ont indiqué que la numérisation de l'APC était une priorité stratégique.
- 43 %** des membres interrogés estiment que jusqu'à 40 % des demandes seront entièrement numériques d'ici 2025.
- 75 %** des souscripteurs et distributeurs d'APC voient l'alignement avec les prêteurs comme une occasion clé d'augmenter la valeur offerte aux clients.

- 80 %** des souscripteurs ont indiqué que le grand nombre d'intervenants qui sont responsables de divers aspects de l'expérience d'APC constitue le plus grand défi de la numérisation de l'APC.
- 57 %** des distributeurs ont classé leur maturité numérique actuelle comme étant « quelque peu en retard ».
- 67 %** des répondants ont indiqué que la plupart des processus administratifs demeurent manuels malgré les investissements.
- 86 %** des distributeurs ont indiqué que l'intégration des diverses plateformes est essentielle pour assurer des expériences d'APC numériques réussies.

Source : Sondage de Deloitte sur la numérisation de l'APC

Deloitte.

L'ACIFA a fait réaliser une étude (juin 2021) par Pollara sur le point de vue des détenteurs d'APC sur la numérisation - les consommateurs sont de plus en plus à l'aise avec l'utilisation des moyens numériques pour interagir avec les IF



Q. À quel point êtes-vous d'accord avec les affirmations suivantes? Q. Depuis l'apparition de la pandémie de Covid-19 au Canada, diriez-vous qu'il est plus ou moins probable que vous effectuiez des opérations financières, telles que l'obtention d'un prêt ou la souscription d'une assurance, de la façon suivante? Échantillon : Détenteurs d'une assurance protection de crédit (N = 197) / Échantillon : Futurs preneurs (N= 805)

Questions et réponses / Dialogue

- Vous avez des questions sur ce dont nous vous avons parlé dans cette présentation?
- L'ACIFA vous propose de collaborer avec vous, en tant que régulateur ou décideur clé de l'assurance, sur des initiatives réglementaires ou législatives ou sur d'autres questions d'intérêt mutuel. Y a-t-il des sujets à court terme pour lesquels vous souhaiteriez faire appel à notre participation/collaboration?

Briefing Note

CAFII EOC Meeting 24 September 2023—Agenda Item 4(d)i Committees and Working Groups – Media Advocacy - Engagement of New Media Consultant

Purpose of this Agenda Item – Update

To provide an update to the EOC on the engagement of new Media Consultant for CAFII.

Background Information

CAFII Co-Executive Director Keith Martin will update the EOC on the engagement of a new Media Consultant for CAFII.

Recommendation / Direction Sought – Update

This is an update only.

Attachments Included with this Agenda Item

Three (3) attachments.

CONSULTING AGREEMENT

Effective Date:
17 October, 2023

Parties: Canadian Association of Financial Institutions
in Insurance ("CAFII") and Wendy Bairos

This Agreement sets out the terms under which CAFII is acquiring consulting and public relations services from its supplier, Wendy Bairos. The parties agree as follows:

1- SERVICES

Wendy Bairos agrees to perform the following services (the "Services"):

- Provide Media Advice to the Executive Director of CAFII;
- Be the contact with media for CAFII and filter media requests of the Executive Director;
- Produce regular blogs for the CAFII website;
- Provide content to the CAFII vendor responsible for enhancing the CAFII website, including storyboards for videos produced on the site, and the creation of FAQs and vignettes;
- Producing media releases;
- Providing advice on CAFII research to help it be of greater interest to media;
- Weekly updates to the CAFII LinkedIn site;
- Participate in the meetings of the Media Advocacy Committee;
- Provide communications support to CAFII staff;
- Occasional updates on media strategy to the EOC and the CAFII Board;
- Other duties, as agreed.

2 - OWNERSHIP

(1) All intellectual property created by and for CAFII will belong to CAFII. All

confidential information shared by CAFII with Wendy Bairos will remain the confidential property of CAFII.

3 - TERM

(1) The term of this Agreement shall be from October 17, 2023 and ongoing.

(2) CAFII or Wendy Bairos may terminate this agreement with or without cause at its sole and absolute discretion at any time on the following notice: thirty (30) days.

4 - CHARGES

- (1) All amounts are in: Canadian dollars.
- (2) Services fee: The retainer fee for the services is \$225.00 per hour with a standard allotment of 10 hours per month, plus HST, plus any applicable expenses.

The fee will be invoiced monthly, and each month 10 hours will be charged. A "bankable hours" approach will be utilized, where Wendy Bairos will track her hours worked. If fewer than 10 hours are incurred in a given month, the unused hours will be available for utilization in future months. If more than 10 hours are incurred in a given month, the additional hours will either be booked against previously banked hours which were not used in a previous months, or borrowed from future months.

At the end of each calendar year, any unused hours will be closed off and not carried forward into the next calendar year; any hours which have been worked above the contractual terms over the course of the just-concluded calendar year will be paid out at the regular retainer fee of \$225/hour; and the next calendar year will begin with 0 banked hours.

- (3) No travel expenses are to be incurred by the Supplier on CAFII's behalf and travel expenses will not be reimbursed by CAFII, unless pre-approved in writing by CAFII.

5 - SPECIAL TERMS

The following special terms apply:

5.1 No Agency or Employment. Wendy Bairos is not in any sense an agent or employee of CAFII, and any person hired by Wendy Bairos under this Agreement is for all purposes the agent or employee of Wendy Bairos and not the agent or employee of CAFII. Supplier's employees are not entitled to any benefits (including but not limited to paid vacation and membership in insurance, pension, and other group plans) or forms of compensation that CAFII grants to its employees. CAFII is not responsible for withholding and paying for Supplier any taxes, unemployment insurance, or other amount to be deducted by statute from payments made to employees.

5.2 Preservation of Parties' Rights. Except as expressly stated in this Agreement, neither party transfers to the other any intellectual property or other property under the Agreement. Either party is free to use in its business any skills, experience, ideas, concepts, know-how, or techniques that it acquires in performing or receiving the Services, so long as in doing so that party does not infringe the other's ownership rights or breach its obligations for Confidential Information under the Transaction Agreement.

5.3 Non-Disclosure Agreement. Wendy Bairos agrees to maintain all information about CAFII and its members in strict confidence and not to disclose any such information to third parties.

6 – SUBMISSION OF INVOICES

The Supplier will send monthly invoices via electronic means to the attention of the following person:
Keith Martin.

Wendy Bairos
Toronto, Ontario

BY:



NAME: Wendy Bairos

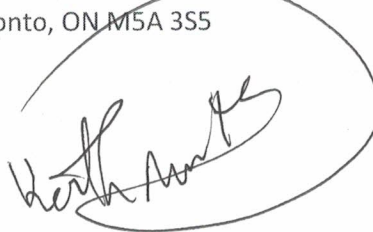
TITLE:

DATE:

CAFII

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

BY:



NAME: Keith Martin

TITLE: Co-Executive Director

DATE:

20 OCT /23

Agenda Item 4(d)(i)(2)
October 24/23 EOC Meeting

Wendy Bairos Capsule Biography

Wendy Bairos is a highly accomplished communications specialist and exceptional team leader with over 20 years of outstanding experience. Her career has thrived in one of the most dynamic and rapidly changing industries, including 12 years at Google, where she played a pivotal role in shaping the tech narrative in Canada since 2003.

Wendy possesses an innate understanding of what truly drives conversations. Her winning formula revolves around finding a common thread, establishing genuine connections with clients' desired audiences, and creating meaningful engagement that consistently delivers successful business results. Throughout her tenure as a PR professional for Google, Hubba, and top-tier agency clients, Wendy has partnered with CEOs, executives, and startups, driving the growth of their professional and corporate/consumer brands across North America.

Her expertise spans a wide range of industries, including technology, non-profits, entertainment, small business, and finance. Some notable clients she has supported include Girls Who Code, [CanadaHelps.org](https://canadahelps.org), LowestRates, Hubba, RBC, TedXToronto, Perpetua, dapphaus, among others.

In addition to her professional accomplishments, Wendy is dedicated to mentoring young professionals and startups, leveraging her expertise to help guide their careers and achieve success through effective communication strategies. With her exceptional storytelling abilities and talent for inspiring others, Wendy is poised to make a profound impact on any prospective client looking to elevate their brand and drive meaningful engagement.

Wendy Bairos

Business Leader with Communications Expertise and Tech Experience (ex-Google '03-'15)

wendy.bairos@gmail.com 416-831-9820 [LinkedIn](#)

Profile

Accomplished data-driven strategic communication leader with exceptional storytelling and project management skills, a talent for networking and relationship building, and a proven track record of driving business development, team-building, and effective communication. Experienced in mentoring and managing staff, I am confident in my ability to add significant value to any organization.

Leadership & Omni-Channel Communication and Marketing Experience

Communications Consulting, Self-Employed

2020 - present

As a Communications Consultant and freelancer since 2020, I work with a variety of clients from different industries and backgrounds, providing strategic counsel and executing communication plans that have driven tangible results. My clients have included RBC, Veritas Communications, Perpetua, Dentsu, Dapphaus, Because I Love It (BILI), Beatrice Society and Rhenti, among others

- Developed and executed corporate brand communication and product launches to drive awareness, growth and engagement.
- Work with the leadership team to develop strategies and implement impactful thought leadership initiatives. These initiatives have resulted in a significant boost to company profile and reputation within the relevant audiences.
- Cultivated and nurtured valuable relationships on behalf of clients with industry analysts, external partners, and reporters, resulting in prominent features, articles and industry reports.
- Leveraged client customer data and product analytics to create key messages and narratives as part of a communication strategy that amplified brand awareness and executive's profile.
- Produce high-quality written content for executives, founders and marketing teams including op-eds, thought leadership pieces, blog posts, and press releases for multiple clients

Diamond Marketing Group, Group Head, Public Relations

2019 - 2020

Note: Transferred following Diamond's acquisition of Eighty-Eight

Spearheaded transformative change management efforts, seamlessly integrating Eighty-Eight's employees and clients seamlessly to the Diamond Marketing Group. Reported to the Chief Strategy Officer, to create an additional offering to the Diamond Brand – Communication.

- Proactively identified and secured multiple new business pitch opportunities with prominent brands, such as Tim Horton's, Beyond Meat, Loblaw's, Coty Beauty, among others.
- Built and nurtured relationships with industry associations to expand the agency's network.
- Crafted and executed strategic communication plans for both PR and Marketing clients, securing media coverage for client campaigns and to showcase the agency's creative work.
- Key member of the leadership task force to develop a comprehensive COVID-19 response plan. Co-created "Ahead of the Curve" series, featuring expert speakers exploring how brands can adapt in the aftermath of the pandemic.

Eighty-Eight, General Manager

- Led and managed a high-performing team of designers, marketers, copywriters, and PR associates, ensuring on-time delivery of client projects to an excellent standard.
- Accountable for overseeing the company's operating budget and resource allocation, while monitoring monthly financials to optimize revenue targets and expenses.
- Served as the primary point of contact for external vendors, including HR, accounting, and administration, fostering positive and productive relationships.

- Led the strategic transition to identify and pursue optimal business exit opportunities, leveraging in-depth market knowledge to achieve desired outcomes.

HUBBA, Director Communications

2016 –2018

Responsible for communications strategy development and implementation across North America of the online marketplace for independent retailers. Secured speaking engagements, managed influencer campaigns and landed media articles in publications including Globe and Mail, Wall Street Journal, and Bloomberg etc.

- Cultivated relationship with MaRS Discovery District, developed and co-hosted media dinners in Toronto, New York and Chicago.
- Identified new opportunities to support growth initiatives leveraging data to author multiple vertical specific whitepaper development, influencer campaign road tour across 5 US markets and small business surveys to generate new customer engagement.
- Worked closely with the People Operations team to improve the internal flow of information across teams.

Pilot PMR, Director, Media Relations

2015-2016

Led successful client relationships, internal team management, and media relations strategy for high-profile accounts including TedXToronto, Moss Park Redevelopment, Lerner Lawyers and OECTA, among others.

- Acted as the primary point of contact for clients, leading the development and presentation of creative plans, tracking budgets, and spearheading new business pitching efforts.
- Strengthened executive and management communications through strategic coaching, messaging, and implementation of standardized communication processes and tools.
- Played a critical role as a key member of The 519's Revitalizing Moss Park redevelopment plan, executing community outreach campaigns and collecting data for a community-inclusive growth strategy.

Google Inc., Communications and Public Affairs Manager

2003-2015

Past Roles: Account Planner & Acct. Coordinator 2003-2005

Reporting to the Director of Global Communications & Public Affairs, led a team of 5 to strategically launch key initiatives and products and grow the brand in the Canadian market.

- Successfully launched Google Play Music within 10 days, generating extensive media coverage and surpassing all targets.
- Consistently achieved success with local launches, resulting in Canada being invited to participate in initial product launches.
- Led the creative team in developing initiatives to build Google's brand and culture, including the nationwide Doodle 4 Google competition in Canada, which was exhibited at the Royal Ontario Museum.
- Secured funding and managed internal teams, partnerships, and judges, resulting in a successful Doodle 4 Google competition and offline exhibit at the Royal Ontario Museum.
- Acted as the key point of contact for executives during Canadian visits, planning customized programs, and serving as a local spokesperson for the company and its products.
- Grew the profile of Google Canada inside the organization, making the Canadian team a key contributor to global strategy and marketing, including Canada as a first to market country for the business.

Education

Marketing and Public Relations Certificate, St. Lawrence College,
Science & Chemical Engineering Courses, Queen's University

1998 - 2000
 1995 - 1998

Agenda Item 4(e)
October 24/23 EOC Meeting

Research and Education Committee (Chair: Andrea Stuska; Vice-Chair: Michelle Costello)

The R&E Committee has been very busy over the past month working closely with the LIMRA team to create and finalize the questionnaire for the CAFII 2023 research project on Credit Protection Insurance's Accessibility to and Utility for Canadian Consumer Segments.

The LIMRA team is currently programming and testing the questionnaire, so that it can be launched in the field with consumer respondents during the week of October 23 to 27/23.

A copy of the final version of the English survey questionnaire will be included in the meeting materials package for the October 24/23 EOC meeting.

The LIMRA team is aiming to finalize and share the results of this research with Canadian consumers in mid- to late November; and if CAFII decides to release those results publicly, that would be done in early 2024.

Briefing Note

CAFII EOC Meeting 24 September 2023—Agenda Item 4(e)i

Committees and Working Groups – Research and Education - Launch of EOC-Approved CAFII 2023 Research Project with LIMRA on CPI's Accessibility to and Utility for Canadian Consumer Segments

Purpose of this Agenda Item – Update

To provide an update to the EOC on the launch of EOC-Approved CAFII 2023 Research Project with LIMRA on CPI's Accessibility to and Utility for Canadian Consumer Segments.

Background Information

CAFII Co-Executive Director Keith Martin will update the EOC on launch of CAFII's EOC-Approved 2023 Research Project with LIMRA that focuses on determining whether less wealthy mortgage and HELOC holders have a higher propensity to enrol in mortgage life CPI in order to protect themselves and their families against a financial calamity than do wealthier mortgage and HELOC holders.

Recommendation / Direction Sought – Update

This is an update only.

Attachments Included with this Agenda Item

Two (2) attachments: English and French versions of the final research questionnaire.

Custom Research for CAFII
Insurance Needs Among Canadians
Questionnaire FINAL

The Canadian Association of Financial Institutions in Insurance (CAFII) is seeking to understand the prevalence of insurance products among Canadian households. As such, CAFII has engaged LL Global Inc. (LIMRA) to conduct custom research to test the following hypotheses:

- Canadians are uninsured/underinsured, with the percentage that are uninsured/underinsured increasing in lower income bands.
- A higher percentage of Canadian homeowners in lower income bands have credit protection insurance.
- Credit protection insurance plays a disproportionately important role in the marketplace for lower income bands, and without it these Canadians would be at higher risk.

SCREENER

S0. When it comes to making financial decisions in your household, are you ...

1. The sole decision-maker
2. A joint decision maker with your spouse/partner
3. Someone who relies on others to make financial decisions [TERMINATE]

S1. Are you a...

1. Canadian resident
 2. U.S. resident [TERMINATE]
 3. Neither [TERMINATE]
 4. Prefer not to say [TERMINATE]
- } [RANDOMIZE]

S2. What province or territory do you live in?

1. Alberta
2. British Columbia
3. Essex [QC – TERMINATE]
4. Manitoba
5. New Brunswick
6. Newfoundland and Labrador
7. Northumberland [QC – TERMINATE]
8. Northwest Territories
9. Nunavut
10. Nova Scotia
11. Ontario
12. Prince Edward Island
13. Quebec
14. Saskatchewan
15. Yukon Territory

16. None of the above [TERMINATE]

17. I don't know [TERMINATE]

S3. What are the first 3 characters of your postal code? _____ [FORMAT=ALPHA, NUMERIC, ALPHA]

S4. What is your age? _____ [<18 or >99 TERMINATE]

S5. Do you currently describe yourself as...?

1. Female
2. Male
3. Non-binary/third gender
4. Prefer to self-describe
5. Prefer not to say

S6. Which category describes your **household's total annual income**?

1. Less than \$60,000 [QUOTA MAXIMUM of 40%]
2. \$60,000 - \$79,999
3. \$80,000 - \$99,999
4. \$100,000 - \$124,999
5. \$125,000 - \$149,999
6. \$150,000 - \$199,999
7. \$200,000 or more

S7. Do you own a home in Canada?

1. Yes
2. No [TERMINATE]

S8. Do you currently have a...

1. Mortgage
 2. Home equity line of credit (HELOC)
 3. Both
 4. Neither [QUOTA - MAXIMUM OF 50%]
 5. I don't know [TERMINATE]
 6. Prefer not to say [TERMINATE]
- } [RANDOMIZE]

S9. **KNOWLEDGE CHECK**

Today we are going to ask you about Credit Protection Insurance for mortgages and Home Equity Lines of Credit.

Credit Protection Insurance for Mortgage or Home Equity Line of Credit - is optional insurance used to pay out the balance of your mortgage or Home Equity Line of Credit in the event of death or diagnosis of a critical illness, or make/postpone payments on your behalf in the event of disability or job loss (depending on the coverage you have chosen). It is offered by banks and credit unions across Canada.

What does Credit Protection Insurance cover? (Select all that apply.) *[RANDOMIZE]*

- a. Life – pays out your insured balance in the event of death
- b. Disability – payments for your mortgage will be made on your behalf until you are able to return to work or until you reach a designated maximum benefit (e.g. 24 months)
- c. Critical Illness – pays out your insured balance if you are diagnosed with a covered critical illness
- d. Job Loss – on involuntary unemployment, provides payment protection by making specific debt payments on your behalf, for a time-limited period
- e. Other *[ANCHOR – EXCLUSIVE – QC TERMINATE]*
- f. Don't know *[ANCHOR – QC TERMINATE]*

[QC FLAG IF S9 IS NOT a, b, c, AND d]

SECTION 1 – PRODUCT OWNERSHIP

[IF S8 = 1 OR 3]

A1a. Where did you get your mortgage from?

- 1. A bank (e.g. RBC, TD, BMO, Scotiabank, CIBC, National)
- 2. A credit union or caisse populaire (e.g. Desjardins, Vancity, Meridian)
- 3. A mortgage company/broker (e.g. MCAP, Mortgage Alliance, Dominion Lending)
- 4. A trust company
- 5. A loan company
- 6. Other (specify) *[TEXTBOX]*
- 7. I don't know

[IF S8 = 2 OR 3]

A1b. Where did you get your home equity line of credit (HELOC) from?

- 1. A bank (e.g. RBC, TD, BMO, Scotiabank, CIBC, National)
- 2. A credit union or caisse populaire (e.g. Desjardins, Vancity, Meridian)
- 3. A mortgage company/broker (e.g. MCAP, Mortgage Alliance, Dominion Lending)
- 4. A trust company
- 5. A loan company
- 6. Other (specify) *[TEXTBOX]*
- 7. I don't know

[IF S8 = 1 OR 3]

A2a. Please select the optional insurance products you have that are connected to your mortgage.
(Select all that apply.) *[RANDOMIZE]*

- a. Mortgage life insurance
- b. Mortgage critical illness insurance
- c. Mortgage disability insurance
- d. Mortgage job loss insurance
- e. None of the above *[ANCHOR – EXCLUSIVE]*

- f. I don't know [ANCHOR – EXCLUSIVE]

[IF S8 = 2 OR 3]

A2b. Please select the optional insurance products you have that are connected to your home equity line of credit (HELOC). (Select all that apply.) [RANDOMIZE]

- a. HELOC life insurance
- b. HELOC critical illness insurance
- c. HELOC disability insurance
- d. HELOC job loss insurance
- e. None of the above [ANCHOR – EXCLUSIVE]
- f. I don't know [ANCHOR – EXCLUSIVE]

[IF A2a ≠ e or f]

A3a. What are your top 3 reasons for purchasing mortgage insurance? (Select up to 3 reasons.) [RANDOMIZE]

- a. It was easy to apply
- b. It was a good value for the price
- c. It was convenient to purchase from my lender/financial professional
- d. It was easy to understand
- e. I only wanted insurance to cover my debt
- f. It allows for an easier transfer of estate
- g. Other (specify) [TEXTBOX – ANCHOR]

[IF A2b ≠ e or f]

A3b. What are your top 3 reasons for purchasing home equity line of credit (HELOC) insurance? (Select up to 3 reasons.) [RANDOMIZE]

- a. It was easy to apply
- b. It was a good value for the price
- c. It was convenient to purchase from my lender/financial professional
- d. It was easy to understand
- e. I only wanted insurance to cover my debt
- f. It allows for an easier transfer of estate
- g. Other (specify) [TEXTBOX – ANCHOR]

[IF A2a = e or f]

A4. Do you intend on purchasing credit protection insurance on your mortgage during your next renewal?

- 1. Yes
- 2. No
- 3. Maybe

[IF A4 = 1]

A5a. Please tell us why you intend on purchasing credit protection insurance on your mortgage during your next renewal? [TEXTBOX]

[IF A4 = 2]

A5b. Please tell us why you do not intend on purchasing credit protection insurance on your mortgage during your next renewal? [TEXTBOX]

A6. Please select the life insurance products that you have that are **not connected with your mortgage or HELOC or another loan**. (Select all that apply.) [RANDOMIZE]

1. Employer benefits life insurance
2. Term life insurance
3. Whole life insurance
4. Universal life insurance
5. Intermittent life insurance [QC – TERMINATE]
6. Other life insurance **not connected with your mortgage or HELOC or another loan** (specify) [ANCHOR]
7. No life insurance [ANCHOR – EXCLUSIVE]
8. I don't know [ANCHOR – EXCLUSIVE]

[IF A6 = g]

A7. Why don't you have life insurance that is **not connected with your mortgage or HELOC or another loan**? (Select all that apply.) [RANDOMIZE]

- a. I have other financial priorities right now
- b. I can't afford it
- c. I do not know enough about insurance
- d. I am too young to need it
- e. I don't trust insurance companies
- f. No one has approached me about it
- g. Prefer to put my money in other financial products
- h. Other (specify) [TEXTBOX - ANCHOR]

[IF A6 = g AND A2a ≠ a]

A8a. What is your primary reason for purchasing mortgage life insurance as opposed to another more traditional life insurance policy (i.e. Term, Whole, Universal)?

1. It was easy to apply
2. It was a more affordable option than other life insurance policies
3. It was convenient to purchase from my lender/financial professional
4. It was easier to understand than other policies
5. I only wanted insurance to cover my mortgage debt
6. It was a smart thing to do
7. It allows for an easier transfer of estate
8. Other (specify) [TEXTBOX – ANCHOR]

[IF A6 = g AND A2b ≠ a]

A8b. What is your primary reason for purchasing home equity line of credit (HELOC) life insurance as opposed to another more traditional life insurance policy (i.e. Term, Whole, Universal)?

1. It was easy to apply
2. It was a more affordable option than other life insurance policies
3. It was convenient to purchase from my lender/financial professional
4. It was easier to understand than other policies
5. I only wanted insurance to cover my home equity line of credit (HELOC) debt
6. It was a smart thing to do
7. It allows for an easier transfer of estate
8. Other (specify) [TEXTBOX – ANCHOR]

[IF A6 = g]

A9. Do you have an emergency fund or other personal savings you can access in place of life insurance?

1. Yes
2. No

[IF A6 = a, b, c, d or f]

A10. Why do you have life insurance? (Select all that apply.) [RANDOMIZE]

- a. I want my family to be financially secure if something happens to me
- b. I understand the importance of being prepared
- c. The benefits of the insurance outweigh the potential cost of not having it
- d. To pay for my burial and other final expenses
- e. To transfer wealth or leave inheritance
- f. Investment purposes
- g. Tax savings
- h. Other (specify) [ANCHOR]

SECTION 2 – PERCEPTIONS

B1. In general, how would you rate your financial knowledge?

1. Not at all knowledgeable
2. Somewhat knowledgeable
3. Moderately knowledgeable
4. Very knowledgeable
5. Extremely knowledgeable

B2. Do you currently have a financial professional that you consider to be your ‘primary financial advisor’? If you had a question about insurance or investment you would contact this person first.

1. Yes, I currently have a financial professional I work with
2. No, I don’t have one, but I’m looking for someone to work with

3. No, I don't have one and don't want one

[IF B2 = 2 OR 3]

B3. Have you had a financial professional in the past?

1. Yes
2. No

B4. The following are financial issues that some people have told us they worry about. Please select all of those that you are personally concerned about. (Select all that apply.) *[RANDOMIZE]*

- a. Having enough money for a comfortable retirement
- b. Paying for medical expenses in case of illness or injury
- c. Paying off or reducing credit card debt
- d. Being able to support myself/family if I am unable to work due to a disabling illness or injury
- e. Paying for long-term care services if I become unable to take care of myself
- f. Leaving dependents in a difficult financial situation should I die prematurely
- g. Paying for a child's schooling/university
- h. Leaving an inheritance for my heirs
- i. Paying my monthly bills, mortgage, rent
- j. Burdening others with my burial/funeral expenses
- k. Losing money on my investments
- l. Job security/maintaining a steady income

B5. How important do you believe it is to have life insurance?

1. Not at all important
2. Not very important
3. Neutral
4. Important
5. Very Important

SECTION 3 – COVERAGE

[IF A6 = a, b, c, d or f]

C1. How strongly do you agree or disagree with the following statements?

1. Strongly Disagree
2. Disagree
3. Agree
4. Strongly Agree

RANDOMIZE

- A. I have enough life insurance

B. I need more life insurance

[QC FLAG IF A = 1 OR 2 AND B = 1 OR 2 / A = 3 OR 4 AND B = 3 OR 4]

[IF A6 = a, b, c, d or f AND S8 = 1]

C2a. Does your life insurance cover the amount owed on your mortgage?

1. Yes, the amount I have will cover the amount owed on my mortgage in full
2. Yes, the amount I have will cover a portion of the amount owed on my mortgage
3. My mortgage will be paid by mortgage life insurance *[DISPLAY IF A2a = a]*
4. I don't know

[IF A6 = a, b, c, d or f AND S8 = 2]

C2b. Does your life insurance cover the amount owed on your home equity line of credit (HELOC)?

1. Yes, the amount I have will cover the amount owed on my HELOC in full
2. Yes, the amount I have will cover a portion of the amount owed on my HELOC
3. My HELOC will be paid by HELOC life insurance *[DISPLAY IF A2b = a]*
4. I don't know

[IF A6 = a, b, c, d or f AND S8 = 3]

C2c. Does your life insurance cover the amounts owed on both your mortgage and HELOC? (Select all that apply.)

- a. Yes, the amount I have will cover the amounts owed on both my mortgage and HELOC in full *[EXCLUSIVE]*
- b. Yes, the amount I have will cover a portion of the amounts owed on both my mortgage and HELOC *[EXCLUSIVE]*
- c. My mortgage will be paid by mortgage life insurance *[DISPLAY IF A2a = a]*
- d. My HELOC will be paid by HELOC life insurance *[DISPLAY IF A2b = a]*
- e. I don't know *[EXCLUSIVE]*

[IF A6 = a, b, c, d or f]

C3. Thinking about all of your life insurance, indicate how long your income would be covered if the primary wage earner were to pass away tomorrow. Your best guess is ok.

I have enough life insurance to cover income for ...

1. 0.5 years
2. 1 year
3. 2 years
4. 3 years
5. 4 years
6. 5 years
7. 6 years
8. 7 years

9. 8 years
10. 9 years
11. 10+ years

[IF A6 = a, b, c, d or f]

C4. How much life insurance do you think you should have?

Enough to cover income for ...

1. 0.5 years
2. 1 year
3. 2 years
4. 3 years
5. 4 years
6. 5 years
7. 6 years
8. 7 years
9. 8 years
10. 9 years
11. 10+ years

C5. Which of the following statements best describes what your household's financial situation would be if a primary wage earner were to pass away tomorrow?

1. Would immediately have trouble meeting everyday living expenses
2. Would be able to cover living expenses for several months, but then would have difficulty
3. Would be able to cover living expenses well into the future
4. Does not apply, no spouse/partner or dependents

[IF C5 = 1 OR 2]

C6. If the primary wage earner in your household were to die and the household was having difficulty with living expenses, where would you/they seek financial help? (Select all that apply.) [RANDOMIZE]

- a. Family
- b. Credit cards
- c. Loans
- d. Home equity
- e. Personal savings
- f. Retirement accounts
- g. GoFundMe or some other crowd funding
- h. I don't know [ANCHOR]

SECTION 4 – DEMOGRAPHICS

D1. What is your marital status?

1. Married
2. Civil union, domestic partnership, common law

3. Living with a partner
4. Single, never married
5. Divorced
6. Widowed

D2. Do you have children and/or grandchildren under the age of 18 living in your home?

1. Yes
2. No

D3. Do you have any elderly, ill, or other adults that live in your home that are financially dependent on you?

1. Yes
2. No

D4. Please indicate which age category you fall into. *[COMPARE WITH S4 FOR QUALITY CONTROL]*

1. Under 18 *[TERMINATE]*
2. 18 to 24
3. 24 to 44
4. 45 to 64
5. 65 or older

D5. Which of the following categories best describes the highest level of education you have completed?

1. Less than high school
2. Completed high school
3. Some college or technical school
4. Some university
5. Completed college or technical school
6. Completed university undergraduate degree
7. Completed university post-graduate degree

D6. Which category best describes your **household's total investable assets**? Please **include** your savings, investments, and retirement accounts, but **exclude** the value of your primary residence.

1. Under \$25,000
2. \$25,000 to \$49,999
3. \$50,000 to \$99,999
4. \$100,000 to \$249,999
5. \$250,000 to \$499,999
6. \$500,000 to \$999,999
7. \$1,000,000 or more
8. Prefer not to say

D7. Please select the status that best describes you.

1. I was born in Canada
2. I immigrated to Canada over 20 years ago

3. I immigrated to Canada 11 to 20 years ago
4. I immigrated to Canada 5 to 10 years ago
5. I immigrated to Canada less than 5 years ago

D8. Are you a first-time homeowner?

1. Yes
2. No

CAFII - BESOINS D'ASSURANCE DES CANADIENS

SCREENER

S0. Quand il s'agit de prendre des décisions financières dans votre ménage, êtes-vous ...

1. Le seul décideur
2. Un décideur avec votre conjoint/partenaire
3. Quelqu'un qui compte sur les autres pour prendre des décisions financières

S1. Êtes-vous un(e)...

1. Résident(e) canadien(ne)
2. Résident(e) américain(e)
3. Aucune des deux
4. Ne pas répondre

S2. Dans quelle province ou quel territoire habitez-vous?

1. Alberta
2. Colombie-Britannique
3. Essex
4. Manitoba
5. Nouveau-Brunswick
6. Terre-Neuve-et-Labrador
7. Northumberland
8. Territoires du Nord-Ouest
9. Nunavut
10. Nouvelle-Écosse
11. Ontario
12. Île-du-Prince-Édouard
13. Québec
14. Saskatchewan
15. Yukon
16. Aucune des réponses ci-dessus
17. Je ne sais pas

S3. Quels sont les trois premiers caractères de votre code postal? _____

S4. Quel est votre âge? _____

S5. À l'heure actuelle, vous décrivez-vous comme étant... ?

1. Une Femme
2. Un Homme
3. Une personne non binaire/tiers-genre
4. Préfère se décrire
5. Préfère ne pas répondre

S6. Dans quelle catégorie se situe **le revenu annuel total de votre ménage**?

1. Moins de 60 000 \$
2. De 60 000 \$ à 79 999 \$
3. De 80 000 \$ à 99 999 \$
4. De 100 000 \$ à 124 999 \$
5. De 125 000 \$ à 149 999 \$
6. De 150 000 \$ à 199 999 \$
7. 200 000 \$ ou plus

S7. Êtes-vous propriétaire d'une maison au Canada?

1. Oui
2. Non

S8. Avez-vous actuellement un(e)...

1. Hypothèque
2. Marge de crédit hypothécaire
3. Les deux
4. Aucun des deux
5. Je ne sais pas
6. Préfère ne pas répondre

S9. Aujourd'hui, nous allons vous poser des questions sur l'assurance protection de crédit pour les prêts hypothécaires et les marges de crédit hypothécaire.

L'assurance protection de crédit pour un prêt hypothécaire ou une marge de crédit hypothécaire - est une assurance facultative utilisée pour payer le solde de votre prêt hypothécaire ou de votre marge de crédit hypothécaire. Ces paiements commenceraient en cas de l'éventualité d'un décès ou d'un diagnostic d'une maladie grave, ou pour effectuer/reporter les paiements des dettes votre nom en cas d'invalidité ou de perte d'emploi (selon la couverture que vous avez choisie). Ceci est offert par les banques et les coopératives de crédit partout au Canada.

Qu'est ce qui est couvert par l'assurance de protection de crédit? (Sélectionnez tout ce qui s'applique.)

- a. Vie – paye votre solde assuré en cas d'un décès
- b. Invalidité – les paiements de votre prêt hypothécaire seront effectués en votre nom jusqu'à ce que vous soyez en mesure de retourner au travail ou jusqu'à ce que vous atteigniez une prestation maximale désignée (par exemple 24 mois)
- c. Maladie grave – paie votre solde assuré si vous recevez un diagnostic d'une maladie grave couverte
- d. Perte d'emploi – en cas de chômage involontaire, offre une protection des paiements en effectuant des paiements de dettes spécifiques en votre nom, pour une période limitée
- e. Autre
- f. Je ne sais pas

SECT. 1 - PROPRIÉTÉ DU PRODUIT

A1a. D'où avez-vous obtenu votre prêt hypothécaire?

1. Une banque (par exemple RBC, TD, BMO, Banque Scotia, CIBC, Nationale)
2. Une coopérative de crédit ou une caisse populaire (par exemple Desjardins, Vancity, Meridian)
3. Une société/un courtier de prêts hypothécaires (par exemple, Alliance Hypothécaire, Centres Hypothécaires Dominion)
4. Une société de fiducie
5. Une société de prêt
6. Autre (spécifier)
7. Je ne sais pas

A1b. D'où avez-vous obtenu votre marge de crédit hypothécaire?

1. Une banque (par exemple RBC, TD, BMO, Banque Scotia, CIBC, Nationale)
2. Une coopérative de crédit ou une caisse populaire (par exemple Desjardins, Vancity, Meridian)
3. Une société/un courtier de prêts hypothécaires (par exemple, Alliance Hypothécaire, Centres Hypothécaires Dominion)
4. Une société de fiducie
5. Une société de prêt
6. Autre (précisez)
7. Je ne sais pas

A2a. Sélectionnez les produits d'assurances facultatifs que vous avez qui sont liés à votre prêt hypothécaire. (Sélectionnez tout ce qui s'applique.)

- a. Assurance vie hypothécaire
- b. Assurance maladie grave hypothécaire
- c. Assurance invalidité hypothécaire
- d. Assurance perte d'emploi hypothécaire
- e. Aucune des réponses ci-dessus
- f. Je ne sais pas

A2b. Sélectionnez les produits d'assurances facultatifs que vous avez qui sont liés à votre marge de crédit hypothèque. (Sélectionnez tout ce qui s'applique.)

- a. Assurance vie sur le crédit
- b. Assurance maladie grave sur le crédit
- c. Assurance invalidité sur le crédit
- d. Assurance perte d'emploi sur le crédit
- e. Aucune des réponses ci-dessus
- f. Je ne sais pas

A3a. Quelles sont vos 3 raisons principales d'acheter une assurance prêt hypothécaire?

- a. Faire la demande était facile
- b. C'était un bon rapport qualité-prix

- c. C'était pratique d'acheter auprès de mon prêteur/professionnel des finances
- d. C'était facile à comprendre
- e. Je voulais seulement de l'assurance pour couvrir ma dette
- f. Il permet un transfert de succession plus facile
- g. Autre (précisez)

A3b. Quelles sont vos 3 raisons principales d'acheter une assurance liée avec votre marge de crédit hypothèque?

- a. Faire la demande était facile
- b. C'était un bon rapport qualité-prix
- c. C'était pratique d'acheter auprès de mon prêteur/professionnel des finances
- d. C'était facile à comprendre
- e. Je voulais seulement de l'assurance pour couvrir ma dette
- f. Il permet un transfert de succession plus facile
- g. Autre (précisez)

A4. Avez-vous l'intention d'acheter une assurance de protection de crédit liée avec votre prêt hypothécaire lors de votre prochain renouvellement?

- 1. Oui
- 2. Non
- 3. Peut-être

A5a. Veuillez nous dire pourquoi vous avez l'intention d'acheter une assurance de protection de crédit liée avec votre prêt hypothécaire lors de votre prochain renouvellement?

A5b. Veuillez nous dire pourquoi vous n'avez pas l'intention d'acheter une assurance de protection de crédit liée avec votre prêt hypothécaire lors de votre prochain renouvellement

A6. Sélectionnez les produits d'assurances vie que vous avez **qui ne sont pas liés avec votre hypothèque, ou marge de crédit ou un autre prêt**. (Sélectionnez tout ce qui s'applique)

- a. Assurance vie par l'employeur
- b. Assurance vie temporaire
- c. Assurance vie permanente
- d. Assurance vie intermittente
- e. Autre assurance vie non liée avec votre **hypothèque, ou marge de crédit ou un autre prêt** (précisez)
- f. Aucune assurance vie
- g. Je ne sais pas

A7. Pourquoi n'avez-vous pas d'assurance vie **qui ne sont pas liés avec votre hypothèque, ou marge de crédit ou un autre prêt**? (Sélectionnez tout ce qui s'applique.)

- a. J'ai d'autres priorités financières pour l'instant
- b. Je ne peux pas me le permettre
- c. Je n'en sais pas assez sur l'assurance
- d. Je suis trop jeune pour en avoir besoin

- e. Je n'ai pas confiance en les compagnies d'assurance
- f. Personne ne m'a approché(e) à ce sujet
- h. Je préfère investir mon argent dans d'autres produits financiers
- i. Autre (précisez)

A8a. Quelle est votre raison principale d'acheter l'assurance-vie liée avec votre prêt hypothécaire par rapport à une autre police d'assurance-vie plus traditionnelle (par exemple, temporaire, permanente, intermittente)?

- 1. Faire la demande était facile
- 2. C'était une option plus abordable que les autres polices d'assurance-vie
- 3. C'était pratique de l'acheter auprès de mon prêteur/professionnel des finances
- 4. C'était plus facile à comprendre que d'autres polices
- 5. Je voulais seulement d'assurance pour couvrir ma dette hypothécaire
- 6. C'était quelque chose intelligente à faire
- 7. Il permet un transfert de succession plus facile
- 8. Autre (précisez)

A8b. Quelle est votre raison principale d'acheter l'assurance-vie liée avec votre marge de crédit hypothèque par rapport à une autre police d'assurance-vie plus traditionnelle (par exemple, temporaire, permanente, intermittente)?

- 1. Faire la demande était facile
- 2. C'était une option plus abordable que les autres polices d'assurance-vie
- 3. C'était pratique de l'acheter auprès de mon prêteur/professionnel des finances
- 4. C'était plus facile à comprendre que d'autres polices
- 5. Je voulais seulement de l'assurance pour couvrir ma dette de marge de crédit hypothécaire
- 6. C'était quelque chose intelligente à faire
- 7. Cela permet un transfert de succession plus facile
- 8. Autre (précisez)

A9. Avez-vous un fonds d'urgence ou des économies personnelles auxquels vous pouvez avoir accès au lieu de l'assurance vie?

- 1. Oui
- 2. Non

A10. Pourquoi avez-vous de l'assurance vie? (Sélectionnez tout ce qui s'applique.)

- a. Je veux que ma famille soit en sécurité financière si quelque chose m'arrive
- b. Je comprends l'importance d'être préparé
- c. Les avantages de l'assurance dépassent le coût potentiel de ne pas l'avoir
- d. Pour payer mon enterrement et autres dépenses finales
- e. Pour transférer de la richesse ou léguer un héritage
- f. Des fins de l'investissement
- g. Économiser de l'impôt
- h. Autre (précisez)

SECT. 2 – PERCEPTIONS

B1. En général, comment évalueriez-vous vos connaissances financières?

1. Pas du tout compétent
2. Un peu compétent
3. Modérément compétent
4. Très compétent
5. Extrêmement compétent

B2. Aujourd'hui, avez-vous un professionnel des finances que vous considérez comme votre « professionnel des finances principal »? Si vous aviez une question au sujet de l'assurance ou de l'investissement, vous communiqueriez d'abord avec cette personne.

1. Oui, j'ai un professionnel des finances avec qui je travaille
2. Non, je n'en ai pas, mais je cherche quelqu'un avec qui travailler
3. Non, je n'en ai pas et je n'en veux pas

B3. Avez-vous travaillé avec un professionnel des finances avant?

1. Oui
2. Non

B4. Voici des problèmes financiers qui préoccupent certaines personnes. Veuillez sélectionner tous ceux qui vous préoccupent personnellement. (Sélectionnez tout ce qui s'applique)

- a. Avoir assez d'argent pour une retraite confortable
- b. Payer les frais médicaux en cas de maladie ou de blessure
- c. Rembourser ou réduire les dettes de carte de crédit
- d. Être en mesure de subvenir à mes besoins ou à ma famille si je ne peux pas travailler en raison d'une maladie ou d'une blessure invalidante
- e. Payer pour des services de soins de longue durée si je deviens incapable de prendre soin de moi
- f. Laisser les personnes à charge dans une situation financière difficile si je meurs prématurément
- g. Payer pour les études/université d'un enfant
- h. Laisser un héritage à mes héritiers
- i. Payer mes factures mensuelles, hypothèque, loyer
- j. Imposer aux autres mes frais d'inhumation ou de funérailles
- k. Perdre de l'argent dans mes investissements
- l. Sécurité d'emploi/maintien d'un revenu stable

B5. À quel point croyez-vous qu'il soit important d'avoir une assurance-vie?

1. Pas du tout important
2. Peu important

3. Neutre
4. Important
5. Très Important

SECT. 3 - PROTECTION

C1. Dans quelle mesure êtes-vous d'accord ou en désaccord avec les énoncés suivants?

1. Fortement en désaccord
2. En désaccord
3. D'accord
4. Fortement d'accord

- A. J'ai assez d'assurance vie
- B. J'ai besoin de plus d'assurance-vie

C2a. Votre assurance vie couvre-t-elle le montant dû sur votre prêt hypothécaire?

1. Oui, le montant dont je dispose couvrira la totalité du montant dû sur mon prêt hypothécaire
2. Oui, le montant dont je dispose couvrira une partie du montant dû sur mon prêt hypothécaire
3. Mon prêt hypothécaire sera payé par une assurance vie hypothécaire
4. Je ne sais pas

C2b. Votre assurance vie couvre-t-elle le montant dû sur votre marge de crédit hypothécaire?

1. Oui, le montant dont je dispose couvrira la totalité du montant dû sur ma marge de crédit hypothécaire
2. Oui, le montant dont je dispose couvrira une partie du montant dû sur ma marge de crédit hypothécaire
3. Ma marge de crédit hypothécaire sera payée par une assurance sur le crédit (i don't know what HELOC is so i can't verify that this is correct)
4. Je ne sais pas

C2c. Votre assurance vie couvre-t-elle les montants dus sur votre prêt hypothécaire et votre marge de crédit hypothécaire? ? (Sélectionnez tout ce qui s'applique.)

- a. Oui, le montant dont je dispose couvrira la totalité du montant dû sur mon prêt hypothécaire et ma marge de crédit hypothécaire
- b. Oui, le montant dont je dispose couvrira une partie du montant dû sur mon prêt hypothécaire et ma marge de crédit hypothécaire
- c. Mon prêt hypothécaire sera payé par une assurance vie hypothécaire
- d. Ma marge de crédit hypothécaire sera payée par une assurance sur le crédit
- e. Je ne sais pas

C3. En pensant à toute votre assurance vie, indiquez combien de temps votre revenu serait couvert si le principal salarié décédait demain. Votre meilleure estimation est ok.

J'ai assez d'assurance-vie pour couvrir le revenu pour ...

1. 0,5 an
2. 1 an
3. 2 ans
4. 3 ans
5. 4 ans
6. 5 ans
7. 6 ans
8. 7 ans
9. 8 ans
10. 9 ans
11. 10 ans ou plus

C4. Combien d'assurance-vie pensez-vous **que vous devriez avoir**?

Assez pour couvrir le revenu pour ...

1. 0,5 an
2. 1 an
3. 2 ans
4. 3 ans
5. 4 ans
6. 5 ans
7. 6 ans
8. 7 ans
9. 8 ans
10. 9 ans
11. 10 ans ou plus

C5. Lequel des énoncés suivants décrit le mieux la situation financière de votre ménage si un salarié principal décédait demain?

1. Rencontrerait immédiatement des difficultés à subvenir aux dépenses de la vie quotidienne
2. Serait en mesure de couvrir les frais de subsistance pendant plusieurs mois, mais rencontrerait ensuite des difficultés
3. Serait en mesure de couvrir les dépenses de subsistance dans l'avenir
4. Ne s'applique pas, pas de conjoint(e)/partenaire ou de personnes à charge

C6. Si le principal salarié de votre ménage décédait et le ménage rencontrait des difficultés à faire face aux dépenses de subsistance, où chercheriez-vous/ils de l'aide financière? (Sélectionnez tout ce qui s'applique)

- a. Famille

- b. Cartes de crédit
- c. Prêts
- d. Valeur nette de la maison
- e. Épargne personnelle
- f. Comptes de retraite
- g. GoFundMe ou un autre financement participatif
- h. Je ne sais pas

SECT. 4 - DÉMOGRAPHIE

D1. Quel est votre état matrimonial?

- 1. Marié(e)
- 2. Union civile, union libre, union de fait
- 3. En couple
- 4. Célibataire, jamais marié(e)
- 5. Divorcé(e)
- 6. Veuf(ve)

D2. Avez-vous des enfants et/ou des petit-enfants de moins de 18 ans qui vivent avec vous?

- 1. Oui
- 2. Non

D3. Avez-vous des personnes âgées, malades ou d'autres adultes qui vivent dans votre maison et qui dépendent de vous?

- 1. Oui
- 2. Non

D4. Veuillez indiquer dans quelle catégorie d'âge vous appartenez?

- 1. Moins de 18 ans
- 2. 18 à 24
- 3. 24 à 44
- 4. 45 à 64
- 5. 65 ans ou plus

D5. Quel est le plus haut niveau d'études que vous avez complété?

- 1. Pas de diplôme d'études secondaires
- 2. Diplôme d'études secondaires ou l'équivalent
- 3. Certificat ou diplôme d'apprenti ou d'une école de métiers
- 4. Études collégiales, cégep, ou universitaires partielles
- 5. Certificat d'un collège, d'un cégep ou d'une université
- 6. Diplôme collégial ou de premier cycle universitaire
- 7. Diplôme d'études supérieures

D6. Laquelle des tranches suivantes décrit le mieux **les actifs de placement totaux** de votre foyer?

Veillez **inclure** tout argent comptant que vous possédez dans vos comptes épargne, les placements et les comptes de retraite. Veillez **exclure** votre résidence primaire.

1. Moins de 25 000 \$
2. De 25 000 \$ à 49,999 \$
3. De 50 000 \$ à 99,999 \$
4. De 100 000 \$ à 249,999 \$
5. De 250 000 \$ à 499,999 \$
6. De 500 000 \$ à 999,999 \$
7. 1 000 000 \$ et plus
8. Préfère ne pas répondre

D7. Veuillez sélectionner le statut qui vous décrit le mieux.

1. Je suis né (é) au Canada
2. J'ai immigré au Canada il y a plus de 20 ans
3. J'ai immigré au Canada il y a de 11 à 20 ans
4. J'ai immigré au Canada il y a de 5 à 10 ans
5. J'ai immigré au Canada il y a moins de 5 ans

D8. Êtes-vous un premier propriétaire?

1. Oui
2. Non

Briefing Note

CAFII EOC Meeting 24 September 2023—Agenda Item 4(e)ii

Committees and Working Groups – Research and Education - Proposal that CAFII Present Its 2023 Research Results-Focused PowerPoint Deck to Financial Consumer Agency of Canada (FCAC) Staff Executives

Purpose of this Agenda Item – Update/Discussion

To propose to the EOC that CAFII Present its 2023 Research Results-Focused PowerPoint Deck to Financial Consumer Agency of Canada (FCAC) Staff Executives.

Background Information

CAFII Co-Executive Director Keith Martin will propose to the EOC that CAFII Present its 2023 Research Results-Focused PowerPoint Deck to Financial Consumer Agency of Canada (FCAC) Staff Executives. Since the 2023 Research Results-Focused PowerPoint Deck has been so well-received by Western Canada, Atlantic Canada, and Quebec (AMF) insurance regulators and policy-makers and CAFII will also be presenting the same deck to FSRA staff executives, it would be beneficial – to maintain and strengthen the cordial, productive, and mutually beneficial (but somewhat intermittent) relationship which CAFII has built with FCAC staff executives -- to make the same presentation in the near future to a relevant group of FCAC staff executives.

Recommendation / Direction Sought – Update/Discussion

This is an update item with the opportunity for discussion.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting 24 September 2023—Agenda Item 4(f) Committees and Working Groups – Networking and Events

Purpose of this Agenda Item – Update

To provide a Networking and Events Committee written update for the EOC to review.

Background Information

Networking and Events Committee Chair Carmelina Manno and Vice-Chair Marco DeiCont have provided a written update on their committee's recent activities.

Recommendation / Direction Sought – Update

This is an update only.

Attachments Included with this Agenda Item

One (1) attachment.

Agenda Item 4(f)
October 24/23 EOC Meeting

Networking & Events Committee (Chair: Carmelina Manno; Vice-Chair: Marco DeiCont)

Over the past month, the Networking & Events Committee has been engaged in planning with and supporting the CAFII staff and Managing Matters team for the following CAFII events:

- a webinar held on September 26/23 with Stuart Wilkinson, head of the FSRA's Consumer Office, which also included an introduction by FSRA's Glen Padassery, Executive Vice-President Policy & Chief Consumer Officer;
- an upcoming October 26/23 webinar on "Words Matter," with guest presenter Elissa Gurman from MacPhie Consulting who is an expert on inclusive language; and
- an upcoming November 22/23 annual update webinar featuring a panel of experts on *Trends and Developments in the Travel Insurance Industry*.

Briefing Note

CAFII EOC Meeting 24 September 2023—Agenda Item 5(a)

Strategic and Regulatory Initiatives - Insights Gained from October 10/23 CAFII/AMF Informal Liaison Lunch; and CAFII/AMF 'Industry Issues Dialogue', Including: - CAFII Plans for Further Dialogue with AMF on Spousal Insurance Issue

Purpose of this Agenda Item – Update/Discussion

To update the EOC on the Insights Gained from the October 10/23 CAFII/AMF Informal Liaison Lunch; and the CAFII/AMF 'Industry Issues Dialogue', including CAFII's Plans for Further Dialogue with AMF on the Spousal Insurance Issue.

Background Information

CAFII Co-Executive Directors Keith Martin and Brendan Wycks will update the EOC on the insights Gained from the October 10/23 CAFII/AMF Informal Liaison Lunch; and the CAFII/AMF 'Industry Issues Dialogue', including CAFII's Plans for Further Dialogue with AMF on the Spousal Insurance Issue.

The October 10/23 meeting between CAFII and the AMF was very productive. Compared to the parallel such meeting one year ago, the tone of this year's meeting was friendly and collaborative. K. Martin and Board Chair Peter Thompson both expressed sincere gratitude to AMF Superintendent Eric Jacob and the entire AMF executive staff team for the past year of meetings and interactions, which were co-operative and markedly more positive than in previous years. On behalf of the AMF, E. Jacob echoed K. Martin's and P. Thompson's sentiments, thanking CAFII and its members for the clear efforts the Association has made to understand the AMF's perspectives on regulatory matters.

Recommendation / Direction Sought – Update/Discussion

This is an update item with the opportunity for discussion.

Attachments Included with this Agenda Item

Three (3) attachments.

Agenda Item 5(a)(1)
October 24/23 EOC Meeting

Agenda and Briefing Document for CAFII 'Industry Issues Dialogue' Meeting
With AMF Staff Executives
1:05 to 2:15 p.m., Tuesday, October 10, 2023
Hosted By RBC Insurance,
1 Place Ville Marie, 41st Floor, Montréal, Québec

(See Appendix A For Capsule Biographies of Expected AMF Executive Attendees)

Welcome Remarks by Peter Thompson, CAFII Board Chair, National Bank Insurance

Peter Thompson, CAFII Board Chair, will welcome all present in English; and then – on behalf of CAFII, as well as on behalf of the meeting host RBC Insurance – he will make some Opening Remarks *en Français* (translating the English outline below into French remarks in his own words/style).

Opening Remarks by Peter Thompson, On Behalf of CAFII

Peter Thompson will make brief remarks *en Français* to welcome and thank the AMF staff executives present – in-person and virtually -- for

- taking time out of their busy schedules to meet with CAFII; and
- their commitment to ongoing dialogue and exchange of information, of which today's 'Informal Liaison Lunch' and 'Industry Issues Dialogue' are a prime example.

Peter will note that the AMF and CAFII have met at least annually for a Dialogue Session during nine (9) of the past 10 years, since 2014, with the only exception being 2019 when logistical and scheduling difficulties prevented the meeting from happening.

We even made a point of keeping up this important liaison tradition – via virtual meeting sessions – during the two pandemic years of 2020 and 2021.

What's more, over the past year alone – between October 11 of last year and this meeting here today – there have been no fewer than 11 productive meetings of one kind or another held between CAFII representatives and AMF staff executives.

Peter will observe that the relationship between CAFII and the AMF has been marked by the three C's of *Communication, Consultation, and Co-operation*.

Those qualities have been in evidence through our informal discussions over lunch today and are equally evident in the 'Shared Agenda Approach' that was taken in organizing the 'Industry Issues Dialogue' that is about to begin; and we expect that those valuable qualities in our working relationship will continue as we collaborate to address important regulatory and consumer protection issues on a go-forward basis.

Peter will conclude by indicating that since not all CAFII representatives present are fluently bilingual, we ask that today's 'Industry Issues Dialogue' be conducted in English.

CAFII and AMF “Industry Issues Dialogue”
Tuesday, October 11, 2022; 1:05 to 2:15 p.m. EDT In-Person/Virtual Meeting
Immediately Following Informal Liaison Lunch from 12 Noon to 1.00 p.m.
Agenda (Shared Agenda Approach)

- 1:05 to 1:10 p.m.: Welcome and Introductions (CAFII Board Chair Peter Thompson; followed by brief self-introductions by in-person attendees and virtual-only AMF attendees, facilitated/moderated by CAFII Co-Executive Director Brendan Wycks)
- 1:10 to 1:30 p.m.: CAFII Presentation on “Summary of Key Discussions and Achievements in the Past Year Between the AMF and CAFII” (Keith Martin)
- 1:30 to 1:40 p.m.: Q&A/Dialogue on CAFII Presentation
- 1:40 to 2:00 p.m.: AMF Presentation on “Update on AMF’s Gathering of Claims Denial Statistics for Debtor Life, Health and Employment (DLHE) Insurance” (Mario Beaudoin)
- 2:00 to 2:10 p.m.: Q&A/Dialogue on AMF Presentation
- 2:10 to 2:15 p.m.: Wrap-Up; Next Steps (if any); and Adjournment

Appendix A

**AMF Executive Biographies for AMF/CAFII Informal Liaison Lunch and Industry Issues Dialogue,
October 10, 2023**

Expected AMF Attendees:

Éric Jacob, Superintendent, Client Services and Distribution Oversight and Director of Enforcement (Interim) (in-person)

Christian Beaulieu, Senior Director, Operations and Distribution (in-person)

Mario Beaudoin, Director of Alternative Distribution Practices in Insurance (in-person)

Julie Dallaire, Distribution Management Analyst (virtual attendance)

Véronique Martel, Expert Co-ordinator in Supervision and Control (virtual attendance)



Éric Jacob, Superintendent, Client Services and Distribution Oversight; and Director of Enforcement (Interim)

Éric Jacob was appointed Superintendent, Client Services and Distribution Oversight in May 2021. With the assistance of over 150 employees, Mr. Jacob supervises the activities of representatives and firms in the insurance of persons, damage insurance, claims adjustment and financial planning sectors. He also administers the eligibility requirements related to and rules governing distribution activities, while overseeing the issuance of representative certificates and the registration of firms.

AMF Client Services and Distribution Oversight also groups together the AMF's financial consumer assistance services, the Strategic Financial Education, Outreach and Research Partnerships Program, the Fonds d'indemnisation des services financiers (financial services compensation fund), and the AMF Information Centre, in addition to supervising the activities of the Chambre de l'assurance de dommages (damage insurance chamber) and the Chambre de la sécurité financière (financial security chamber). Since May 1, 2020, it has been responsible for supervising representatives and firms in the mortgage brokerage sector.

Mr. Jacob joined the AMF in 2008 as Manager, Complaint Examination and Assistance. In 2010, he was appointed Director, Case Assessment and Cybersurveillance and interim Manager, Economic Crimes. He was appointed Director, Inspection in 2012 and promoted to Senior Director, Inspection in 2014. In 2020, he became Senior Director, AMF Monitoring, Risks and Performance. Throughout these years, he was an active member of the Canadian Securities Administrators' Enforcement Committee and chair of that organization's Compliance Committee.

Mr. Jacob has in-depth knowledge of the financial markets and the distribution of financial products and services. Prior to joining the AMF, he worked in the banking sector, including from 2006 to 2008 at BNP Paribas Canada, where, as Vice-President, International Trade Financing from 2006 to 2008, he oversaw bank syndication and corporate and institutional financing and was also given responsibility for a specialized special loans and recovery mandate. From 1994 to 2006, he managed various functions at RBC Royal Bank, including administrative services and business development in the small and medium-sized businesses sector and commercial sector. He was also chair of the board of directors of Collège de Montréal from 2016 to 2019. Mr. Jacob holds a Bachelor of Laws from the Université de Montréal and a Master of Business Administration from the Université de Sherbrooke.



Christian Beaulieu, Senior Director, Operations and Distribution

Experience

Permanent Full-time at AMF, Quebec For 7 years, 4 months

- Senior Director, Operations and Distribution from June 2022 to Present
- Director of Procurement & Real Estate from March 2019 to June 2022
- Director of Procurement (procurement strategies, public tenders, contract negotiation, contract management, etc.) and property management (management of premises and administrative services for messaging, reprography and reception)
- Director of Procurement and Accounting Director of Procurement from July 2016 to March 2019: responsible for procurement (procurement strategies, public tenders, contract negotiation, contract management, etc.) and accounting (payment of suppliers, revenue management and production of financial statements).
- Director of Procurement, Quebec Ferries from May 2005 to June 2016, Quebec, Canada: supply management for a state-owned company operating a fleet of 18 ships. Operational context of service to the citizens throughout Quebec.



Mario Beaudoin, Director of Alternative Distribution Practices in Insurance

- Director of Alternative Distribution Practices in Insurance. AMF, 2004-Present; Quebec, Canada
As Director of Alternative Distribution Practices in Insurance at the AMF, my team and I take care of the management and supervision of the insurance offer via digital spaces. We also have a mandate to regulate the provisions relating to distribution without a representative.
- Manager, Insurers, AMF, 1997–2004; Quebec, Canada
Design, marketing, sale and management of claims for living benefits products.

Summary of Key Discussions and Achievements in the Past Year Between the AMF and CAFII

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

CAFII Board Chair Peter Thompson and AMF Superintendent, Client Services and Distribution Oversight, and Executive Director, Enforcement (interim) Éric Jacob Have Been Meeting Quarterly

November 3, 2022



Discussion on statistics gathered by the AMF, and on credit-card embedded insurance benefits

6 February, 2023



Resolution of the issue around distribution of credit-card embedded insurance benefits

March 7, 2023



Confirmation of the resolution of the credit-card embedded issue with Mario Beaudoin and Keith Martin In Attendance

Les réunions trimestrielles entre Éric Jacob et Peter Thompson ont permis de faire d'énormes progrès quant aux principaux dossiers

The quarterly meetings between Éric Jacob and Peter Thompson have resulted in significant progress on key files

CAFII Board Chair Peter Thompson and AMF Superintendent, Client Services and Distribution Oversight, and Executive Director, Enforcement (interim) Éric Jacob Have Been Meeting Quarterly

March 22, 2023



Discussion on statistics gathered by the AMF, and on the Regulation respecting complaint processing and dispute resolution in the financial sector

4 July, 2023

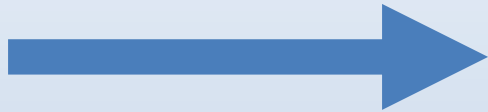


Discussion of approach to 10 October, 2023 Liaison Lunch and Industry Dialogue; dialogue around AMF's expectations regarding termination of spousal insurance coverage

La priorité actuelle est de discuter des options pour résoudre la question de l'assurance des conjoints

Current focus is to discuss options for resolution of the spousal insurance issue

Much Progress on Key Files has Occurred Through these Meetings



CAFII and the AMF have reached an understanding around credit card-embedded insurance benefits



CAFII and the AMF have agreed that their Annual Issues Dialogue in October will focus solely on information-sharing, with more complex files discussed in smaller working groups of AMF and CAFII representatives

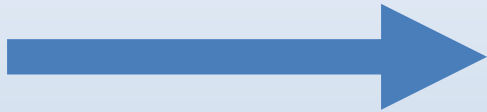


In that respect, smaller meetings of CAFII and the AMF have been held on statistics gathered by the AMF on claims denial rates, and on the Regulation respecting complaint processing and dispute resolution in the financial sector

Des progrès ont été réalisés quant aux prestations d'assurance intégrées aux cartes de crédit et sur les statistiques recueillies par l'AMF

Progress has been made on credit card-embedded insurance benefits, and on the statistics gathered by the AMF

Much Progress on Key Files has Occurred Through these Meetings



CAFII and the AMF have begun renewed discussions around the issue of Spousal Insurance coverage



CAFII will provide the AMF with statistics on natural attrition progress of Spousal Insurance in Quebec since 2019



CAFII made a presentation to the AMF on 28 September, 2023 in Quebec City in French, on its key priorities and on the results of recent research commissioned by CAFII

Le 28 septembre dernier, l'ACIFA a fait une présentation en français à l'AMF, à Québec, sur les priorités de l'Association et les résultats de recherche

CAFII made a presentation to the AMF in French in Quebec City on 28 September on CAFII priorities, and on research findings

Smaller, Focused Meetings Have Taken Place on Specific Issues

11 May, 2023 →

21 June, 2023 →

Productive Discussions Between CAFII and the AMF on the Regulation respecting Complaint Processing and Dispute Resolution in the Financial Sector, including CAFII concerns around the definition of complaints and around timelines for resolving complaints

Louise Gauthier
Nathalie Sirois
Melissa Perrault

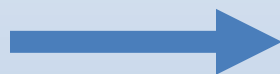
Rob Dobbins
Karyn Kasperski
Keith Martin

Des discussions constructives ont eu lieu avec l'AMF en ce qui concerne le Règlement sur le traitement des plaintes et le règlement des différends dans le secteur financier

Excellent consultative discussions have been held with the AMF on the Regulation respecting complaints and dispute resolution

Smaller, Focused Meetings Have Taken Place on Specific Issues

8 June, 2023



Productive Discussions Between CAFII and the AMF on the intended use by the AMF of statistics gathered on the rate of claims denials for Debtor Life, Health, and Employment (DLHE) insurance products

*Christian Beaulieu
Mario Beaudoin*

*Rob Dobbins
Karyn Kasperski
Keith Martin*

Des précisions très utiles ont été fournies quant aux façons dont l'AMF prévoit utiliser les statistiques sur les taux de refus des réclamations

Very helpful clarifications provided on the intended uses by the AMF of statistics gathered on claims denial rates

Overall, There Have Been Significant Achievements Over the Past Year

AMF and CAFII Discussions On a Variety of Issues Have Resulted in Significant Progress on Multiple Files

Les consultations et les discussions qui ont eu lieu au cours de la dernière année ont eu des résultats très positifs

Consultations and Discussion over the past year have had very productive outcomes

Thank you

Merci

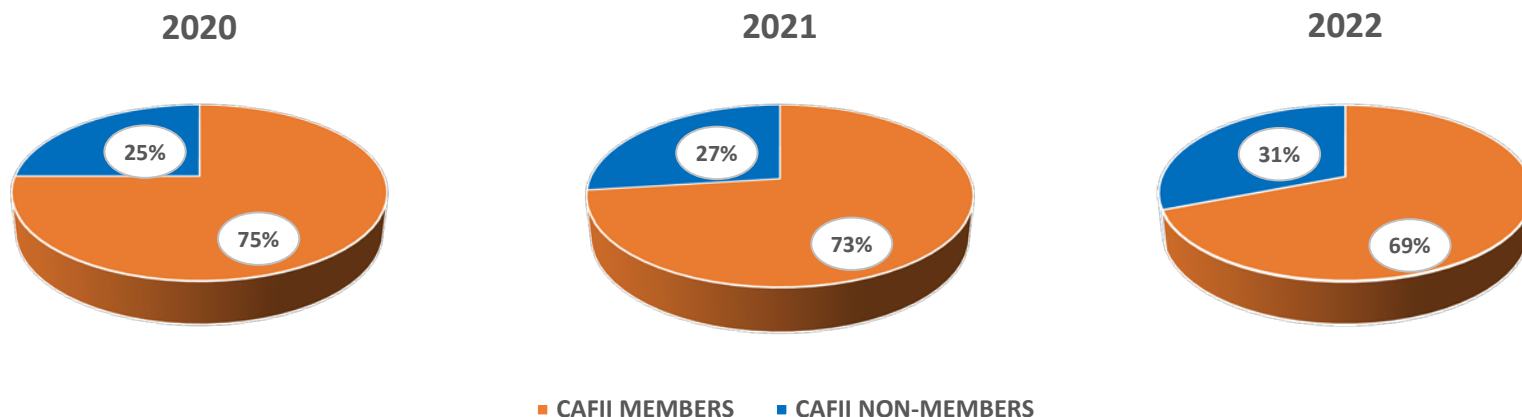


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2022 DWR MARKET PROFILE CAFII

Prepared by the Alternative Insurance
Distribution Practices
October 2023

Distribution of the amount of written premiums in DWR for CAFII members and non-members

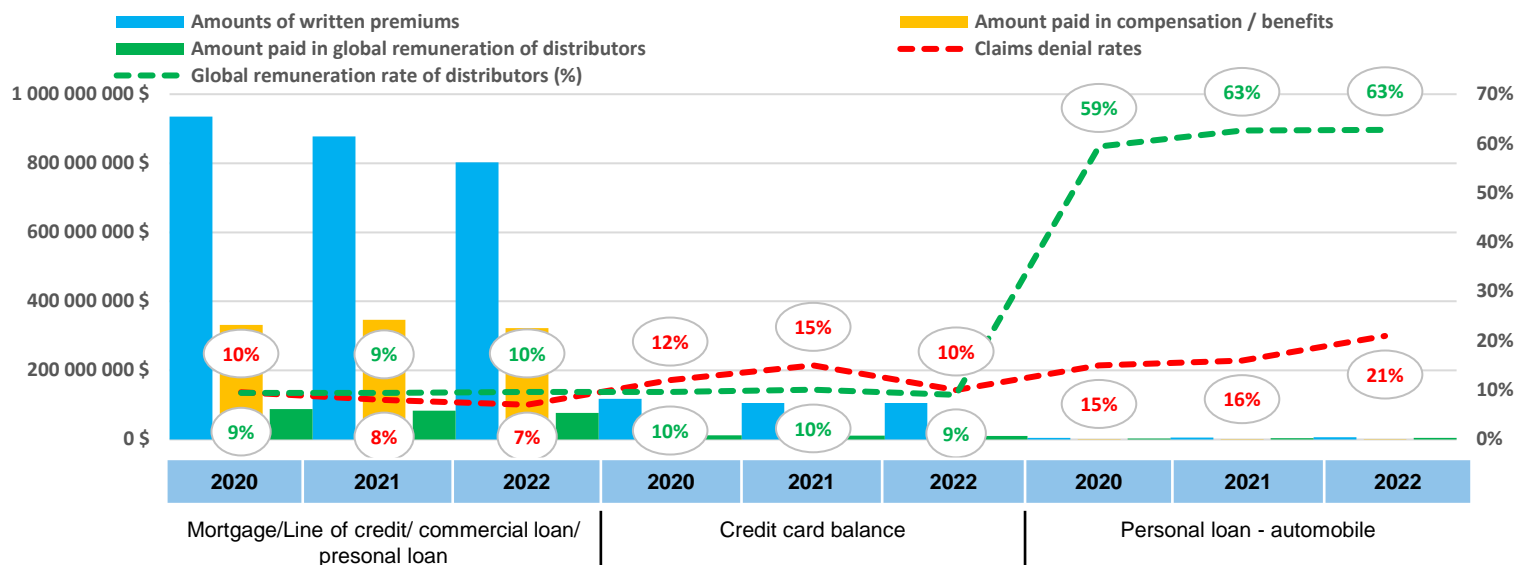


Highlights

	CAFII members			Overall market		
	2020	2021	2022	2020	2021	2022
Amounts of written premiums	\$1.29B	\$1.28B	\$1.18B	\$1.72B	\$1.75B	\$1.74B
Amount paid out in compensation / benefits (following a claim)	\$476M	\$432M	\$432M	\$599M	\$524M	\$528M
Number of claims processed ¹	144,000	112,000	104,000	183,000	140,000	143,000
Average claims denial rate for all products offered	15 %	14 %	11 %	14 %	14%	11%
Number of active insurers ²	15	16	16	37	38	40
Number of products offered	267	378	439	479	584	735

1. This represents the sum of claims paid out plus claims denied.
2. If only the financial groups were considered, the number would be lower.

CAFIL members – DHLE insurance products – 3 years tendency



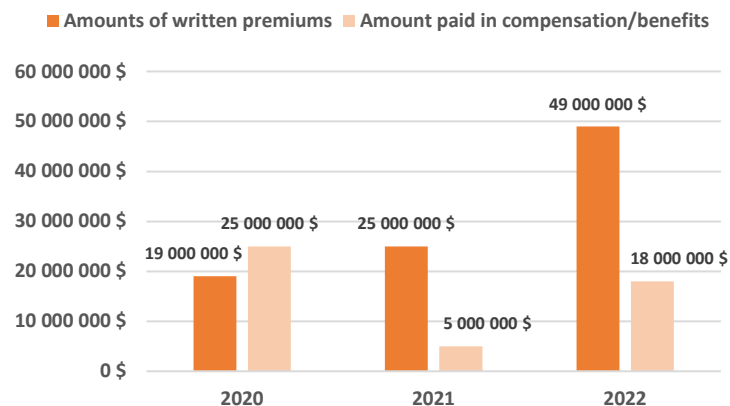
Highlights

	CAFIL members			Overall DHLE market		
	2020	2021	2022	2020	2021	2022
Amounts of written premiums	\$1.1B	\$1B	\$985M	\$1.3B	\$1.3B	\$1.2B
Amount paid out in compensation / benefits	\$365M	\$373M	\$342M	\$408M	\$409M	\$377M
Number of claims processed	63,000	66,000	48,000	74,000	76,000	56,000
Claims denial rate	10 %	10 %	8 %	11 %	10 %	9 %
Approximate average indemnities paid	\$6,500	\$6,300	\$7,800	\$6,000	\$6,000	\$7,400
Global remuneration rate of distributors (including administrators)	10 %	10 %	10 %	18 %	20 %	20 %
Number of active insurers	11	11	11	20	20	20
Number of products offered	104	88	104	210	171	152

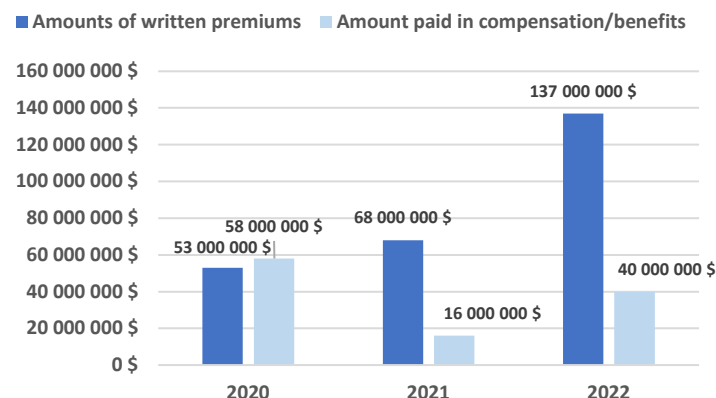
Travel insurance products–3 years tendency

(products involving the payment of a specific premium and distributed by travel agencies, banks and credit unions)

CAFI members



Overall market



Highlights

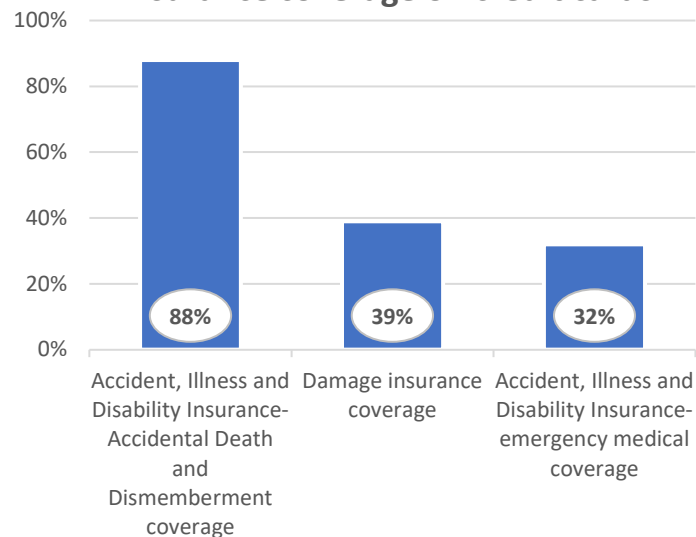
	CAFI members			Overall Market		
	2020	2021	2022	2020	2021	2022
Average premium-return rate	131 %	21 %	36 %	111 %	24 %	30 %
Number of claims processed	14,000	3,300	8,000	28,000	10,000	19,000
Average claims denial rate for all products offered	26 %	21 %	12 %	21 %	17 %	13 %
Approximate average indemnities paid out	\$2,400	\$2,000	\$2,500	\$2,700	\$2,000	\$2,500
Number of insured ¹	91,000	149,000	255,000	212,000	283,000	493,000

1. Number of insured represents number of certificates or individual policies issued during the disclosing period

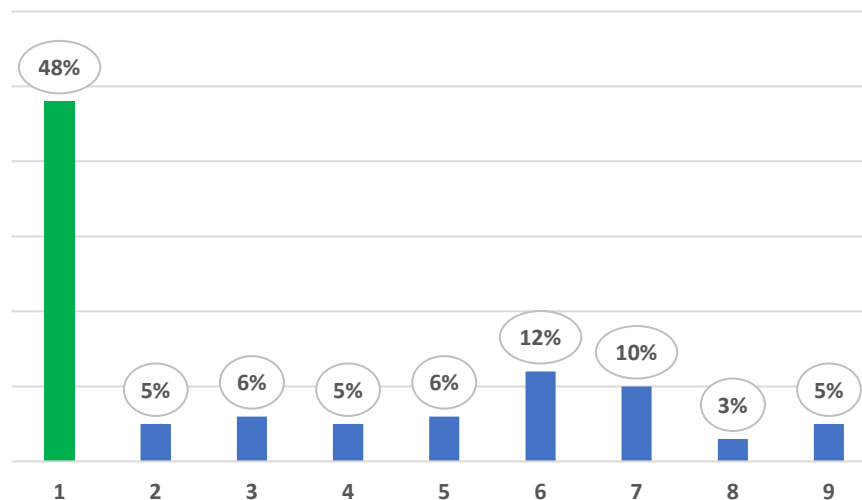
Travel insurance products offered in 2022 (continued)

	Products involving the payment of a specific premium (travel agencies, banks and credit unions)		Products included when signing up for a credit card (built-in)	
	CAFII members	Overall market	CAFII members	Overall market
Average indemnity paid out	\$2,500	\$2,500	\$1,600	\$1,500
Claims denial rate	12 %	13 %	14 %	17 %
Number of active insurers	9	15	11	15
Number of products offered	94	146	117	186

Distribution of types of travel insurance coverage on credit cards



Number of protection by credit card



Credit card and debit/merchandise insurance products offered in 2022

These insurance products cover the extension of the basic warranty or the replacement of items for which the purchase cost was charged to the credit or debit card. The number of insureds corresponds to the number of credit card holders with this type of coverage. It should be noted that this type of product represents only 1% of the total volume of premiums underwritten in DWR.

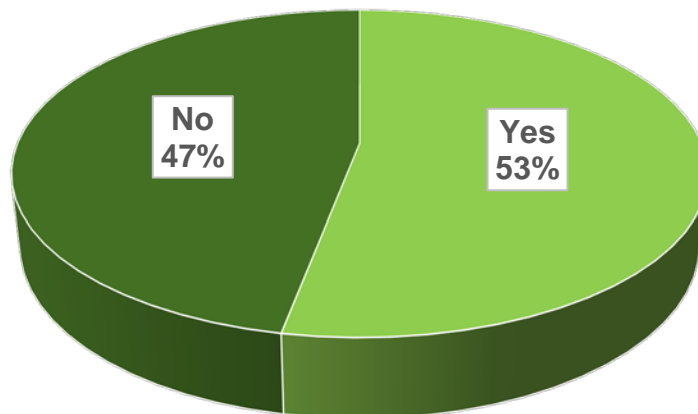
As is the case for the credit card travel insurance products (built-in) previously presented, due to the novelty aspect, the large number of new files and the uneven quality of the data that still requires significant corrective work, the table below presents the analysis of preliminary data for this market.

Highlights		
	CAFI members	Overall market
Amounts of written premiums ¹	\$17M	\$29M
Indemnities paid out	\$7M	\$8M
Number of claims processed	15,000	17,000
Average claims denial rate ²	30 %	29 %
Approximate average indemnity paid out	\$700	\$650
Number of active insurers	6	9
Number of products offered	133	217

1. Insurers must disclose the portion of the premium to be paid for this specific coverage, which can lead to confusion.
2. The denial rate is an element to keep an eye on, as the validity of coverage is not limited to holding the card, but must also be activated according to eligibility conditions.

Surveillance work on denial rates for DHLE products offered through the DWR*

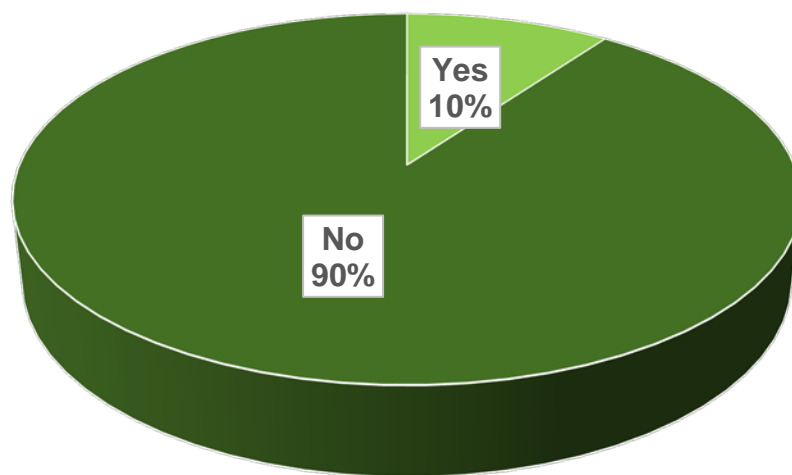
Existence and utilization of a denial rate indicator



*Please note that this includes all insurers that offer DHLE insurance products. It does not apply exclusively to CAFII members.

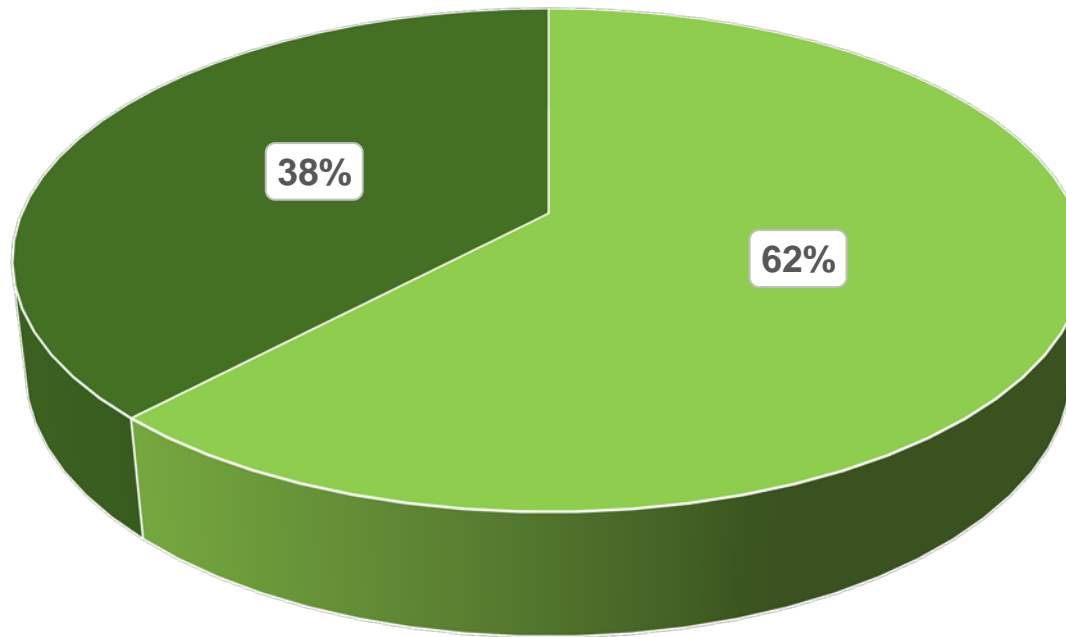
Surveillance work on denial rates for DHLE products offered through the DWR(continued)

Existence of a limit that triggers an analysis process



Low volume and administrative burden

Significance of DHLE products



■ Significant products: 93 ■ Non-significant products: 59



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QUESTIONS & COMMENTS

Briefing Note

CAFII EOC Meeting 24 September 2023—Agenda Item 5(b)

Strategic and Regulatory Initiatives - Insights Gained from In-Person CAFII 2023 Atlantic Canada

Insurance Regulators and Policy-Makers Visits Tour: Phase 1 (PEI and New Brunswick) and Phase 2 (Nova Scotia and Newfoundland)

Purpose of this Agenda Item – Update/Discussion

To update the EOC on the insights Gained from CAFII's In-Person 2023 Atlantic Canada Insurance Regulators and Policy-Makers Visits Tour: Phase 1 (PEI and New Brunswick) and Phase 2 (Nova Scotia and Newfoundland).

Background Information

CAFII Co-Executive Directors Keith Martin and Brendan Wycks will update the EOC on the insights Gained from CAFII's In-Person 2023 Atlantic Canada Insurance Regulators and Policy-Makers Visits Tour: Phase 1 (PEI and New Brunswick) and Phase 2 (Nova Scotia and Newfoundland).

A written summary of the entire Atlantic Canada tour will be circulated after the completion of Phase 2 of the tour (October 18 and 19/23) and before the next EOC meeting on November 14/23.

Recommendation / Direction Sought – Update/Discussion

This is an update item with the opportunity for discussion.

Attachments Included with this Agenda Item

Two (2) attachments.

Agenda Item 5(b)(1)
October 24/23 EOC Meeting

Itinerary and Meetings Schedule For CAFII Fall 2023
Atlantic Canada Insurance Regulators and Policy-Makers Visits Tour: Phase 1 –
Prince Edward Island and New Brunswick

Thursday, September 21/23

1. 7:00 a.m. EST to 11:44 a.m. AST: CAFII in-person delegation members travel to Charlottetown, catching an early morning flight from Toronto or Hamilton, Ontario and arriving at Charlottetown (YYG) airport by 11:44 a.m. AST.

Or, alternatively, CAFII delegation members (possibly Keith Martin only) may wish to travel to Charlottetown on Wednesday, September 20/23 and stay overnight in Charlottetown.

2. 11:44 a.m. AST to 12:45 p.m. AST: CAFII in-person delegation members rendezvous at Charlottetown airport (YYG). Brendan Wycks secures pre-booked one-way SUV rental and transports newly arrived in-person delegation members to central Charlottetown hotel where meeting will be held with PEI Financial and Consumer Services Division of Department of Justice and Public Safety staff executives will be held.
3. 1:00 to 2:30 p.m. AST: CAFII in-person delegation members meet with PEI Financial and Consumer Services Division of Department of Justice and Public Safety staff executives at central Charlottetown hotel, likely the Delta Hotel.
4. 2:45 to 4:00 p.m. AST: CAFII in-person delegation members have a late lunch at a restaurant in downtown Charlottetown.
5. 4:00 to 8:30 p.m. AST: CAFII in-person delegation members drive from Charlottetown, PEI to Fredericton, New Brunswick in two (2) one-way rental SUVs secured by Brendan Wycks (driving distance: 340 kms; approximate driving time: 4.5 hours with one rest stop).
6. 8:30 to 9:00 p.m. AST: CAFII in-person delegation members check-in for overnight stay at Fredericton hotel. **Recommended Hotel: Holiday Inn Express & Suites, an IHG Hotel, 665 Prospect St, Fredericton, NB E3B 6B8; [\(506\) 459-0035](tel:5064590035).**
7. CAFII in-person delegation members have a late group dinner at their Fredericton hotel or at a nearby downtown Fredericton restaurant.

Friday, September 22/23

8. 8:00 to 9:15 a.m. AST: CAFII in-person delegation members have a group breakfast at their Fredericton hotel, which gathering will also serve as a Final Prep Meeting prior to the ensuing meeting with Angela Mazerolle, New Brunswick Superintendent of Insurance, and other relevant FCNB Insurance Division staff executives.
9. 9:30 to 9:45 a.m. AST: CAFII in-person delegation members gather in the lobby of their Fredericton hotel, with luggage in tow, and depart for meeting at FCNB office, 225, rue King St.; Suite / bureau 200, Fredericton, New Brunswick.
10. 10:00 to 11:30 a.m. AST: CAFII in-person delegation members meet with Angela Mazerolle, New Brunswick Superintendent of Insurance, and other relevant FCNB Insurance Division staff executives at FCNB office, 225, rue King St.; Suite / bureau 200, Fredericton, New Brunswick.
11. 11:30 a.m. to 1:00 p.m. AST: CAFII in-person delegation members have a lunch at a quick-service restaurant in downtown Fredericton.
12. 1:00 to 1:15 p.m. AST: CAFII in-person delegation members drive from downtown Fredericton to Fredericton airport; Brendan Wycks returns one-way rental van at the airport; and members catch their return flights back to Toronto (this early departure for the Fredericton airport assumes that at least one member of delegation will want to catch the 2:20 p.m. AST Porter Airlines connecting flight, via Ottawa, back to Toronto).

Agenda Item 5(b)(2)
October 24/23 EOC Meeting

Itinerary and Meetings Schedule For CAFII Fall 2023
Atlantic Canada Insurance Regulators and Policy-Makers Visits Tour: Phase 2 –
Nova Scotia and Newfoundland and Labrador

Tuesday, October 17/23 or morning of Wednesday, October 18/23

1. CAFII in-person delegation members travel to Halifax, catching either a flight from Toronto on Tuesday, October 17/23 or on the morning of Wednesday, October 18/23; and arriving at Halifax airport (YHZ) by no later than 10:30 a.m. AST on the morning of Wednesday, October 18/23.

Upon arrival at Halifax airport (YHZ), in-person delegation members catch their own ground transportation from Halifax airport (YHZ) – grouping together and vehicle pooling with other CAFII in-person delegation members if and when possible -- into downtown Halifax, which is a ride of about 45 minutes travel duration, by cab, Uber/Lyft, or shuttle bus.

2. **11:40 a.m. AST to 12:40 p.m. AST on Wednesday, October 18/23:** CAFII in-person delegation members rendez-vous for lunch and a Final Prep Meeting at Bluenose II Restaurant, 1824 Hollis St., Halifax, Nova Scotia B3J 1W4; (902) 425-5092.
3. **12:40 to 12:45 p.m. AST on Wednesday, October 18/23:** CAFII in-person delegation members walk 120 metres (2 minutes) from Bluenose II Restaurant, 1824 Hollis St., Halifax to Nova Scotia Provincial Building at 1723 Hollis St., Halifax.
4. **1:00 to 2:30 p.m. AST on Wednesday, October 18/23:** CAFII in-person delegation members meet with Nova Scotia Superintendent of Insurance David McCarron; Deputy Superintendent of Insurance Rahul Deshmukh; and Angela MacLeod, Insurance Officer, at Nova Scotia Provincial Building, 1723 Hollis St., 5th Floor Halifax, Nova Scotia.
5. **2:30 to 3:15 p.m. AST on Wednesday, October 18/23:** CAFII in-person delegation members catch pre-booked cabs outside of Provincial Building in downtown Halifax **for immediate transportation** to Halifax airport to be able to catch 4:30 p.m. AST Air Canada AC 2256 flight from Halifax to St. John's, Newfoundland.
6. **7:00 p.m. to 7:30 p.m. NL time on Wednesday, October 18/23:** CAFII in-person delegation members take cab(s) from St. John's airport to downtown St. John's and check-in to recommended hotel: Murray Premises Hotel, 5 Becks Cove, St. John's, Newfoundland A1C 6H1.

7. **8:00 to 10:00 p.m. NL time on Wednesday, October 18/23:** CAFII in-person delegation members walk from Murray Premises Hotel for a group dinner at O'Reilly's Irish Newfoundland Pub, 13 George St., St. John's, NL, A1C 1M3 (200 metres walk: 3 minutes), on St. John's famous George St., where those who have not been to Newfoundland/St. John's before may wish to be "screeched in" and to "kiss the cod" at a different nearby pub after dinner -- [https://stjohnswalkingtours.com/get-screeched-in-st-johns/#:~:text=Our%20top%20recommendation%20for%20where,ceremony%20with%20dignity%20and%20pride](https://stjohnswalkingtours.com/get-screeched-in-st-johns/#:~:text=Our%20top%20recommendation%20for%20where,ceremony%20with%20dignity%20and%20pride;); and <https://www.oreillyspub.com/> -- if those ceremonies are not offered by O'Reilly's itself.
8. **8:15 a.m. to 10:00 a.m. NL time, Thursday, October 19/23:** CAFII in-person delegation members have group breakfast and Final Prep Meeting either within or near Murray Premises Hotel, St. John's (location/room TBA).
9. **10:15 a.m. to 10:30 a.m. NL time, Thursday, October 19/23:** CAFII in-person delegation members take cabs from Murray Premises Hotel to Confederation Building, West Block (Newer Building), 100 Prince Phillip Drive, 2nd Floor, St. John's, Newfoundland A1C 6H1; (709) 729-5661.
10. **11:00 a.m. to 12:30 p.m. NL time, Thursday, October 19/23:** CAFII in-person delegation members meet with Jean Bishop (she/her), Newfoundland and Labrador Superintendent of Insurance; Kris Adams (he/him), Newfoundland and Labrador Deputy Superintendent of Insurance; Sean Dutton, Deputy Minister of Digital Government and Service NL; and Scott Jones, Assistant Deputy Minister, Regulatory Affairs, Regulatory Affairs and Digital Government and Services Branch, Government of Newfoundland and Labrador at Confederation Building, West Block (Newer Building), 100 Prince Phillip Drive, 2nd Floor, St. John's, Newfoundland A1C 6H1; (709) 729-5661.

The Regulatory Affairs Branch is responsible for the regulation of the insurance industry, the credit union industry, pension plans, securities industry, the trust and loan industry, the real estate industry, collection agencies, vital statistics, mortgage brokers, provincial lotteries, private investigation agencies, and landlord-tenant relations. The branch also administers the registries of deeds, companies, co-operatives, personal property security and condominiums.
11. **12:30 p.m. to 1:00 p.m. NL time, Thursday, October 19/23:** CAFII in-person delegation members catch pre-booked cabs outside of Confederation Building for immediate transportation to St. John's airport to be able to catch 2:15 p.m. NL time Air Canada AC 693 flight from St. John's to Toronto Pearson airport (YYZ).

Briefing Note

CAFII EOC Meeting 24 September 2023—Agenda Item 5(c) Strategic and Regulatory Initiatives - Insights Gained from October 23/23 Saskatchewan Restricted Insurance Agent Advisory Committee (RIACC) Meeting

Purpose of this Agenda Item – Update

To update the EOC on the insights Gained from the October 23/23 Saskatchewan Restricted Insurance Agent Advisory Committee (RIACC) Meeting.

Background Information

CAFII Co-Executive Directors Keith Martin and Brendan Wycks will update the EOC on the insights Gained from the October 23/23 Saskatchewan Restricted Insurance Agent Advisory Committee (RIACC) Meeting.

Recommendation / Direction Sought – Update

This is an update only.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting 24 September 2023—Agenda Item 6(a) Governance - Implementation of New CAFII Management Structure, Including Development of Comprehensive “Policies and Procedures Manual”

Purpose of this Agenda Item – Update

To update the EOC on the implementation of a new CAFII Management Structure, including the related development of a comprehensive “Policies and Procedures Manual.”

Background Information

CAFII Co-Executive Director Keith Martin will update the EOC on the implementation of a new CAFII Management Structure, including the related development of a comprehensive “Policies and Procedures Manual.”

The purpose of the “Policies and Procedures” Manual is to act as a repository for all of CAFII’s policies and procedures, so that both understanding and accessing any and all Association information will be straightforward. The Manual will also serve as a guide, if need be, for any future CAFII staff during the onboarding process.

Recommendation / Direction Sought – Update

This is an update only.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting 24 September 2023—Agenda Item 6(b) Governance - Plans for Document on CAFII Succession Plan

Purpose of this Agenda Item – *Update*

To update the EOC on plans and timing for the development of a CAFII Succession Plan document.

Background Information

CAFII Co-Executive Director Keith Martin will update the EOC on the plans and timing for the development of a CAFII Succession Plan document.

Recommendation / Direction Sought – *Update*

This is an update only.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting 24 September 2023—Agenda Item 6(c) Governance - Draft Minutes of September 19/23 EOC Meeting

Purpose of this Agenda Item – Approval

To request EOC approval of the draft September 19/23 EOC Meeting minutes.

Background Information

The EOC will be asked to approve the draft September 19/23 EOC Meeting minutes.

Recommendation / Direction Sought – Approval

This is a request for approval.

Attachments Included with this Agenda Item

One (1) attachment.

**EXECUTIVE OPERATIONS COMMITTEE IN-PERSON/HYBRID MEETING
CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE (CAFII)**

Tuesday, September 19, 2023, 3:00-5:00pm

At the offices of BMO, 68th Floor, First Canadian Place, Toronto

MINUTES

EOC Members Present:

In-Person:

Rob Dobbins	Assurant and EOC Chair
Martin Boyle	BMO Insurance
Lauren Ross	CIBC Insurance
Konstance Allain	CIBC Insurance
Carmelina Manno	Manulife
Janet Pacini-Thibodeau	Manulife
Katia Umutoniwase	Manulife
Donald Hinnecke	RBC Insurance and Treasurer
Sean Kradjian	Scotia Insurance
Prithipal Rajasekaran	Scotia Insurance
John Burns	Securian Canada
Peter Thorn	TD Insurance
Jason Beauchamp	The Canada Life Assurance Company
Marco DeiCont	Valeyo

Virtually:

Jennifer Russell	Assurant
Catherine Latulippe	Canadian Tire Bank
John Juba	Chubb Life Insurance Company of Canada
Michelle Costello	CUMIS/The Co-operators
Isabelle Choquette	Desjardins Insurance
Suzie Blanchard	Manulife
Jonathan Poulin	National Bank Insurance
Fernando Heleno	RBC Insurance
Shannon Dowe	RBC Insurance
Charles MacLean	RBC Insurance
Iman Muntazir	RBC Insurance
Bradley Kuiper	Scotia Insurance
Deliska Beauregard	Securian Canada
Fay Coleman	TD Insurance
Fergal Murphy	TD Insurance
Dallas Ewen	The Canada Life Assurance Company
Jacqlyn Marcus	Valeyo

Regrets:

Tejal Harri-Morar	BMO Insurance
Farhad Eslah	Canadian Tire Bank
Cynthia Golubic	Canadian Tire Bank
Afzal Baig	Chubb Life Insurance Company of Canada
David Self	CIBC Insurance
Doug Weir	CIBC Insurance
Almas Satwat	CUMIS/The Co-operators
Diane Quigley	CUMIS/The Co-operators
Jawid Kargger	CUMIS/The Co-operators
Cassandra Litniansky	CUMIS/The Co-operators
Nathalie Baron	Desjardins Insurance
Pierre-Olivier Cyr	Desjardins Insurance
Sharon Murrell-Foster	Manulife
Ivan Murray	National Bank Insurance
Stacey Hughes-Brooks	RBC Insurance
Karyn Kasperski	RBC Insurance and Vice Chair
Asma Desai	Securian Canada
Andrea Stuska	TD Insurance
Maira Gill	TD Insurance

Also Present:

Brendan Wycks, *Co-Executive Director*
Keith Martin, *Co-Executive Director*
Robyn Jennings, *Research Analyst*
Shanay Smith, *Operations Manager*
Troy Woodland, *Association Coordinator*

Item 1: Welcome, Call to Order, and Priority Matters

Item 1 (a): Call to Order and Welcome to New EOC Members

The meeting was chaired by EOC Chair Rob Dobbins, who called the meeting to order and welcomed new Research Analyst Robyn Jennings, Operations Manager Shanay Smith, and CAFII Association Coordinator Troy Woodland.

Item 2: Consent Items

The following Consent Items that do not require any discussion or decisions were tabled:

- Consultations/Submissions Timetable;
- September 2023 Regulatory Update;
- Regulator and Policy-Maker Visit Plan Recap;
- Summary of Board and EOC Action Items; and
- Board-Approved Schedule of CAFII 2023 Meetings and Events.

Item 3: Financial Management Matters

Item 3 (a): CAFII Financial Statements as at August 31/23

CAFII Treasurer Donald Hinnecke provided an update on CAFII's financials as at June 30/23, noting that the Association had an overall quiet summer with minimal spending, putting CAFII in a net surplus position. CAFII is, therefore, also in a strong cash position thanks to unbudgeted investment income, unbudgeted member dues from one additional member (Chubb Life), and lower spending than anticipated year-to-date (no litigation fees, cancelled meetings, minimal office expenses, etc.). Higher spending is projected for September and remaining months to year-end, due to backend-weighted expenses such as new staff hires.

Item 3 (b): Forecast for CAFII 2023 Fiscal Year as at August 31/23

CAFII Treasurer Donald Hinnecke projected that CAFII will remain in good financial shape over the remaining four months of the fiscal year, thanks to modest incremental revenue (higher member dues and interest income) and prudent expense management. CAFII is forecasted to end the fiscal year with a higher level of financial reserves as a percentage of annual operating expenses: 57% if expense levels play out as forecasted over the remainder of the year. CAFII will keep an eye, however, on the following pending expenses: new staffing and management structure, the new LIMRA research project, and regulatory tour travel expenses.

Item 3 (c): Planned Updates and Changes to Current CAFII Cheque Signing Authorities Policy (To Be Approved by Board at October 10/23 Meeting)

Co-Executive Director Brendan Wycks presented a draft CAFII Electronic Payables and Cheque-Signing Authority Policy. The aim of this new policy is to document a recently implemented modernization under which CAFII, through Managing Matters, has been able to utilize electronic payments instead of cheques to settle invoices and expenses. The draft policy stipulates \$20K as a line of demarcation in terms of who can be an approver for Electronic Payables of varying amounts. As proposed in the draft policy, for amounts over \$20K, approvers must be CAFII staff or Association volunteer leader representatives; however, for amounts less than \$20K, approvers can come from both Managing Matters controller/accountant and its CEO; and CAFII. The cheque-signing aspect is not proposed to change from the former policy, maintaining a line of demarcation of \$2,500.

While the EOC supported CAFII's recent transition to electronic payments and the need to document current practices in a new policy, EOC members provided the following major point of feedback, namely that a representative of Managing Matters should never be an approver of a set of electronic payables items in which the payee for one or more items is Managing Matters itself. Therefore, the draft policy should be amended to require that two CAFII staff members/representatives be the approvers of all electronic payables.

B. Wycks agreed to amend the draft policy to reflect the EOC's feedback and to bring a revised draft to the next EOC meeting on October 24/23, for review and approval.

ACTION: Amend the draft Electronic Payables and Cheque-Signing Authorities Policy to reflect the EOC's feedback and bring revised draft to the next EOC meeting for review and approval [B. Wycks; October 20, 2023].

Item 3 (d): Proposal from Operatic Agency for Development of New Back-End of CAFII Website (for Inclusion in CAFII 2024 Operating Budget)

Co-Executive Director Keith Martin presented CAFII's proposal from Operatic Agency for the development of a new back-end for CAFII's website (intranet). There have been significant issues with Drupal, which is the technology used to run the current back-end. Therefore, CAFII, through Operatic Agency, is proposing the building of an entirely new back-end site. CAFII has estimated a \$40K budget (one-time spend). This proposal was presented to the Media Advocacy Committee and received its endorsement.

EOC unanimously endorsed recommending to the Board that it support the proposal for the building of a new back-end of the CAFII website, including a provision of \$40K for this one-time expense in the 2024 CAFII Operating Budget.

Item 4: Committee Updates

Item 4 (a): Diversity, Equity, and Inclusion

i. Current Priorities and Initiatives for Working Group

Co-Executive Director Keith Martin reported that there have been several recent meetings of the Diversity, Equity, and Inclusion Working Group that have examined policies and research findings from other comparable organizations on diversity and inclusion. Those findings have been compiled into an easy-to-digest excel file compiled by Working Group Chair Tejal Harri-Morar and circulated to all members. The Working Group now wants to engage in more research in order to determine what recommendations it will make to the EOC and, ultimately, the Board regarding DEI.

Item 4 (b): Market Conduct & Licensing

i. Approach That CAFII Should Take in Raising Issues of Industry Concern RE Compliance with Rule INS-001 and with Restricted Insurance Representative (RIR) Licensing Regime Generally in September 22/23 Liaison Meeting with New Brunswick Superintendent of Insurance A. Mazerolle and FCNB Insurance Division Colleagues

Co-Executive Directors Keith Martin and Brendan Wycks asked the EOC for input on the approach that should be taken to the upcoming meeting with FCNB Superintendent of Insurance Angela Mazerolle and Insurance Division colleagues, with respect to FCNB Rule INS-001 and the implementation challenges of New Brunswick's recently launched Restricted Insurance Representative (RIR) licensing regime. In previous conversations and stakeholder submissions about the imminent new licensing regime, the FCNB largely ignored what stakeholders, including CAFII, Recommended as adjustments to the Rule.

The EOC advised CAFII to take a mixed and balanced approach to the upcoming FCNB meeting on September 21/23, in which some conversation focus should be placed upon the Rule INS-001 and related issues requiring redress, with insights and constructive suggestions offered, while keeping the meeting positive and focused on the future.

ii. Market Conduct & Licensing Committee's Recommended Next Steps Re CAFII's Raising with FCNB of Insurer Proprietary/Competitive Issue Identified Re Complying with Section 45(1) of Rule INS-001 RE RIR Licensee Disclosure of Compensation/Inducement/Benefit Received from Insurer that Exceeds 30% of Premium to be Paid by Consumer

Co-Executive Directors Keith Martin and Brendan Wycks asked the EOC for input on the best course of action regarding CAFII's intention to dialogue with FCNB, in their in-person/hybrid liaison meeting on September 21/23, about the requirement to not only disclose situations where an agent received more than 30% of the premium as commission, but also to disclose the actual amount, which some CAFII members had identified as a problematic aspect of New Brunswick's Rule INS-001 since that was competitively sensitive information.

The EOC recommended that CAFII suggest to FCNB that it look at the parallel Quebec approach to dealing with the same issue of compensation disclosure, where the amount of the compensation does not need to be disclosed. There was EOC consensus that this issue should be raised at CAFII's upcoming September 21/23 meeting with FCNB, but not be one that receives too much emphasis.

Item 4 (c): Quebec/AMF Issues

i. Issues Discussed at and Insights/Initiatives Emerging from September 13/23 Committee Meeting

Quebec/AMF Issues Committee Chair Jennifer Russell and Co-Executive Director Keith Martin provided a brief update on issues discussed at and insights that had emerged from the committee's September 13/23 meeting.

ii. Plans for September 28/23 Presentation of CAFII's 2023 Research Results-Focused PowerPoint Deck to AMF Staff Executives in a Special Purpose In-Person (in Quebec City)/Hybrid Meeting in French Only

Co-Executive Director Keith Martin presented CAFII's plan for a special presentation to the AMF, in French only, on September 28/23 at the AMF's head office in Quebec City; and asked the EOC for input as to the optimal approach to take. EOC members provided advice on certain components of the presentation deck to highlight for the AMF staff executives; and K. Martin committed to produce and circulate a detailed written summary of the meeting in English after it occurs.

iii. Plans for September 29/23 Quarterly Virtual Liaison Meeting Between CAFII Board Chair P. Thompson and AMF Superintendent E. Jacob

See item 4(c)iv below for update regarding the anticipated main topic for discussion at this quarterly virtual liaison meeting between CAFII and the AMF.

iv. Re-opening Dialogue with AMF on Spousal Insurance Issue

Co-Executive Director Keith Martin raised the possibility of CAFII re-opening a dialogue with the AMF on its previously communicated position to the Association and its members that all Spousal CPI policies in Quebec be run-off or terminated by January 1/25. EOC members expressed concern about that impending deadline.

EOC consensus was that CAFII should try to change the AMF's position and request that any existing such policies be run-off through natural attrition over an indefinite period of time. If such natural attrition is not accepted by the AMF, then a less desirable second approach would be to request another deadline extension.

Further conversation on this issue with the AMF is required; therefore, it is planned that this topic will be broached at the September 29/23 quarterly virtual liaison meeting between CAFII Board Chair Peter Thompson and the AMF Superintendent Eric Jacob.

Item 4 (d): Media Advocacy

i. CAFII Website Video on How to Make a Credit Protection Insurance Claim

Keith Martin provided an update on the CAFII website video on how to make a credit protection insurance claim. This video is being created by Operatic Agency; the final version will be shareable soon. Informational videos on the CAFII website have proven to be helpful for search engine optimization (SEO) and to demonstrate to regulators that the CAFII website contributes to consumer financial literacy (CFL).

ii. Transition to a New CAFII Media Consultant

Media Advocacy Committee Chair Jacqlyn Marcus updated the EOC on the recent departure of CAFII's media consultant, David Moorcroft. She stressed the critical nature of this role to CAFII and mentioned that his departure was recently raised with the Media and Advocacy Committee to ask if committee members would circulate internally the position's job description (10 hrs/week, retainer position). The same request was made to EOC members, as sourcing a successor candidate from among those known to CAFII member companies would be ideal.

Item 4 (e): Research and Education

i. EOC-Approved CAFII 2023 Research Project with LIMRA on CPI's Accessibility to and Utility for Canadian Consumer Segments

Co-Executive Director Keith Martin provided an update on the EOC-Approved CAFII 2023 research project being conducted by LIMRA on CPI's accessibility to and utility for Canadian consumer segments. The project's objective is to learn if a higher percentage of Canadians in lower income strata, who have a mortgage or a HELOC, have CPI on their mortgage or HELOC than wealthier Canadians, and if wealthier mortgage holders have a higher percentage of term insurance. The delivery date for the results of this research is projected as November 2023; the research will then be released in 2024.

ii. Arranging an Opportunity to Present CAFII's 2023 Research Results-Focused PowerPoint Deck to FSRA Staff Executives

Co-Executive Director Keith Martin informed the EOC that he had contacted FSRA to offer to present CAFII's 2023 regulatory and policy-maker tour presentation to its staff executives. The presentation would ideally occur in October or November and could be virtual and/or hybrid. K. Martin noted that he is confident that FSRA will accept the presentation offer.

EOC members proposed that CAFII consider making this presentation offer to FCAC staff executives as well. That suggestion will be included in the Agenda of the next EOC meeting on October 24/23.

Item 4 (f): Networking & Events

i. September 26/23 CAFII Webinar with Stuart Wilkinson, FSRA's Chief Consumer Officer

Co-Executive Director Keith Martin updated the EOC on CAFII's upcoming September 26/23 webinar, which will feature him briefly dialoguing with FSRA Executive Vice President Glen Padassery about his vision for the Authority's Consumer Office, followed by a fireside chat with FSRA's Chief Consumer Officer Stuart Wilkinson.

Item 4 (g): Travel Insurance Experts

Travel Insurance Experts Committee Chair Katia Umutoniwase reported that the travel insurance industry has been very busy dealing with a significant increase in consumer travel now that the COVID-19 pandemic-related restrictions have been lifted. Overall, the number of problematic issues has diminished thanks to COVID-19's decline. She also noted that when the Travel Insurance Experts Committee meets again, it will be welcoming two new members – Michel Winterburn (Senior Manager at Scotia Insurance) and Ryan Basant (Product Manager, Wellness & Protection Insurance at CIBC Insurance).

Item 5: Strategic and Regulatory Initiatives

Item 5 (a): Feedback Received from Western Canadian Insurance Regulators and Policy-Makers Upon CAFII's Post-Tour Dissemination of Research Results-Focused Presentation Deck

Co-Executive Director Keith Martin reported that, as per previous EOC consensus/approval, his dissemination of a copy of CAFII's regulatory and policy-maker deck had been very well-received by Western Canada insurance regulators and policymakers.

Item 5 (b): Survey of CAFII Member Companies on Distribution of CPI Fulfilment Packages

Co-Executive Director Keith Martin reported that some CAFII member companies had requested that the Association issue a member survey on their methods of distribution of CPI fulfilment packages. The survey's results will be communicated on an aggregated and anonymous basis.

ACTION: Distribute the Survey of CAFII Member Companies on Distribution of CPI Fulfilment Packages [*EOC members; September 22, 2023*].

Item 5 (c): Confirmed Itineraries/Plans for an In-Person Representation at CAFII 2023 Atlantic Canada Insurance Regulators and Policy-Makers Visits Tour: Phase 1 (PEI and New Brunswick) and Phase 2 (Nova Scotia and Newfoundland)

Co-Executive Director Brendan Wycks reported that Phase 1 of CAFII's Fall 2023 Atlantic Canada Insurance Regulators and Policy-makers Visits Tour will take place in Charlottetown, PEI, and Fredericton, NB, on September 21/23 and 22/23, with four CAFII member representatives participating in-person along with the CAFII staff team. Thereafter, Phase 2 will take place on October 18/23 and 19/23 in Halifax, Nova Scotia, and St. Johns, Newfoundland and Labrador.

Item 6: Governance Matters

Item 6 (a): CAFII Board Vice-Chair Succession

Co-Executive Director Keith Martin reported that, through the Association's Nominating Committee process, Paul Cosgrove (Assurant) has been identified as the Board member candidate to succeed Wally Thompson, who will be retiring on October 13/23. P. Cosgrove will be formally appointed at the Board meeting in Montreal on October 10/23.

Item 6 (b): Implementation of Board-Approved 'New CAFII Management Structure'

Co-Executive Director Keith Martin reported that, as approved by the Board, CAFII has already begun to adopt a new management structure, including two new hires (Shanay Smith and Robyn Jennings). A key element to this structural change is the need for policy and procedure documentation, and therefore CAFII, through the recently created Operations Manager position (Shanay Smith), will capture all of CAFII's policies and procedures in a single document that will preserve this information. The two new hires are also attending both Phase 1 and Phase 2 of the Fall 2023 Atlantic Canada Insurance Regulators and Policy-Makers Visits Tour to get hands-on learning.

Item 6 (c): Proposed 2024 CAFII Schedule of Meetings and Events

Co-Executive Director Brendan Wycks reported on the proposed 2024 schedule for CAFII Meetings and Events. The EOC gave its endorsement of the proposed 2024 schedule to put forward to the Board. The first in-person EOC meeting is scheduled for April; the January, February, and March EOC meetings will be conducted virtually to avoid inclement winter weather travel issues.

The four Board meetings in 2024 will be in the usual months of April, June, October, and either the final Tuesday of November or the first Tuesday of December.

Item 6 (d): Plans for September 19/23 EOC Appreciation Dinner

Co-Executive Director Brendan Wycks reported that the Annual EOC Appreciation Dinner, taking place shortly after the conclusion of this meeting at Hot House Café at 65 Church Street, Toronto, has a *prix fixe* meal plan and a planned icebreaker exercise with a prize.

Item 6 (e): Plans for October 10/23 CAFII/AMF Informal Liaison Lunch; CAFII/AMF 'Industry Issues Dialogue'; and Abbreviated CAFII Board Meeting in Montreal

Co-Executive Director Brendan Wycks reported that, as planned for the October 10/23 Board Meeting, the immediately preceding Informal Liaison Lunch and Industry Issues Dialogue with AMF staff executives will follow the structure of those events in recent years and will involve a shared agenda approach. The goal of CAFII's presentation during the Industry Issues Dialogue will be one of thanks and appreciation to the AMF for its numerous interactions and work with CAFII over the last year.

Item 6 (f): Draft Minutes of July 18/23 EOC Meeting

The EOC approved the minutes of the July 18/23 EOC meeting.

Briefing Note

CAFII EOC Meeting 24 September 2023—Agenda Item 7(a)

Read Only Items - Survey of CAFII Member Companies on Distribution Methods of CPI Fulfilment Packages

Purpose of this Agenda Item – Read Only

To inform the EOC on the Survey of CAFII Member Companies on Distribution Methods of CPI Fulfilment Packages.

Background Information

A document will be provided for this Read Only agenda item.

Recommendation / Direction Sought – Read Only

No action is required.

Attachments Included with this Agenda Item

One (1) attachment.

CAFII Member Company Survey On
Distribution Methods of CPI Fulfilment Packages
Across Canada At This Time: October 2023

CAFII is surveying its Member companies to determine the scope of their approaches to credit protection insurance fulfilment package document distribution at this time, including Certificates of Insurance. The results of this survey will be aggregated and anonymized, and no individual member responses will be disclosed. When all responses have been tabulated and aggregated/anonymized, a results summary will be shared with all Member company participants.

<u>PROVINCE/TERRITORY</u>	<u>My institution distributes credit protection insurance fulfilment documentation via electronic/internet-based channels only</u>	<u>My institution distributes credit protection insurance fulfilment documentation in physical/hard copy form only</u>	<u>My institution distributes credit protection insurance fulfilment documentation via both electronic/internet-based channels and in physical/hard copy form</u>	<u>Comments and Elaborations</u> <u>(if you indicated fulfilment via both electronic/internet-based channels and physical/hard copy form, please indicate why/how the differentiation occurs; and, similarly, if your response varies by jurisdiction, why that is so). Provide separate notes outside this table, if necessary</u>
British Columbia				
Alberta				
Saskatchewan				
Manitoba				
Ontario				
Quebec				
New Brunswick				
Nova Scotia				
PEI				
Newfoundland and Labrador				
Yukon				
Nunavut				
Northwest Territories				

While responses to this survey will be aggregated and anonymized, please provide the following information to help ensure proper administration of the survey:

Name and Company Title of Respondent:

CAFII Member Company:

Briefing Note

CAFII EOC Meeting 24 September 2023—Agenda Item 7(b)

Read Only Items - Update on Appointment of Paul Cosgrove, President & CEO, Assurant Canada, as New CAFII Board Vice-Chair

Purpose of this Agenda Item – Read Only

To inform the EOC of the appointment of Paul Cosgrove, President & CEO, Assurant Canada, as the new CAFII Board Vice-Chair.

Background Information

A document will be provided for this Read Only agenda item.

Recommendation / Direction Sought – Read Only

No action is required.

Attachments Included with this Agenda Item

One (1) attachment.

Except From CAFII Board Meeting Script: October 10/23

Item 3 (a): Retirement of Wally Thompson, Manulife, and Appointment of Andrew Kugler, Manulife As New CAFII Board Member

Our first item in the Governance section relates to some news that was recently shared with our Association by our current Board Vice-Chair Wally Thompson.

I will now call upon Wally to update the Board on a recent decision he made with respect to his future, which is a change that also impacts upon his position as a CAFII Director and our Board Vice-Chair.

[Wally Thompson provides update on his imminent retirement; and advises that Andrew Kugler, his successor as Vice President, Head of Distribution, Affinity Markets Canada at Manulife, will also succeed him as Manulife's Director on the CAFII Board.]

Mr. Thompson: Ladies and gentlemen, please join me in a warm round of applause for Wally Thompson, to thank him for his six years of exemplary service on our Board – ever since 2018, when Manulife became a Member of our Association, our first CAFII Initiation Member – and in the leadership position of Board Vice-Chair for the past four months; and to wish him all the best for his retirement and any other future endeavours he may take on.

[Peter Thompson leads in a round of Board applause for Wally Thompson.]

Ladies and gentleman, as a final point of information on this agenda item, I'm pleased to advise that Andrew Kugler, who will be Wally's successor both at Manulife and on our Board, is attending this meeting virtually as a guest observer. We will be acting promptly after today's meeting to get Andrew appointed to our Board, utilizing the *Voting By Electronic Means, Outside of a Board Meeting* provision in our CAFII Bylaw to make that happen on an expedited basis.

Item 3(b): Appointment of Paul Cosgrove, Assurant Canada, as New CAFII Board Vice-Chair

Mr. Thompson: Ladies and gentlemen, with Wally's recent decision on his future as the impetus, our Association had need of a new Board Vice-Chair.

Therefore, the CAFII Nominating Committee conferred in recent weeks, after Wally shared his personal news with the Association, and the Nominating Committee unanimously identified a candidate from among the existing Directors to invite to serve in the position of Board Vice-Chair.

I'm very pleased to report that that long-serving CAFII Director has accepted the Nominating Committee's invitation to be nominated for appointment into the role of Board Vice-Chair.

It gives me great pleasure, therefore, to call for a motion for the appointment of Paul Cosgrove, President & CEO of Assurant Canada, as Vice-Chair of the CAFII Board of Directors, effective immediately.

May I have a Mover and a Secunder for a motion to that effect, please?

Moved by:

Seconded by:

Is there any discussion of the motion?

All in favour? Please indicate so by raising your hand.

Any opposed?

Abstentions, if any?

The Motion is Carried.

Mr. Thompson: Paul, on behalf of your fellow Directors and everyone else associated with our Association, thank you for standing for nomination for this important CAFII volunteer leadership role and congratulations on your appointment as our new Board Vice-Chair.

We look forward to working with you in your new role as an Officer of the Association, and to having the benefit of your experience and insights in CAFII's leadership and agenda-setting deliberations.

Ladies and gentlemen, please join me in a warm round of congratulatory applause for Paul Cosgrove.

[Peter Thompson leads in a round of Board applause for Paul Cosgrove.]

Briefing Note

CAFII EOC Meeting 24 September 2023—Agenda Item 7(c)

Read Only Items - Final Version of CISRO 2023 to 2026 Strategic Plan (Released on October 3/23)

Purpose of this Agenda Item – Read Only

To provide the EOC with the final Version of CISRO's 2023 to 2026 Strategic Plan (released on October 3/23).

Background Information

A document will be provided for this Read Only agenda item.

Recommendation / Direction Sought – Read Only

No action is required.

Attachments Included with this Agenda Item

Two (2) attachments.

Final Version of CISRO 2023 – 2026 Strategic Plan (Released on October 3/23)

From: CISRO-OCRA <CISRO-OCRA@fsrao.ca>
Sent: Tuesday, October 3, 2023 2:15 PM
Subject: CISRO Strategic Plan 2023-2026

Hello,

We are pleased to announce the final publishing of the [Canadian Insurance Services Regulatory Organizations \(CISRO\) 2023 to 2026 Strategic Plan](#). As a key stakeholder, we thank you for your participation in CISRO's strategic planning process. Stakeholder feedback not only informed current and planned initiatives, but also provided the basis for substantive member discussions related to important topics such as industry and regulatory preparedness for natural catastrophes.

We received strong positive feedback regarding CISRO's engagement with the Canadian Council of Insurance Regulators (CCIR). While CISRO has had a long history of working closely with CCIR, CISRO has prioritized strengthening of our participation on key files, particularly when alignment contributes to regulatory efficiency and effectiveness, while promoting the fair treatment of customers.

Stakeholders also expressed appreciation for industry stakeholder consultation and an expressed desire for future engagement. CISRO remains committed to ongoing stakeholder engagement throughout the strategic plan period. Understanding stakeholder perspectives enhances our work together as regulators and positions us to make well-informed decisions. Stakeholders can expect future opportunities to share perspectives as we advance our work.

We thank you again for your valuable input into the development of CISRO's 2023-2026 Strategic Plan. CISRO looks forward to continued collaboration as we undertake these important initiatives.

Regards,

Peter Burston
Chair, CISRO Strategic Planning Committee



STRATEGIC PLAN
2023-2026

Our History

CISRO / OCRA

In September 1989, a group of four insurance licensing authorities met and held a licensing conference in St. John, New Brunswick. With each subsequent annual licensing conference, the group expanded to include additional jurisdictions and in 1994, the group was named the Canadian Insurance Self-Regulatory Organizations (CISRO). In June 2000, the name was changed to Canadian Insurance Services Regulatory Organizations to reflect its membership as inclusive of both self-regulatory and government licensing authorities. CISRO's membership includes representation from all provinces and territories in Canada.

CISRO was established as a forum for information sharing and collaboration between regulators with responsibility for the registration or licensing and regulatory supervision of insurance intermediaries. Through CISRO, member regulators have worked collaboratively on several significant national initiatives benefiting consumers, the industry, and regulators:

Life Licence Qualification Program (LLQP)

- 2003: Development and launch of LLQP, consisting of common curriculum and qualification exam for life agents in most provinces
- 2016: Implementation of modernized LLQP, which updated and harmonized the pre-licensing life education program across the country

Canadian Insurance Regulators Disciplinary Actions (CIRDA) database

- 2013: In conjunction with the Canadian Council of Insurance Regulators (CCIR), development of a national database to centralize licensee disciplinary decisions of insurance regulators

Guidance: Conduct of Insurance Business and Fair Treatment of Customers (FTC)

- 2018: CISRO and CCIR released a joint guidance on the fair treatment of customers

MESSAGE FROM THE CHAIR



The members of the Canadian Insurance Services Regulatory Organizations (CISRO) represent every province and territory in Canada, creating an essential forum to promote consistent qualification and conduct of business standards for insurance intermediaries. On behalf of the members, it is my pleasure to present CISRO's 2023 – 2026 Strategic Plan.

The Strategic Plan reflects the key leadership role CISRO plays in the governance of the Life Licence Qualification Program (LLQP) with the objective of ensuring the program's integrity and stability for both regulators and industry stakeholders. CISRO's responsibilities include consideration of stakeholders' input, exam and program enhancement as well as expert operational management.

The Strategic Plan also reflects CISRO's close collaboration with the Canadian Council of Insurance Regulators (CCIR). Building on the joint *CCIR/CISRO Guidance: Conduct of Insurance Business and Fair Treatment of Customers*, CISRO has worked with CCIR to issue a statement on deferred sales charges, *Incentive Management Guidance*, and a discussion paper on upfront compensation for segregated funds. CISRO will be working closely with CCIR to finalize the Segregated Funds Guidance and other initiatives to meet the regulatory objectives of both organizations and enhance the fair treatment of customers.

CISRO remains committed to supporting the regulatory efficiency and effectiveness of its members, while maintaining a robust consumer protection environment. This includes undertaking activities to enhance CISRO's capacity to facilitate information sharing among members, meaningfully engage stakeholders and responding to risks and emerging issues confronting the sector. Information sharing may relate to regulatory objectives including consumer awareness, compliance, enforcement, or the identification of operational best practices.

On behalf of all CISRO members, I would like to thank our stakeholders for their input into the development of our 2023 -2026 Strategic Plan. We look forward to working together on these important initiatives.

Eric Jacob, Chair

CISRO

MANDATE

The Canadian Insurance Services Regulatory Organizations is a forum of Canadian regulatory authorities who are dedicated to consistent qualifications and conduct of business standards for insurance intermediaries.

VISION

Consumers across Canada are well served by competent, ethical, and professional insurance intermediaries.

MISSION

To collaborate on initiatives that support a consistent approach to consumer protection through the regulation of insurance intermediaries.

STRUCTURE

EXECUTIVE COMMITTEE **As at Spring 2023*

The CISRO operates under the direction of an Executive Committee:

Eric Jacob, Chair

Superintendent, Client Services and Distribution
Autorité des marchés financiers (QC)

Joanne Abram

Chief Executive Officer
Alberta Insurance Council (AB)

David Weir

Senior Technical Advisor
Insurance Financial and Consumer Services Commission (NB)

Wendy Horrobin

Head, Licensing and Risk Assessment
Financial Services Regulatory Authority of Ontario (ON)

MEMBERS

CISRO Members represent all Canadian provinces and territories.

CISRO SECRETARIAT

The CISRO Secretariat manages, coordinates, monitors, and reports on all CISRO projects and policy initiatives as well as facilitates CISRO activities, including strategic planning and financial governance for the CISRO.

PRIORITIES

PROMOTE CONSUMER PROTECTION THROUGH HARMONIZED APPROACHES TO THE REGULATION OF INSURANCE INTERMEDIARIES

The CISRO will promote consumer protection by identifying areas that would benefit from increased regulatory consistency, addressing emerging issues, promoting regulatory best-practices, and developing guidance on standards and expectations for industry.

STRENGTHEN REGULATORY OUTCOMES THROUGH COLLABORATION AND STAKEHOLDER ENGAGEMENT

The CISRO will engage with stakeholders through targeted consultations, industry working groups and stakeholder dialogue sessions. CISRO works collaboratively with the Canadian Council of Insurance Regulators (CCIR) and is a represented organization at the Joint Forum of Financial Market Regulators.

ENHANCE EFFECTIVENESS OF CISRO AS A FORUM FOR INFORMATION SHARING AND REGULATORY COLLABORATION

The CISRO will identify opportunities to enhance the effectiveness of the forum with respect to information sharing and regulatory collaboration between members and other regulators and regulatory associations.

STANDING COMMITTEES

LIFE LICENCE QUALIFICATION PROGRAM GOVERNANCE

This committee is responsible for the day-to-day administration of the Life Licence Qualification Program (LLQP), including responding to enquiries and concerns from participating jurisdictions, insurers, course providers and other stakeholders. It is the primary contact with the educational service provider and makes recommendations to CISRO members on strategic initiatives and course providers. This committee is overseen by all CISRO jurisdictions that use the LLQP.

GENERAL INSURANCE LICENSING QUALIFICATION REVIEW

In 2018, CISRO established the General Insurance Licensing Qualification Review (GILQR) Committee to review the licensing education requirements for general insurance agents and brokers across Canada and make recommendations regarding a harmonized approach.

MEMBERS

Insurance Council
BRITISH COLUMBIA

Yukon

alc Alberta
Insurance
Council


Government of
Northwest Territories

 **INSURANCE COUNCILS
OF SASKATCHEWAN**


Nunavut

 **INSURANCE COUNCIL
OF MANITOBA**

 **AUTORITÉ
DES MARCHÉS
FINANCIERS**

 **CHAMBRE
DE L'ASSURANCE
DE DOMMAGES**

 **Chambre
de la sécurité
financière**

FSRA
Financial Services Regulatory
Authority of Ontario

RIBO

 **FINANCIAL AND
CONSUMER SERVICES
COMMISSION**

 **NOVA SCOTIA**

*Prince
Edward
Island*
CANADA


**Newfoundland
Labrador**



CISRO / OCRA

OPERATIONAL PLAN 2023-2024

Cover photo by [The Jopwell Collection](#) on [Unsplash](#)

OPERATIONAL PLAN 2023-2024

PRIORITY: PROMOTE CONSUMER PROTECTION THROUGH HARMONIZED APPROACHES TO THE REGULATION OF INSURANCE INTERMEDIARIES

Consumer Awareness

During the preceding strategic plan, CISRO completed research on consumer awareness tools and initiatives. CISRO will now undertake initiatives to increase consumer awareness and understanding of key insurance topics and issues.

LLQP

All CISRO members participate in the harmonized LLQP. The Canadian Insurance Participant Registry (CIPR) provides a single secure, self-serve service where personal information for LLQP registrants is maintained. CISRO will embark on necessary work to modernize and enhance the CIPR application, which will also help to increase security and reduce exposure to cyber risks.

GILQR

GILQR's mandate is to review the licensing education requirements for general insurance agents and brokers across Canada and make recommendations regarding a harmonized approach.

PRIORITY: STRENGTHEN REGULATORY OUTCOMES THROUGH COLLABORATION AND STAKEHOLDER ENGAGEMENT

CISRO will continue to collaborate with CCIR on important issues that affect both insurers and intermediaries. CISRO will work with CCIR to finalize a joint Segregated Funds Guidance. CISRO will also work with CCIR and key stakeholders to increase consumer awareness and understanding of the risks related to natural catastrophes and climate change, preparedness, insurance options and coverages.

PRIORITY: ENHANCE EFFECTIVENESS OF CISRO AS A FORUM FOR INFORMATION SHARING AND REGULATORY COLLABORATION

CISRO will establish an information sharing framework to enhance collaboration and cooperation on matters that involve multiple jurisdictions. As a follow up to the work undertaken during the preceding strategic plan to develop an information sharing memorandum of understanding (MOU), CISRO will also explore the use and possible enhancements to the Canadian Insurance Regulators Disciplinary Actions (CIRDA) database.

CISRO will undertake work to formalize its governance structure.

Briefing Note

CAFII EOC Meeting 24 September 2023—Agenda Item 7(d)

Read Only Items - Insurance Council of BC 2022-2023 Annual Report (Released on October 4/23)

Purpose of this Agenda Item – Read Only

To provide the EOC with the Insurance Council of BC's 2022-23 Annual Report.

Background Information

A document will be provided for this Read Only agenda item.

Recommendation / Direction Sought – Read Only

No action is required.

Attachments Included with this Agenda Item

Two (2) attachments.

Insurance Council of BC 2022-2023 Annual Report (Released on October 4/23)

From: Galen Aker <gaker@insurancecouncilofbc.com>
Sent: Wednesday, October 4, 2023 6:39 PM
Cc: Brett Thibault <bthibault@insurancecouncilofbc.com>
Subject: Insurance Council of BC 2022-2023 Annual Report

Good afternoon,

The Insurance Council of BC has recently published it's [2022-2023 Annual Report](#), which summarizes progress on regulatory projects and priorities in the past year marking the end of our three-year strategic plan.

We want to highlight this report for your own information and please feel free to distribute to your members if you feel they might benefit from the information.

If you have any questions regarding the report please feel free to reach out to me.

Thank you,

Galen Aker (*he, him*) | Stakeholder Engagement Specialist | **Insurance Council of British Columbia**

1400-745 Thurlow Street, Vancouver, BC V6E 0C5

Direct Tel: 604-260-3447

Tel: 778-788-2537 Toll Free within Canada: 1-877-688-0321

gaker@insurancecouncilofbc.com | insurancecouncilofbc.com

Annual Report

2022 - 2023



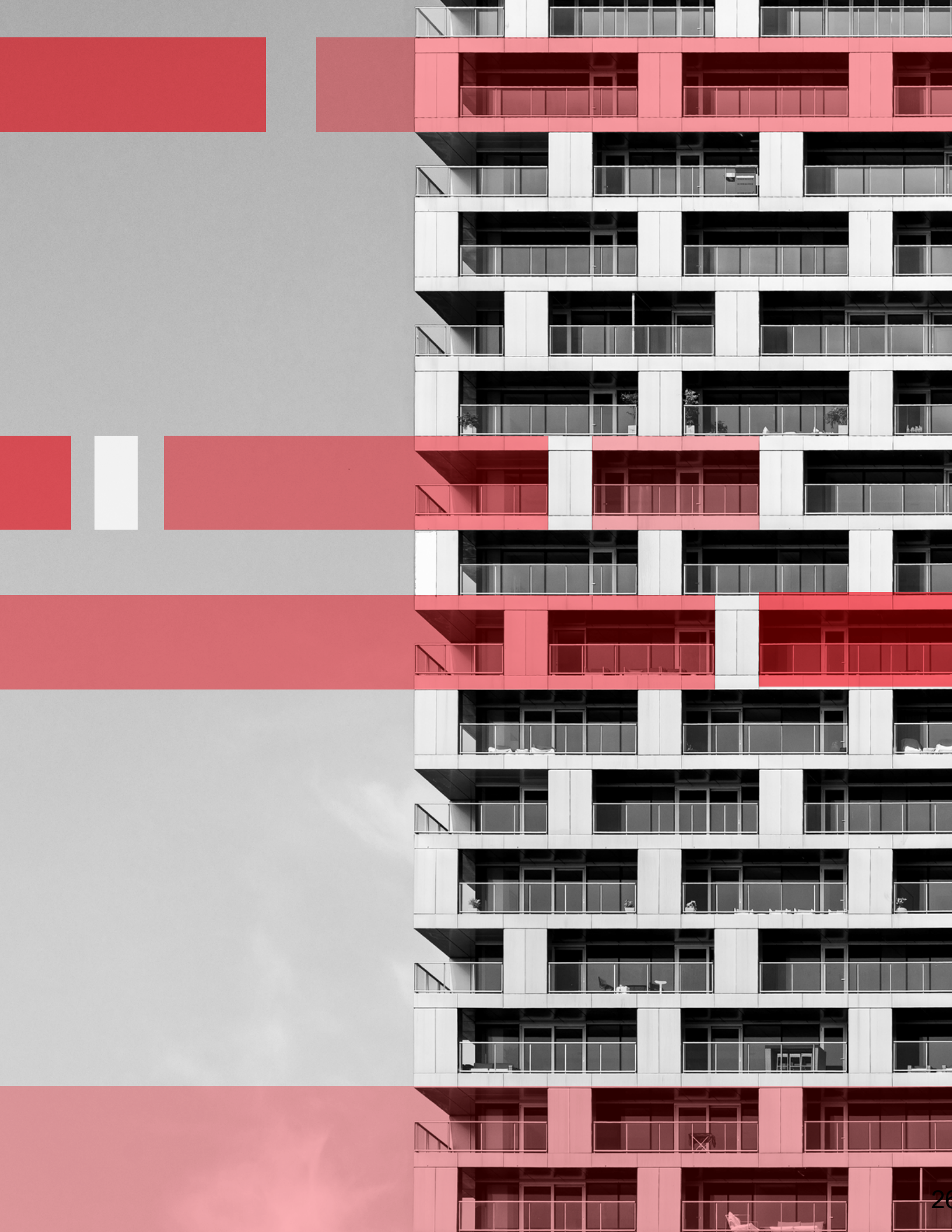


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Governance

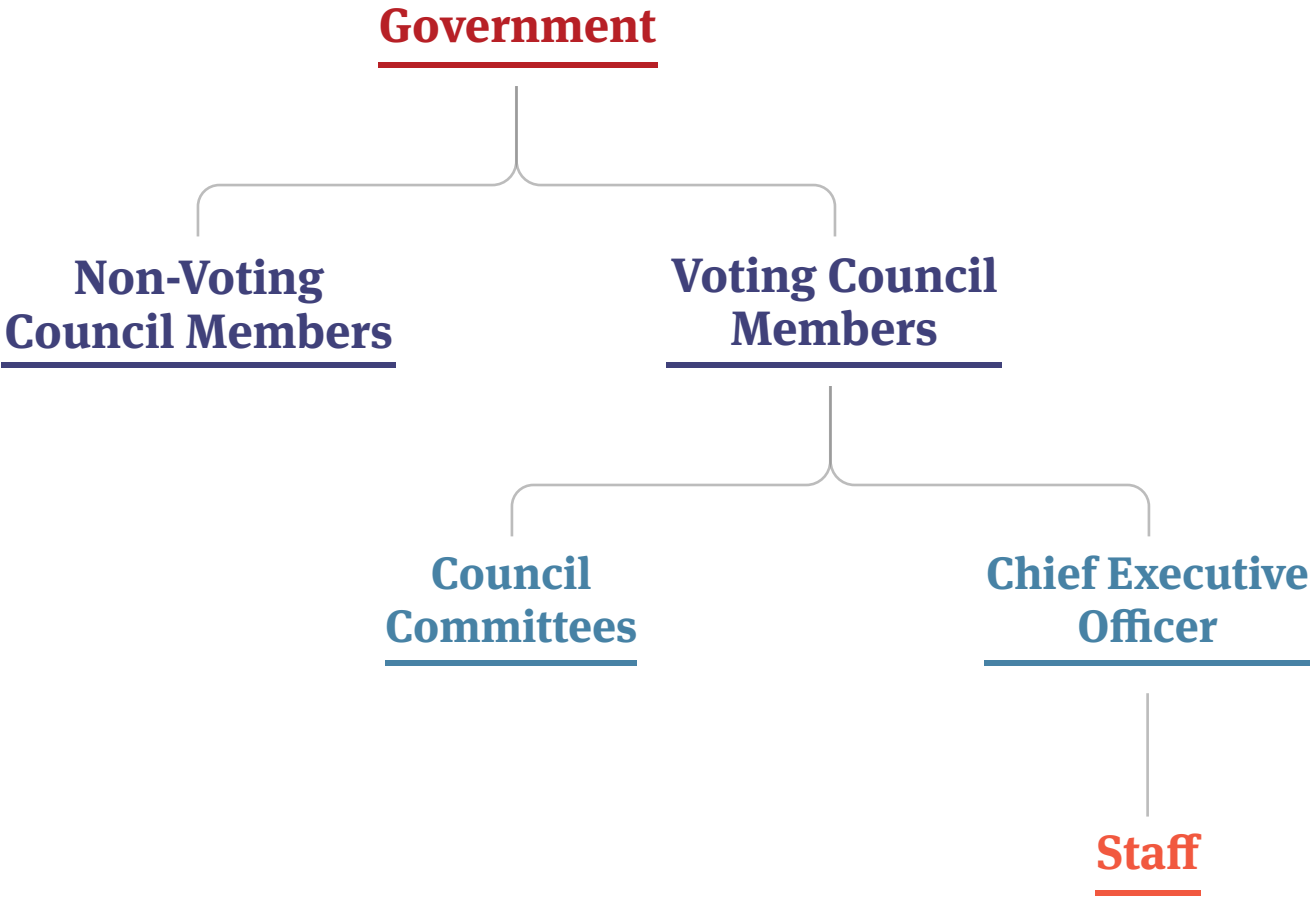
Who We Are

The Insurance Council of BC (Insurance Council) is a regulatory body established by the *Financial Institutions Act* that is accountable to the BC Ministry of Finance. Voting and non-voting members of the Insurance Council are appointed by and report to the government.

What We Do

The Insurance Council oversees the licensing and professional conduct of life, accident & sickness, and general insurance agents, salespersons, and independent adjusters. We protect the public by ensuring that licensees act ethically, with integrity and competence.

Our Governance Structure



Message from the Chair



For the last three years, the Insurance Council’s strategic plan has provided a roadmap for our transition from an organization focused on more local and immediate regulatory concerns, to one more forward-looking, broader and holistic in our approach to public protection.

As we close out our strategic plan for 2020–2023, as Chair, I am delighted to highlight the progress we’ve made in the last year.

By positioning the Insurance Council to meet current and future regulatory needs arising from global shifts in industry and consumer trends, we can best serve the public interest and support our licensees. To that end, our work has focused on aligning regulatory practices to meet international standards; modernizing regulatory oversight to protect consumers without stifling innovation; increasing the efficiency and effectiveness of Insurance Council services; and increasing our ability to support stakeholders.

Through the Council Rules Review Initiative, we are modernizing the framework under which insurance intermediaries are regulated to ensure relevance. We brought forward rule updates in six areas including: nominee and level 3 agent qualifications, compliance with continuing education requirements, conflicts of interest in strata

insurance, clarifications for requirements for names and business registration, as well as for direct supervision requirements.

Throughout this work, engagement with our stakeholders has been a critical part of the Insurance Council’s process when developing regulatory policy to ensure that our approach is practical. Informed by what we heard in consultation, we withdrew a proposed rule change, revised other proposed amendments, and conducted additional consultation.

We continued to make progress on the development of a competency framework for general insurance, identifying standardized skillsets required for licensure.

We’re establishing a strong foundation for licensing qualifications that can contribute to harmonization and consistency, aligned to international standards of practice and regulation.

Enormous energy has gone into the development of a restricted licence for the sale of incidental insurance products. We’ve been tasked by the provincial government to put in place a licensing framework for the regulation of these insurance sales to support implementation of amendments to the *Financial Institutions Act*. Significantly, the creation of a new licence will enhance the protection of consumers purchasing these products. To date, we’ve worked on the development of licensing criteria, and gathered preliminary feedback on performance requirements.

Furthermore, we are committed to ensuring that we are doing the things necessary for the Insurance Council to carry out its regulatory role with stability and continuity. This has meant prioritizing cybersecurity and operational contingency planning, but also observing and enhancing governance and responsible financial management processes and risk management policies that are in place.

Finally, I want to express my appreciation to my fellow Council colleagues and staff. Public protection is a team effort—to be successful it requires meaningful contributions from diverse people across industry, professional regulation and the community. I commend the work that’s been done by the team to modernize the Insurance Council’s processes, policies and practices.

As the Insurance Council embarks on a new strategic plan for 2024–2026, I am confident that it is well positioned for the road that lies ahead.

- Chamkaur Cheema, Chair

A handwritten signature in black ink, appearing to read 'Chamkaur Cheema'.



Message from the CEO

As the regulatory body charged with overseeing the licensing, practice and conduct of over 50,000 BC insurance licensees in the public interest, it is crucial that the Insurance Council continually assesses and modernizes how it carries out this responsibility.

This year, we have continued our journey in enhancing regulatory oversight that protects consumers while enabling industry innovation, engaging with industry partners to understand and facilitate better consumer outcomes, and ensuring that those who need the Insurance Council's services are able to access them in an efficient, effective and fair manner.

We have been reviewing and updating our qualification requirements to ensure that those who receive a licence meet expected ethical standards and are effectively trained to practice in an insurance industry that is quickly evolving. A number of rules and policies have been amended to reduce the complexity and improve transparency of licensing processes making them easier to understand and removing unnecessary regulatory burden. Work has also been underway on the development of a restricted licence regime which will regulate the sale of specific insurance products that are incidental to a vendor's primary business.

Our practice support function continues to grow as the Insurance Council practice team responds to as many as 800 inquiries a month from licensees and consumers. These inquiries, as well as matters observed through licensee practice audits, inform the development of rules, policies, practice guidance and education courses, which support licensees to better serve their clients and meet their regulatory obligations.

Significant effort has been made this year to support licensees' understanding of and compliance with continuing education (CE) requirements through the development of a new CE accreditation program, webinars and a new rule.

These additional tools help build licensees' competence and give confidence that expected requirements are being met.

With an increasing number of licensees, we continue to see growth in the number of complaints received and the number of investigations conducted. These cases are often complex and involve conduct that has caused public harm. Efforts are ongoing to ensure a timely resolution to these cases while maintaining a fair process for all involved.

Effective regulation requires the input of many stakeholders, and we continue to have ongoing dialogue through formal and informal consultations with licensees, industry, government, other regulators and the public. These important conversations help to identify unintended consequences allowing the Insurance Council's regulatory oversight to more effectively meet its mandate of public protection. This is also a key focus of the Insurance Council's 2024–2026 strategic plan which was developed this year and took effect June 1. While much of what is in the new plan carries forward the work started with the 2020–2023 strategic plan, there is increased focus on harmonizing requirements with other Canadian jurisdictions and ensuring that our services are equitable, inclusive, and accessible by all.

The work to advance a regulatory environment that engages all only moves forward due to the industry stakeholders who willingly provide insight into improving service and regulatory practices; the dedication of our Council members who devote significant time and effort providing oversight, guidance, and support; and my staff colleagues who deliver the organization's vision every day. I am grateful to everyone for their contributions.

- Janet Sinclair, CEO



This was the final year wrapping up our three-year strategic plan. The work leading up to the culmination of the 2020–2023 strategic plan was focused on four main goals.

Strategic Plan

Our Vision

British Columbians have confidence in an insurance industry that meets international standards of public protection.

Our Mission

Proactive regulatory leadership that ensures qualified, competent and ethical professionals meets British Columbians' insurance needs.

Over the past three years, the work the Insurance Council has completed aimed to meet the objectives of the below four goals to address the challenges of regulating the conduct of and services provided by licensees in a dynamic insurance industry. As the 2020–2023 strategic plan comes to an end, our organization has evaluated its achievements and the insurance landscape to devise the next three-year plan to ensure it aligns with international regulatory standards and upholds public protection.

Goal 1

Effective regulatory practices and support systems that meet current and emerging international standards.

Priority

Update regulatory practices to meet the International Association of Insurance Supervisors' Insurance Core Principles and the Professional Standards Authority's Standards of Good Regulation.

Goal 2

Regulatory oversight that protects consumers and enables industry innovation.

Priority

Modernize regulatory oversight to keep pace with changes in the insurance marketplace and support/enable industry transformation.

Goal 3

Enhanced ability to support insurance consumers, licensees and government.

Priority

Build awareness of the Insurance Council's role and the services it provides to better serve consumers, licensees and government.

Goal 4

Efficient and effective access to Insurance Council services.

Priority

Drive operational effectiveness.

Goal 1

Effective regulatory practices and support systems that meet current and emerging international standards

Updating regulatory rules to meet an evolving insurance landscape

The Council Rules Review Initiative is a multi-year project to update the Insurance Council Rules to keep pace with an evolving insurance industry and align with current practices and international standards. This project is a huge undertaking and continues to be fundamental to the work that we do.

Stakeholder feedback is integral to the project. In Spring 2022, proposed changes in eight different topic areas were introduced. These updated rules provide better clarity and direction for licensees that include compliance with mandatory education for nominees, publicly transparent and proper representation of licensees and their business, and direct supervision requirements. Amendments to the initial set of changes relating to licence renewal and nominee qualifications were subject to further consultation to address licensee concerns.

These rule changes are designed to help ensure greater public protection, as well as thorough understanding and adherence to standardized practices. The final package of proposed rule amendments was later approved by the Minister of Finance with implementation dates in 2023 and 2024.

Updating procedures to ensure compliance with licensing requirements

To implement recently approved changes to Rule 4(4), updates to the annual licence renewal procedure were introduced this year that required licensees to have confirmed they met their annual continuing education (CE) and errors and omissions (E&O) insurance requirements prior to renewing their licence. Live webinars were held to support licensees in understanding their annual CE and E&O requirements and the changes in licence renewal procedure. These webinars were recorded and made available for those unable to attend the live sessions. Licensees who viewed the live or recorded sessions on CE requirements and CE guidelines during the renewal season period earned CE credit.

Accrediting courses to boost licensee assurance in taking courses that meet CE criteria

The Insurance Council launched a CE Accreditation Program in 2022, beginning by opening applications to those interested in becoming an accredited course provider, and later expanding to individual accredited courses. The program was created to support licensees by making it easier to identify courses that are eligible to meet their annual CE requirements.

Course offerings become Insurance Council-accredited through appointed evaluation committees, which include industry professionals. These accreditation committees verify applicant courses are meeting specific criteria that build professional training and knowledge for licensees. The program is designed to expand and provide an up-to-date list of accredited courses that licensees can confidently take knowing that they meet technical and practice requirements outlined in the Insurance Council’s CE Guidelines.

Developing education tools to enhance knowledge of management responsibilities

To support the implementation of the updated Insurance Council Rule related to nominee qualifications, we developed a new course to clarify the existing responsibilities of a nominee, introducing standardized training. This new course, which will be delivered in two streams (general insurance and adjusters; life and accident & sickness (A&S) insurance), is a prerequisite for individuals seeking appointment as a nominee at an agency or firm, and nominees seeking appointment to a different agency.

All new nominee appointments are required to complete the course starting in August 2023, and existing nominees can opt to take the course for CE credit and refresh their knowledge of their role as a nominee.



Goal 2

Regulatory oversight that protects consumers and enables industry innovation

Developing a restricted insurance licensing regime

In 2019, the Province introduced amendments to the *Financial Institutions Act* to enable a restricted insurance licence framework in BC—this will apply to organizations that sell incidental insurance products. In response, we are working on a restricted licensing regime that will include the development of a competency framework and licensing requirements. We are currently engaging with key regulatory and industry stakeholders to gain their unique perspective to support the development of this new regime.

Creating standardized skills for entering the insurance industry

The growing insurance industry plays an impactful role in the lives of British Columbians and it is increasingly important to modernize professional standards to enter the industry. The Insurance Council has taken on the task of developing entry-level qualification standards for licensure and has completed base competencies for level 1 general insurance salespersons. Work on harmonizing these standards with other Canadian jurisdictions continues. Ensuring new insurance licensees have a standardized base-level skillset will increase public protection and confidence in the industry. Launch and implementation of the general insurance competency framework in BC is anticipated in late 2025.

Maintaining the quality of LLQP exams

In response to the COVID-19 pandemic, the Insurance Council quickly moved to administer the Life Licence Qualification Program (LLQP) exams online to minimize disruption. With the State of Emergency lifted and COVID-19 no longer classified as a global pandemic, we reevaluated the quality of the online examination process and made the decision to return to administering all LLQP exams in-person. The conclusion was made with the goal of ensuring the security and integrity of the examination process. Following the discontinuation of offering LLQP exams online, we will be adding more in-person exam locations within BC to increase accessibility.



Combatting financial crime through partnering in anti-money laundering initiatives

We continue to be vigilant in recognizing ways insurance transactions may be used in criminal activities. This fiscal year, the Cullen Commission, an inquiry into money laundering in BC, issued their final report with recommendations we have been considering and working with government to implement. We are also continuing work as an associate partner in the RCMP-led Counter Illicit Finance Alliance of British Columbia. The partnership allows us to draw upon the expertise of each member agency, and facilitates the flow of timely, relevant and high-quality information to help respond to issues and make money laundering more difficult.

Advancement of technology in the insurance industry

Technological innovation is rapidly changing the way consumers interact with insurance products and the Insurance Council is working to understand these changes to ensure consumers are adequately protected. We are researching the usage of InsurTech in BC compared to global trends, as well as consulting with industry representatives. The aim of our work is to ensure the Insurance Council strikes the appropriate balance, applying regulation without stifling innovation within the industry.



Goal 3 **Enhanced ability to support insurance consumers, licensees and government**

Building strong partnerships to protect the public interest

Communication and engagement with stakeholders are key priorities for the Insurance Council as a means to ensure the development of effective regulation and support building strong working relationships. Stakeholder feedback has been sought and considered on major initiatives, such as the new restricted licensing regime, level 1 general insurance competency framework, amendments to Council Rules, and licensees' communication preferences. Engaging with our stakeholders is integral as the work that we do affects licensees, the public, other regulators and partners, and we require their input to consider regulation that is fair while putting consumer protection at the forefront.

Working with government on emerging issues and ensuring regulatory alignment

Building strong relationships with government is important to the Insurance Council to address key and emerging issues in the insurance industry in BC, as well as working in tandem to respond to emergency situations arising from natural disasters that have become our new reality. The Insurance Council regularly meets with government officials to discuss shared interests in enforcement, emergency management, and effective regulation. We work with government to align our regulatory practices with the *Financial Institutions Act* and seek approval for updates to the Insurance Council Rules.

Collaboration to support effective insurance regulation

Collaboration with other regulatory bodies allows us to draw upon the experience of our regulatory counterparts. The Insurance Council is an active member of the Canadian Insurance Services Regulatory Organizations (CISRO) and has engaged with our regulatory colleagues on topics such as the development of general insurance licensing requirements, LLQP exam integrity, segregated funds compensation, life insurance replacement disclosure, up-front compensation in the life insurance industry, as well as participating in the CISRO Consumer Awareness Working Group, who coordinates strategic national efforts to raise consumer awareness of insurance issues.

Insurance Council staff regularly engage with other provincial agencies (e.g., BCFSa, ICBC) to collaborate on matters of common interest. This includes input on changes to the insurance marketplace, best terms pricing and researching emerging trends in insurance distribution.

Goal 4

Efficient and effective access to the Insurance Council’s services

Effective operations that support regulatory functions

It is our responsibility to ensure the business operations that support and enable our regulatory work are efficient, forward-looking and financially sustainable.

In the preceding years of this strategic plan, we built a long-term financial plan and completed a comprehensive records management process review. In this final year, we continued our work on business resilience and contingency planning, and carried out major work on technology service improvements.

What we’ve accomplished during the last year demonstrates our commitment to meeting the standards of operation that the public and licensees expect of us.

Planning for business resilience and cyber risk

To better consider risks and recovery activities relevant to us, we updated our business continuity plan to reflect the Insurance Council’s hybrid work environment.

Cybersecurity has also been a priority, and in the last year we have carried out testing and remediation activities to assess and address potential vulnerabilities in our IT systems. Protocols for responding to cyber incidents were fully implemented and a cyber security awareness training program for the organization was launched.

Technology improvements to licensing services

We have undertaken significant work to develop web-based tools and functionality that make it easier to access Insurance Council services.

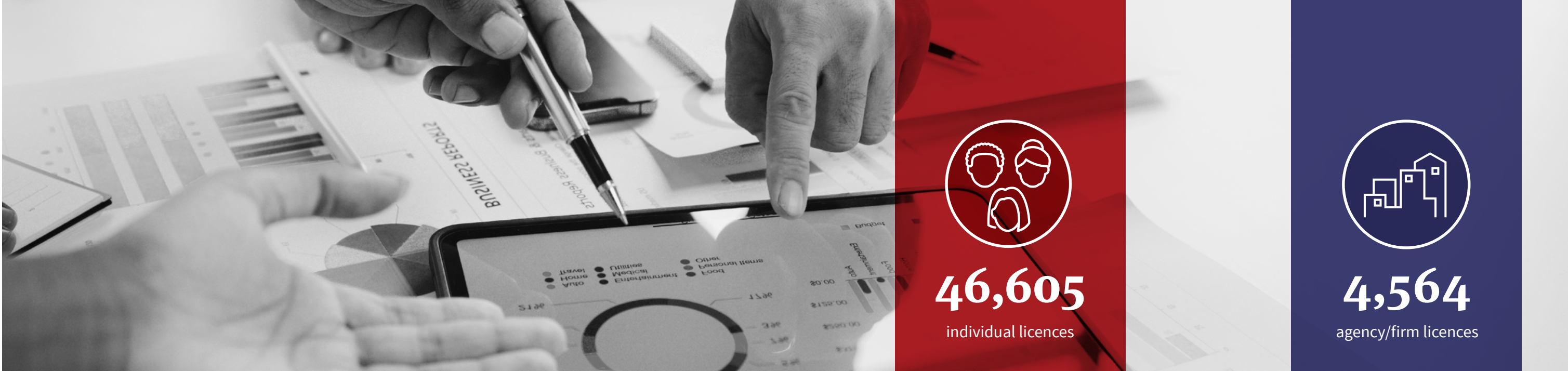
To increase the efficiency of licensing processes and to enable easier access to licensing services, we rolled out a number of improvements and features in the Insurance Council’s online portal. This included the creation of a licence summary for use by licensees, functionality for online application for trainee registrations, functionality to allow applicants

to respond to outstanding requirements directly through the online portal, as well as the ability to future date changes to authority to represent (ATR). Further improvements being released soon include functionality to allow licensees to initiate licence amendments, changes to name or nominees, changes to supervision, and resignations.

Renewing our technology infrastructure

Work progressed on a major multi-year project, the Digital Transformation Project, which will involve the eventual transition from the current licensee database to a new platform that can more effectively support the Insurance Council’s technology ecosystem. This project’s work on process analysis and future state visioning has concluded, and selection of the new platform is now in progress.

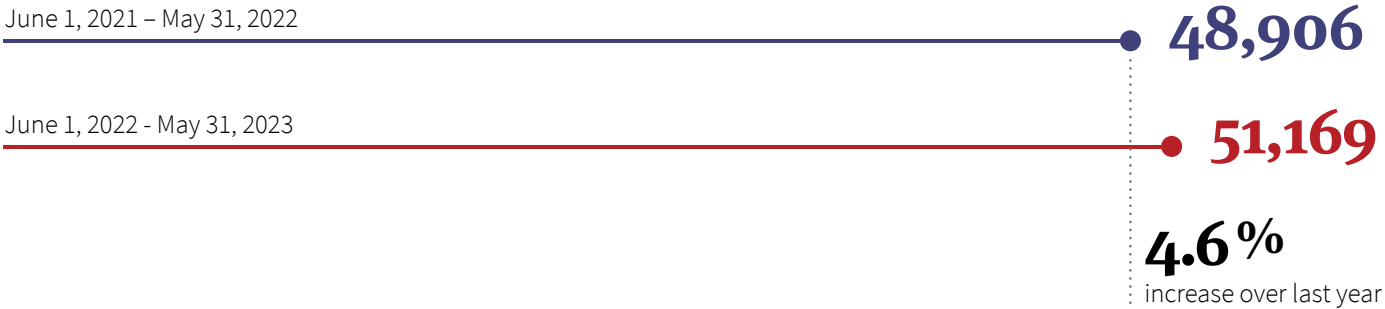




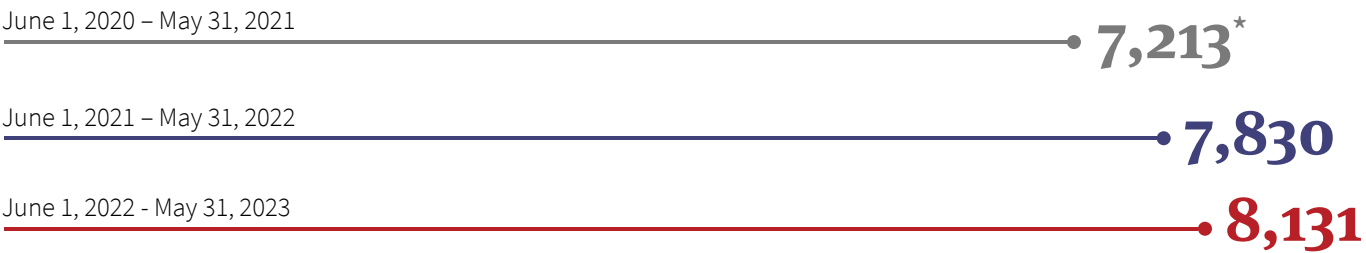
Insurance Council by the Numbers

Licensing

Total Licensees



Licence Applications



*includes approximately 200 applications for restricted licences, of which issuance was suspended

Life and Accident & Sickness

22,770	Active
1,487	Inactive
3	Suspended

Accident & Sickness

474	Active
51	Inactive
0	Suspended

General

18,799	Active
2,020	Inactive
4	Suspended

Adjuster

909	Active
88	Inactive
0	Suspended

Life and Accident & Sickness Agencies

3,163	Active
11	Suspended

Accident & Sickness Agencies

24	Active
0	Suspended

General Agencies

1,010	Active
1	Suspended

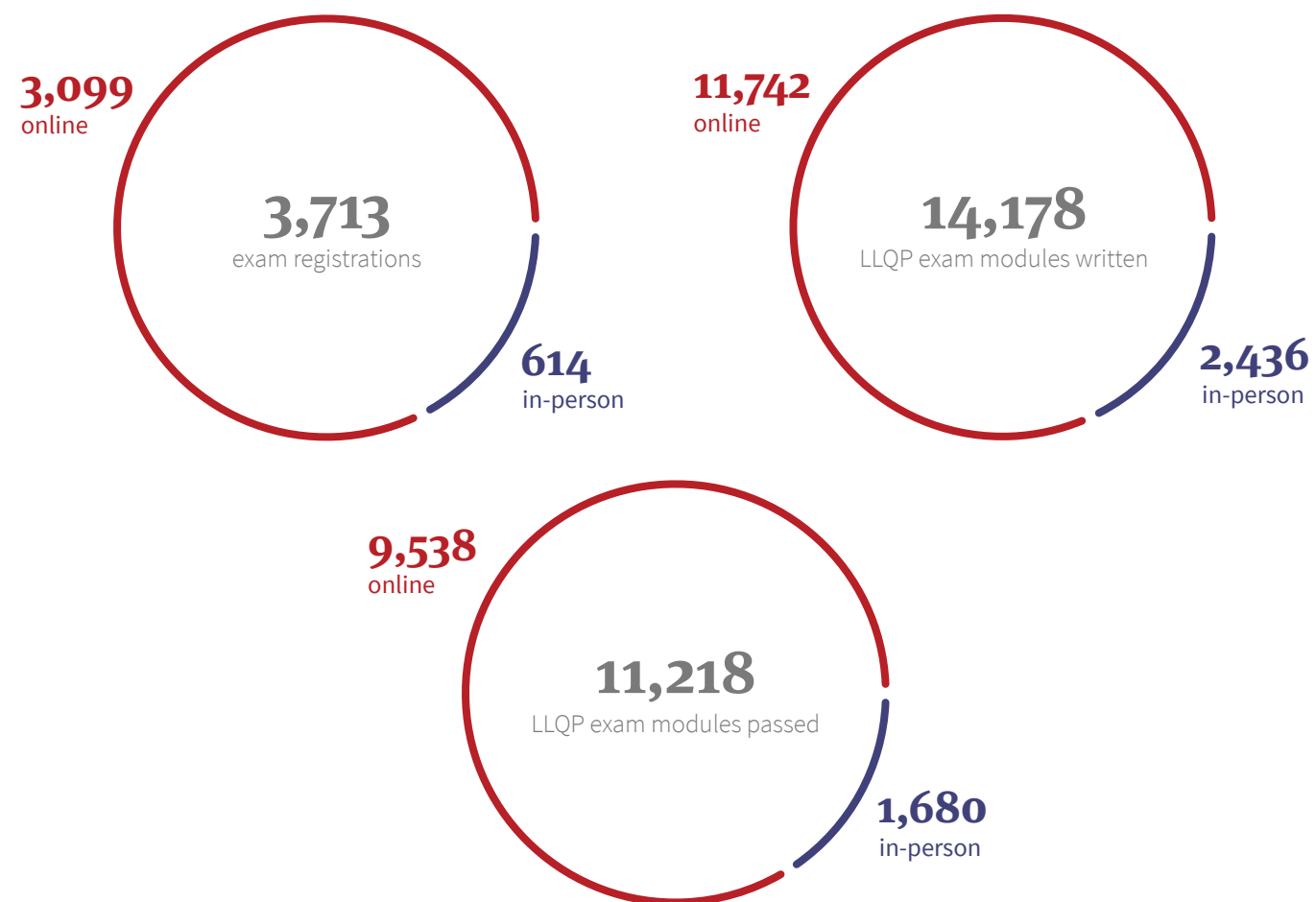
Adjusting Firms

73	Active
1	Suspended

Restricted Travel Agencies/Sole-proprietors

281	Active
0	Suspended

LLQP Exams



Webinars



Courses

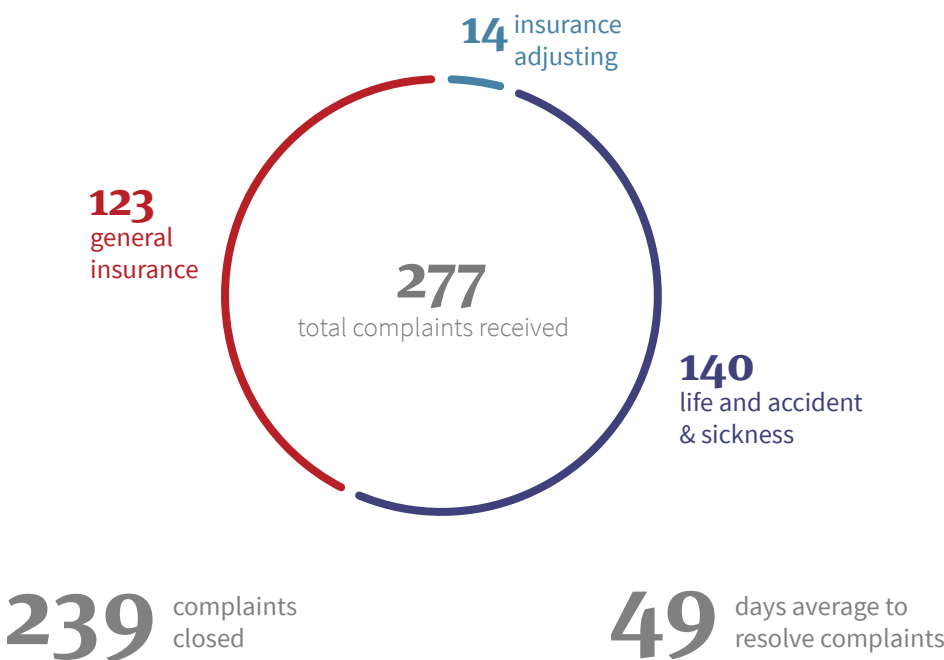
Council Rules Course Registrations



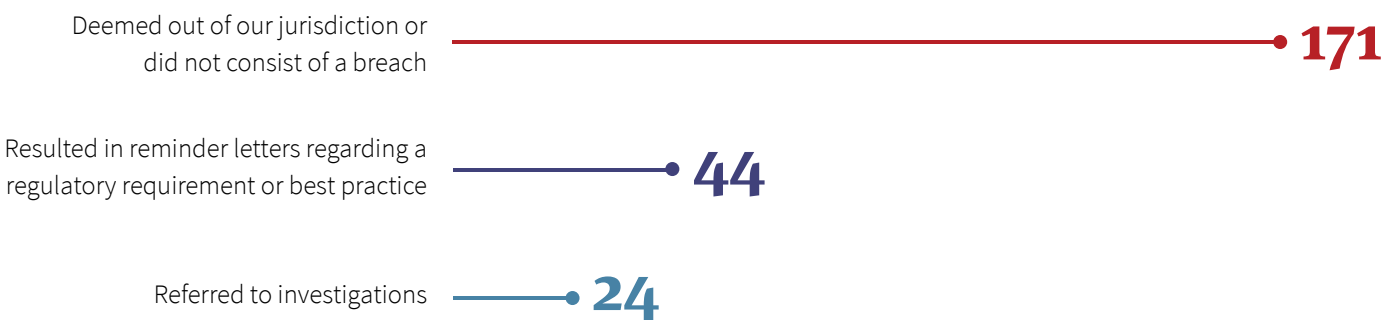
Complaints

June 1, 2022 – May 31, 2023

Complaints by Business Practice

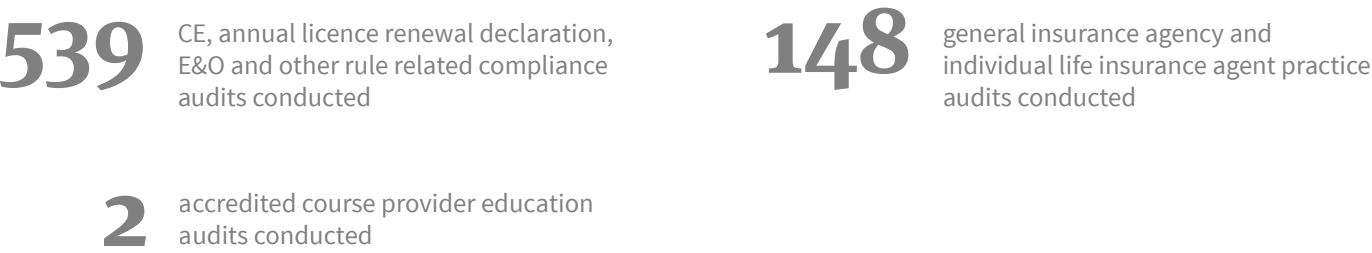


Reasons for complaint closure



Audits

To ensure licensees are in compliance, the Insurance Council audits and verifies licensees’ understanding and compliance with their licence and practice requirements. Compliance audits verify a licensee is meeting regulatory requirements such as their continuing education (CE) requirements, errors & omissions (E&O) insurance requirements, annual licence renewal declarations or other licensing requirements. The Practice Audit Program aims to support licensees by proactively reviewing licensee practices, addressing potential issues before complaints are received and providing feedback and practice guidance so licensees can ensure they are meeting their requirements.



Investigation and Discipline

June 1, 2022 – May 31, 2023

Top trends in complaints resulting in disciplinary action

- Breaches related to information management, which includes failure to safeguard information
- Unsuitable recommendations by agents
- Fraudulent transactions

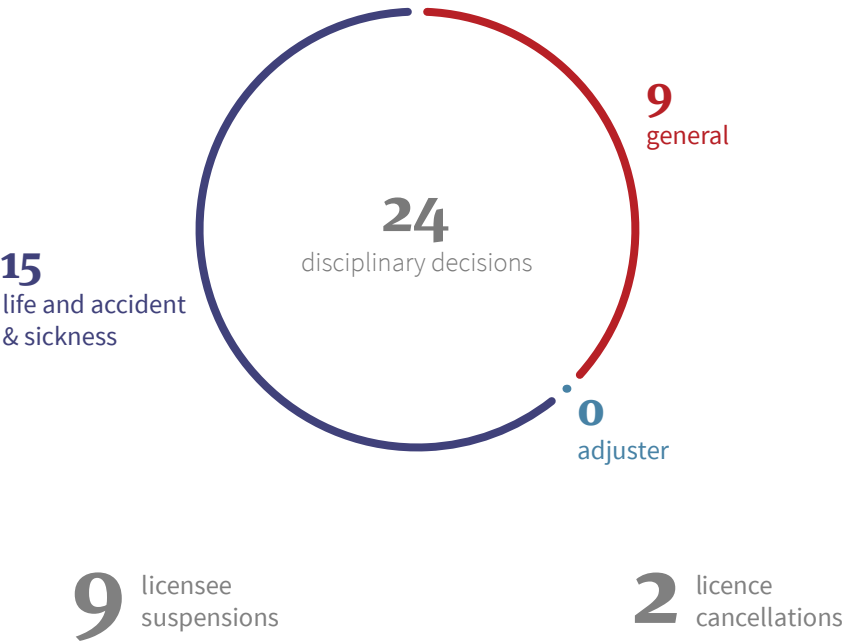


New Investigations Opened

June 1, 2021 – May 31, 2022



Disciplinary Decisions



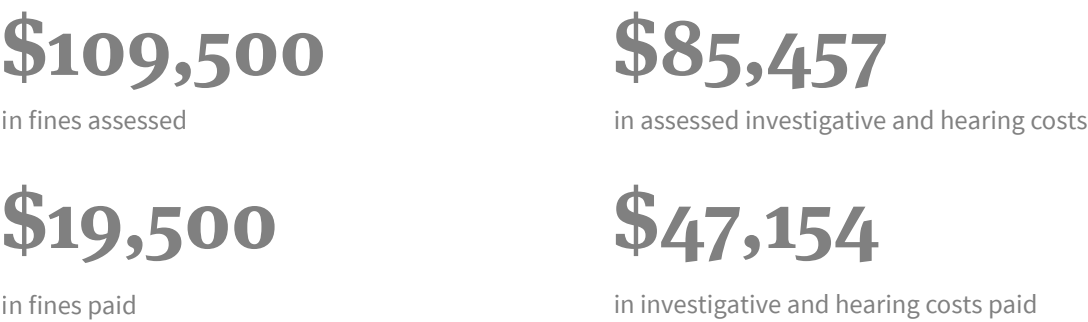
Hearing and Appeals

Licensees may request a hearing to dispute all or part of an intended decision/disciplinary action. If a licensee disagrees with the Insurance Council’s final decision as a result of a hearing, they can appeal to the Financial Services Tribunal, an impartial body that provides an independent appeal process.



Fines

A new policy was implemented in 2023 that provides guidance on effective recovery of fines and costs owed to the Insurance Council that may also include external services for collection along with an internal recovery plan.



Financial Review

The Insurance Council’s financial position continued to be stable as of the 2023 fiscal year end. The current revenue stream, mainly from annual licence renewal and application fees, was sufficient to support operations as the organization continues to grow to achieve its strategic goals and mandate. With prudent spending, the Insurance Council continues to build its reserves to allocate resources for various major initiatives such as the Digital Transformation Project.

The audited financial statements for the fiscal year ending May 31, 2023, include the Insurance Council’s financial position, statement of operations, statement of changes in net assets and statement of cashflows and notes to the financial statements, including a summary of significant accounting policies. The preparation of the financial statements is the responsibility of management and is overseen by the Finance and Audit Committee. These statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

The Insurance Council’s June 1, 2022–May 31, 2023 financial statements have been audited by the independent firm Smythe LLP and are available on our website: insurancecouncilofbc.com/annualreport.





1400-745 Thurlow Street, Vancouver, BC V6E 0C5
insurancecouncilofbc.com

Briefing Note

CAFII EOC Meeting 24 September 2023—Agenda Item 7(e)

Read Only Items – Plans for In-Person/Hybrid Presentation of CAFII's 2023 Research Results-Focused PowerPoint Deck to FSRA Staff Executives on November 15/23

Purpose of this Agenda Item – Read Only

To inform the EOC of CAFII's plans for an In-Person/Hybrid Presentation of CAFII's 2023 Research Results-Focused PowerPoint Deck to FSRA Staff Executives on November 15/23.

Background Information

Since CAFII's 2023 Research Results-Focused PowerPoint Deck has been received very positively by Western Canada, Atlantic Canada, and Quebec (AMF) insurance regulators and policy-makers, CAFII is confident that this presentation to FSRA on November 15/23 will also be positive and serve as an opportunity to strengthen further the friendly, productive, and mutually beneficial relationship which CAFII has built with the FSRA staff executives team.

A document will be provided for this Read Only agenda item.

Recommendation / Direction Sought – Read Only

No action is required.

Attachments Included with this Agenda Item

One (1) attachment.

Plans for In-Person/Hybrid Presentation of CAFII's 2023 Research Results-Focused PowerPoint Deck to FSRA Staff Executives on November 15/23

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

Sent: Monday, September 18, 2023 2:03 PM

To: Glen Padassery <Glen.Padassery@fsrao.ca>; Huston Loke <Huston.Loke@fsrao.ca>

Cc: Erica Hiemstra <Erica.Hiemstra@fsrao.ca>; Swati Agrawal <Swati.Agrawal@fsrao.ca>; Brendan Wycks <brendan.wycks@cafii.com>; Robyn Jennings <Robyn.Jennings@cafii.com>; Shanay Smith <Shanay.Smith@cafii.com>

Subject: Offer from CAFII to Make a Presentation to FSRA on CAFII Priorities and Research Findings

Hello Glen, Huston,

I trust that this note finds you both well. By way of background, CAFII as part of its strategic plan seeks to share key messages and priorities with regulators and policy-makers across Canada, and in that connection we have a commitment to engage in dialogue with regulators and policy-makers in their own jurisdictions, no less than once every 18 months. Having said that, we had a period of hiatus in connection with the pandemic, but now we are engaging in these tours again. In May and June 2023 we visited 7 regulators and policy-maker authorities in the 4 western Canada provinces, and in May and October 2023 we will be visiting the four Atlantic Canada provinces.

At these meetings we make a 90-minute presentation which focuses on key regulatory and policy-maker priorities for CAFII; which shares some of our recent initiatives; and which also highlights the results of third-party insurance research we have commissioned. The presentation has been well-received as full of very relevant information for regulators and policy-makers, and has also allowed us to engage in very productive dialogue with our regulatory and policy-maker authorities.

Glen, Huston, I would like to offer to make this presentation to FSRA. I would offer to make it in-person in your offices, but with an MS Teams link also available for anyone who would like to participate virtually. I would likely be accompanied by a group of CAFII member representatives.

If this is of interest, please let me know and we can look at possible dates, possibly in October or early November.

Warm regards,

--Keith

Keith Martin

Co-Executive Director / Co-Directeur général

Canadian Association of Financial Institutions in Insurance

L'association canadienne des institutions financières en assurance

From: Keith Martin <Keith.Martin@cafii.com>
Sent: Wednesday, October 4, 2023 11:39 AM
To: Nelly Ching <Nelly.Ching@fsrao.ca>
Cc: Brendan Wycks <brendan.wycks@cafii.com>; Shanay Smith <Shanay.Smith@cafii.com>; Robyn Jennings <Robyn.Jennings@cafii.com>
Subject: RE: Offer from CAFII to Make a Presentation to FSRA on CAFII Priorities and Research Findings
Thank you so much Nelly. Your first choice, **November 15 from 10-11.30am, works well for me.**

I will be bringing some CAFII members with me, and will provide you with a list closer to the date. If possible, we would like to make the meeting hybrid, with a virtual component. I can bring my laptop for the camera, would you be able to set up an MS Teams meeting so that I can invite our members who wish to join virtually? (Or does FSRA use a different virtual platform? Of course the same invite could be sent to FSRA attendees to participate virtually.) If those from FSRA who attend in-person are able to bring their laptop and join the virtual meeting, that is a better experience for the virtual attendees.

Let me know if you would like to discuss any of this, Nelly. We have found that when the meeting host invites the room, the technology works better. Perhaps you can let me know how audio works as well for the room I will be presenting in. I am hoping to be able to project my presentation onto a screen as well. Thank you again, I'll wait to hear back from you.

Regards,

Keith Martin

Co-Executive Director / Co-Directeur général
Canadian Association of Financial Institutions in Insurance
L'association canadienne des institutions financières en assurance
keith.martin@cafii.com

From: Nelly Ching <Nelly.Ching@fsrao.ca>
Sent: Wednesday, October 4, 2023 4:18 PM
To: Keith Martin <Keith.Martin@cafii.com>
Cc: Brendan Wycks <brendan.wycks@cafii.com>; Shanay Smith <Shanay.Smith@cafii.com>; Robyn Jennings <Robyn.Jennings@cafii.com>
Subject: RE: Offer from CAFII to Make a Presentation to FSRA on CAFII Priorities and Research Findings

Hi Keith,

Thanks for confirming the date and time and I am glad it works for your group.

Yes, we use MS Teams for audio/video meetings. I will double check with IT to ensure both audio and video equipment works well in the boardroom for this hybrid meeting. I've reserved a boardroom here which can accommodate 14-18 people. Please keep me posted when you have the in-person finalized.

With respect to virtual connection, I believe you can forward to participants with MS Teams link and they should be able to connect without any problem since you are presenting from your laptop via Team connection from our boardroom. You can provide me with the participants list when it is available, I can add them to the calendar invite directly, for sure, they should have no problem to join in.

In the meantime, I will send you an invite to block the time off on your calendars. Let me know your thoughts.

Nelly

Briefing Note

CAFII EOC Meeting 24 September 2023—Agenda Item 7(f)

Read Only Items – Plans for October 26/23 CAFII Webinar on “Words Matter” with Elissa Gurman, MacPhie Consulting

Purpose of this Agenda Item – Read Only

To inform the EOC of CAFII’s plans for an October 26/23 CAFII Webinar on “Words Matter” with Elissa Gurman, MacPhie Consulting, as the presenter.

Background Information

A document will be provided for this Read Only agenda item.

Recommendation / Direction Sought – Read Only

No action is required.

Attachments Included with this Agenda Item

One (1) attachment.

Register Now

Words Matter: Inclusive Language

A CAFII Webinar with Elissa Gurman

Thursday, October 26, 2023

from 1:00pm - 2:00pm ET

via Zoom Webinar



Elissa Gurman

Principal at MacPhie, Toronto

(For capsule biography, [click here](#))

Please join this CAFII webinar with MacPhie on “Words matter”.

This session will reveal how the language we use every day can have a big impact on feelings of inclusion at work. That's why [MacPhie](#) created [Inclusive Language Training](#) around how using and understanding inclusive language is a straightforward and concrete way to help everyone feel more comfortable at work. Participants in this webinar will build their knowledge and sensitivity around inclusive language, so they can feel more confident respectfully speaking and writing about difference.

[Click Here to Register](#)

For further information or assistance, please email Buni Mba at webinars@cafii.com or call 416-494-9224 ext. 3.

We look forward to welcoming you to this 2023 CAFII webinar.

Sincerely,

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Co-Executive Director
Canadian Association of Financial
Institutions in Insurance
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