

CAFII Executive Operations Committee Meeting Agenda

Date: Tuesday, October 25, 2022

Chair: R. Dobbins

Location: [Virtual MTeams Meeting](#)

Time: 2:00 – 3:30 p.m. EDT

Dial-in: 437-703-4263

Phone Conference ID: 965 295 258#

1. Call to Order, Welcome, and Priority Matters	2:00 p.m.	Presenter	Action	Document
a. Call to Order		R. Dobbins		

2. Consent Items	2:02 p.m.	Presenter	Action	Document
a. Consultations/Submissions Timetable				✓
b. October 2022 Regulatory Update				✓
c. Regulator and Policy-Maker Visit Plan Recap				✓
d. Summary of Board and EOC Action Items				✓
e. Board-Approved Schedule of CAFII 2022 Meetings and Events				✓

3. Financial Management Matters	2:03 p.m.	Presenter	Action	Document
a. CAFII Financial Statements as at September 30/22		D. Hinnecke	Update	✓
b. Forecast For CAFII 2022 Fiscal Year as at September 30/22		D. Hinnecke	Update	✓
c. Development of Draft 2023 CAFII Operating Budget		B. Wycks	Update	✓

4. Committee Updates	2:12 p.m.	Presenter	Action	Document
a. Market Conduct & Licensing	2:12 p.m.	F. Coleman	Update	✓
i. CAFII Feedback on CCIR's Draft 2023-25 Strategic Plan (To Be Delivered in November 4/22 Virtual Stakeholder Session; and Subsequently In Writing)		B. Wycks	Update	✓
ii. FSRA Consultation on Proposed 2023-24 Statement of Priorities and Budget (Submission Deadline: November 11/22)		K. Martin	Update	✓ (2)
iii. BCFS's Two Follow-up Questions for CAFII Re Inconsistencies Between Principles in Its Draft Insurer Code of Market Conduct and CCIR/CISRO's "Guidance: Conduct of Insurance Business and Fair Treatment of Customers" Budget (Submission Deadline: November 15/22)		K. Martin	Update	✓ (2)
b. Media Advocacy	2:22 p.m.			
i. Recent Operatic Agency Deliverables Re CAFII Website Videos; and Enhancements to FAQs on CAFII Website		K. Martin	Update	
c. Research & Education	2:26 p.m.	A. Stuska		
i. Execution of EOC-Approved CAFII 2022 Tracking Study Research on Consumers' Satisfaction with CPI, with Pollara Strategic Insights		K. Martin	Update	✓
d. Networking & Events	2:30 p.m.		Update	
i. Insights Gained from October 5/22 CAFII Webinar with Lesli Martin, Pollara Strategic Insights, on "Consumer Preferences and Product Development Insights Emerging from Recent Research in Financial Services and Relevant Comparator Industries"		K. Martin/B. Wycks	Update	✓
ii. Upcoming CAFII Webinars on "Expert Panel On Travel Insurance As Society Emerges From The COVID-19 Pandemic" (November 3/22); and "A Fireside Chat With Blair Morrison, CEO of the BC Financial Services Authority (December 1/22)		K. Martin	Update	

5. Recent and Upcoming Strategic and Regulatory Initiatives	2:38 p.m.	Presenter	Action	Document
a. Debrief on CAFII's October 11/22 Industry Issues Dialogue with AMF Staff Executives and Subsequent Developments; and Possible Next Steps	2:38 p.m.	K. Martin/B. Wycks /R. Dobbins	Update/ Discussion	✓ (4)
b. Insights Gained from October 19/22 THIA Innovation Summit	2:53 p.m.	K. Martin /B. Wycks	Update	✓
c. Insights Gained from October 19/22 In-Person Meeting of Saskatchewan Restricted Insurance Agent Advisory Committee (RIAAC)	2:57 p.m.	M. Gill/B. Wycks	Update	

6. Governance Matters	3:01 p.m.	Presenter	Action	Document
a. Board Appointment of New Director from Scotia Insurance; and Imminent Appointment of New Director from TD Insurance	3:01 p.m.	B. Wycks	Update	✓
b. Board-Approved CAFII 2023 Schedule of Meetings and Events	3:04 p.m.	B. Wycks/K. Martin	Update	✓
c. Insights Gained from CAFII 25 th Anniversary Celebration on October 19/22	3:07 p.m.	B. Wycks	Update	✓
d. Plans for November 24/22 EOC Meeting	3:11 p.m.	B. Wycks	Update	
e. Plans for December 6/22 CAFII Board Meeting and Immediately Ensuing Year-End/Holiday Season Reception	3:13 p.m.	B. Wycks	Update	
f. Draft Minutes of September 20/22 EOC Meeting	3:15 p.m.	B. Wycks	Approval	✓

7. Read Only Items	3:20 p.m.	Presenter	Action	Document
a. Board-Approved Recommendations for Revisions to CAFII Alerts Weekly Digest				✓
b. Board-Approved Resolution Re CAFII Board Vice-Chair Position in 2022-23				Briefing Note Only
c. Board Approval of Recommendation That CAFII Member Dues Be Consolidated Into One Invoice/Payment Starting in 2023				Briefing Note Only
d. Board-Approved Plan for CAFII's Return to Regulator and Policy-Maker Visit Tours				Briefing Note Only
e. October 3/22 CAFII Response Submission to BC Ministry of Finance on Consultation Regarding Restricted Insurance Agent Licences; and Acknowledgement Responses Received				✓ (2)
f. AMF 2022 Rendez-Vous Mini-Conference in Montreal on Tuesday, November 22/22				✓

8. In Camera Session	3:20 p.m.	Presenter	Action	Document
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9. Tracking Issues		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 minutes duration

Next EOC Meeting: Thursday, November 24/22, 2:00 to 4:00 p.m. In-Person/Hybrid Meeting at Think Big Room, Manulife, 200 Bloor St. East, Toronto

Next Board Meeting: Tuesday, December 6/22, 3:00 to 5:00 p.m. In-Person/Hybrid Meeting hosted by CIBC Insurance at Commerce Court North, 25 King St. West, 7th Floor, Toronto; and to be followed by CAFII Holiday Season/Year-End Reception from 5:30 to 7:30 p.m. at a TBA Nearby Downtown Toronto Location

Briefing Note

**CAFII EOC Meeting 25 October, 2022—Agenda Item 1(a)
Call to Order, Welcome, and Priority Matters: Call to Order**

Purpose of this Agenda Item – Update

Start of meeting.

Background Information

The meeting is called to order by EOC Chair Rob Dobbins.

Recommendation / Direction Sought -- Update

Update only.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting 25 October, 2022—Agenda Item 2(a-e) 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 2022 Regulatory Update;
- c. Regulator and Policy-Maker Visit Plan Recap;
- d. Summary of Board and EOC Action Items;
- e. Board-Approved Schedule of CAFII 2022 Meetings and Events.

Recommendation / Direction Sought – Information Only

No action required.

Attachments Included with this Agenda Item

5 attachments.

CAFIL Consultations/Submissions Timetable, 2022-23

Regulatory Issue	Deliverable	Deadline	Accountable
Financial Consumer Agency of Canada (FCAC)	<ul style="list-style-type: none"> CAFIL submission on “Proposed Guideline on Appropriate Products and Services For Banks and Authorized Foreign Banks” CAFIL 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 CAFIL’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)	<ul style="list-style-type: none"> Revised Financial Institutions Act (FIA) tabled in the legislature Ministry releases consultation paper on introducing a Restricted Insurance Agent licensing regime in BC (October 3/22 submission deadline) CAFIL submission on BC RIA licensing regime consultation paper 	<ul style="list-style-type: none"> October 21/19 June 30/22 October 3/22 	<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"> CAFIL meeting with BCFSA re “Discussion Paper: Information Security Incident Reporting” CAFIL written submission on BCFSA’s Information Security Incident Discussion Paper (overhauled based on insights from February 24/22 meeting) CAFIL submission on BCFSA’s “Draft Insurer Code of Conduct” CAFIL submission on Two Follow-up Questions from BCFSA on Its Draft Insurer Code 	<ul style="list-style-type: none"> February 24/22 March 1/22 September 9/22 November 11/22 	<ul style="list-style-type: none"> Mkt Conduct & Licensing Committee; Co-EDs to monitor
Quebec Bill 141 and Related Regulations (including Regulation Respecting Alternative Distribution Methods, RADM)	<ul style="list-style-type: none"> CAFIL submission on Draft Regulation Respecting Complaint Processing CAFIL makes submission to AMF on wording modifications needed to Fact Sheet and Notice of Rescission to make them fit credit card-embedded insurance benefits CAFIL submission on AMF draft Incentive Management Guideline 	<ul style="list-style-type: none"> December 8/21 January 17/22 February 18/22 	<ul style="list-style-type: none"> Mkt Conduct & Licensing Committee; Co-Eds to monitor
CCIR/CISRO	<ul style="list-style-type: none"> <i>CCIR/CISRO FTC Working Group accepts proposal in CAFIL’s July 2/20 letter</i> CAFIL submission on CCIR/CISRO Draft “Incentives Management Guidance” CAFIL submission on CCIR/CISRO proposed “Incentives Management Guidance” CAFIL submission on CCIR’s Draft 2023-25 Strategic Plan 	<ul style="list-style-type: none"> August 31/20 September 17/21 April 4/22 November 2022 	<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 CAFIL submission on FCNB’s “Insurance Act Rewrite: Questions For Industry, Dec. ‘21” CAFIL submission on Proposed Rule INS-001: Insurance Intermediaries Licensing and Obligations CAFIL submission on Proposed Rule INS-002: Insurance Fees CAFIL submission on FCNB legislative change proposals re Life Insurance and Accident & Sickness Insurance sections of Insurance Act (informal sounding board consultation) FCNB releases final versions of Rule INS-001 and Rule INS-002 (“in force” date TBA, pending Ministerial approval) 	<ul style="list-style-type: none"> November 2021 January 31/22 February 7/22 February 18/22 May 20/22 July 4/22 	<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"> CAFIL responds to FSRA “Information Guidance on Complaints Resolution” consultation CAFIL submission on FSRA’s “Principles-Based Regulation” consultation document CAFIL submission on FSRA’s “Principles of Conduct for Insurance Intermediaries” CAFIL submission on FSRA’s “Use of Retained Revenues Guidance” FSRA provides feedback on CAFIL’s submission on “Use of Retained Revenues Guidance” CAFIL submission on FSRA’s Proposed 2023-24 Statement of Priorities and Budget 	<ul style="list-style-type: none"> February 15/22 April 29/22 May 3/22 May 31/22 Sept 9/22 November 15/22 	<ul style="list-style-type: none"> Mkt Conduct & Licensing Cttee; Co-EDs to monitor

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

Agenda Item 2(c)
October 25/22 EOC Meeting

CAFII Insurance Regulator and Policy-Maker Meetings/Interactions
From September 17/22 To October 21/22

<u>Date</u>	<u>Event/Occasion/Issue</u>	<u>Who</u>
September 30/22	Virtual meeting with Mario Beaudoin, Director of Alternative Distribution Practices in Insurance, AMF	Brendan Wycks and Keith Martin had a Friday late afternoon virtual meeting with Mario Beaudoin, requested by him just one hour prior, the purpose of which was to clarify CAFII's intent behind its single presentation topic for the upcoming October 11/22 CAFII/AMF Industry Issues Dialogue: <i>"How Can We Work Together To Remove Or Reduce Barriers To Doing Distribution Without A Representative (DWR) Insurance Business In Quebec?"</i> After receiving the requested clarification from CAFII, Mr. Beaudoin did not disclose the AMF's intended presentation topics under the "shared agenda" approach to the Industry Issues Dialogue. (See Appendix A)
October 4/22	Email acknowledgements received with respect to CAFII's response submission on the BC Ministry of Finance's Consultation Regarding a Restricted Insurance Licence Regime in BC.	Kari Toovey, Director, Financial Institutions in the Financial and Corporate Sector Policy Branch, BC Ministry of Finance, replied to Brendan Wycks as follows: <i>"As always, thanks for CAFII's thoughtful submission on this issue. We will reach out if we require further information or clarification and please don't hesitate to contact me again if you have anything further to add."</i> Janet Sinclair, CEO of the Insurance Council of BC, replied to Brendan Wycks as follows:

		<i>"Thank you for providing us with this information. We look forward to CAFII's input as we develop the rules for this new licensing regime."</i>
October 5 to 7/22	Iterative email exchange with Louise Gauthier, Senior Director of Distribution Framework Policies, AMF	Louise Gauthier emailed Brendan Wycks and Keith Martin to inform CAFII of the title of its single AMF presentation for the upcoming October 11/22 CAFII/AMF Industry Issues Dialogue: "The AMF's View Of and Intended Priorities For The Distribution Without Representation (DWR) Insurance Market In Quebec"; and also to request that the AMF be allowed to go first on the shared agenda for this meeting, a request which CAFII granted.

October 11/22	CAFII/AMF informal liaison lunch, followed by an “Industry Issues Dialogue” hybrid meeting held at Complexe Desjardins in Montreal	At the meeting from the AMF were: Éric Jacob, Superintendent, Client Services and Distribution Oversight (in-person); Louise Gauthier, Senior Director of Distribution Framework Policies (in-person); Christian Beaulieu, Senior Director, Operations and Distribution (in-person); Mario Beaudoin, Director of Alternative Distribution Practices in Insurance (in-person); Patrick Déry, Superintendent, Solvency (virtual attendance); Nathalie Sirois, Senior Director of Insurer Supervision (virtual attendance); Julien Reid, Senior Director, Supervision of Financial Institutions and Deposit Insurance (virtual attendance); Christine Vachon, Director, Legal Affairs (virtual attendance).
October 11/22	Email clarification from Peter Burston, Director, CCIR Secretariat	Peter Burston, Director, emailed Keith Martin and Brendan Wycks to advise that: <i>As a key stakeholder of the Canadian Council of Insurance Regulators (CCIR), CAFII is being provided the attached draft CCIR Strategic Plan for 2023-2026 (“draft Strategic Plan”). The draft Strategic Plan should be considered embargoed until the publication of the CCIR Strategic Plan in April 2023. The draft Strategic Plan may only be shared with key representatives of your organization for the purpose of supporting a response to this CCIR stakeholder consultation.</i>

		<p><i>The draft Strategic Plan sets out:</i></p> <ul style="list-style-type: none"> • CCIR's national regulatory coordination framework; • proposed strategic priorities; • CCIR standing committees; • key issues and emerging trends; and • CCIR's proposed operational plan for 2023-2024. <p><i>Stakeholders are invited to provide feedback to CCIR concerning all aspects of the draft Strategic Plan, no later than November 30th.</i></p> <p><i>Submissions should be directed to the CCIR Secretariat at ccir-ccra@fsrao.ca. We also look forward to the opportunity to receive your preliminary feedback during our virtual consultation on November 4th.</i></p>
October 14/22	Email outreach from BCFSA with a two follow-up questions mini-consultation opportunity for CAFII	<p>Marina Makhnach, Director, Market Conduct Financial Institutions, BC Financial Services Authority, emailed Keith Martin as follows:</p> <p><i>"Thank you for taking the time to provide a response to the BCFSA consultation on the Insurer Code of Conduct ("BCFSA Code"). When developing the BCFSA Code, our intention for the Code was for it to be principles-based. This is why we distilled the outcomes and expectations from the CCIR/CISRO's FTC guidance into a set of principles that insurers will be required to adhere to.</i></p> <p><i>During the consultation on the BCFSA Code and supplemental guideline, industry advised BCFSA to adopt the CCIR/CISRO's FTC guidance as its Code citing concerns over harmonization and different approaches to FTC.</i></p>

		<p><i>Currently we are trying to better understand the inconsistencies between principles included in the BCFSA Code and the CCIR/CISRO FTC Guidance. We would be grateful if CAFII could help us with this by answering the following two questions.”</i></p> <p>(See Appendix B)</p>
October 18/22	Phone call to Brendan Wycks from Tony Toy, CCIR Policy Manager	<p>On the evening before CAFII’s October 19/22 25th Anniversary Celebration, Tony Toy called Brendan Wycks for a “check-in” and seemed looking for affirmation that all was looking good for CAFII’s 25th Anniversary Celebration the following day and that CCIR/the FSRA Regulatory Co-ordination Secretariat had played a helpful role to CAFII in securing a decent number of insurance regulator and policy-maker registrants for the following day’s Anniversary Celebration, which B. Wycks confirmed had indeed been the case.</p>

October 19/22	In-Person/Hybrid Meeting of the Saskatchewan Restricted Insurance Agent Advisory Committee (RIAAC)	Brendan Wycks and Keith Martin attended this 2:00 to 4:00 p.m. meeting at BMO's Corporate Event Venue on the 68 th Floor of First Canadian Place in downtown Toronto, immediately prior to CAFII's 25 th Anniversary Celebration, in a room secured/booked by CAFII as a favour to April Stadnek, Executive Director of the Insurance Councils of Saskatchewan. The meeting was facilitated by Ms. Stadnek, but chaired by CAFII appointee Moira Gill of TD Insurance, with fellow CAFII appointee Charles MacLean of RBC Insurance also present in-person.
October 19/22	CAFII 25 th Anniversary Celebration hosted by BMO Insurance in BMO's Corporate Event Venue on the 68 th floor of First Canadian Place in downtown Toronto	<u>Regulatory and Policy-Maker Attendees: Registered and Attended</u> Eric Jacob, Superintendent, Autorité des marchés financiers Nathalie Sirois, Autorité des marchés financiers Harry James, BCFS Forrest Joy, BCFS Tony Toy, CCIR/FSRA Ontario David Weir, FCNB Erica Hiemstra, FSRA Fern Karsh, FSRA April Stadnek, Executive Director, Insurance Councils of Saskatchewan Ron Fullan, Insurance Councils of Saskatchewan (retired) Scott Moore, Manitoba Superintendent of Insurance Robert Bradley, PEI Superintendent of Insurance and CCIR Chair Jennifer Calder, Nova Scotia Deputy Superintendent of Insurance Michael Weisman, Ontario Ministry of Finance.

		<p><u>Regulatory and Policy-Maker</u> <u>Attendees: Registered but Did Not Attend</u> Laurie Balfour, Alberta Automobile Insurance Rate Board Brent Rathgeber, Alberta Insurance Council Raseema Alam, FSRA/CCIR Allan Amos, FSRA Hussein Lalani, FSRA Peter Burston, FSRA Stuart Wilkinson, FSRA Marina Makhnach, BCFSA Darrell Leadbetter, OSFI</p>
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Appendix A

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 (facilitated/moderated by CAFII Co-Executive Director Brendan Wycks)
- 1:10 to 1:30 p.m.: AMF Presentation on “The AMF’s View Of and Intended Priorities For The Distribution Without Representation (DWR) Insurance Market In Quebec”
- 1:30 to 1:40 p.m.: Q&A/Dialogue on AMF Presentation
- 1:40 to 2:00 p.m.: CAFII Presentation on “How Can We Work Together To Remove Or Reduce Barriers To Doing DWR Insurance Business In Quebec?,” including
 - “A Primer on Credit Card-Embedded Insurance Benefits”; and
 - “Why Are Longer Time-Frames Generally Required for Implementation of New Legislative or Regulatory Requirements?”
- 2:00 to 2 :10 p.m.: Q&A/Dialogue on CAFII Presentation
- 2:10 to 2:15 p.m.: Wrap-Up; Next Steps (if any); and Adjournment

Appendix B

1. *Please provide specific examples of differences between the principles in BCFS Code and CCIR/CISRO's FTC guidance that create potential compliance challenges for you.*
2. *BCFS Code and CCIR periodically release guidance to insurers on discrete FTC issues that build on the CCIR/CISRO's FTC principles. Please explain if insurers embed the expectations from additional guidance released by regulators into their compliance regimes? If so, how (process, frequency etc.)?*

Summary of CAFII Board and EOC Action Items					
	Source	Action Item	Responsible	Deadline	Status Oct. 21, 2022
		Association Strategy, Governance and Financial Management			
1	EOC and Board: October 2019	Launch CAFII EOC Working Group to Explore a New Lower Dues Category of CAFII Membership, via a first meeting and a draft Terms of Reference for this Working Group.	B. Wycks/K. Martin	31-Dec-22	In Progress/ See #2
2	BOD: June 9, 2020	Revisit the launch of the CAFII Working Group On A Proposed Lower Dues Category Of CAFII Membership once the economic environment stabilizes, via a first meeting and a draft Terms of Reference for this Working Group.	K. Martin	31-Dec-22	In Progress
3	EOC May 29, 2018	Develop a summary job description for the CAFII EOC Chair role and circulate it to EOC Members.	B. Wycks/K. Martin	31-Dec-22	In Progress
4	EOC February 27, 2018	Document in writing the process for reviewing, approving, and admitting applicants for CAFII Members and Associate status	B. Wycks	31-Dec-22	In Progress
5	BOD April 12, 2022	Work with CAFII's Treasurer and assigned Controller to wind down the Restricted Fund and transfer its residual monies into the Association's General Fund during the Association's 2022 fiscal year	B. Wycks/K. Martin	31-Dec-22	In Progress
6	EOC September 20, 2022	Bring recommendation re consolidating into one annual invoice/payment to Board at October 11/22 meeting, for approval	B. Wycks/K. Martin	4-Oct-22	Completed
7	EOC September 20, 2022	Finalize CAFII presentation to AMF staff executives for October 11/22 Industry Issues Dialogue, with its focus being on how credit card-embedded insurance benefits work, and an explanation of why CAFII asks for 12-18 months for the implementation of new regulatory requirements	B. Wycks/K. Martin	4-Oct-22	Completed
8	EOC September 20, 2022	Bring recommendations re revisions to CAFII Alerts Weekly Digest to Board at October 11/22 meeting, for approval	R. Dobbins/K. Kasperski	4-Oct-22	Completed
		Regulatory Initiatives			
9	EOC October 26, 2021	Organize a meeting of the Market Conduct and Licensing Committee to review CCIR's 2021 document on the industry's adoption of the FTC guidance	K. Martin/B. Wycks	31-Jul-22	In Progress
10	EOC September 20, 2022	Bring recommendation re return to insurance regulator and policy-maker visit tours in 2023 to Board at October 11/22 meeting, for approval	B. Wycks/K. Martin	4-Oct-22	Completed
		Association Operations			
11	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	31-May-22	Ongoing

**CAFII 2022 Schedule of Meetings and Events (Approved By Board of Directors on October 5/21;
But Subsequently Adjusted/Amended)**

Assumes Restart of In-Person Meetings in June 2022 for Board; and September 2022 for EOC

EOC Meetings: *To be held for 2 hours or 1.5 hours, in alternating months*

- **Tuesday, January 18, 2022** (2:00–4:00 p.m. via MS Teams)
- **Tuesday, February 15, 2022** (2:00–3:30 p.m. via MS Teams)
(Family Day Stat Holiday in Ontario: Monday, February 21)
- **Tuesday, March 22, 2022** (2:00–4:00 p.m. via MS Teams)
(Quebec Spring Break: March 7 – March 11. Ontario March Break: March 14 – March 18. Purim: March 17 – March 18)
- **Tuesday, April 26, 2022** (2:00–3:30 p.m. via MS Teams)
(Good Friday: Friday, April 15. Easter Monday: Monday, April 18)
- **Tuesday, May 17, 2022** (2:00–4:00 p.m. via MS Teams)
(Victoria Day Stat Holiday: Monday, May 23)
- **Tuesday, June 28, 2022** (2:00–3:30 p.m. via MS Teams)
(St. Jean Baptiste Day in Quebec: Friday, June 24. Canada Day: Friday, July 1)
- **Tuesday, July 26, 2022**, tentative summer meeting (2:00–3:30 p.m. via MS Teams)
- ~~**Tuesday, August 16, 2022**, tentative summer meeting (2:00–3:30 p.m. via MS Teams)~~
(Civic Stat Holiday: Monday, August 1)
- **Tuesday, September 20, 2022** (2:00–4:00 p.m. in-person)
(Labour Day: Monday, September 5. Rosh Hashanah: September 26 & 27. National Day for Truth and Reconciliation: Friday, September 30)
- **Tuesday, October 25, 2022** (2:00–3:30 p.m. via MS Teams)
(Yom Kippur: October 4 – October 5. Thanksgiving Stat Holiday: Monday, October 10. Diwali: Monday, October 24)
- ~~**Tuesday, November 22, Thursday, November 24, 2022** (2:00–4:00 p.m. in-person)~~
(Remembrance Day: Friday, November 11)
- **EOC Annual Appreciation Dinner: Proposed for Tuesday, May 17, September 20, 2022** at 5:30 p.m. at a downtown Toronto restaurant, immediately following a 3:00 to 5:00 p.m. EOC meeting, if public health restrictions allow.

Board Meetings:

- **Tuesday, April 12, 2022** (2:00–4:00 p.m. via MS Teams)
(Good Friday: Friday, April 15. Easter Monday: Monday, April 18)
- **Tuesday, June 7, 2022** (2:20–5:00 p.m., preceded by 2022 Annual Meeting of Members; and followed by CAFII 25th Anniversary Celebration at same or nearby downtown Toronto venue). **HOST: BMO Insurance, 68th Floor Event Space, First Canadian Place, Toronto** TD Insurance, 66 Wellington St. West, Toronto
- **Tuesday, October 11, 2022** (2:20–4:00 p.m., immediately following liaison lunch and Industry Issues Dialogue with AMF staff executives) **HOST: Desjardins Insurance in Levis/Quebec City** (This is the day immediately following Thanksgiving Monday; however, Tuesday, October 4, 2022 is Yom Kippur)
- **Tuesday, December 6, 2022** (3:00–5:00 p.m.; followed by Holiday Season/Year-End Reception).
HOST: CIBC Insurance

2022 Annual Members and Associates Luncheon:

- *Confirmed Date: Tuesday, September 13, 2022 from 11:45 a.m. EST to 2:15 p.m. EDT at St. James Cathedral Centre Event Venue , 65 Church St., Toronto*

CAFII 25th Anniversary Celebration:

- *Tentative Date: Wednesday, October 19, 2022 (alternate date: Thursday, October 20, 2022), hosted by BMO Insurance at BMO Corporate Event Space, 68th Floor, First Canadian Place, Toronto*

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; CIBC Insurance

2016 Board Meetings Hosted by:

CUMIS Group; Assurant Solutions; RBC Insurance; BMO Insurance

Recent Years' Annual Members and Associates Luncheons**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"

Speaker: 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

2018 Annual Members and Associates Luncheon

Topic: "Leading For Success in A Volatile World"

Speaker: Richard Nesbitt, CEO, the Global Risk Institute

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

Briefing Note

CAFII EOC Meeting 25 October, 2022—Agenda Item 3(a) Financial Management Matters--CAFII Financial Statements as at September 30/22

Purpose of this Agenda Item – Update

To update the EOC on the Association's financial statements as at September 30, 2022.

Background Information

CAFII Treasurer Donald Hinnecke will provide an update on the CAFII Financial Statements as at 30 September 30, 2022.

Recommendation / Direction Sought – Update

This is an update only.

Attachments Included with this Agenda Item

1 attachment.

Briefing Note

CAFII EOC Meeting 25 October, 2022—Agenda Item 3(b) Financial Management Matters—Forecast For CAFII 2022 Fiscal Year as at September 30, 2022

Purpose of this Agenda Item – Update

To update the EOC on the forecast for the Association's 2022 fiscal year as at September 30, 2022.

Background Information

CAFII Treasurer Donald Hinnecke will provide an update on the CAFII 2022 fiscal year forecast.

Recommendation / Direction Sought – Update

This is an update only.

Attachments Included with this Agenda Item

1 attachment.

Briefing Note

CAFII EOC Meeting 25 October, 2022—Agenda Item 3(c)

Financial Management Matters— Development of Draft 2023 CAFII Operating Budget

Purpose of this Agenda Item – *Update*

To update the EOC on the plan for development of the 2023 CAFII Operating Budget.

Background Information

CAFII management will work with Committee Chairs, the EOC, and CAFII's Treasurer in the development of the Association's 2023 Operating Budget. Considerations will include that CAFII expects a full return to in-person events in 2023; that there is general inflation that is increasing the costs of doing business; and that CAFII has observed a higher rate of inflation for food, venue, and travel costs.

Recommendation / Direction Sought – *Update*

This is an update-only for the EOC.

Attachments Included with this Agenda Item

1 attachment.

Revised Critical Path for Development and Approval of 2023 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 2023 Operating Budget spending requests, along with related rationale, by October 4/22	Ricky Nason (new CAFII Controller)	October 11/22
Provide input submissions on individual portfolio 2023 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 20/22
Prepare Draft 1 of 2023 Operating Budget, in consultation with B. Wycks and K. Martin	R. Nason	October 24/22
Meet virtually to review and amend, as necessary, Draft 1 of 2023 Operating Budget	D. Hinnecke, B. Wycks, K. Martin, R. Nason	October 27 or 28/22
Prepare Draft 2 of 2023 Operating Budget, with oversight from B. Wycks and K. Martin	R. Nason	October 31/22
Meet virtually to review Draft 2 of 2023 Operating Budget	D. Hinnecke, B. Wycks, K. Martin, R. Nason	November 2/22
Prepare Draft 3 of 2023 Operating Budget, with oversight from B. Wycks and K. Martin	R. Nason	November 7/22
Send Draft 4 of 2023 Operating Budget to Committee Chairs and Vice-Chairs, on behalf of B. Wycks and K. Martin, with request for review and feedback by November 14/22	R. Nason	November 8/22
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 and Vice-Chairs	November 14/22
Prepare Draft 5 of 2023 Operating Budget, if necessary, for posting for November 24/22 EOC Meeting	R. Nason	November 15/22
Meet virtually to review, amend, and finalize Draft 5 of 2023 Operating Budget for inclusion in November 24/22 EOC Meeting Materials Package	D. Hinnecke, B. Wycks, K. Martin, R. Nason	November 16 or 17/22
Post Draft 5 of 2023 Operating Budget for November 24/22 EOC Meeting and incorporate it into consolidated package of meeting materials	J. Becker, B. Wycks, K. Martin	November 18/22
Review and endorse Draft 5 of 2023 Operating Budget, in November 24/22 EOC meeting, for presentation to the Board for approval at its December 6/22 meeting	EOC Members	November 24/22
Post Draft 5 of 2023 Operating Budget for December 6/22 Board of Directors Meeting and incorporate it into consolidated package of meeting materials	J. Becker, B. Wycks, K. Martin	November 29/22
Present Draft 5 of 2023 Operating Budget to Board of Directors with rationale/case for approval	D. Hinnecke	December 6/22
Review, discuss, and approve Draft 5 of 2023 Operating Budget (must be in open Board meeting so the approval decision can be minuted)	Board of Directors	December 6/22

Agenda Item 4(a)
October 25/22 EOC Meeting

Recently Completed and Imminent/Pending CAFII Regulatory Submissions As At October 21, 2022

<u>Regulatory Authority</u>	<u>Topic</u>	<u>Deadline</u>	<u>Comments</u>
AMF	Draft Regulation on Complaints Handling and Dispute Resolution in the Financial Sector	December 8, 2021	CAFII submission sent on December 8/21.
FCAC	Proposed Guideline On Complaint Handling Procedures For Banks and Authorized Foreign Banks	December 11, 2021	CAFII submission sent on December 11/21.
FCAC	Proposed Guideline on Appropriate Products and Services For Banks and Authorized Foreign Banks	January 6, 2022	CAFII submission sent on January 6/22. Follow-up virtual Stakeholder Session, requested by FCAC, took place on Friday, January 15/22.
AMF	Revised/Updated Sound Commercial Practices Guideline	January 28, 2022	CAFII submission sent on January 28/22.
FCAC	Proposed Guideline on Whistleblowing Policies and Procedures for Banks and Authorized Foreign Banks	January 29, 2022	CAFII Co-Executive Directors are of the view that this consultation is “out of scope” for our Association, and is best left for the Canadian Bankers Association (CBA) to respond to/address. This is the third in a series of consultations on guidelines that FCAC has developed to help Banks comply with their obligations in the Bank Act and the new Financial Consumer Protection Framework Regulations , which will come into force on June 30, 2022. A first consultation on a proposed Guideline on Complaints Handling Procedures ended on December 11, 2021. A second consultation on a proposed Guideline on Appropriate Products and Services is in progress until January 6, 2022.
FCNB	“Proposed Rule INS-001: Insurance Intermediaries Licensing and Obligations”	CAFII submission sent on February 7, 2022	Among various matters, outlines specifics of FCNB’s plan to introduce a Restricted Insurance Agent (RIA) licensing regime in New Brunswick, which will be the first in Atlantic Canada.
OSFI	Draft Guideline B-13: Technology and Cyber Risk Management	February 9, 2022	Insights gained from a November 30/21 OSFI Information Session webinar enabled CAFII to determine that this OSFI consultation is “out of scope” for our Association, as it is exclusively prudential regulation/“going concern”-focused and not inclusive of consumer-oriented, market conduct regulatory issues.

FSRA	"Information Guidance on complaints resolution"	CAFII submission sent on February 15, 2022	Released on December 22/21 for a 55 days public consultation. CAFII has responded to FSRA consultations of this nature/type in the past.
FCNB	Proposed Rule INS-002: Insurance Fees"	CAFII submission sent on February 18, 2022	Released on December 17/21 for a 60 days public consultation. CAFII has responded to FCNB consultations of this nature/type in the past.
AMF	Incentive Management Guideline	CAFII submission sent on February 18, 2022	AMF extended deadline from the initial January 28/22, largely at CLHIA's behest.
BCFSA	"Discussion Paper: Information Security Incident Reporting"	CAFII submission sent on March 1, 2022	A delegation of approximately 15 CAFII representatives met virtually with BCFSA staff executives Saskia Tolsma, Rob O'Brien, and Steven Wright to discuss the Authority's "Discussion Paper: Information Security Incident Reporting" and CAFII's preliminary feedback on that consultation document (Rob and Steven, collectively, are responsible for drafting BCFSA's market conduct-related consultation documents). Insights gained caused CAFII to overhaul its draft written submission on the Discussion Paper – largely to be more emphatic and specific in its recommendations around national harmonization, through CCIR – and to secure a two business days deadline extension to March 1/22.
CCIR/CISRO	Proposed "Incentive Management Guidance"	April 4, 2022	CAFII submission sent on April 4/22.
FSRA	"Principles-Based Regulation" consultation document	April 29, 2022	CAFII submission sent on April 29/22.
FSRA	Proposed "Principles of Conduct for Insurance Intermediaries"	May 3, 2022	CAFII submission sent on May 3/22.
FCNB	Informal Consultation on Imminent Amendments to Life; and Accident & Sickness Insurance sections of New Brunswick Insurance Act	May 20, 2022 (Life Insurance section) and May 27, 2022 (Accident and Sickness Insurance section)	With FCNB's agreement/permission, CAFII formed a special ad hoc Working Group comprised of one representative from 12 participating Member companies to tackle this review and feedback assignment under a Confidentiality Undertaking. CAFII submissions sent on May 20, 2022 (Life Insurance section) and May 27, 2022 (Accident and Sickness Insurance section).

FSRA	Consultation on "Guidance on Use of Retained Revenues under Regulation 'Money Retained Outside the Consolidated Revenue Fund'	May 31, 2022	CAFII submission sent on May 31/22.
OSFI	Consultation on "Culture Risk Management"	May 31, 2022	EOC determined that this consultation is out-of-scope for CAFII.
Insurance Council of BC	Consultation on "Insurance Council Rules" (which set the licence conditions and requirements for all BC insurance licensees)	June 1, 2022	EOC determined that this consultation is out-of-scope for CAFII.
CISRO	Consultation on Improvements to Life Insurance Replacement Declaration (LIRD) Form	July 8, 2022	EOC determined that this consultation is out-of-scope for CAFII.
BCFSA	Draft Insurer Code of Market Conduct and Supplemental Guideline	September 9, 2022	CAFII submission sent on September 9/22.
OSFI	Consultation on Updated Guideline B-10: Third Party Risk Management	September 30, 2022	Through an iterative process – including two Market Conduct & Licensing Committee meetings, along with touchpoint meetings with OSFI, CLHIA and CBA – CAFII determined that this consultation is "out of scope" for our Association. Instead, CAFII will support CLHIA's and CBA's submissions; and continue to monitor this OSFI Guideline in order to be able to inform Members of any key learnings.
BC Ministry of Finance	Consultation on Proposed Restricted Insurance Agent (RIA) Licensing Regime in BC	October 3, 2022	CAFII submission sent on October 3/22. Released on June 30/22 for a 95 days public consultation.
FSRA	Consultation on FSRA's 2023-24 Priorities and Budget	November 11, 2022	Released on October 11/22 for a 30 days public consultation.
BCFSA	Two follow-up questions re alignment and divergences between BCFSA's "Draft Insurer Code of Market Conduct" and	November 15/22	Sent to CAFII on October 14/22 for a one month direct stakeholder consultation.

	CCIR/CISRO “Guidance: Conduct of Insurance Business and Fair Treatment of Customers”		
CCIR	CCIR Draft 2023-25 Strategic Plan	November 30, 2022	CAFII invited, as one of four or five select industry stakeholders, to provide feedback on the CCIR Draft Strategic Plan in a 40 minute virtual feedback session on November 4/22; and to follow that up with a more formal written feedback submission by November 30/22

Briefing Note

**CAFII EOC Meeting 25 October, 2022—Agenda Item 4(a)i
Committee Updates--Market Conduct & Licensing-- CAFII Feedback on CCIR's Draft 2023-25 Strategic
Plan (To Be Delivered in November 4/22 Virtual Stakeholder Session; and Subsequently In Writing)**

Purpose of this Agenda Item – Update

To update the EOC on a CCIR consultation which CAFII will be responding to in November.

Background Information

CCIR has distributed its draft 2023-25 Strategic Plan, on an embargoed basis, and asked CAFII to offer its verbal feedback at a virtual session to be held on 4 November, 2022; and to subsequently offer a written submission on its views.

Recommendation / Direction Sought – Update

This is an update-only for the EOC.

Attachments Included with this Agenda Item

1 attachment.

Agenda Item 4(a)(i)(1)

October 25/22 EOC Meeting

From: Peter Burston <Peter.Burston@fsrao.ca>
Sent: October-11-22 2:50 PM
To: Brendan Wycks <brendan.wycks@cafii.com>; Keith Martin <Keith.Martin@cafii.com>
Subject: CCIR | Draft CCIR 2023-26 Strategic Plan
Importance: High
Sensitivity: Confidential

Dear Brendan, Keith,

As a key stakeholder of the Canadian Council of Insurance Regulators (CCIR) you are being provided the attached draft CCIR Strategic Plan for 2023-2026 ("draft Strategic Plan"). The draft Strategic Plan should be considered embargoed until the publication of the CCIR Strategic Plan in April 2023. The draft Strategic Plan may only be shared with key representatives of your organization for the purpose of supporting a response to this CCIR stakeholder consultation.

The draft Strategic Plan sets out:

- CCIR's national regulatory coordination framework;
- proposed strategic priorities;
- CCIR standing committees;
- key issues and emerging trends; and
- CCIR's proposed operational plan for 2023-2024.

Stakeholders are invited to provide feedback to CCIR concerning all aspects of the draft Strategic Plan, **no later than November 30th**. Submissions should be directed to the CCIR Secretariat at ccir-ccrra@fsrao.ca

We also look forward to the opportunity to receive your preliminary feedback during our virtual consultation on **November 4th**.

Thanks and Best Regards,

Peter

Peter Burston
Director, CCIR Secretariat

Briefing Note

**CAFII EOC Meeting 25 October, 2022—Agenda Item 4(a)ii
Committee Updates--Market Conduct & Licensing-- FSRA Consultation on Proposed 2023-24
Statement of Priorities and Budget (Submission Deadline: November 11/22)**

Purpose of this Agenda Item – Update

To update the EOC on a consultation which CAFII will be responding to in November.

Background Information

FSRA is consulting with stakeholders on its proposed 2023-24 Statement of Priorities and budget, with a submission deadline of 11 November, 2022. CAFII will be making a written submission.

Recommendation / Direction Sought – Update

This is an update-only for the EOC.

Attachments Included with this Agenda Item

Two (2) attachments.

Agenda Item 4(a)(ii)(1)

October 25/22 EOC Meeting

ID

2022-012

Type

Priorities/Budget

Sector

All Sectors

Status

Open

Date

October 13, 2022

Comment Due Date

November 11, 2022

FSRA is launching a public consultation on its proposed [2023-24 Statement of Priorities and financial plan](#).

FSRA's proposed priorities continue to focus on fostering principles-based regulation, while delivering on outcomes that ensure consumer protection, support innovation and effectively address emerging risks and supervision needs in the sectors it regulates.

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

Consultation is an essential part of FSRA's commitment to transparency and accountability. This ensures that FSRA's plans for the upcoming fiscal year consider stakeholder feedback.

FSRA is now seeking feedback on its proposed 2023-24 Statement of Priorities and budget. The consultation will close on November 11, 2022.

Briefing Note

**CAFII EOC Meeting 25 October, 2022—Agenda Item 4(a)iii
Committee Updates--Market Conduct & Licensing-- BCFSA's Two Follow-up Questions for CAFII Re
Inconsistencies Between Principles in Its Draft Insurer Code of Market Conduct and CCIR/CISRO's
"Guidance: Conduct of Insurance Business and Fair Treatment of Customers" Budget (Submission
Deadline: November 15/22)**

Purpose of this Agenda Item – Update

To update the EOC on a consultation which CAFII will be responding to in November.

Background Information

CAFII made a submission to BCFSA in early September on its Draft Insurer Code of Market Conduct, which is based on the CCIR/CISRO Guidance: Conduct of Insurance Business and Fair Treatment of Customers, but has its own minor variations. CAFII has asked BCFSA to just adopt the CCIR/CISRO Guidance, and BCFSA has responded with two questions it is asking of CAFII. A response will be provided in writing to BCFSA by the deadline of 15 November, 2022.

Recommendation / Direction Sought – Update

This is an update-only to the EOC.

Attachments Included with this Agenda Item

Two (2) attachments.

Agenda Item 4(a)(iii)(1); October 25/22 EOC Meeting

From: Marina Makhnach <Marina.Makhnach@bcfsa.ca>
Date: October 14, 2022 at 1:40:53 PM EDT
To: Keith Martin <keith.martin@cafii.com>
Cc: Saskia Tolsma <Saskia.Tolsma@bcfsa.ca>
Subject: Follow up Questions. BCFSA Insurer Code of Market Conduct Consultation

Dear Keith:

Thank you for taking the time to provide a response to the BCFSA consultation on the Insurer Code of Conduct ("BCFSA Code").

When developing the BCFSA Code, our intention for the Code was for it to be principles-based. This is why we distilled the outcomes and expectations from the CCIR/CISRO's FTC guidance into a set of principles that insurers will be required to adhere to.

During the consultation on the BCFSA Code and supplemental guideline, industry advised BCFSA to adopt the CCIR/CISRO's FTC guidance as its Code citing concerns over harmonization and different approaches to FTC.

Currently we are trying to better understand the inconsistencies between principles included in the BCFSA Code and the CCIR/CISRO FTC Guidance. We would be grateful if CAFII could help us with this by answering the following two questions:

- Please provide specific examples of differences between the principles in BCFSA Code and CCIR/CISRO's FTC guidance that create potential compliance challenges for you.*
- BCFSA and CCIR periodically release guidance to insurers on discreet FTC issues that build on the CCIR/CISRO's FTC principles. Please explain if insurers embed the expectations from additional guidance released by regulators into their compliance regimes? If so, how (process, frequency etc.)?*

To facilitate a response to the first questions, I included a cross reference document that maps out the BCFSA Code to the CCIR/CISRO FTC Guidance. For reference, I also included the BCFSA Code that we were consulting on with the industry.

If you are willing to participate and provide a response, I am hoping to receive a feedback to the two questions by November 15, 2022, if possible.

As always, we are happy to connect and provide clarification or answer any questions you might have.

Thank you,

Marina Makhnach (she, her)
Director, Market Conduct Financial Institutions
BC Financial Services Authority
O (778) 609-2075 M (778) 869-2921
600-750 West Pender Street, Vancouver, B.C. | V6C 2T8, www.bcfsa.ca

BCFSA
Alignment between the BCFSA Code of Conduct and CCIR FTC Guidance
Oct-22

To ensure consistency and promote harmonization with requirements in other jurisdictions, the BCFSA Code models the outcomes and expectations included in CCIR FTC Guidance. Some of the principles in the Code elevate and put into sharper focus expectations from CCIR's FTC Guidance. The table below maps out the alignment between the Code and CCIR FTC Guidance.

BCFSA Code, Principles	CCIR/CISRO FTC Guidance Reference		Alignment between BCFSA Code and FTC
	Section #, Paragraph, Page	Expectations	
Business Culture			
1.1 Governance In addition to ensuring safety and soundness, FTC is a core component of the insurer's governance and business culture.	Section 6.1 Governance and Business Culture, 2nd paragraph, p. 13 Outcome	CCIR and CISRO expect fair treatment of Customers to be a core component of the governance and business culture of Insurers and Intermediaries.	Close alignment
1.2 Accountability Overall responsibility for FTC is at the level of the board of directors and senior management, who design, approve, implement, and monitor adherence to policies and procedures aimed at ensuring that customers are treated fairly.	Section 6.1 Governance and Business Culture, 4th paragraph, p.13 Expectation	Overall responsibility for fair treatment of Customers is at the level of the board and/or senior management, who design, approve, implement, and monitor adherence to policies and procedures aimed at ensuring that Customers are treated fairly.	Close alignment
1.3 Monitoring The insurer monitors and takes corrective action on the implementation of FTC principles at all levels of the organization with a focus on identifying risks or departures from FTC practices, policies, and procedures that could hinder the achievement of FTC outcomes.	Section 6.1 Governance and Business Culture, 4th, 5th and 6th paragraphs, p. 13 Expectation	Overall responsibility for fair treatment of Customers is at the level of the board and/or senior management, who design, approve, implement and monitor adherence to policies and procedures aimed at ensuring that Customers are treated fairly. Management information includes the most useful information and indicators to allow the board and senior management to: <ul style="list-style-type: none"><input type="checkbox"/> assess the organizational performance with respect to fair treatment of Customers;<input type="checkbox"/> react, in a timely manner, to changes or risks likely to have a negative impact on their Customers; and<input type="checkbox"/> demonstrate that fair treatment of Customers is part of their business culture.	Close alignment
1.4 Measurement and Reporting The insurer periodically reports the achievement of FTC outcomes over the entire lifecycle of its products to senior management and the board of directors, using indicators that are measured, monitored, and driven by a cycle of continuous improvement.	Section 3 Business Culture, 3rd paragraph, 3rd bullet point, p.10 Objective	Mechanisms and controls are established to identify and deal with any departure from the organizational strategies. Insurers understand the importance of reporting the achievement of expected results at all levels, using indicators in terms of fair treatment of Customers that are measured, monitored, and driven by a cycle of continuous improvement.	Close alignment
1.5 Communication with BCFSA The insurer maintains an open and transparent relationship with BCFSA regarding the implementation of the Code and other FTC related matters.	Section 5 Relationship with Regulatory Authorities, p. 12 Expectation	With regard to regulatory authorities, Insurers and Intermediaries are expected to: <ul style="list-style-type: none"><input type="checkbox"/> make available their strategies, policies and procedures dealing with the fair treatment of Customers;<input type="checkbox"/> promptly advise regulatory authorities if they are likely to sustain serious harm due to a major operational incident that could jeopardize the interests or rights of Customers and the Insurer or the Intermediary's reputation. Moreover, Insurers are expected to communicate and report to the regulatory authorities any Intermediary with whom they have transacted that may be unsuitable or not duly authorized, which could result in impairing the fair treatment of Customers. This may include: <ul style="list-style-type: none"><input type="checkbox"/> identifying whether some Intermediaries or particular issues are subject to regular or frequent complaints; and<input type="checkbox"/> reporting to the regulator recurring issues relevant to the regulator's assessment of the Intermediaries concerned.	Close alignment

BCFSA Code, Principles	CCIR/CISRO FTC Guidance Reference		Alignment between BCFSA Code and FTC
	Section #, Paragraph, Page	Expectations	
Business Practices			
2.1 Product Design The design of a new insurance product or significant adaptations made to an existing product must consider the needs and interests of the target customer group(s) and support the achievement of FTC outcomes.	Section 6.4 Design of Insurance Product, 1st paragraph, p.18 Outcome	CCIR and CISRO expect that the design of a new insurance product or significant adaptations made to an existing product take into account the interests of the target Consumers' group.	Close alignment
2.2 Product Promotion The insurer ensures its products are promoted in plain language and in a format that is not misleading to customers. The insurer ensures its promotional materials identify the insurer accurately and clearly, are easy to understand, are consistent with the coverage offered, and highlight key elements that could affect a customer's decision.	Section 6.7 Product Promotion, 1st and 5th paragraph, p.22 Outcome, Expectation	CCIR and CISRO expect that product promotional material is accurate, clear, not misleading and consistent with the result reasonably expected to be achieved by the Customer of the product. To promote products in a fair manner, the information provided: <input type="checkbox"/> is easily understandable; <input type="checkbox"/> is consistent with the coverage offered; <input type="checkbox"/> accurately identifies the Insurer; <input type="checkbox"/> states prominently the basis for any claimed benefits and any significant limitations; <input type="checkbox"/> does not hide, diminish or obscure important statements or warnings.	Close alignment
2.3 Product Distribution The insurer uses a distribution strategy that is appropriate for and tailored to, the product and the needs and interests of the targeted customer group(s), and results in consistent FTC protections independent of the distribution model chosen. The insurer is ultimately responsible for overseeing all aspects of the distribution process.	Section 6.5 Distribution Strategies, 1st paragraph, p.20 Outcome Section 6.5 Distribution Strategies, 2nd paragraph, p.20 Preamble	CCIR and CISRO expect that distribution strategies are tailored to the product, consider the interests of the targeted Consumer groups and result in consistent Consumer protections independently of the distribution model chosen. Insurers are accountable for distribution strategies and ultimately responsible for oversight aspects pertaining to the distribution of their products. However, the Insurer's ultimate responsibility does not absolve Intermediaries of their own responsibilities for which they are accountable.	Close alignment
2.4 Product Monitoring The insurer monitors a product and takes corrective action after it is launched to ensure it continues to meet the needs of customers. This includes ensuring customers reasonably understand the product and its main features.	Section 6.4 Design of Insurance Product, 3rd paragraph, 3rd bullet point, 4th sub-bullet point, p.18 Expectation	Policies, procedures and controls put in place enable the Insurer to: - monitor a product after its launch to ensure it still meets the needs of target Customers and, as the case may be, take the necessary remedial action.	Close alignment
2.5 Conflicts of Interest The insurer avoids or properly manages any potential or actual conflicts of interest so that it does not affect FTC. Where a conflict of interest cannot be avoided or appropriately managed, the insurer declines to act in the provision of service or sale.	Section 6.2 Conflicts of Interest, 1st paragraph, p.14 Outcome Section 6.2 Conflicts of Interest, 1st bullet point p.15 Expectation	CCIR and CISRO expect that any potential or actual conflicts of interest be avoided or properly managed and not affect the fair treatment of Customers. Where conflicts of interest cannot be managed satisfactorily, this results in the Insurer or Intermediary declining to act.	Close alignment
2.6 Incentives Management and Remuneration Structure The insurer's incentives management and/or remuneration structure considers FTC and does not result in unfair customer outcomes.	Section 6.2 Conflicts of Interest, 3rd paragraph, 1st and 2nd bullet points, p.14 Expectation	Examples of conflicts of interest that may arise: <input type="checkbox"/> from compensation structures, performance targets or performance management criteria; <input type="checkbox"/> from inducements as benefits offered to an Insurer or Intermediary or any person acting on its behalf, incentivizing that firm/person to adopt a particular course of action;	Partial alignment
2.7 Arrangement with Service Providers The insurer retains accountability for ensuring the activities and business practices of service providers align with FTC principles, as well as the laws, regulations, codes, and guidelines applicable to the insurer's activities.	Section 6.3 Outsourcing, 1st paragraph, 4th paragraph-1st bullet point, p.16 Outcome Expectation	CCIR and CISRO expect that functions related to conduct of insurance business outsourced to service providers do not hinder the quality of services or jeopardize the Insurer's or the Intermediary's ability to achieve fair treatment of Customers. Insurers retain full and ultimate responsibility for outsourced functions and, consequently, monitor them accordingly.	Close alignment

BCFSA Code, Principles	CCIR/CISRO FTC Guidance Reference		Alignment between BCFSA Code and FTC
	Section #, Paragraph, Page	Expectations	
2.8 Arrangements with Intermediaries The insurer is ultimately responsible for FTC throughout the lifecycle of the product, regardless of any agreements with intermediaries. This means that customers receive the same quality of service as they would if they were dealing directly with the insurer, including in instances where core business functions, such as underwriting, claims handling, designing and marketing, and distributing products have been delegated to another party.	Section 1 Conduct of Business, last paragraph, p.8 Expectation	Although ongoing policy servicing is traditionally seen as primarily the responsibility of the Insurer, Intermediaries are often involved, particularly where there is an ongoing relationship between the Customer and the Intermediary. In such a case, the Insurer remains ultimately responsible for servicing policies throughout their life-cycle, and ensuring that Intermediaries have appropriate policies and procedures in place in respect of the policy servicing activities performed on the Insurer's behalf.	Close alignment
2.9 Protection of Personal Information The insurer respects and protects the confidentiality of a customer's personal information.	Section 6.12 Protection of Personal Information, 1st paragraph, p.28 Outcome	CCIR and CISRO expect protection of confidentiality of personal information policies and procedures adopted by Insurers or Intermediaries to ensure compliance with legislation relating to privacy protection and to reflect best practices in this area.	Close alignment
Fair Treatment of Customers			
3.1 Advice Customers are made aware by the insurer or parties acting on its behalf when advice or a recommendation on an insurance product has been provided. When the provision of advice is required by law, customers receive relevant and personalized advice that considers their disclosed circumstances.	Section 6.8 Advice, 1st-3rd paragraphs, p.23 Outcome Preamble	CCIR and CISRO expect that, when provision of advice is required by law before concluding the contract, Customers receive relevant advice, taking into account the Customer's disclosed circumstances. Advice goes beyond the provision of product information and relates specifically to the provision of a personalized recommendation on a product in relation to the disclosed needs of the Customer. Insurers and Intermediaries are committed to delivery of relevant advice, communicated in a clear and accurate manner that is comprehensible to the Customer. Minimizing the risk of inappropriate sales is a core priority. Independent of the distribution model or the medium used, it is made clear to the Customer whether advice is being provided or not.	Close alignment
3.2 Disclosure of Information Customers receive relevant, accurate, timely and up-to-date product-related information relevant to their decision in plain language before, during, and after the point of sale.	Section 6.6, Disclosure to Customer, 1st, 2nd, 3rd paragraph, p.21 Outcome Section 6.9 Disclosure to Policyholder, 1st, 2nd, 3rd paragraph, p.25 Preamble	CCIR and CISRO expect that a Customer is given appropriate information to make an informed decision before entering into a contract. Insurers and Intermediaries ensure that Customers are appropriately informed about a product, before and at the point of sale, to enable them to make an informed decision about the proposed product. The information provided should be sufficient to enable Customers to understand the characteristics of the product they are buying and help them to understand whether and how it may meet their needs. To this end, the level of information required will vary according to the knowledge and experience of a typical Customer for the product in question and the product's overall complexity. CCIR and CISRO expect that policyholders are provided information which allows them to make informed decisions throughout the lifetime of their contracts. CCIR expects that the disclosure processes established by Insurers allow policyholders to determine whether the product continues to suit their needs and expectations and, as the case may be, remind them in a timely manner of options that can be exercised from time to time. Where there are changes in terms and conditions, the Insurer notifies the policyholder of their rights and obligations regarding such changes and obtains the policyholder's consent as appropriate.	Close alignment
3.3 Online Products The insurer applies the same level of fair treatment, transparency, and disclosure to the digital offering of products as it does to traditional methods.	Section 6.5 Distribution Strategies, 3rd paragraph, p.20 Preamble Section 6.6 Disclosure to Customer, 4th paragraph, p.21 Preamble	Distribution strategies have evolved as well as the digital needs of Customers and CCIR and CISRO consider that this evolutionary process to continue and expect that the Customers' needs be fulfilled regardless of the distribution model or the medium used. Whatever distribution model and medium used to make the disclosure, Insurers and Intermediaries ensure they provide an equivalent level of protection to Customers.	Partial alignment
3.4 Claims Handling The insurer ensures claims are examined diligently and settled fairly, in a timely manner, using a simple procedure that is made readily available to customers.	Section 6.10 Claims Handling and Settlement, 1st paragraph, p.26 Outcome	CCIR and CISRO expect claims to be examined diligently and fairly settled, using a simple and accessible procedure.	Close alignment

BCFSA Code, Principles	CCIR/CISRO FTC Guidance Reference		Alignment between BCFSA Code and FTC
	Section #, Paragraph, Page	Expectations	
3.5 Complaint Handling The insurer examines complaints diligently and fairly, using a simple and accessible procedure that ensures complaints are handled in a transparent and timely manner.	Section 6.11 Complaints Handling and Dispute Resolution, 1st paragraph, p.27 Outcome	CCIR and CISRO expect complaints to be examined diligently and fairly, using a simple and accessible procedure.	Close alignment
3.6 Policy Decisions and Renewals The insurer communicates to the customers in a timely manner with a rationale as to whether their application will be accepted or a policy will be renewed.	Section 6.9 Disclosure to Policyholder, 1st paragraph, p.25 Outcome	CCIR and CISRO expect that policyholders are provided information which allows them to make informed decisions throughout the lifetime of their contracts.	Partial alignment

Briefing Note

**CAFII EOC Meeting 25 October, 2022—Agenda Item 4(b)i
Committee Updates—Media Advocacy-- Recent Operatic Agency Deliverables Re CAFII Website
Videos; and Enhancements to FAQs on CAFII Website**

Purpose of this Agenda Item – Update

To update the EOC on recent enhancements to the CAFII website.

Background Information

Operatic Agency continues to deliver enhancements to the CAFII website in conjunction with the 2022 website plan.

Recommendation / Direction Sought – Update

This is an update-only for the EOC.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting 25 October, 2022—Agenda Item 4(c)i

**Committee Updates—Research & Education-- Execution of EOC-Approved CAFII 2022 Tracking Study
Research on Consumers' Satisfaction with CPI, with Pollara Strategic Insights**

Purpose of this Agenda Item – Update

To update the EOC on the 2022 CAFII research project with Pollara Strategic Insights.

Background Information

The Research & Education Committee recently completed its review of the draft Pollara survey questionnaire on consumer views of credit protection insurance, and the survey is now in the field. The questionnaire includes a couple of questions on inflation that CAFII hopes will attract media attention.

Recommendation / Direction Sought – Update

This is an update-only for the EOC.

Attachments Included with this Agenda Item

1 attachment.

**CAFII – Consumer Opinions of Credit Protection Insurance Research – Wave 2
Draft Survey**

- A. Please select the province in which you live:
- a. Newfoundland & Labrador
 - b. Nova Scotia
 - c. Prince Edward Island
 - d. New Brunswick
 - e. Quebec
 - f. Ontario
 - g. Manitoba
 - h. Saskatchewan
 - i. Alberta
 - j. British Columbia
 - k. Northwest Territories
 - l. Yukon
 - m. Nunavut
 - n. Currently live outside Canada [TERMINATE]

[RECODE INTO REGIONS]

Atlantic Canada

Quebec

Ontario

Prairies

Alberta

BC and Territories

- B. Please enter your year of birth:
- [ENTER]** **[TERMINATE IF UNDER 18]**

- C. Please select your gender:
- Woman
 - Man
 - Another gender identity
 - Don't know/Unsure

Definitions

SHOW ON SEPARATE PAGE. RESPONDENTS MUST CLICK NEXT TO CONTINUE WITH SURVEY.

Today we are going to ask you about Credit Protection Insurance for Mortgages and Home Equity Lines of Credit. Below are some definitions of what we will be referring to in the survey. Throughout the survey, if you would like a reminder of these definitions, hover over the name of the insurance product and to see the relevant definition.

Credit Protection Insurance for mortgages - is optional insurance used to pay out the balance on your mortgage in the event of death or diagnosis of a critical illness, or make/postpone debt 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.

Note: Credit Protection Insurance is NOT the same insurance that is required by the Canada Mortgage and Housing Corporation (CMHC) on homes that were purchased with less than a 20% down payment, which will pay back the lender if the home owner needed to default on their mortgage.

Credit Protection Insurance for Home Equity Line of Credit - is optional insurance used to pay out the balance of your 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.

DO NOT SHOW GREY DEFINITION ON DEFINITION PAGE – JUST FOR SURVEY QUESTION USE

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.

1. Do you have now, or have you ever had the following:

GRID COLUMNS

Have now

Had in the past but not now

Never had

Don't know

GRID ROWS (RANDOMIZE)

A mortgage

A Home Equity Line of Credit (HELOC)

2. **IF HAVE MORTGAGE IN Q1 ASK:** Do you currently have Credit Protection Insurance for your mortgage?
Yes
No
Don't know

IF NO OR DON'T KNOW, SKIP TO Q5

3. And what does the Credit Protection Insurance cover you for? Please select all that apply.

Life – pays out your insured balance in the event of death

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)

Critical Illness – pays out your insured balance if you are diagnosed with a covered critical illness

Job Loss – on involuntary unemployment, provides payment protection by making specific debt payments on your behalf, for a time-limited period

Other

Don't know

4. When did you purchase or arrange for the Credit Protection Insurance for your mortgage?

DROP DOWN BOX THAT SHOWS LESS THAN ONE YEAR, ONE YEAR INCREMENTS FROM ONE TO 25 AND MORE THAN 25 YEARS AGO. INCLUDE SEPARATE DON'T KNOW AND PREFER NOT TO ANSWER CATEGORIES

5. IF HAVE LINE OF CREDIT IN Q1 ASK: Do you currently have Credit Protection Insurance for your Home Equity Line of Credit?

Yes

No

Don't know

IF NO OR DON'T KNOW, SKIP TO Q8

6. And what does the Credit Protection Insurance cover you for? Please select all that apply.

Life – pays out your insured balance in the event of death

Disability – payments for your Home Equity Line of Credit 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)

Critical Illness – pays out your insured balance if you are diagnosed with a covered critical illness

Job Loss – on involuntary unemployment, provides payment protection by making specific debt payments on your behalf, for a time-limited period

Other

Don't know

7. When did you purchase or arrange for your Credit Protection Insurance for your Home Equity Line of Credit?

DROP DOWN BOX THAT SHOWS LESS THAN ONE YEAR, ONE YEAR INCREMENTS FROM ONE TO 25 AND MORE THAN 25 YEARS AGO. INCLUDE SEPARATE DON'T KNOW AND PREFER NOT TO ANSWER CATEGORIES

8. **ASK EVERYONE:** Have you ever submitted a claim for Credit Protection Insurance for your mortgage or Home Equity Line of Credit? A claim is made in the event the insured person had died, or had been diagnosed with a critical illness, became disabled or lost your/their job? Please select all that apply

Mortgage
Home Equity Line of Credit
Both
None of the above

IF DO NOT HAVE MORTGAGE OR HOME EQUITY LINE OF CREDIT AND NEVER MADE A CLAIM ON MORTGAGE OR LINE OF CREDIT PROTECTION INSURANCE, TERMINATE.

QUOTAS: **NON-HOLDERS:** HAVE A MORTGAGE/LINE OF CREDIT, BUT NOT MORTGAGE/LINE OF CREDIT PROTECTION INSURANCE
CURRENT HOLDERS: HAVE MORTGAGE/HOME EQUITY LINE OF CREDIT PROTECTION INSURANCE
CLAIMANTS: HAVE MADE A CREDIT PROTECTION INSURANCE CLAIM (ON MORTGAGE/HOME EQUITY LINE OF CREDIT)

IF HOLDER OF MORTGAGE INSURANCE – GO TO SECTION A: MORTGAGE CREDIT PROTECTION INSURANCE HOLDERS

IF HOLDERS OF HELOC INSURANCE – GO TO SECTION B: HELOC CREDIT PROTECTION INSURANCE HOLDERS

IF HOLDER OF BOTH MORTGAGE AND HELOC – RANDOMLY SELECT ONE OF SECTION A OR B FOR PARTICIPANT TO ANSWER

IF NON-HOLDER GO TO SECTION C – NON-HOLDER

SECTION A: MORTGAGE CREDIT PROTECTION INSURANCE HOLDERS

A1. For the next few questions, please consider the Credit Protection Insurance you have on your mortgage. Thinking of this insurance, in general, how confident are you that in the event of a claim ...

GRID COLUMNS

Very confident
Somewhat confident
Not very confident
Not at all confident
Don't know

GRID ROWS (RANDOMIZE)

Information needed to submit your claim would be clearly communicated to you
The quality of service you expect would be provided
The claim would be paid as expected
The claim would be paid in a timely manner

Credit Protection Insurance Survey Wave 2 - CAFII

A2. To what extent do you agree or disagree with each of the following statements about the Credit Protection Insurance for your mortgage?

GRID COLUMNS

Strongly agree
Somewhat agree
Somewhat disagree
Strongly disagree
Don't know

GRID ROWS (RANDOMIZE)

Credit Protection Insurance is an affordable insurance option
Credit Protection Insurance effectively protects me and/or my family in case of certain unexpected events
Credit Protection Insurance provides good value for the money
Credit Protection Insurance is a convenient way to protect me and/or my family in case of certain unexpected events
Without Credit Protection Insurance, I do not know what would happen to me and/or my family in the case of certain unexpected events

A3. Thinking back to when you got your mortgage, did the financial institution inform you about the availability of Credit Protection Insurance?

Yes
No
Don't know/Can't recall

[IF YES IN QA3 ASK QA4A AND A4B, IF NO, DK/CANT RECALL SKIP TO A5]

A4A: How did the financial institution inform you of this insurance? Please select all that apply

The representative I was working with told me about it
It was included in the paperwork options
I was given the choice to opt in or out of this insurance
I saw the information on their website
Other
Don't remember

Credit Protection Insurance Survey Wave 2 - CAFII

A4B. Did the financial institution inform you about each of the following factors related to the available Credit Protection Insurance?

GRID COLUMNS

Yes

No

Don't know/Can't recall

GRID ROWS (RANDOMIZE)

I was told the coverage options that were available to me (e.g. life, disability, critical illness, job loss)

I was told the premiums/costs of the coverage options available (e.g. life, disability, critical illness, job loss)

I was informed **about** the advantages of having Credit Protection Insurance as a way to protect me and/or my family in case of certain unexpected events

I was told about the review period that was available with the Credit Protection Insurance, during which I could cancel at no cost

A5A. Which of the following best describes your impression of the Credit Protection Insurance for your mortgage?

I thought the insurance was optional

I thought the insurance was mandatory

Not sure

A5B. Aside from obtaining information from your financial institution, did you discuss or do additional research on the Credit Protection Insurance options that were available?

Yes – Discussed options with the co-borrower on the mortgage

Yes – Discussed options with friends and/or family members

Yes - Researched options online

Yes – Talked to representatives of other financial institutions or mortgage brokers

Other (specify)

No other research

Don't know/Can't recall

A7. How confident are you that you know how much of your mortgage will be paid with each of the types of coverage that you have? Please indicate your level of confidence for each. **SHOW EACH CHOOSEN IN Q3**

GRID COLUMNS

Life

Critical illness

Disability

Job loss

GRID ROWS

Very confident
Somewhat confident
Not very confident
Not at all confident
Don't know

A8. To what extent do you agree or disagree with each of the following statements about the documents which outline your Credit Protection Insurance for your mortgage.

GRID COLUMNS

Strongly agree
Somewhat agree
Somewhat disagree
Strongly disagree
Have not read documentation

GRID ROWS (RANDOMIZE)

The Credit Protection Insurance documents for my mortgage are easy to understand
The Credit Protection Insurance documents for my mortgage make it easy to find the information I am looking for

A9. When you were considering Credit Protection Insurance for your mortgage, how important were the following factors:

GRID COLUMNS

Very important
Somewhat Important
Not very important
Not at all important

GRID ROWS (RANDOMIZE)

Price
Benefit payment amount of coverage
Coverage for pre-existing conditions (i.e. health conditions that I had when purchasing the insurance)
Convenience of obtaining this insurance at the same time as obtaining my mortgage
Ease of overall purchase process
Benefits and features of the coverage
Ability to buy online
Being able to speak to someone to answer my questions
Ease of qualifying for the coverage
Fewer age restrictions
No medical testing (such as blood or urine tests)
Other (please explain) [\[ANCHOR\]](#)

A10A. The following questions are in regard to your experience purchasing your Credit Protection Insurance for your mortgage. From whom did you purchase your credit protection insurance?

- From a financial institution – Bank or credit union
- From a mortgage broker
- Don't know

Commented [LM1]: Are there any other options?

A10B How did you *complete* the purchase of your Credit Protection Insurance? [RANDOMIZE]

- By phone
- The process was initiated online, including mobile (e.g., smartphone, tablet), but finished in another way (in person, over the phone, etc.) FI
- The whole process was completed online FI
- In-Person at the branch
- Through a representative that came to my house
- Other [ANCHOR]

A11. Overall, how would you rate your level of satisfaction with the *purchase experience*, when you purchased your Credit Protection Insurance for your mortgage?

- Very satisfied
- Somewhat satisfied
- Somewhat dissatisfied
- Very dissatisfied
- Don't recall

A12. More specifically, how satisfied were you with the following elements of the purchase process?

GRID COLUMNS

- Very satisfied
- Somewhat satisfied
- Somewhat dissatisfied
- Very dissatisfied
- Don't recall
- Not applicable

GRID ROWS (RANDOMIZE)

- Availability of comprehensive information to help me make an informed decision
- Coverage details -- what was and was not covered were written in a clear and easy to understand language
- Coverage details -- what was and was not covered were explained well by a representative of the financial institution
- Responsiveness of the representative (e.g., answering questions in a timely manner)
- Quality of responses to my questions (e.g., comprehensive, easy to understand, etc.)
- Value for the money
- Ease of purchase
- The trial period that allowed me to cancel the purchase within a period of time at no cost

A13. If you were obtaining credit protection insurance now, how would you like to apply for the insurance? Please choose only one answer

- ☐ In person at a branch
- ☐ Through the financial institution's representative coming to my home
- ☐ By talking to the financial institution's representative over the phone
- ☐ Video conferencing with the financial institution's representative
- ☐ Through email with the financial institution's representative
- ☐ Online through the financial institution's website or web-based platform
- ☐ Using the financial institution's mobile app
- ☐ Other
- ☐ Don't know

A14. If you needed to submit a claim on your credit protection insurance now, how would you prefer to do this? Please choose only one answer

- ☐ In person at a branch
- ☐ Through the representative coming to my home
- ☐ By talking to the financial representative over the phone
- ☐ Video conferencing with the financial representative
- ☐ Through email with the financial representative
- ☐ Online through the financial institution's website
- ☐ Using the financial institution's mobile app
- ☐ Other
- ☐ Don't know

A15. To what extent do you agree or disagree with the following statements about conducting financial transactions since the start of the COVID-19 pandemic?

GRID ROWS RANDOMIZE

- The pandemic has changed the way I want to conduct financial transactions in the future.
- I look forward to going back to a branch to conduct my financial transactions in-person.
- Since the pandemic, I am more comfortable conducting financial transactions online.
- I prefer the convenience of conducting financial transactions online.

GRID COLUMNS

- Strongly agree
- Somewhat agree
- Somewhat disagree
- Strongly disagree
- Don't know

SECTION B: HELOC INSURANCE HOLDERS

B1. For the next few questions, please consider the Credit Protection Insurance you have on your Home Equity Line of Credit. Thinking of this insurance, in general, how confident are you that in the event of a claim...

GRID COLUMNS

Very confident
Somewhat confident
Not very confident
Not at all confident
Don't know

GRID ROWS (RANDOMIZE)

Information needed to submit your claim would be clearly communicated to you
The quality of service you expect would be provided
The claim would be paid as expected
The claim would be paid in a timely manner

B2. To what extent do you agree or disagree with each of the following statements about the Credit Protection Insurance for your Home Equity Line of Credit?

GRID COLUMNS

Strongly agree
Somewhat agree
Somewhat disagree
Strongly disagree
Don't know

GRID ROWS (RANDOMIZE)

Credit Protection Insurance is an affordable insurance option
Credit Protection Insurance effectively protects me and/or my family in case of certain unexpected events
Credit Protection Insurance provides good value for the money
Credit Protection Insurance is a convenient way to protect me and/or my family in case of certain unexpected events
Without Credit Protection Insurance, I do not know what would happen to me and/or my family in the case of certain unexpected events

B3. Thinking back to when you got your Home Equity Line of Credit, did the financial institution inform you about the availability of Credit Protection Insurance?

Yes
No
Don't know/Can't recall

[IF YES IN B3 ASK QB4A AND QB4B. IF NO/DK SKIP TO B5]

Credit Protection Insurance Survey Wave 2 - CAFII

B4A: How did the financial institution inform you of this insurance? Please select all that apply

- The representative I was working with told me about it
- It was included in the paperwork options
- I was given the choice to opt in or out of this insurance
- I saw the information on their website
- Other
- Don't remember

B4B. Did the financial institution inform you about each of the following factors related to the available Credit Protection Insurance?

GRID COLUMNS

- Yes
- No
- Don't know/Can't recall

GRID ROWS (RANDOMIZE)

- I was told the coverage options that were available to me (e.g. life, disability, critical illness, job loss)
- I was told the premiums/costs of the coverage options available (e.g. life, disability, critical illness, job loss)
- I was told about the advantages of having Credit Protection Insurance as a way to protect me and/or my family in case of certain unexpected events
- I was told about the review period that was available with the Credit Protection Insurance, during which I could cancel at no cost

B5A. Which of the following best describes your impression of the Credit Protection Insurance for your Home Equity Line of Credit?

- I thought the insurance was optional
- I thought the insurance was mandatory
- Not sure

B5B. Aside from obtaining information for your financial institution, did you discuss or do additional research on the Credit Protection Insurance options that were available?

- Yes – Discussed options with the co-borrower on the Home Equity Line of Credit
- Yes – Discussed options with friends and/or family members
- Yes - Researched options online
- Yes – Talked to representatives of other financial institutions or mortgage brokers
- Other (specify) _____
- No other research
- Don't know/Can't recall

Credit Protection Insurance Survey Wave 2 - CAFII

B7. How confident are you that you know how much of your Home Equity Line of Credit will be paid with each of the types of coverage that you have? Please indicate your level of confidence for each. **SHOW EACH CHOSEN IN Q6**

GRID COLUMNS

Life
Critical illness
Disability
Job loss

GRID ROWS

Very confident
Somewhat confident
Not very confident
Not at all confident
Don't know

B8. To what extent would you agree or disagree with each of the following statements about the documents which outline your Credit Protection Insurance for your Home Equity Line of Credit.

GRID COLUMNS

Strongly agree
Somewhat agree
Somewhat disagree
Strongly disagree
Have not read documentation

GRID ROWS (RANDOMIZE)

The Credit Protection Insurance documents for my Home Equity Line of Credit are easy to understand
The Credit Protection Insurance documents for my Home Equity Line of Credit make it easy find the information I am looking for

B9. When you were considering Credit Protection Insurance for your Home Equity Line of Credit, how important were the following factors:

GRID COLUMNS

Very important
Somewhat Important
Not very important
Not at all important

GRID ROWS (RANDOMIZE)

Price
Benefit payment amount of coverage
Coverage for pre-existing conditions (that is health conditions that I had when you purchased the insurance)
The convenience of obtaining this insurance at the same time as obtaining my mortgage
Ease of overall purchase process
Benefits and features of the coverage

Credit Protection Insurance Survey Wave 2 - CAFII

Ability to buy online
Being able to speak to someone to answer my questions
The ease of qualifying for the coverage
Fewer age restrictions
No medical testing (such as blood or urine tests)
Other (please explain) [ANCHOR]

B10A. The following questions are in regard to your experience purchasing your Credit Protection Insurance for your Home Equity Line of Credit. From whom did you purchase your credit protection insurance?

From a financial institution – Bank or credit union
From a mortgage broker
Don't know

A10B How did you *complete* the purchase of your Credit Protection Insurance? [RANDOMIZE]

By phone
The process was initiated online, including mobile (e.g., smartphone, tablet), but finished in another way (in person, over the phone, etc.) FI
The whole process was completed online FI
In-Person at the branch
Through a representative that came to my house
Other [ANCHOR]

B11. Overall, how would you rate your level of satisfaction with the *purchase experience*, when you purchased your Credit Protection Insurance for your Home Equity Line of Credit?

Very satisfied
Somewhat satisfied
Somewhat dissatisfied
Very dissatisfied
Don't recall

B12. More specifically, how satisfied were you with the following elements of the purchase process?

GRID COLUMNS
Very satisfied
Somewhat satisfied
Somewhat dissatisfied
Very dissatisfied
Don't recall
Not applicable

GRID ROWS (RANDOMIZE)
Availability of comprehensive information to help me make an informed decision
Coverage details -- what was and was not covered were written in a clear and easy to understand language
Coverage details -- what was and was not covered were explained well by a representative of the financial institution

Credit Protection Insurance Survey Wave 2 - CAFII

Responsiveness of the representative (e.g., answering questions in a timely manner)
Quality of responses to my questions (e.g., comprehensive, easy to understand, etc.)
Value for the money
Ease of purchase
The trial period that allowed me to cancel the purchase within a period of time at no cost

A13. If you were obtaining credit protection insurance now, how would you like to apply for the insurance? Please choose only one answer

In person at a branch
Through the financial institution's representative coming to my home
By talking to the financial institution's representative over the phone
Video conferencing with the financial institution's representative
Through email with the financial institution's representative
Online through the financial institution's website or web-based platform
Using the financial institution's mobile app
Other
Don't know

B14. If you needed to submit a claim on your credit protection insurance now, how would you prefer to do this? Please choose only one answer

In person at a branch
Through the representative coming to my home
By talking to the financial representative over the phone
Video conferencing with the financial representative
Through email with the financial representative
Online through the financial institution's website
Using the financial institution's mobile app
Other
Don't know

B15. To what extent do you agree or disagree with the following statements about conducting financial transactions?

GRID ROWS RANDOMIZE

The pandemic has changed the way I want to conduct financial transactions in the future.
Since the pandemic, I look forward to going back to a branch to conduct my financial transactions in-person.
Since the pandemic, I am more comfortable conducting financial transactions online.
I prefer the convenience of conducting financial transactions online.

GRID COLUMNS

Strongly agree
Somewhat agree
Somewhat disagree
Strongly disagree
Don't know

SECTION C: NON-HOLDERS

C1. While you do not currently hold Credit Protection Insurance on your mortgage or Home Equity Line of Credit, we would like to understand your thoughts about these products. To what extent do you agree or disagree with each of the following statements about Credit Protection Insurance?

GRID COLUMNS

Strongly agree
Somewhat agree
Somewhat disagree
Strongly disagree
Don't know

GRID ROWS (RANDOMIZE)

Credit Protection Insurance is an affordable insurance option
Credit Protection Insurance effectively protects those who hold it, in case of certain unexpected events
Credit Protection Insurance provides good value for the money
Credit Protection Insurance is a convenient way to protect me and/or my family, in case of certain unexpected events

C2. Thinking back to when you got your mortgage or Home Equity Line of Credit, did the financial institution inform you about the availability of Credit Protection Insurance?

Yes
No
Don't know/Can't recall

[IF YES IN QC2 ASK QC3A ANAD C3B, IF NO, DK/CANT RECALL SKIP TO C4]

Credit Protection Insurance Survey Wave 2 - CAFII

C3A: How were you informed about this insurance? Please select all that apply

- The representative I was working with told me about it
- It was included in the paperwork options
- I saw the information on their website
- Other
- Don't remember

C3B. Did the financial institution inform you about each of the following factors of the available Credit Protection Insurance?

GRID COLUMNS

- Yes
- No
- Don't know/Can't recall

GRID ROWS (RANDOMIZE)

- I was told the coverage options that were available to me (e.g. life, disability, critical illness, job loss)
- I was told the premiums/costs of the coverage options available (e.g. life, disability, critical illness, job loss)
- I was informed about the advantages of having Credit Protection Insurance as a way to protect me and/or my family in case of certain unexpected events
- I was told about the review period that was available with the Credit Protection Insurance, during which I could cancel at no cost

C4B. Aside from obtaining information for your financial institution, did you discuss or do additional research on the Credit Protection Insurance options that were available?

- Yes – Discussed options with the co-borrower on the mortgage
- Yes – Discussed options with friends and/or family members
- Yes - Researched options online
- Yes – Talked to representatives of other financial institutions or mortgage brokers
- Other (specify) _____
- No other research
- Don't know/Can't recall

Credit Protection Insurance Survey Wave 2 - CAFII

C5. You mentioned that you have had a mortgage or Home Equity Line of Credit but did not have Credit Protection Insurance. Why did you choose not to have Credit Protection Insurance on these debts? Please select all that apply. If there is another reason that is not listed, please add it in the box below. [RANDOMIZE]

- Did not know about this insurance
- It was too expensive/the premiums were too high
- I could not afford the premium
- It was not good value for the money
- I was advised not to get it
- Had other types of insurance to cover it
- Felt that other types of insurance would provide a better value for the money
- Did not feel the need to have insurance
- Was going to get it later but didn't get
- Other Specify
- Don't know/Can't recall

C6. IF ADVISED NOT TO GET IT CHOSEN IN QC5 ASK: Who advised you not to get the Credit Protection Insurance? Please check all that apply. [RANDOMIZE]

- A friend or family member
- Mortgage broker
- Financial institution representative
- Accountant
- Realtor
- Lawyer
- Life insurance agent or broker
- Other (Specify)
- Don't know/Can't recall

C7. Do you have a different type of insurance policy, that is not Credit Protection Insurance, that would protect you and/or your loved ones if you were to experience any of the following unplanned events?

- GRID COLUMNS
- Yes, have another policy
 - No, do not have another policy
 - Don't know

- GRID ROWS (RANDOMIZE)
- If I were to die
 - If I were to become disabled
 - If I were to be diagnosed with a critical illness
 - If I were to lose my job

C8. When you obtained your mortgage or Home Equity Line of Credit, did you consider buying term life insurance, instead of Credit Protect Insurance, specifically to cover that debt in the case of death?

- Yes, I purchased term life insurance instead of Credit Protection Insurance
- Yes, I considered term life insurance but did not purchase the policy
- No, I did not consider term life insurance
- Don't know

C9. Has the COVID-19 pandemic changed how you feel about obtaining credit protection insurance for your mortgage or line of credit?

- Am much more likely to obtain creditor protection insurance
- Am somewhat more likely to obtain creditor protection insurance
- Am somewhat less likely to obtain creditor protection insurance
- Am much less likely to obtain creditor protection insurance
- The pandemic has not changed my likelihood to obtain credit protection insurance
- Don't know

C10. To what extent do you agree or disagree with the following statements about conducting financial transactions?

GRID ROWS RANDOMIZE

- The pandemic has changed the way I want to conduct financial transactions in the future.
- Since the pandemic, I look forward to going to a branch to conduct my financial transactions in-person.
- Since the pandemic, I am more comfortable conducting financial transactions online.
- I prefer the convenience of conducting financial transactions online.

GRID COLUMNS

- Strongly agree
- Somewhat agree
- Somewhat disagree
- Strongly disagree

SECTION D: CLAIMS – CLAIMANTS CONTINUE, NON-CLAIMANTS SKIP TO DEMOGRAPHICS

D1. You mentioned that you have made a claim on your Credit Protection Insurance. When was the last claim you had made?

- In the past year
- One to less than two years ago
- Two to less than three years ago
- Three to less than four years ago
- Four to less than five years ago
- Five years ago or more

D2. What type of claim was made?

- Life Insurance
- Disability
- Critical illness
- Job loss

D3. What was the result of your claim submission?

- It was paid
- It was denied
- The claim is still being processed **[SKIP TO D10]**

D4. Thinking back about the entire claim experience, from the initial contact to the final outcome, how would you rate your satisfaction with the overall experience?

- Very satisfied
- Somewhat satisfied
- Somewhat dissatisfied
- Very dissatisfied
- Don't recall

D5. And how satisfied were you with each of the following factors involved in this claim?

GRID COLUMNS

- Very satisfied
- Somewhat satisfied
- Somewhat dissatisfied
- Very dissatisfied
- Don't recall
- Not applicable

GRID ROWS (RANDOMIZE)

- Ease starting the claim process
- Empathy and understanding the representative showed me ~~when I called~~
- Knowledge of the representatives ~~I spoke with~~
- Clarity and completeness of the representative's responses to my questions

Credit Protection Insurance Survey Wave 2 - CAFII

Explanation I received about the steps involved in a claims process
Explanation I was given as to how long it would take to process my claim
Ease of understanding and completing the claim forms
Number of claim forms that I had to submit was reasonable
Documentation required in support of the claim (e.g. Doctor's report, death certificate) was reasonable
Explanation of how the claim payment was determined
Timeliness in which the claim was paid

D6. How would you rate the clarity of explanation your insurer gave you about **[IF D3=a]** your claim payment? **[IF D3=b]** the claim denial?

Very good
Good
Poor
Very poor
Don't recall

D7. Would you say that the claim payment met, exceeded, or fell short of your expectations?

Met
Exceeded
Fell short
Don't recall

D8. Overall, would you say that the claim experience met, exceeded, or fell short of your expectations?

Met
Exceeded
Fell short
Don't recall

D9. Did you make a complaint about your claim at any point during or after the claim process?

Yes
No

D10. **[ASK IF ANSWERED 'Yes' AT D9]** How did you make this complaint? Please select all that apply (RANDOMIZE)

Made an initial complaint to the financial institution I was dealing with
Made a complaint to the insurance company
Followed up with a supervisor or manager at the financial institution
Followed up with a supervisor or manager at the insurance company
Escalated the complaint to a regulator
Escalated the complaint to the financial institution complaints department
Escalated the complaint to the insurance company complaints department
Escalated the complaint with a third-party ombudsman
Posted my complaint about the financial institution on social media
Posted my complaint about the insurance company on social media
Complained to family or friends
Other (Specify)
Prefer not to say

D11. **[ASK IF ANSWERED 'Yes' AT D9]** What was the **major** reason(s) for your complaint? Please select all that apply. **[RANDOMIZE]**

- The length of time it took to process the claim
- Lack of clarity about what was required
- Lack of updates during the process
- Difficult to contact/unresponsive insurer representatives (e.g., calls/emails not returned)
- Conflicting information from different claims representatives
- Insurance wording unclear/ambiguous
- Lack of professionalism and courtesy of representatives
- Not happy with claim being denied
- Other **[SPECIFY]**

D12. **[ASK IF ANSWERED 'Yes' AT D9]** Were you satisfied with how the complaint was handled?

- Very satisfied
- Somewhat Satisfied
- Somewhat dissatisfied
- Very dissatisfied
- Don't know

ASK EVERYONE

Now, a few questions on a different topic.

E1. With inflation and the current state of the economy, do you plan to cut back on any of the following expenses? Please check all that apply.

- Eating out
- Groceries – buying less to stick within your budget
- Fashion/Clothes
- Holidays and travel
- Entertainment
- Other
- Do not plan to cut back on expenses

E2. With rising inflation, economic uncertainty and the possibility of a housing market correction, how do you feel about obtaining credit protection insurance for your mortgage or line of credit?

- Am much more likely to consider creditor protection insurance
- Am somewhat more likely to consider creditor protection insurance
- Am somewhat less likely to consider creditor protection insurance
- Am much less likely to consider creditor protection insurance
- No change to my likelihood to consider credit protection insurance
- Don't know

You are almost done. There are just have a few questions left to help us better analyze and understand responses to this survey.

SECTION Z DEMOGRAPHICS

Z1. Which of the following income brackets best represents your annual household income before taxes?

- Less than \$75,000
- \$75,000 to less than \$120,000
- \$120,000 to less than \$250,000
- \$250,000 or more
- Prefer not to answer

Z2. Do you have children in any of the following age groups? Please select all that apply.

- Under 18 years
- 18 years or older
- Do not have children **[EXCLUSIVE]**
- Prefer not to answer **[EXCLUSIVE]**

Z3. Which of the following best describes your employment status?

- Employed (full-time, part-time, self-employed)
- Full-time student
- Retired
- Other

Z4. How long have you been a resident of Canada?

- Born in Canada
- Less than 2 years
- 2 to less than 5 years
- 5 to less than 10 years
- 10 to less than 20 years
- More than 20 years

You have reached the end of this survey. Thank you for your responses and your time.

Briefing Note

**CAFII EOC Meeting 25 October, 2022—Agenda Item 4(d)i
Committee Updates—Networking & Events-- Insights Gained from October 5/22 CAFII Webinar with
Lesli Martin, Pollara Strategic Insights, on “Consumer Preferences and Product Development Insights
Emerging from Recent Research in Financial Services and Relevant Comparator Industries”**

Purpose of this Agenda Item – Update

To update the EOC on insights gained from a recent CAFII webinar.

Background Information

CAFII held a very successful webinar on 5 October, 2022 with Lesli Martin of Pollara Strategic Insights, who shared insights on consumer preferences in financial services and related industries. Her presentation, which is posted to the CAFII website in the Research section along with a recording of the webinar, included a “rage index” which demonstrates the stress and anger that many people in society feel today. Two polling questions were also asked of attendees and are posted on the website. For more information, please visit:

<https://www.cafii.com/research/>

There was excellent attendance at the webinar from regulators and policy-makers, with 22 registrants from the following organizations:

- the Financial and Consumer Services Commission of New Brunswick, or FCNB;
- the Nova Scotia Department of Finance;
- Quebec’s Autorité des marchés financiers, or the AMF;
- the Financial Services Regulatory Authority of Ontario, or FSRA;
- the Ontario Ministry of Finance;
- the Government of Alberta; and
- the British Columbia Financial Services Authority, or BCFSa.

At the 11 October, 2022 CAFII Board meeting and liaison session with the AMF in Montreal, AMF Director Mario Beaudoin and his boss Christian Beaulieu told Keith Martin how much they had enjoyed the webinar, and asked for a copy of the presentation made by Lesli Martin of Pollara, which Keith Martin subsequently emailed to them.

Recommendation / Direction Sought – Update

This is an update-only for the EOC.

Attachments Included with this Agenda Item

1 attachment.

***Agenda Item 4(d)(i)
October 5/22 EOC Meeting***

You're Invited!

We are pleased to invite you to attend our CAFII Webinar on;

***Consumer Preferences and Product Development Insights
Emerging From Recent Research
In Financial Services and Relevant Comparator Industries***

Wednesday, October 5, 2022
from 1:00 to 2:00 pm EDT
via Zoom Webinar

A CAFII-Moderated Panel Discussion with



Lesli Martin
Senior Vice President, Pollara
(For capsule biography, [click here](#))

This webinar will feature expert panelist Lesli Martin who will address the following in a virtual Fireside Chat with moderator Keith Martin:

Insert copy here.

[Register Here](#)

We look forward to welcoming you to this 2022 CAFII webinar.

Briefing Note

CAFII EOC Meeting 25 October, 2022—Agenda Item 4(d)ii

Committee Updates—Networking & Events-- Upcoming CAFII Webinars on “Expert Panel On Travel Insurance As Society Emerges From The COVID-19 Pandemic” (November 3/22); and “A Fireside Chat With Blair Morrison, CEO of the BC Financial Services Authority (December 1/22)

Purpose of this Agenda Item – Update

To update the EOC on upcoming webinars.

Background Information

CAFII has confirmed two upcoming 2022 webinars. The first on November 3, 2022 will be a panel discussion on travel insurance as society emerges from the COVID-19 pandemic. The other will be a 1 December, 2022 fireside chat with Blair Morrison, the CEO of the BC Financial Services Authority.

Recommendation / Direction Sought – Update

This is an update to the EOC.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting 25 October, 2022—Agenda Item 5(a)

Recent and Upcoming Strategic and Regulatory Initiatives-- Debrief on CAFII's October 11/22 Industry Issues Dialogue with AMF Staff Executives and Subsequent Developments; and Possible Next Steps

Purpose of this Agenda Item – Update/Discussion

To update the EOC on the recent 11 October, 2022 Industry Issues Dialogue with AMF staff executives in Montreal, and discuss next steps.

Background Information

CAFII held its annual informal liaison lunch and Industry Issues Dialogue with AMF executives in Montreal on 11 October, 2022. This is the first time in three years that the meeting has been held in-person. At the meeting from the AMF were:

Éric Jacob, Superintendent, Client Services and Distribution Oversight (in-person);
Louise Gauthier, Senior Director of Distribution Framework Policies (in-person);
Christian Beaulieu, Senior Director, Operations and Distribution (in-person);
Mario Beaudoin, Director of Alternative Distribution Practices in Insurance (in-person);
Patrick Déry, Superintendent, Solvency (virtual attendance);
Nathalie Sirois, Senior Director of Insurer Supervision (virtual attendance);
Julien Reid, Senior Director, Supervision of Financial Institutions and Deposit Insurance (virtual attendance);
Christine Vachon, Director, Legal Affairs (virtual attendance).

CAFII had 22 representatives attend in-person, and another 13 attend virtually, including the following Board members and CAFII Officers who were at the session in-person:

Peter Thompson, National Bank Insurance and CAFII Board Chair;
Chris Lobbezoo, Royal Bank Insurance and Board member;
Peter McCarthy, BMO Insurance and Board member;
Louie Georgakis, Canada Life Insurance and Board member;
Kelly Tryon, CUMIS and Board member;
Simon Lacroix-Hubert; Desjardins Insurance and Board member;
Rob Dobbins, Assurant, and EOC Chair and Board Secretary;
Karyn Kasperski, Royal Bank Insurance and EOC Vice-Chair and Vice-Board Secretary.

The session was hosted by Desjardins Insurance at Complexe Desjardins in downtown Montreal.

Mario Beaudoin made the presentation on behalf of the AMF, and presented slides on the analysis of data by the AMF around CAFII member and industry statistics around claim denial rates, and rates of the return of premiums to customers. Mr. Beaudoin said that where products had numbers that were below industry averages, members would be asked to comment on why and to provide an action plan on what they planned to do to address the situation.

Keith Martin presented the CAFII deck which began by thanking the AMF for its burden reduction effort where members no longer need to submit a list of all distribution locations, including all branches, for new products in the Distribution Without a Representative regime, but instead will now only need to submit the head office location.

The chronology of meetings and discussions around the Fact Sheet and Notice of Rescission with respect to credit card-embedded insurance benefits was shared with the AMF. It was noted that AMF Superintendent Eric Jacob told CAFII on September 10, 2021 that its members would not immediately need to distribute the Fact Sheet and Notice of Rescission for credit card-embedded insurance benefits, in order to give CAFII and the AMF an opportunity to try and resolve the issue. CAFII submitted its Proposed Wording Modifications for these documents on 17 January, 2022 and did not hear back from the AMF until a meeting was held on 15 September, 2022, at which the AMF did not comment on CAFII's proposed wording, but instead made a counter-proposal on Wording Modifications would indicate in the Fact Sheet that customers could cancel the embedded insurance.

CAFII then spent the remainder of the presentation explaining some of the features of credit cards including their embedded insurance benefits and why cancelling that insurance was not possible. There was also a section of the presentation on why a reasonable amount of time is required for the industry to implement new regulatory requirements.

At the conclusion of the Industry Issues Dialogue, Superintendent, Client Services and Distribution Oversight Eric Jacob asked CAFII Board Chair Peter Thomson to meet with him privately, one-on-one, in the near future to discuss this file further and try to resolve it.

Recommendation / Direction Sought – Update

This is an update with an opportunity for discussion.

Attachments Included with this Agenda Item

Four (4) attachments.

Agenda Item 5(a)(1)
October 25/22 EOC Meeting

CAFII and AMF “Industry Issues Dialogue”
Tuesday, October 11, 2022; 1:10 to 2:15 p.m. EDT In-Person/Virtual Meeting
Immediately Following Informal Liaison Lunch from 12 Noon to 1.05pm
Agenda (Shared Agenda Approach)

- 1:05 to 1:10 p.m.: Welcome and Introductions (facilitated/moderated by CAFII Co-Executive Director Brendan Wycks)
- 1:10 to 1:28 p.m.: CAFII Presentation (time usually assigned to two mini-presentations instead combined into one single presentation) on “How Can We Work Together To Remove Or Reduce Barriers To Doing DWR Insurance Business In Quebec?,” including
 - “A Primer on Credit Card-Embedded Insurance Benefits”; and
 - “Why Are Longer Timeframes Generally Required for Implementation of New Legislative or Regulatory Requirements?”
- 1:28 to 1:36 p.m.: Q&A/Dialogue on CAFII Presentation
- 1:36 to 1:45 p.m.: AMF Presentation #1 on TBA
- 1:45 to 1:53 p.m.: Q&A/Dialogue on AMF Presentation #1
- 1:53 to 2:02 p.m.: AMF Presentation #2 on TBA
- 2:02 to 2:10 p.m.: Q&A/Dialogue on AMF Presentation #2
- 2:10 to 2:15 p.m.: Wrap-Up; Next Steps (if any); and Adjournment

Expected AMF Attendees:

Éric Jacob, Superintendent, Client Services and Distribution Oversight (in-person)

Louise Gauthier, Senior Director of Distribution Framework Policies (in-person)

Christian Beaulieu, Senior Director, Operations and Distribution (in-person)

Mario Beaudoin, Director of Alternative Distribution Practices in Insurance (in-person)

Patrick Déry, Superintendent, Solvency (virtual attendance)

Nathalie Sirois, Senior Director of Insurer Supervision (virtual attendance)

Julien Reid, Senior Director, Regulation of Financial Institutions and Deposit Insurance (virtual attendance)

Christine Vachon, Director, Legal Affairs (virtual attendance)



The Canadian Association of
Financial Institutions in Insurance

L'association canadienne des
institutions financières en assurance



How Can We Work Together To Remove Or Reduce Barriers To Doing DWR Insurance Business In Quebec?

CAFII Presentation to AMF Staff Executives

11 October, 2022

Making insurance simple and accessible for Canadians

Rendre l'assurance simple et accessible pour les Canadiens

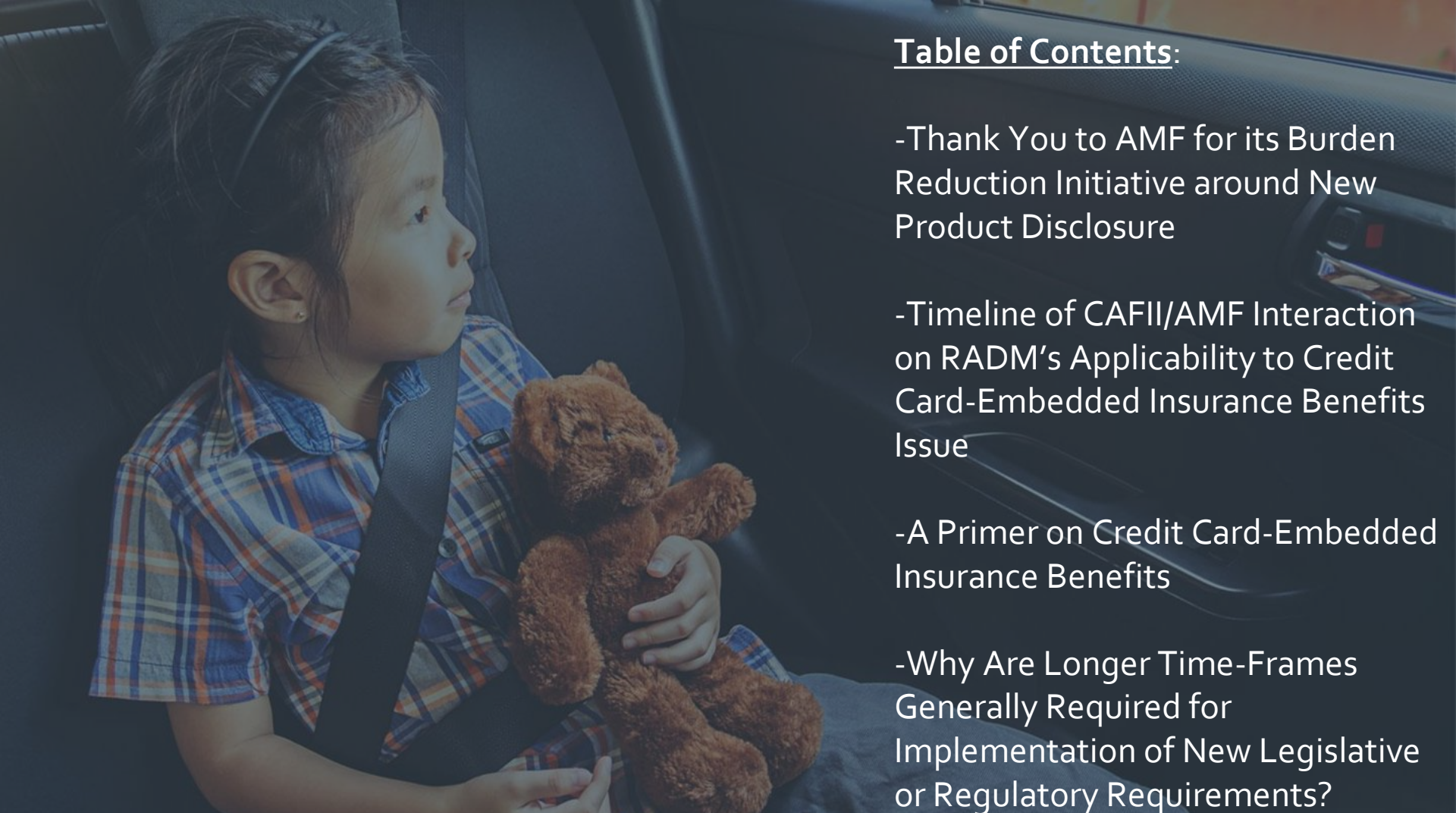


Table of Contents:

- Thank You to AMF for its Burden Reduction Initiative around New Product Disclosure
- Timeline of CAFII/AMF Interaction on RADM's Applicability to Credit Card-Embedded Insurance Benefits Issue
- A Primer on Credit Card-Embedded Insurance Benefits
- Why Are Longer Time-Frames Generally Required for Implementation of New Legislative or Regulatory Requirements?



Thank You to AMF on Burden Reduction
Initiative around New Product Disclosure

Thank You to the AMF for its Burden Reduction Initiative around New Product Disclosure

- CAFII has made several representations to the AMF on the onerous nature of having to share all distribution locations, including all branches, that distribute products under Distribution Without a Representative (DWR).
- On 15 September, 2022, at a meeting with Christian Beaulieu, Mario Beaudoin, and Charlène Boucher, the AMF informed CAFII that soon, only the head office location would need to be provided to the AMF, and that this would apply to all products, not just embedded insurance products.
- This is a significant burden reduction initiative and CAFII, on behalf of its members, sincerely thanks the AMF for making this important modification.





Timeline of CAFII/AMF Interactions on RADM's Applicability to Credit Card- Embedded Insurance Benefits Issue

Timeline of CAFII/AMF Interaction on RADM's Applicability to Credit Card-Embedded Insurance Benefits Issue

- CAFII received a commitment from AMF Superintendent Eric Jacob on 10 September, 2021 that Members/industry would not need to distribute the Fact Sheet and Notice of Rescission in the case of credit-card embedded insurance benefits at this time, to give the AMF and CAFII time to come up with a mutually agreeable solution.
- CAFII had a meeting with Mario Beaudoin and Charlène Boucher on 10 November, 2021 at which we all agreed it would be productive for CAFII to submit proposed wording modifications to the Fact Sheet and Notice of Rescission.
- CAFII made a submission to the AMF on 17 January, 2022 which included the proposed modifications to the Fact Sheet and Notice of Rescission (see Appendix A). The modifications were based on using an asterisks approach to clarify the incorrect assertion that “you can cancel the insurance,” for example with the following wording:
- ***** This does not apply to insurance included with your credit card. You can decide not to use the insurance or contact the card issuer to obtain a different credit card with other insurance or no insurance—it's your choice***

* (All the modifications proposed can be reviewed in Appendix A to this presentation)

Timeline of CAFII/AMF Interaction on RADM's Applicability to Credit Card-Embedded Insurance Benefits Issue

- CAFII did not hear back from the AMF on this issue until a 15 September, 2022 meeting – a meeting that was a result of an outreach by CAFII to the AMF.
- At that meeting we were informed that the Fact Sheet itself could not be modified; however, there is a section reserved for insurers where text could be added; and that a possible solution would be for credit card customers to be given the option of cancelling the insurance on their credit cards, with the following language added to the Fact Sheet and Notice of Rescission:

Although your credit card provides an insurance, you have the option to cancel this insurance. Be aware, however, that there is a possibility that you will not be reimbursed and that this would deprive you of the coverage offered by the insurer.

- The AMF has expressed the view that the language in the Fact Sheet cannot be modified; however, the industry is not clear as to why the addition of language proposed by the AMF is an acceptable alternative.

Timeline of CAFII/AMF Interaction on RADM's Applicability to Credit Card-Embedded Insurance Benefits Issue

- CAFII was also told that the AMF wanted to find a solution to this issue before the end of 2022, so it could fit into the timeframe when most CAFII members are attempting to finish their projects to conform to the RADM for these products, including sharing Product Summaries.
- The industry needs assurances that implementation of the Action Plans for December 31, 2022 – including, for nearly all our members, **not** distributing the Fact Sheet and Notice of Rescission at this time – is acceptable to the AMF.
 - *If modified versions of the Fact Sheet and Notice of Rescission are to be distributed to customers, that is a new project that requires new, extended timelines.*

Timeline of CAFII/AMF Interaction on RADM's Applicability to Credit Card-Embedded Insurance Benefits Issue

- CAFII welcomes the AMF's invitation for further discussion on CAFII's proposed wording modifications to the Fact Sheet and Notice of Rescission, with the goal of finding solutions that will serve consumers' interests.
- The industry would request assurances from the AMF that enforcement and penalties will not be applied to any distributor who is not providing the Fact Sheet and Notice of Rescission after December 31, 2022.
- **To date, a mutually acceptable solution has not been reached between CAFII and the AMF.**



A Primer On Credit Card-Embedded Insurance Benefits

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Canada's Credit Card Marketplace is Extremely Crowded and Competitive

- On average, each Canadian has at least two credit cards.
- Over 76.2 million credit cards were in circulation in 2021.
- 78% of Canadians have credit cards linked to some form of rewards/points program.
- 78% of Canadians have credit cards with annual fees.
- In 2016, total Point of Sale credit card transactions totaled more than \$462 billion.
- Source: <https://reviewlution.ca/resources/credit-card-statistics-canada/>



Reasons for Choosing a Credit Card are Varied

- Annual fees are the top reason for choosing or avoiding a credit card—22% of Canadians have chosen a no-frills card with no annual fees in 2021.
- Rewards/points programs are major attraction/incentive to choose a particular credit card.
- Credit limits, the interest rate on unpaid balances, and other features are also sources of competitive differentiation.



Reasons for Choosing a Credit Card are Varied

- To attract customers, credit card companies constantly strive to offer additional benefits — hence the embedding of such insurance benefits as product warranty extension, travel (health, trip interruption, baggage loss) insurance, and rental vehicle insurance.
- Credit protection (life, critical illness, disability, loss of employment insurance) may be offered to customers by some credit card distributors, but these would be optional coverages, are not embedded in the card, and as such require express consent separate from the credit card.



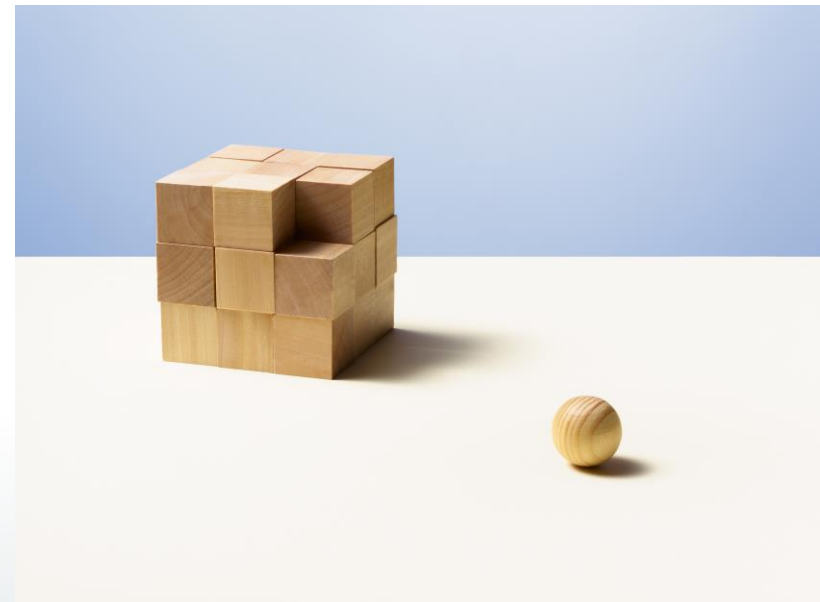
Embedded Insurance Benefits Are Just One of a Hierarchy of Reasons for Choosing a Credit Card

- To put embedded insurance up-front as part of the application conversation, with immediate provision of documentation on the insurance, would cause confusion for consumers and undermine a productive conversation about the credit card's comparative features and overall value proposition.



There is No Mechanism for “Opting Out” of a Benefit Embedded in a Credit Card

- There is no mechanism for legally opting out of an insurance benefit or any other benefit embedded in a credit card, and there is no way to track individual preferences.
- Credit cards, along with an embedded suite of benefits in some cases, are mass products designed for broad market segments of millions of customers; and the value proposition does not allow for individual customization at current price points.



Even if it were possible, there is No Benefit to the Consumer for “Opting Out” of a Benefit Embedded in a Credit Card

- Cancelling the insurance would diminish the benefits to the customer—they would have a card with fewer or potentially no benefits.
- Clients would be left unprotected, with no corresponding reduction in fees.



Credit Cards are Governed by a Legal Contract

Customers can choose to accept the legal contract with the financial institution distributor of the credit card or decline it (and thereby the credit card); but they cannot modify the contract.

- Customers cannot modify the legal contract or opt out of the benefits that are part of the embedded suite that comes with a particular credit card.
- They can always choose a different card, with different or no benefits, if they so desire.



Some Credit Cards Mandate Insurance

- Contracts with Visa/Mastercard require the card issuer (for example – a Bank) to adhere to Card Product rules.
- Visa/Mastercard lay out product rules whereby benefit levels (service, lounge, rewards, insurance) must be included with cards. The more upscale the card, the more benefits, including insurance, it must have.
- To suggest that a customer could opt out/cancel insurance would be a violation of the contract held with the Visa/Mastercard networks.

If a client does not want insurance on their card they need to pick a basic card with no insurance.



Credit Card-Embedded Insurance Benefits Arise From A Contract Between A Distributor And An Insurer

The contract of insurance is between a distributor and an insurer. Holders of the credit card are enrolled in a group insurance policy for travel medical and health insurance. For these products, they have no premium to pay and do not receive an individual insurance policy, but rather they are issued a certificate of insurance.

- As such, customers cannot “opt out” of the embedded insurance, but they can choose not to take that particular credit card or to cancel the card after it has been issued.
- Also, the insurer/underwriter does not receive or collect any information about the enrolled credit card holder, until such time as a claim is made.



CAFII Members Are Not Comfortable Distributing Misleading Documents to Consumers

- The information set out in the Fact Sheet and Notice of Rescission is misleading in the case of credit card-embedded insurance benefits.
- Financial institutions and other regulated entities should not be providing misleading information to customers.



Why Are Longer Time-Frames Generally Required for
Implementation of New Legislative or Regulatory Requirements?

Financial Institutions Have a Large Pipeline of Competing Systems and Process Changes

- Because of the sizeable number of competing priorities in large financial institutions, change management requires any new spend to fit into a development pipeline.
- This pipeline can be filled for up to two years out.
- Any new changes that are to be placed into the pipeline need to push out existing and approved changes.
- These existing and approved changes are often associated with managers' goals and could be part of what they are evaluated on.



Mortgages



Lines of credit
(secured/unsecured)



Credit cards



Loans

IT Resources are Stretched in FIs

- FIs struggle to find adequate IT resources, especially during challenging “War for Talent” times.
- Development resources are scarce and need to be prioritized.
- This results in challenges in implementing new IT projects quickly.
- If a regulatory change needs to be implemented within a short timeframe, it can mean that workarounds are required—such as manual processes.
- This can be inefficient and can result in a less than optimal consumer-facing outcome and customer experience.



Lack of Regulatory Harmonization Adds to Complexity of Change

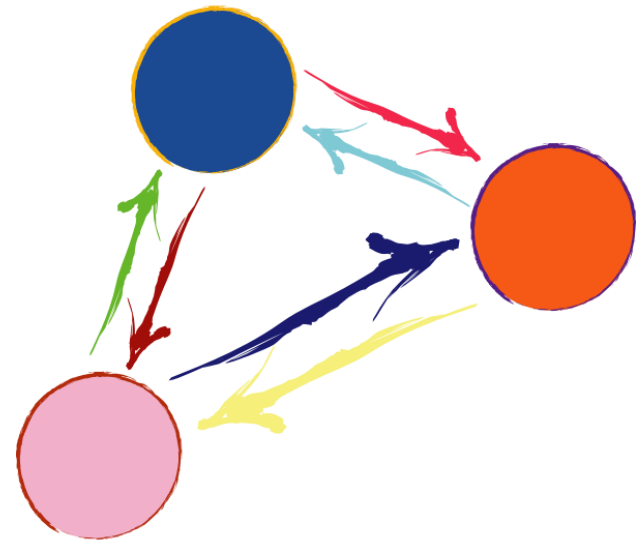
- As regulations are not harmonized across the country, building process flows to meet each province's requirements across multiple channels are complex and time consuming.
- The result is higher operational risk levels, risk to client and employee experience, higher technology risk.



Testing, Testing, Testing

FIs have millions of customers and accounts, and the privacy of personal information associated with those relationships must be protected.

- Any change needs to be rigorously tested.
- Changes are not siloed or stand-alone—they likely touch other systems, and as such increase operational risk, so the tests typically must be comprehensive and complex.
- Nothing is isolated and data and privacy must never be compromised; hence any change requires extensive resourcing.



Changes Cascade Through Processes

- Any change is not isolated to the technology element.
- Processes may need to be changed.
- Extensive staff training or retraining may be required.
- Customer-facing scripts may need to be adjusted.
- Policies and Procedures (P&P) may need to be updated.



At FRFIs, All Changes Occur in Both Official Languages, and Across Multiple Channels

- Any change that touches customers needs to be implemented in both French and English.
- Customers expect to be able to access multiple channels, which update each other; so a change may need to happen in branches, at call centres, and in digital channels.
- In these multiple channels, FI's need to ensure regulatory obligations are met, along with ensuring the client and employee experience are not compromised.





- Appendix A
Proposed Changes (in Asterisks *) by CAFII to Fact
Sheet and Notice of Rescission for Credit Card-
Embedded Insurance Benefits

Making insurance simple and accessible for Canadians
Rendre l'assurance simple et accessible pour les Canadiens

The purpose of this fact sheet is to inform you of your rights.
It does not relieve the insurer or the distributor of their obligations to you.

LET'S TALK INSURANCE!

Name of distributor: _____

Name of insurer: _____

Name of insurance product: _____

I
Reserved for use by the insurer:

This fact sheet cannot be modified



IT'S YOUR CHOICE

You are **never** required to purchase insurance:

- that is offered by your distributor;
- from a person who is assigned to you; or
- to obtain a better interest rate or any other benefit.

Even if you are required to be insured, **you do not have to** purchase the insurance that is being offered. **You can choose** your insurance product and your insurer ^{**}.

**** This does not apply to insurance included with your credit card**



HOW TO CHOOSE

To choose the insurance product that's right for you, we recommend that you read the summary that describes the insurance product and that must be provided to you.



DISTRIBUTOR REMUNERATION

A portion of the amount you pay for the insurance will be paid to the distributor as remuneration ^{**}.

The distributor **must** tell you when the remuneration exceeds 30% of that amount.



RIGHT TO CANCEL

The Act allows you to rescind an insurance contract, **at no cost**, within 10 days after the purchase of your insurance. However, the insurer may grant you a longer period of time. After that time, fees may apply if you cancel the insurance. **Ask** your distributor about the period of time granted to cancel it **at no cost**. ^{**}

If the cost of the insurance is added to the financing amount and you cancel the insurance, your monthly financing payments might not change. Instead, the refund could be used **to shorten the financing period**. **Ask your distributor for details**.

**** This does not apply to insurance included with your credit card. You can decide not to use the insurance or contact the card issuer to obtain a different credit card with other insurance or no insurance—it's your choice**

The Autorité des marchés financiers can provide you with unbiased, objective information.
Visit www.lautorite.gc.ca or call the AMF at 1-877-525-0337.

SCHEDULE 5

(s. 31)

NOTICE OF RESCISSION OF AN INSURANCE CONTRACT **

NOTICE GIVEN BY A DISTRIBUTOR

**** Note: This notice does not apply to insurance included with your credit card. You can decide not to use the insurance or to contact the card issuer to obtain a different credit card with other insurance or no insurance**

I

Section 440 of the Act respecting the distribution of financial products and services (chapter D-9.2)

THE ACT RESPECTING THE DISTRIBUTION OF FINANCIAL PRODUCTS AND SERVICES GIVES YOU IMPORTANT RIGHTS.

The Act allows you to rescind an insurance contract, without penalty, within 10 days of the date on which it is signed. However, the insurer may grant you a longer period.

To rescind the contract, you must give the insurer notice, within that time, by registered mail or any other means that allows you to obtain an acknowledgement of receipt.

Despite the rescission of the insurance contract, the first contract entered into will remain in force. Caution, it is possible that you may lose advantageous conditions as a result of this insurance contract; contact your distributor or consult your contract.

After the expiry of the applicable time, you may rescind the insurance contract at any time; however, penalties may apply.

For further information, contact the Autorité des marchés financiers at 1-877-525-0337 or visit www.lautorite.qc.ca.

NOTICE OF RESCISSION OF AN INSURANCE CONTRACT -Note: Not applicable for insurance coverage(s) included with a credit card

To: _____

(name of insurer)

(address of insurer)

Date: _____ (date of sending of notice)

Pursuant to section 441 of the Act respecting the distribution of financial products and services, I hereby rescind insurance contract no.: _____ (number of contract, if indicated)

Entered into on: _____ (date of signature of contract)

In: _____ (place of signature of contract)

(name of client)

(signature of client)

L'objectif de cette fiche de renseignements est de vous informer sur vos droits.
Elle ne dégage ni l'assureur ni le distributeur de leurs obligations envers vous.

PARLONS ASSURANCE !

Nom du distributeur : _____

Nom _____ de _____ l'assureur _____ :

Nom du produit d'assurance : _____

Espace réservé à l'assureur :

Cette fiche ne peut être modifiée.



LIBERTÉ DE CHOISIR

Vous n'êtes jamais obligé d'acheter une assurance :

- qui vous est offerte chez votre distributeur;
- auprès d'une personne que l'on vous désigne;
- ou pour obtenir un meilleur taux d'intérêt ou tout autre avantage.

Même si vous êtes tenus d'être assuré, **vous n'êtes pas obligé d'acheter l'assurance** que l'on vous offre présentement. C'est à vous de choisir votre produit d'assurance et votre assureur. **

**** Ne s'applique pas à l'assurance incluse avec votre carte de crédit.**



COMMENT CHOISIR

Pour bien choisir le produit d'assurance qui vous convient, nous vous recommandons de lire le sommaire qui décrit le produit d'assurance et que l'on doit vous remettre.



RÉMUNÉRATION DU DISTRIBUTEUR

Une partie de ce que vous payez pour l'assurance sera versée en rémunération au distributeur.

Lorsque cette rémunération est supérieure à 30 %, il a l'obligation de vous le dire.



DROIT D'ANNULER

La Loi vous permet de mettre fin à votre assurance, **sans frais**, dans les 10 jours suivant l'achat de votre assurance. L'assureur peut toutefois vous accorder un délai plus long. Après ce délai, si vous mettez fin à votre assurance, des frais pourraient s'appliquer. **Informez-vous** auprès de votre distributeur du délai d'annulation **sans frais** qui vous est accordé. **

Lorsque le coût de l'assurance est ajouté au montant du financement et que vous annulez l'assurance, il est possible que les versements mensuels de votre financement ne changent pas. Le montant du remboursement pourrait plutôt servir à **diminuer la durée du financement**. **Informez-vous** auprès de votre distributeur.

**** Ne s'applique pas à l'assurance incluse avec votre carte de crédit. Vous pouvez décider de ne pas utiliser l'assurance ou contacter l'émetteur de la carte pour obtenir une carte de crédit différente avec une autre assurance ou sans assurance - c'est votre choix.**

L'Autorité des marchés financiers peut vous fournir de l'information neutre et objective.
Visitez le www.lautorite.qc.ca ou appelez-nous au 1 877 525-0337.

ANNEXE 5 (a.32)

AVIS DE RÉSOLUTION D'UN CONTRAT D'ASSURANCE ** AVIS DONNÉ PAR LE DISTRIBUTEUR

**** Nota :** Cet avis ne s'applique pas à l'assurance incluse avec votre carte de crédit. Vous pouvez décider de ne pas utiliser l'assurance ou de contacter l'émetteur de la carte pour obtenir une carte de crédit différente avec une autre assurance ou sans assurance.

Article 440 de la Loi sur la distribution de produits et services financiers (chapitre D-9.2)

LA LOI SUR LA DISTRIBUTION DE PRODUITS ET SERVICES FINANCIERS VOUS DONNE DES DROITS IMPORTANTS.

La Loi vous permet de mettre fin au contrat d'assurance, **sans pénalité**, dans les 10 jours suivant la date de la signature du contrat d'assurance. L'assureur peut toutefois vous accorder un délai plus long. Pour mettre fin au contrat, vous devez donner à l'assureur, à l'intérieur de ce délai, un avis par poste recommandée ou par tout autre moyen vous permettant de recevoir un accusé de réception.

Malgré l'annulation du contrat d'assurance, le premier contrat conclu demeurera en vigueur. Attention, il est possible que vous perdiez des conditions avantageuses qui vous ont été consenties en raison de cette assurance; informez-vous auprès du distributeur ou consultez votre contrat.

Après l'expiration du délai applicable, vous avez la faculté d'annuler le contrat d'assurance en tout temps, mais des pénalités pourraient s'appliquer.

Pour de plus amples informations, communiquez avec l'Autorité des marchés financiers au 1-877-525-0337 ou visitez le www.lautorite.qc.ca.

AVIS DE RÉSOLUTION D'UN CONTRAT D'ASSURANCE **** Nota :** Non applicable pour les couvertures d'assurance incluses avec une carte de crédit.

À:

_____ (nom de l'assureur)

_____ (adresse de l'assureur)

Date: _____ (date d'envoi de cet avis)

En vertu de l'article 441 de la Loi sur la distribution de produits et services financiers, j'annule le contrat d'assurance no: _____ (numéro du contrat s'il est indiqué)

conclu le: _____ (date de la signature du contrat) à: _____

_____ (lieu de la signature du contrat)

_____ (nom du client)

_____ (signature du client)

Le distributeur doit remplir au préalable cette section.

Agenda Item 5(a)(3)**October 25/22 EOC Meeting****Background**

CAFII met with Mario Beaudoin and Charlene Boucher on January 19, 2022 (***see Appendix A***) to discuss a variety of issues, one of which related to an October 2021 submission by CAFII on *AMF Opportunities To Reduce Industry Regulatory Burden* in which, among many points, CAFII said that the requirement in Quebec's Distribution without a Representative (DWR) regime – upon the introduction of a new product -- to list all branches and agencies where the product was being offered was burdensome and time-consuming. At that January 19, 2022 meeting, Mr. Beaudoin made the following comment:

He understood from CAFII's October 2021 written submission on AMF Opportunities To Reduce Industry Regulatory Burden that the requirement for regulated entities to list all distributors (for example, all branches of a bank offering credit protection insurance or offering credit cards with embedded insurance benefits; or all travel agencies offering a particular travel insurance product) was onerous.

As a result, the AMF was currently engaged in an internal "data base overhaul and related technology upgrade exercise," the net result of which will be that regulated entities will soon be able to add or update an 'all distributors list' via a simple email instruction exchange with an AMF staff member; and the Autorite will then be able to look after the addition or update for the regulated entity.

The AMF will be reaching out to CAFII members and other industry players directly about this; and this burden reduction initiative will be phased in gradually over time, with a group of firms becoming beneficiaries of it in each of several successive phases.

However, because CAFII members had not been approached on this matter since that January 19/22 commitment by Mr. Beaudoin, CAFII reached out to him in early September and asked for an update on this matter.

Mr. Beaudoin responded quickly saying that the timing of our update request was ideal, and that he would like to set up a meeting to discuss this and other matters. A meeting was subsequently set up from 12 to 1:00 pm on 15 September, 2022 with the following comments and a three topic agenda proposed by Mr. Beaudoin (agenda was modified slightly by Mr. Beaudoin in the 15 September meeting itself):

Bonjour Brendan et Keith,

Thank you for your replies. It will be a pleasure to discuss on the 15th of September. I will introduce you to our new Senior Director Christian Beaulieu who overlooks my Direction as well as the Directions in charge of the inscription of representatives and the one in charge of qualifications. During our meeting, we will follow up with you about:

- 1. Resiliation notice and information sheet (CAFII translation: Notice of Rescission and Fact Sheet; and their application to credit card-embedded insurance benefits)*
- 2. Overview of annual disclosure results for 2021 and next steps*

3. *Disclosure of distributors' branches*

*Best regards,
Mario*

Participants at the 15 September, 2022 Meeting

From the AMF

- Mario Beaudoin, Directeur des pratiques de distribution alternatives en assurance (Director of Alternative Distribution Practices in Insurance)—*reports to new boss Christian Beaulieu who, in turn, reports to the Eric Jacob, Superintendent, Client Services and Distribution Oversight*
- Charlène Boucher, Analyst on Mario Beaudoin's team
- Christian Beaulieu, new boss to Mario Beaudoin—Directeur principal des opérations d'encadrement de la distribution (Senior Director, Operations and Distribution)

From CAFII

- Keith Martin, CAFII
- Brendan Wycks, CAFII

Key Takeaways

Fact Sheet and Notice of Rescission and Their Application to Credit Card-Embedded Insurance Benefits

The meeting began with Mr. Beaudoin introducing Christian Beaulieu, Mr. Beaudoin's new boss (formerly Louise Gauthier, Senior Director of Distribution Framework Policies) and a new Senior Director who reports to Eric Jacob, Superintendent, Client Services and Distribution Oversight.

Mr. Beaudoin said that "Mr. Beaulieu will be keeping an eye on me" and smiled. Mr. Beaudoin explained that Senior Director oversight of his portfolio of activities was previously divided between Louise Gauthier and Antoine Bedard, but now Mr. Beaulieu had joined the group of Senior Directors who report to Mr. Jacob and would be his sole boss.

Mr. Beaulieu's background is in the contract negotiation (procurement/purchasing and vendor management) area of business, including at the AMF, but in his new role he would be focusing on other things including DWR/alternative distribution practices, certification, and the related exam process. Mr. Beaulieu was primarily a passive observer/listener during the meeting, but in his self-introduction at the beginning he said that he was learning this part of the business and that Mr. Beaudoin "was an excellent teacher." He said he would be among the small group of AMF staff executives attending the 11 October, 2022 CAFII and AMF informal liaison lunch and Industry Issues Dialogue meeting in Montreal.

Mario Beaudoin then addressed the issue of distribution of the Fact Sheet and Notice of Rescission to holders of credit cards with embedded insurance benefits. However, he did not speak at all about the wording modifications to those two documents proposed by CAFII in January 2022, which recommended adding an asterisk (*) to the sections of those two documents which made inaccurate statements with respect to credit card-embedded insurance benefits, such the *ability to cancel the insurance at no cost* by qualifying those words with the following added statement:

**** This does not apply to insurance included with your credit card. You can decide not to use the insurance or contact the card issuer to obtain a different credit card with other insurance or no insurance—it's your choice.***

Instead, Mr. Beaudoin reiterated previously-advanced arguments that the Fact Sheet “could not be modified” and that its distribution was required to conform with the Regulation respecting Alternative Distribution Methods (RADM).

He then asked his Analyst Charlène Boucher to screen-share some counter-proposed wording modifications to the Fact Sheet and Notice of Rescission from the AMF.

Ms. Boucher began by saying that “with imagination” this issue could be easily resolved, by simply adding to the Fact Sheet—and to the Notice of Rescission—that any consumer who did not want the insurance embedded in their credit card could simply inform the card distributor of that desire, and the distributor could then “write an email to the insurer telling them the consumer did not want the insurance, and to exempt them from that.” Specifically, the AMF counter-proposed wording to be added to the ‘insurance section’ of the Fact Sheet (where the insurer can add some messages) would read as follows:

Credit card and debit card insurance

Although your credit card provides an insurance, you have the option to cancel this insurance. Be aware, however, that there is a possibility that you will not be reimbursed and that this would deprive you of the coverage offered by the insurer.

Note that the distributor does not receive any remuneration for offering this product.

or

Note that the distributor receives a remuneration of (\$X or X% of the insurance premium) for offering this product.

or

Note that the distributor receives a remuneration of less than 30% of the insurance premium for offering this product.

Keith Martin quickly said that the wording modifications and related underlying ‘exception management’ process being proposed by the AMF as a solution would be even more problematic for CAFII members and the industry generally than the original wording in the Fact Sheet and Notice of Rescission. Essentially, the exception management/sidebar process being proposed for credit card-embedded insurance benefits would be extraordinarily difficult, if not impossible, to implement. This would not be something which CAFII members would be able to do, and the complexity of such an exception management process was far more difficult than seemed to be appreciated.

CAFII’s Co-Executive Directors also noted that the AMF’s proposed solution seemed to move the Autorité squarely into the realm of ‘product design’ and regulatory over-reach. It was also noted that while some industry players might be willing to try to apply the AMF’s proposed solution, there would almost certainly be others that would view it as far too complex and choose to cease offering credit card-embedded insurance benefits to Quebecers.

What was clear from this exchange is that either the AMF does not understand the basic elements of how credit card-embedded insurance benefits work, or it is deliberately proposing solutions that cannot realistically be adopted, in order to imply that CAFII and its members are not willing to co-operate in finding a workable solution.

Keith Martin queried why if the section of the Fact Sheet reserved for insurer can have language added to it, why can't the wording modifications proposed by CAFII (and by THIA) in January 2022 not be added there?

Further, since the AMF has previously indicated that the Notice of Rescission can indeed be modified, why can't the wording modifications proposed by CAFII (and by THIA) in January 2022 not be added to the Notice of Rescission?

Another concerning AMF assertion made in this meeting – which CAFII will need to address in the very near future -- is Mr. Beaudoin's statement that he would like to find a solution to this issue before CAFII members implement their approved Action Plans for bringing credit card-embedded insurance benefits into conformity with the RADM – which, in most cases, will occur by the end of calendar year 2022, which Mr. Beaudoin said was strongly-to-be-desired so that members would not need to go back and modify their approach after they have implemented their current Action Plans. It appears that Mr. Beaudoin does not understand that if the current Action Plans, which for nearly all members do not involve distribution of the Fact Sheet and Notice of Rescission, are changed and these documents do need to be distributed to holders of credit cards with embedded insurance benefits, it is not possible to make that happen within the same time frame; and CAFII members would have to provide the AMF with a new, achievable project timeline for the distribution of those two documents to card holders.

Mr. Beaudoin said that other, non-CAFII member distributors/insurers of credit cards with embedded insurance benefits had been distributing the Fact Sheet and Notice of Rescission to card holders during 2022, and there had been no complaints or issues raised by them or their card holders.

Keith Martin said that CAFII members would, in principle, continue to be very uncomfortable distributing documents that they considered to inaccurate and misleading for consumers.

Mr. Beaudoin concluding discussion of this issue by stating that there were many other more important issues for his team to focus on at the present time; that this was not a priority for the AMF at all; and that they would not enforce or apply penalties upon any distributor who was not distributing the Fact Sheet and Notice of Rescission to holders of credit cards with embedded insurance benefits. He agreed to take another look at the Fact Sheet and Notice of Rescission wording modifications proposed by CAFII (and by THIA) in January 2022, and also suggested that CAFII and the AMF meet again soon to discuss this issue further.

2021 Distribution Without a Representative Profile CAFII

Mario Beaudoin then shifted to a Powerpoint presentation titled *2021 Distribution Without a Representative Profile CAFII*. The findings in this presentation were based on analysis of three years of data from an AMF-exclusive annual disclosure survey of DWR regime participants, and included a comparison of the performance on certain metrics of CAFII members versus non-CAFII members. Where the AMF had found that the data provided by survey respondents did not make sense, or had changed more than expected from year to year, or deviated from general industry norms, the AMF had gone back to those respondents and asked them to review their data. On that basis, Mr. Beaudoin said that he has a very high degree of confidence in the data and the resulting analytical findings.

Mr. Beaudoin said that the AMF found that CAFII members represented 68% of the Distribution without a Representative (DWR) marketplace in Quebec in 2021.

<u>Highlights</u>		
	<u>CAFII MEMBERS</u>	<u>OVERALL MARKET</u>
Amount of written premium	\$1,19B	\$1,75B
Amount paid out in compensation/benefits (following a claim)	\$429M	\$524M
Average claims denial rate for all products offered	13%	14%
Number of claims processed	98,000	140,000
Number of active insurers	11	39
Number of products offered	227	584

Mr. Beaudoin then used a new AMF-coined aggregated insurance category acronym which CAFII had not heard before, the “Debtor Life, Health, and Employment (DLHE) insurance products. He said that CAFII members had a 13% claims denial rate in this sector of the industry, versus 14% for the overall market.

One slide in this Powerpoint presentation said that “Although the volume of business underwritten in this market segment by the insurer members of CAFII is still quite minimal, the AMF wished to reiterate its concerns about the high claims denial and remuneration rates for these products, which are mainly distributed through automobile dealerships.”

Mr. Beaudoin then focused on “claims denial rates of the DLHE insurance products” and he shared a four quadrants graph in which one axis was “claims denial rate” and the other axis was “return of premium to insureds” (an inverse form of the loss ratio). Each insurer’s submitted data from the AMF annual disclosure survey was plotted on this graph, in one of the four quadrants—Zone 1 was low claims denial rate and high return of premium, and was “a good place to be”; Zone 2 was low claims denial rate and a low return of premium; Zone 3 was a high claims denial rate and a high return of premium, in which several CAFII members were situated, Mr. Beaudoin indicated; and Zone 4 was a high claims denial rate and a low return of premium to insureds, which was a problematic zone that the AMF wanted to better understand (most CAFII and industry members were in this zone, Mr. Beaudoin asserted).

Mr. Beaudoin then had to rush through some slides in the DWR Powerpoint on travel insurance, which he said were sometimes difficult to interpret because of all the issues that the industry has had to deal with in recent years. One slide in this section indicated that CAFII members had a 14% average claims denial rate, versus 17% for the overall market. Mr. Beaudoin emphasized a finding that “Products involving the payment of a specific premium (travel agencies, banks and credit unions) had a 17% claims denial rate, while “Products included when signing up for a credit card (built-in)” had a 41% claims denial rate.

Information Letter and Survey That Will Be Going Out To All Underwriters of All Debtor Life, Health, and Employment (DLHE) Insurance Products Within The Next Several Weeks

Mr. Beaudoin said that as a next step, each insurer that had been included in the DLHE statistical analysis survey would receive a transmittal letter with the overall statistical findings, along their own performance relative to industry norms; and, in addition, a special letter and short survey would be sent to those insurers identified as underperforming (Zone 4, for example) with a request for an explanation as to why their results fall within an undesirable Zone in the analysis; and what was their plan for addressing this matter going forward. Mr. Beaudoin said he expected to require affected insurers to provide their response within three months of receiving the AMF letter and survey package.

Distribution Notification for New DWR Products to be Changed to Head Office Only

Finally, Mr. Beaudoin said that he had some good news to share with CAFII; and then reported that because our Association members had indicated that the requirement for them to provide a list of all distribution locations (branches, agencies) for new products in the DWR regime was time-consuming and burdensome, the AMF had identified an internal technological solution such that, in the very near future (this change to be announced before the end of 2022), the introduction of new DWR insurance products (not just embedded products) would only require the head office location to be listed on a go-forward basis.

Recommended Next Steps

- Given that on October 11, 2022 CAFII and the AMF are meeting for an “Industry Issues Dialogue” and under the agreed-upon ‘Shared Agenda Approach,’ each side will make one or two presentations on topics of mutual interest:
 - based on the outcomes of the September 15, 2022 meeting with the AMF and the ensuing/follow-up discussion at the 20 September CAFII EOC meeting, CAFII should make one presentation to the AMF staff executives on 11 October titled something like
 “Removing The Barriers to Doing DWR Insurance Business in Quebec,” which would be comprised of two or three sub-sections including
 - “A Primer on Credit Card-Embedded Insurance Benefits”; and
 - “Why Does CAFII Always Request 12 to 18 Months Transition Time for Its Members to Implement Changes Resulting from New or Amended Insurance Legislation and Regulations?”
- CAFII recommends **not** following up re a further meeting with Mario Beaudoin on the Fact Sheet and Notice of Rescission until after the 11 October, 2022 meeting with his AMF staff executive superiors; and
- CAFII recommends asking Mario Beaudoin, shortly after 11 October, to present the AMF findings around “2021 DWR Market Profile CAFII” in a webinar for CAFII members only.

Highlights Summary of CAFII Meeting with Mario Beaudoin and Charlène Boucher, AMF, on 19 January, 2022

Keith Martin and Brendan Wycks met with Mario Beaudoin and Charlène Boucher on 19 January, 2022 from 3:00 to 4:00 pm EST.

The meeting was extremely cordial and Mr. Beaudoin and Ms. Boucher were open, engaged, and friendly.

Following are the highlights of the meeting:

Action Plans For Bringing Credit Card-Embedded Insurance Benefits Into Compliance With Regulation Respecting Alternative Distribution Methods (RADM): Mario Beaudoin reported that Action Plans had been received from many CAFII members and other industry players in mid-December, and they were generally of a good quality. “We are generally happy with the Action Plans and there are just a few ‘points of vigilance’ that we need to follow-up on with a small number of players. Most of what we’ve received is in line with our expectations,” he said.

Mr. Beaudoin advised that 186 (“just shy of 200”) credit card-embedded insurance benefits had been ‘disclosed’ to the AMF via the Action Plans. In comparison, in the prior industry disclosure to the AMF on insurance products distributed without a representative, 450 such products were disclosed. Mr. Beaudoin said he was impressed by how many credit card-embedded insurance products there are in the marketplace.

Combining of Different Classes/Types of Insurance Benefits Into A Single Product Summary Is Not Acceptable: Ms. Boucher had shared a report with Mr. Beaudoin prior to the meeting with CAFII, which indicated that two industry players had submitted an Action Plan in which they had combined quite different classes/types of embedded insurance benefits into a single Product Summary. That approach is not acceptable to the AMF, Mr. Beaudoin emphasized, because it will not serve consumers well.

Mr. Beaudoin elaborated that including all travel insurance embedded benefits (health; trip cancellation; trip interruption; baggage loss, etc.) was fine, but warranty-type embedded insurance benefits and rental vehicle-related embedded insurance benefits cannot be grouped into the same Product Summary as embedded travel insurance benefits. Warranty-type embedded insurance benefits and rental vehicle-related embedded insurance benefits are distinct classes/types of insurance that must be separated into their own Product Summary, he asserted.

Ms. Boucher advised that she would be following up with the two firms that had made this *faux pas* in their Action Plan submissions; and requiring them to decouple the distinct types of embedded insurance benefits into separate Product Summaries and to resubmit to the AMF in February.

Asking The Customer for Consent to Provide The Product Summary Later Does Not Remove The Requirement To Provide Pre-Sale Disclosure: Mr. Beaudoin said that some of the Action Plans submitted make reference to the firm’s intention in certain situations -- for example, in a call centre sale of insurance -- to ask the customer for consent to send him/her/them the Product Summary later, subsequent to that sales call.

Mr. Beaudoin said that while that approach was acceptable under the RADM, it did not remove the disclosure obligation to disclose to the consumer “pre-sale” what is in the offer of insurance. He emphasized that the whole point behind the Product Summary, as a key component of RADM compliance, is that it is intended to provide “pre-contract disclosure”; and once a customer is actually insured, he/she/they should consult the insurance contract or certificate of insurance, rather than the Product Summary.

As such, RADM compliance is not achieved if the key information about the insurance is not provided to the customer until after the offer is accepted. If the customer does not receive the actual Product Summary pre-sale, then they still need to have the insurance described to them in adequate detail before the sale is actually confirmed, including key information such as coverage features, limitations, and exclusions.

Particular Concern In The Case Of Credit Cards Secured ‘Over The Internet’ and Actively ‘Delivering’ The Product Summary Versus Just Making It Available:

Mr. Beaudoin said that some companies that permit consumers to apply for and secure a credit card over the internet included in their Action Plans a reference to “making the Product Summary available.” However, the RADM compliance requires “delivery” of the Product Summary to the consumer, for the purpose of drawing directly to his/her/their attention key information such as coverage features, limitations, and exclusions.

Mr. Beaudoin elaborated on this point, stating that simply telling/directing the consumer as to where to find the Product Summary is not good enough. What’s required is direct and active, not passive, delivery of the Product Summary; and the onus should not be placed on the customer to find it. And even when a sale is completed in person, the Product Summary cannot just be handed over to the customer and left at that, it must be described and explained as well. This is not a legal disclosure; it is a way to help the customer make the right decision, Mr. Beaudoin stressed.

In that connection, Mr. Beaudoin expressed the AMF’s concern about some companies’ Action Plan-stated intention to merely provide an internet customer with a link/URL to the Product Summary on the insurer’s website, opining that “the information posted at internet links often quite rapidly becomes outdated and incorrect.”

However, in response to a question from Brendan Wycks, Mr. Beaudoin indicated that the AMF would be open to further discussion/negotiation about the use of internet links to fulfil the Product Summary disclosure obligation, if the link was to a PDF and there was a commitment on the regulated entity’s part to constantly monitor the link and the related PDF to ensure that they are always functional and up-to-date.

Action Plans ‘Conditional’ Upon The AMF’s Modification of Fact Sheet and Notice of Rescission By A Certain Date Are A Concern: Mr. Beaudoin said that some of the Action Plans submitted state that the commitments and related dates set out therein are conditional upon the AMF confirming its position on the applicability/wording of the Fact Sheet and Notice of Rescission by a certain date, such as 31 March, 2022.

However, he emphasized that whatever the outcome of the review of the Fact Sheet and Notice of Rescission turns out to be, a company is still expected to meet all of the other commitments in its Action Plan; and he was dismissive of any conditions of this nature being included in an Action Plan.

A 31 December, 2022 Target Date For Full Action Plan Implementation Is Prolonged, But Yet Acceptable To The AMF: Mr. Beaudoin said that the AMF would accept the 31 December, 2022 target date for full implementation that was specified in many Action Plans, but that he was surprised by how long it would take to implement the changes necessary to become compliant with the RADM. CAFII explained that in many member companies, there are often hundreds of projects competing for resources, and that the changes necessary to bring credit card-embedded insurance benefits into compliance with the RADM would not be simple to implement; and they would impact training, communication, processes, and IT. Mr. Beaudoin responded that that was a valid point and he understood the challenges.

Additional/Tangential Points of Discussion

AMF Initiative To Reduce Regulatory Burden Upon The Industry: Attempt to Simplify Disclosure of All Distributors: Mr. Beaudoin said that he understood from CAFII's October 2021 written submission on *AMF Opportunities To Reduce Industry Regulatory Burden* that the requirement for regulated entities to list all distributors (for example, all branches of a bank offering credit protection insurance or offering credit cards with embedded insurance benefits; or all travel agencies offering a particular travel insurance product) was onerous.

As a result, the AMF was currently engaged in an internal "data base overhaul and related technology upgrade exercise," the net result of which will be that regulated entities will soon be able to add or update an 'all distributors list' via a simple email instruction exchange with an AMF staff member; and the Autorite will then be able to look after the addition or update for the regulated entity.

The AMF will be reaching out to CAFII members and other industry players directly about this; and this burden reduction initiative will be phased in gradually over time, with a group of firms becoming beneficiaries of it in each of several successive phases.

Proposal for Regular Meetings with CAFII: Mr. Beaudoin said that he felt that more regular communication and dialogue meetings between the AMF and CAFII would be mutually beneficial, as they would help to avoid any communication gaps or miscommunications.

In discussion with CAFII's Co-Executive Directors, Mr. Beaudoin and Ms. Boucher concurred with their recommendation that a quarterly frequency for such meetings would be ideal to begin with, at least for the first year or two, after which the frequency could be re-evaluated.

Next Steps: Ms. Boucher will capture all of the above-noted industry-level feedback points on the Action Plans in a draft letter; send that draft letter to Keith Martin and Brendan Wycks by February 4/22 for review and feedback; and, after receiving their feedback, send out a revised/final draft of the letter to all affected industry contacts in early February.

Agenda Item 5(a)(4)
October 25/22 EOC Meeting

From: Beaudoin Mario <Mario.Beaudoin@lautorite.qc.ca>
Sent: September-15-22 5:29 PM
To: Brendan Wycks <brendan.wycks@cafii.com>; Keith Martin <Keith.Martin@cafii.com>
Cc: Boucher Charlene <Charlene.Boucher@lautorite.qc.ca>; Beaulieu Christian
<Christian.Beaulieu@lautorite.qc.ca>
Subject: CAFII - Fact Sheet/Rescission notice

Bonjour,

Here are the changes we proposed for the Fact sheet and the Notice of rescission and discussed in our meeting today. These changes cannot be applied to credit card balance insurance products, which are debtor life, health and employment insurance products.

- Fact sheet
Mention that could be added in the section for the insurer

Credit card and debit card insurance

Although your credit card provides an insurance, you have the option to cancel this insurance. Be aware, however, that there is a possibility that you will not be reimbursed and that this would deprive you of the coverage offered by the insurer.

Note that the distributor does not receive any remuneration for offering this product.

or

Note that the distributor receives a remuneration of (\$X or X% of the insurance premium) for offering this product.

or

Note that the distributor receives a remuneration of less than 30% of the insurance premium for offering this product.

- Notice of rescission
Mention that could be added at the end of the Notice of rescission

Credit card and debit card insurance

Although your credit card provides an insurance, you have the option to cancel this insurance. Be aware, however, that there is a possibility that you will not be reimbursed and that this would deprive you of the coverage offered by the insurer.

As explained in the meeting, we are seeking your feedback on our proposal, while considering the legal limitations we are confronted with. We will not be discussing that point with the industry in the meantime.

We also remain available to complete the presentation of the market data and discuss or clarify the surveillance initiative that will come later with regards to the rates of claim denied.

Best regards,

Mario Beaudoin
Directeur des pratiques de distribution alternatives en assurance
Autorité des marchés financiers
2640, boul. Laurier, 4^e étage
Québec (Québec) G1V 5C1
Téléphone : 418 525-0337, poste 2801
Sans frais : 1 877 525-0337, poste 2801
www.lautorite.qc.ca



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Briefing Note

CAFII EOC Meeting 25 October, 2022—Agenda Item 5(b)

Recent and Upcoming Strategic and Regulatory Initiatives—Insights Gained from October 19/22 THIA Innovation Summit

Purpose of this Agenda Item – Update

To update the EOC on insights gained from the recent THIA Innovation Summit.

Background Information

CAFII Co-Executive Directors Keith Martin and Brendan Wycks attended the THIA Innovation Summit on 19 October, 2022, and this will be an opportunity for a brief verbal update on insights gained from that event.

A detailed summary of the key insights from the session can be found in the October 2022 Regulatory Update, which is included in the consolidated package for this meeting under agenda item 2(a).

Recommendation / Direction Sought – Update

This is an update-only for the EOC.

Attachments Included with this Agenda Item

1 attachment.

Agenda Item 5(b)
October 25/22 EOC Meeting



THIA INNOVATION SUMMIT
OCTOBER 19TH, 2022
8:30 AM - 4:00 PM

A WAY FORWARD

SOLD OUT

KEYNOTE SPEAKER
ERIN BURY WILLFUL

ADDITIONAL CONFIRMED SPEAKERS INCLUDE

NEAL JARDINE
BOXX INSURANCE

MITCH GROSS
12 SQUARED GROWTH

MARK MORRISSETTE
FOXQUILT

We are looking forward to seeing you on Wednesday for THIA's sold out Innovation Summit! It is sure to be an engaging and informative day and we would like to thank our generous sponsors for their support in making it possible:



Manulife

BOXX
INSURANCE





EVENT AGENDA

We have a terrific agenda planned for Wednesday. Please see the details below:

8:30 AM - 9:20 AM	Registration, Coffee & Continental Breakfast
9:25 AM – 9:35 AM	Opening Remarks
9:35 AM - 10:35 AM	Keynote: Erin Bury – How Technology Is Changing Legacy Industries (and Processes) From the Ground Up
10:40 AM -11:00 AM	Morning Break
11:20 AM -12:20 PM	Neal Jardine - Cyber Threat Landscape and Your Digital Health
12:00 PM - 1:00 PM	Lunch
1:00 PM – 1:40 PM	Daniel Zhan, FSRA - Test and Learn - How Ontario Empowers Innovation
1:40 PM - 2:25 PM	Mark Morissette, Foxquilt
2:25 PM - 3:10 PM	Mitch Gross, 12 Squared Growth – The Secret to Successful Partnerships
3:10 PM - 3:30 PM	Afternoon break
3:30 PM - 4:20 PM reshape the industry	Startup showcase - Five leading-edge startups share their readiness to
4:20 PM - 4:30 PM	Closing Remarks
4:30 PM – Networking Cocktails at Selva Toronto – 221 Richmond Street West, Toronto, ON	

Briefing Note

CAFII EOC Meeting 25 October, 2022—Agenda Item 5(c) Recent and Upcoming Strategic and Regulatory Initiatives— Insights Gained from October 19/22 In- Person Meeting of Saskatchewan Restricted Insurance Agent Advisory Committee (RIAAC)

Purpose of this Agenda Item – Update

To update the EOC on a recent meeting of the Saskatchewan RIACC (Restricted Insurance Agent Advisory Committee).

Background Information

CAFII and CLHIA attended an in-person meeting in Toronto of the Saskatchewan RIACC (Restricted Insurance Agent Advisory Committee) on 19 October, 2022, which was chaired by Moira Gill with April Stadnek, Executive Director of the Insurance Councils of Saskatchewan, also in attendance.

Recommendation / Direction Sought – Update

This is an update-only for the EOC.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting 25 October, 2022—Agenda Item 6(a) Governance Matters-- Board Appointment of New Director from Scotia Insurance; and Imminent Appointment of New Director from TD Insurance

Purpose of this Agenda Item – Update

To update the EOC on the appointment of a new CAFII Director from Scotia Insurance, and on the imminent appointment of a new CAFII Director from TD Insurance.

Background Information

Wayne Hewitt was recently appointed to the CAFII Board as the new Director from Scotia Insurance.

As well, we have learned that TD Insurance will soon nominate Valerie Gillis for appointment to the CAFII Board as its new Director.

Recommendation / Direction Sought – Update

This is an update-only for the EOC.

Attachments Included with this Agenda Item

1 attachment.

Agenda Item 6(a)
October 25/22 EOC Meeting



Wayne Hewitt Capsule Biography

About

Proven empathetic and highly respected leader with strong execution capabilities. Known for his deep operational and process knowledge, strong customer focus, a collaborative approach to building strong partnerships, a passion for building and nurturing high performing teams, and his future forward business vision. A seasoned banker with a strong work ethic, and broad, extensive banking experience, particularly in Corporate & Commercial Banking, Risk Management, Client Relationship Management and Internal Audit and Controls. I have worked successfully in banking in more than one bank, more than one country, and more than one business line. Improving Spanish language capability. And lots of heart.

Experience



Senior Vice President, Insurance Canada, Scotia Insurance: Sep 2022 – Present: Leader of Scotiabank's Insurance business in Canada



[Vice President, Business Operations & Credit Controls, Commercial Banking](#)

[Sep 2019 - Sep 2022; 3 yrs, 1 mo, Toronto, Ontario](#)

[Vice President, Internal Audit, Operations; Apr 2018 - Sep 2019 · 1 yr., 6 mos, Toronto, Ontario](#)

As VP Operations Audit, I am responsible for planning and executing Internal Audit program covering Operations departments and processes in Scotiabank's Canadian Banking and International Banking divisions.

[Vice President - Internal Audit, Caribbean; May 2014 - Apr 2018 · 4 yrs; Toronto, Ontario, Canada](#)

As Vice President, Caribbean Audit, I am responsible for planning and executing the Internal Audit program for the 20 countries in the English & Spanish Caribbean in which Scotiabank has a presence. As Vice President, Caribbean Audit, I am responsible for planning and executing the Internal Audit program for the 20 countries in the English & Spanish Caribbean in which Scotiabank has a presence.



Resident Vice President

Citi, Jun 1993 - Jun 2003; · 10 yrs, 1 mo, Jamaica

Background Context/Rationale: in July 2022, Scotia Insurance informed CAFII that Zack Fuerstenberg, its current Director on the CAFII Board of Directors, had left the company's employ. Subsequently, in September 2022, Scotia Insurance informed CAFII that it wished to nominate Wayne Hewitt, Senior Vice President, Insurance Canada at Scotia Insurance (*see Capsule Biography*), for appointment as its new Director on the CAFII Board of Directors; and that it was amenable to having that appointment occur via Article 5.14 of the Association's By-Law: *Voting By Electronic Means, Outside Of A Board Meeting* so that Mr. Hewitt's appointment could be effected prior to the CAFII Board's next meeting on Tuesday, October 11/22.

Briefing Note

CAFII EOC Meeting 25 October, 2022—Agenda Item 6(b)

Governance Matters-- Board-Approved CAFII 2023 Schedule of Meetings and Events

Purpose of this Agenda Item – *Update*

To update the EOC on the Board-approved 2023 schedule of CAFII meetings and events.

Background Information

At its 11 October, 2022 meeting, the CAFII Board approved a 2023 schedule of meetings and events, which includes moving the Annual Members and Associates Luncheon from the fall to the spring (May).

Recommendation / Direction Sought – *Update*

This is an update-only for the EOC.

Attachments Included with this Agenda Item

1 attachment.

Agenda Item 6(b)

October 25/22 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 20, 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: Assurant (at private venue rental in downtown 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: Scotiabank Financial; Alternate: RBC Insurance

2023 Annual Members and Associates Luncheon:

- *Tentative Date: Tuesday, May 9, 2023 from 11:45 a.m. EST to 2:15 p.m. EST at a TBD location*

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

Briefing Note

CAFII EOC Meeting 25 October, 2022—Agenda Item 6(c)

Governance Matters-- Insights Gained from CAFII 25th Anniversary Celebration on October 19/22

Purpose of this Agenda Item – Update

To update the EOC on the very successful CAFII 25th Anniversary Celebration held on 19 October, 2022.

Background Information

CAFII held a very successful 25th Anniversary Celebration on 19 October, 2022 hosted by BMO Insurance at the bank's 68th Floor executive offices in First Canadian Place. Over 85 people were in attendance, including over a dozen regulators and policy-makers who were in Toronto as part of "Regulators Week" (the date of the celebration was chosen to be in the middle of that week, to facilitate regulatory and policy-maker attendance). In well-received comments, CAFII Board Chair Peter Thompson said

When I pause to reflect on what has transpired in our world during the 25 years that CAFII has been in existence, I can confidently say that among the most cataclysmic events that we've seen in the financial services milieu was the global financial crisis of 2007 and 2008, and the fallout it caused for businesses around the world.

Comparing Canada's performance in the aftermath of that financial crisis to that of the United States – and we should make that comparison, with pride -- I believe we can identify some important differences.

Our Association represents the insurance arms of Canadian financial institutions and I am proud of our record of prudent and responsible financial practices— practices often quite different from those of our counterpart FIs in our neighbour to the south.

And I recognize as well that our regulatory framework here in Canada --- more stringent, more effective, more competent – made a real difference in the aftermath of the global financial crisis as compared to what unfolded in the U.S.

Together, those two realities of industry practices and the regulatory environment produced entirely different outcomes in Canada as compared to what occurred in the U.S. — and we should be proud of those differences, and celebrate and recognize the achievements of our different model and the benefits it produced for the Canadian economy and our citizens.

With that as context, I think it's important to commend our regulators and policy-makers in Canada for responding forcefully but yet not over-reacting to the financial crisis; for staying the course; and finding a reasonable balance between rules-based, prescriptive regulation and principles-based regulation in our financial services and insurance industries.

The Canadian regulatory framework has served our society well during times of stability and during times of crisis.

We commend our Canadian regulators and policy-makers for their willingness engage with CAFII and other industry Associations, to listen to different perspectives, and to seek alternative options and solutions.

Towards the end of his speech, in which he spoke to the importance of relationships, Mr. Thompson added the following comments:

And certainly a key relationship that can't be overlooked – because it is at the very heart and raison d'être of our Association – is the relationship that CAFII has built with the insurance regulator and policy-maker community.

Thank you, regulators and policy-makers who are with us this evening, for your open communication, consultation, and responsiveness, throughout the interactions you've had with CAFII over the years.

Ours is an important reciprocal relationship, so let's keep making it a priority; and let's make it of even stronger mutual benefit as we go forward.

Ladies and gentlemen, we have very many representatives of the insurance regulator and policy-maker community from across Canada with us this evening.

We have more than 20 of those VIP guests in attendance from CCIR, CISRO, and OSFI as national organizations; from nearly all provincial and territorial insurance regulators; and, as well, we have policy-maker representatives present from many of the jurisdictions across the country.

Please join me in a round of applause to welcome our guests from the regulator and policy-maker community; and to thank them for their co-operation, collaboration, and communication.

There was strong interest in the event from the regulatory and policy-maker community, and the list of registrants (including those who attended and those who did not) is below.

Regulatory and Policy-Maker Attendees: Registered and Attended

Eric Jacob, Superintendent, Autorité des marchés financiers

Nathalie Sirois, Autorité des marchés financiers

Harry James, BCFSa

Forrest Joy, BCFSa

Tony Toy, CCIR/FSRA Ontario

David Weir, FCNB

Erica Hiemstra, FSRA

Fern Karsh, FSRA

April Stadnek, Executive Director, Insurance Councils of Saskatchewan

Ron Fullan, Insurance Councils of Saskatchewan (retired)

Scott Moore, Manitoba Superintendent of Insurance

Robert Bradley, PEI Superintendent of Insurance and CCIR Chair

Jennifer Calder, Nova Scotia Deputy Superintendent of Insurance

Michael Weisman, Ontario Ministry of Finance.

Regulatory and Policy-Maker Attendees: Registered but Did Not Attend

Laurie Balfour, Alberta Automobile Insurance Rate Board

Brent Rathgeber, Alberta Insurance Council

Raseema Alam, FSRA/CCIR;

Allan Amos, FSRA;

Hussein Lalani, FSRA;

Peter Burston, FSRA

Stuart Wilkinson, FSRA

Marina Makhnach, BCFSa;

Darrell Leadbetter, OSFI.

Recommendation / Direction Sought – Update

This is an update-only for the EOC.

Attachments Included with this Agenda Item

1 attachment.

Agenda Item 6(c)
October 25/22 EOC Meeting

Please join us at CAFII's 25th Anniversary Celebration Event!

You are cordially invited to attend CAFII's 25th Anniversary Celebration Event on Wednesday, October 19, 2022 in Toronto.

On this special occasion, CAFII will pause to celebrate its milestone Silver Anniversary while also toasting the future, with all of its possibilities and expectations for continued success for the Association.

This networking and appetizers-and-beverages event will take place in the Hart Room of BMO's corporate event venue on the 68th floor of First Canadian Place in downtown Toronto.

Join us for an early evening celebration of 25 years of CAFII success in its communications and relationship-building with key stakeholders across Canada; and in its dedication to fostering an open and flexible marketplace and meaningful choice for consumers in securing life and health insurance and travel insurance protection and peace of mind.



When: Wednesday, October 19, 2022 from 4:30 to 7:30 p.m.

Location: BMO Corporate Event Venue, Hart Room, 68th Floor, First Canadian Place
100 King St W, Toronto, ON M5X 1A3

25th Anniversary Celebration: Event Overview

4:30 to 5:25 Cocktails and Conversation

Networking and socializing, with beer, wine, soft drinks, snacks and hors d'oeuvres available

5:25 to 5:45 Welcome and 25th Anniversary Reflections (Brief Formal Remarks)

5:45 to 7:30 Reception Continues
Networking and socializing continues

Note: Brief curator-guided small group tours of BMO's art collection on the 68th floor at First Canadian Place will be available between 4:30 and 5:25 p.m.; and 5:45 and 7:30 p.m. If you are interested in a tour of the art collection, please indicate so using the Register Here form (link below).

Background music (classical and pops) performed by a violin and cello duo from the Royal Conservatory of Music!

Registration is required to attend. Please RSVP to this invitation using the Register Here link below by 4:00 p.m. on Thursday, October 13, 2022.

If you have any questions, please contact Meighan Pears at events@cafii.com

[Register Here](#)

Sincerely,

Brendan Wycks, BA, MBA, CAE
Co-Executive Director
Canadian Association of Financial
Institutions in Insurance
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Office: (416) 494-9224
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Keith Martin
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Canadian Association of Financial Institutions in Insurance
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Briefing Note

CAFII EOC Meeting 25 October, 2022—Agenda Item 6(d) Governance Matters-- Plans for November 24/22 EOC Meeting

Purpose of this Agenda Item – *Update*

To update the EOC on the plans for the 24 November, 2022 EOC meeting, to be held at the Manulife corporate office on Bloor St. East in Toronto.

Background Information

The EOC will be updated on the plans for an in-person EOC meeting on 24 November, 2022.

Recommendation / Direction Sought – *Update*

This is an update-only for the EOC.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

**CAFII EOC Meeting 25 October, 2022—Agenda Item 6(e)
Governance Matters-- Plans for December 6/22 CAFII Board Meeting and Immediately Ensuing Year-
End/Holiday Season Reception**

Purpose of this Agenda Item – Update

To update the EOC on the plans for the CAFII Board meeting and immediately ensuing end-of-year Reception planned for 6 December, 2022.

Background Information

Following the 6 December, 2022 Board meeting, CAFII will hold an end-of-year Reception. This will be an update on the plans for that event.

Recommendation / Direction Sought – Update

This is an update-only for the EOC.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting 25 October, 2022—Agenda Item 6(f) Governance Matters-- Draft Minutes of September 20/22 EOC Meeting

Purpose of this Agenda Item – *Approval*

To secure EOC approval of the minutes of its previous meeting held on 20 September, 2022.

Background Information

The EOC will be asked to approve the minutes of the 20 September, 2022 EOC meeting.

Recommendation / Direction Sought – *Approval*

This is an approval item.

Attachments Included with this Agenda Item

1 attachment.

**EXECUTIVE OPERATIONS COMMITTEE HYBRID MEETING
CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE**

Canada Life, 330 University Avenue, Toronto, Ontario

Tuesday, September 20, 2022, 3:00-5:00pm

MINUTES

**EOC Present
(in-person):**

Rob Dobbins	Assurant; EOC Chair
Karyn Kasperski	RBC Insurance; EOC Vice Chair
Michelle Costello	CUMIS/The Co-operators
Casandra Litniansky	CUMIS/The Co-operators
Carmelina Manno	Manulife Financial
Janet Pacini-Thibodeau	Manulife Financial
Katia Umutoniwase	Manulife Financial
Iman Muntazir	The Canada Life Assurance Company
Peter Thorn	TD Insurance
John Burns	Canadian Premier Life Insurance Company
Marco DeiCont	Valeyo

**EOC Present
(virtual):**

Isabelle Choquette	Desjardins Insurance
Jacqlyn Marcus	Valeyo
Pierre-Olivier Cyr	Desjardins Insurance
David Self	CIBC Insurance
Sharon Murrell-Foster	Manulife Financial
Andrea Stuska	TD Insurance
Martin Boyle	BMO Insurance
Charles MacLean	RBC Insurance
Fernando Heleno	RBC Insurance
Asma Desai	Canadian Premier Life Insurance Company
Jawid Kargger	CUMIS/The Co-operators
Brad Kuiper	Scotia Insurance

Regrets:

Donald Hinnecke	RBC Insurance and Treasurer
Corrine Gagné	Canadian Tire Bank
Farhad Eslah	Canadian Tire Bank
Jonine McGregor	Canadian Tire Bank
Ben Gray	CIBC Insurance
Esther Lee	CIBC Insurance
Almas Satwat	CUMIS/The Co-operators
Diane Quigley	CUMIS/The Co-operators
Nathalie Baron	Desjardins Insurance
Ivan Murray	National Bank Insurance
Stacey Hughes-Brooks	RBC Insurance
Aneta Murphy	Scotia Insurance
Tal Zisu	Scotia Insurance
Aanchal Gulia	Sun Life
Anaar Jessa	Sun Life

Edward Kuo	Sun Life
Emily Brown	Sun Life
Susanne Oleksandriw	Sun Life
Fay Coleman	TD Insurance
Fergal Murphy	TD Insurance
Moira Gill	TD Insurance
Dallas Ewen	The Canada Life Assurance Company

**Also Present
(in-person):**

Brendan Wycks, *Co-Executive Director*
 Keith Martin, *Co-Executive Director*
 Jake Becker, *Association Coordinator*

Item 1: Welcome, Call to Order, and Priority Matters

Item 1 (a): Call to Order

EOC Chair R. Dobbins called the meeting to order at 3:03 p.m.

Item 1 (b): Welcome to New EOC Member: Sharon Murrell-Foster, Manulife; Jawid Kargger, CUMIS/Co-Operators; and Pierre-Olivier Cyr, Desjardins Insurance

Rob Dobbins invited three new members of the EOC to introduce themselves, and welcomed them to the EOC: S. Murrell-Foster, Manulife; J. Kargger, CUMIS/The Co-operators; and P.O. Cyr, Desjardins Insurance.

Item 2: Consent Items

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

- Consultations/Submissions Timetable
- September 9/22 CAFII Response Submission to BCFSa on “Draft Insurer Code of Market Conduct and Supplemental Guideline”
- Regulatory Update
- Regulator and Policy-Maker Visit Plan Recap
- Summary of Board and EOC Action Items
- Board-Approved Schedule of CAFII 2022 Meetings and Events

Item 3: Financial Management Matters

Item 3 (a): CAFII Financial Statements as at August 31/22

As CAFII Treasurer D. Hinnecke was unable to attend this meeting, CAFII Co-Executive Director B. Wycks provided an overview of the CAFII financial statements as at 31 August, 2022, noting that the Association’s finances were strong, and that most of the favourable variance between the actual year-to-date surplus and budget year-to-date was largely due to timing issues on expenses that had not yet been incurred, but likely would be for fiscal year-end.

Item 3 (b): Forecast For CAFII 2022 Fiscal Year as at August 31/22

B. Wycks reported that the Association was largely on-track to close the 2022 fiscal year fairly close to budgeted levels, although one revenue source, the Associate Dog & Pony Studios, would not be renewing in 2022; and some expense items would end the year lower than budgeted, including the provision for legal expenses.

Item 3 (c): Payment of CAFII Member 2022 Second Instalment Dues Invoices as at September 15/22

B. Wycks reported that Members had largely paid their 2022 second instalment dues invoices at this stage, and that CAFII was expecting all Members to have paid in short order.

Item 3 (d): Recommendation from CAFII Management, Supported by Treasurer, That CAFII Member Dues Be Consolidated Into One Invoice/Payment Starting in 2023

The EOC endorsed a recommendation from CAFII Management, supported by Treasurer D. Hinnecke, that CAFII member dues be issued via just one instalment starting in 2023. This recommendation will now be presented to the CAFII Board for approval at its upcoming 11 October, 2022 meeting.

[Action Item: Bring recommendation re consolidating into one annual invoice/payment to Board at October 11/22 meeting, for approval; K. Martin, B. Wycks, October 4/22.]

Item 3 (e): Critical Path For Development of 2023 CAFII Budget

B. Wycks provided an overview of the path for the development of the 2023 CAFII budget. K. Martin noted that there were significant inflationary pressures on the Association, and these were especially pronounced for travel, food costs, and venue expenses; and that this might require consideration of a modest Member and Associate dues increase for 2023.

Item 4: Committee Updates

Item 4 (a): Marketing Conduct & Licensing

i. CAFII Response Submission on BC Ministry of Finance Consultation on “Proposed Introduction of A Restricted Licensing Regime for The Sale of Some Insurance in BC” (Submission Deadline: October 3/22)

There was a discussion of the major elements of the CAFII submission being prepared in response to the consultation by the BC Ministry of Finance on the development of a new RIA regime in BC. The CAFII response will emphasize the importance of harmonization, and will challenge the suggestion that insurance products offered incidentally in connection with the sale of another product should be subject to a deferred sales model.

Item 4 (b): Media Advocacy

i. Operatic Agency Efforts on CAFII Website Video on Highlights of CAFII-Commissioned Research with Deloitte Canada on “Best Practices in the Digitization of CPI”; and Enhancements to FAQs on CAFII Website

K. Martin provided an update on the recent progress made by Operatic Agency in its deliverables in relation to the CAFII website, including a new video being produced on the Deloitte research project, and enhancements to FAQs.

Item 4 (c): Research & Education

i. Execution of EOC-Approved CAFII 2022 Tracking Study Research on Consumers' Satisfaction with CPI, with Pollara Strategic Insights

K. Martin provided an update on the progress made on the 2022 Pollara research project on consumers' satisfaction with CPI, noting that this was about to go to field; and that the survey would include a question on inflation, the results of which could attract some trade media interest.

Item 4 (d): Networking & Events

i. Insights Gained From September 13/22 In-Person CAFII 2022 Annual Members and Associates Luncheon with Mark White, CEO, FSRA, as Guest Speaker

K. Martin provided an update on the September 13/22 Annual Members and Associates Luncheon with Mark White, CEO of FSRA, as the guest presenter, with EOC members expressing satisfaction that it had been a highly successful presentation event.

ii. Plans For October 5/22 CAFII Webinar with Lesli Martin, Vice-President, Pollara Strategic Insights, as Fireside Chat Discussant on "Consumer Preferences and Product Development Insights Emerging From Recent Research In Financial Services and Relevant Comparator Industries"

K. Martin provided an update on the upcoming October 5/22 CAFII webinar with Lesli Martin of Pollara Strategic Insights on trends in the financial services industry.

iii. Topic Proposals For November 2022, December 2022, and January 2023 Webinars

K. Martin reported that possible future CAFII webinars could include a session with BCFSa CEO Blair Morrison; a panel session on travel health insurance issues; and possibly a webinar with FCAC Commissioner Judith Robertson.

Item 4 (e): Travel Insurance Experts

i. Issues Discussed in and Insights Gained from Recent Meetings of Travel Insurance Experts Committee

K. Umutoniwase provided an update on recent activities of the Travel Insurance Experts Committee, noting that there had been fewer meetings of late due summer holiday schedules.

ii. Insights Gained From CAFII/CLHIA/THIA Bi-Weekly Meetings Re Impact Of COVID-19 On Travel and the Travel Insurance Industry; and Related Regulatory Issues

B. Wycks reported that some issues that had been discussed at recent biweekly CAFII/THIA/CLHIA meetings included providing foreign insurers with the opportunity to insure SuperVisa holders, a prospect which CLHIA and THIA are challenging.

Item 5: Recent and Upcoming Strategic and Regulatory Initiatives

Item 5 (a): Results of CAFII Member Company Canvass on AMF Outreach Re Burden Reduction Initiative Related To Updating of Branch Distribution Lists; and Ensuing September 15/22 CAFII Update Meeting with AMF Staff Executives

This item was combined with 5 (b).

Item 5 (b): Outcomes of September 15/22 Meeting of CAFII Working Group On Compliance With AMF's Expectations Re RADM's Applicability To Credit Card-Embedded Insurance Benefits

K. Martin provided a detailed update on the September 15/22 meeting held with the AMF on a variety of issues, including distribution of the Fact Sheet and the Notice of Rescission. Concern was expressed that the AMF was not indicating support for CAFII's recommendation that the wording of these documents be modified for credit card-embedded insurance benefits.

Item 5 (c): Feedback From FSRA on CAFII's Submission on "Use of Retained Revenues under Regulation Money Retained Outside the Consolidated Fund' Guidance"

K. Martin reported that FSRA staff executives had recently expressed to CAFII that they appreciated the Association's thoughtful and helpful submission on FSRA's use of retained revenues guidance.

Item 5 (d): Plans for Tuesday, October 11/22 CAFII Board Meeting in Montreal; and Related Liaison Lunch and Industry Issues Dialogue with AMF Staff Executives, Including

- **Proposed Two CAFII Mini-Presentations to AMF Staff Executives As Part of 'Shared Agenda Approach' to Industry Issues Dialogue**

EOC members expressed support for a recommendation that one consolidated presentation to be made to the AMF on 11 October, 2022 with an emphasis on how credit card-embedded insurance benefits work, and an explanation of why CAFII asks for 12-18 months for the implementation of new regulatory requirements.

[Action Item: Finalize CAFII presentation to AMF staff executives for October 11/22 Industry Issues Dialogue, with its focus being on how credit card-embedded insurance benefits work, and an explanation of why CAFII asks for 12-18 months for the implementation of new regulatory requirements; K. Martin, B. Wycks, October 11/22.]

Item 5 (e): Plans For October 20/22 CAFII Stakeholder Session With CCIR On Its Draft 2023-25 Strategic Plan

B. Wycks reported that CCIR has changed its plans and now indicated that it would consult with CAFII on the Council's draft 2023-25 strategic plan through a virtual meeting that will take place in early November.

Item 5 (f): Proposal Re CAFII's Return To Insurance Regulator and Policy-Maker Visit Tours in 2023

The EOC endorsed a recommendation from CAFII Management that the first 2023 regulator and policy-maker visits tour be to the Western Canada provinces, rather than to Atlantic Canada. This proposal will now be presented to the CAFII Board at its October 11, 2022 meeting for approval.

[Action Item: Bring recommendation re return to insurance regulator and policy-maker visit tours in 2023 to Board at October 11/22 meeting, for approval; K. Martin, B. Wycks, October 4/22.]

Item 6: Governance Matters

Item 6 (a): Recommendations for Revisions To CAFII Alerts Weekly Digest Based on June/July EOC Member Input Survey

EOC Chair R. Dobbins provided a detailed update on the recommendations around revisions to the CAFII Alerts Weekly Digest. The EOC endorsed the recommendations, unamended, for presentation to the CAFII Board for approval at its October 11, 2022 meeting.

[Action Item: Bring recommendations re revisions to CAFII Alerts Weekly Digest to Board at October 11/22 meeting, for approval; R. Dobbins, K. Kasperski, October 4/22.]

Item 6 (b): Proposed Schedule of CAFII 2023 Meetings and Events

This agenda item was deferred to a subsequent meeting.

Item 6 (c): Plans for Tuesday, September 20/22 EOC Annual Appreciation Dinner

B. Wycks provided an update on plans for the EOC Annual Appreciation Dinner, to be held immediately following this meeting.

Item 6 (d): Plans for In-Person CAFII 25th Anniversary Celebration on October 19/22

B. Wycks provided an update on plans for the October 19, 2022 CAFII 25th Anniversary Celebration event.

Item 6 (e): Draft Minutes of July 26/22 EOC Meeting

The EOC approved the draft minutes of its 26 July, 2022 EOC meeting.

Briefing Note

CAFII EOC Meeting 25 October, 2022—Agenda Item 7(a)

Read Only Items-- Board-Approved Recommendations for Revisions to CAFII Alerts Weekly Digest

Purpose of this Agenda Item – *Read Only Item*

To provide a Read Only document to update the EOC on the fact that the CAFII Board has approved a set of recommendations from the EOC on revisions to the CAFII Alerts Weekly Digest.

Background Information

On October 11, 2022, the CAFII Board approved, unamended, a set of recommended revisions to the CAFII Alerts Weekly Digest, which the EOC had previously reviewed and endorsed.

Recommendation / Direction Sought – *Read Only Item*

This is a Read Only update.

Attachments Included with this Agenda Item

1 attachment.

Agenda Item 7(a)
October 25/22 EOC Meeting

Board-Approved Recommendations for Revisions to CAFII Alerts Weekly Digest

The following recommendations were approved by the CAFII Board of Directors, unamended, at its October 11, 2022 meeting:

Part 1

Editorial Guidelines

- A. Proposed Revised Content Categories For CAFII Alerts Weekly Digest:
- Government/Regulatory Developments (in particular, credit protection insurance and travel insurance as product lines of primary focus; five articles maximum)
 - Other CAFII Member-Relevant News (five articles maximum)
 - Upcoming CAFII Member-Relevant Webinars and Events

If the above-proposed Content Categories are approved as new Editorial Guidelines for the Weekly Digest, the following current Content Categories will no longer be utilized:

- News About CAFII Members and Their Parent Companies (subsumed within “Other CAFII Member-Relevant News”)
- Diversity, Equity, and Inclusion News (subsumed within “Other CAFII Member-Relevant News”)
- Research/Thought Leadership/Technology/Digitization News (subsumed within “Other CAFII Member-Relevant News”)

- B. No Opinion Pieces. Scope to be limited to news reporting articles only.

Part 2

Operational Process Changes/Enhancements

- A. If CAFII’s Co-Executive Directors question whether an article is acceptable for inclusion; engage the Media Advocacy Committee (or an adhoc Committee of 2-3 volunteer EOC members) for a Review/“Sanity Check”. This is a consulting engagement and not a regular/recurring review and approval of the Weekly Digest. The editorial guidelines and more limited scope should largely address any inappropriate articles.

- B. CAFII Alerts Weekly Digest Disclaimer Statement To Be Updated, As Follows:

The CAFII Alerts Weekly Digest is intended to provide a curated compendium of news on insurance, regulatory, and industry/business/societal topics of relevance to CAFII Members – drawn from domestic and international industry trade press and mainstream media – to aid in Members’ awareness of recently published media content in those areas.

- C. Transition/Implementation Date: once changes to overhaul and enhance the Weekly Digest are approved by the EOC (assuming at September 20/22 EOC meeting) and by the CAFII Board (assuming at October 11/22 Board meeting), the changes can be implemented immediately, with the next edition of the Weekly Digest (e.g. based on above assumptions, with the edition of Friday, October 14/22.)

Briefing Note

CAFII EOC Meeting 25 October, 2022—Agenda Item 7(b)

Read Only Items-- Board-Approved Resolution Re CAFII Board Vice-Chair Position in 2022-23

Purpose of this Agenda Item – *Read Only Item*

To update the EOC on a Board-approved motion around the CAFII Vice-Chair position.

Background Information

At the October 11, 2022 CAFII Board meeting, Chair Peter Thompson noted that CAFII had approached a candidate for the position of Vice-Chair in the summer months, but that entreaty did not work out. Given that there are many new members among the other Directors on the Board, Mr. Thompson recommended that the Board approve not having a Vice-Chair for the balance of the CAFII 2022-23 governance year, and instead re-evaluate the situation in the lead-up to the June 2023 Annual Meeting of Members. The Board moved, seconded, and unanimously passed a motion to that effect.

Recommendation / Direction Sought – *Read Only Item*

This is a Read Only update.

Attachments Included with this Agenda Item

No attachments — Briefing Note only.

Briefing Note

CAFII EOC Meeting 25 October, 2022—Agenda Item 7(c)

Read Only Items-- Board Approval of Recommendation That CAFII Member Dues Be Consolidated Into One Invoice/Payment Starting in 2023

Purpose of this Agenda Item – Read Only Item

To update the EOC on a Board-approved motion around the annual invoices sent to Member companies to collect dues.

Background Information

For reasons that are not entirely clear, CAFII currently sends its members two semi-annual instalment invoices each year. These invoices often get “lost in the system” and require considerable management time, and volunteer member time, to be settled. CAFII management has recommended to the EOC, with the support of the CAFII Treasurer, that starting in 2023, only one dues invoice be sent per calendar year, and the EOC has endorsed this recommendation. At its October 11, 2022 meeting, the CAFII Board was presented with a motion to that effect, which it passed unanimously.

Recommendation / Direction Sought – Read Only Item

This is a Read Only update.

Attachments Included with this Agenda Item

No attachments — Briefing Note only.

Briefing Note

CAFII EOC Meeting 25 October, 2022—Agenda Item 7(d)

Read Only Items-- Board-Approved Plan for CAFII's Return to Regulator and Policy-Maker Visit Tours

Purpose of this Agenda Item – *Read Only Item*

To update the EOC on a Board-approved motion around the return to in-person regulatory and policy-maker visit tours.

Background Information

CAFII's strategic plan includes a visit to regulators and policy-makers in their own offices no less than once every 18 months. CAFII has made three such visits, and they have been a great success. However, there has not been such a visit in over two and a half years, due to COVID-19. As plans are made to begin these tours again, in principle the next visit should be in the spring of 2023 to the Atlantic Canada provinces. However, given the population size and comparative importance of the Western Canada provinces, their regulatory activity of late, and the impact they have on our members, CAFII management has recommended, and the EOC has endorsed, that the next visits tour should be to the Western Canada provinces in the spring of 2023.

At its October 11, 2022 meeting, the CAFII Board moved, seconded, and unanimously passed a motion supporting this recommendation.

(At the 19 October, 2022 CAFII 25th Anniversary Celebration, PEI Superintendent of Insurance and CCIR Chair Robert Bradley mentioned that the devastation caused by Hurricane Fiona meant that travel to PEI, and to the Atlantic provinces more generally, was not advisable right now, which is another reason to delay the Atlantic Canada tour to the fall of 2023.)

Recommendation / Direction Sought – *Read Only Item*

This is a Read Only update.

Attachments Included with this Agenda Item

No attachments — Briefing Note only.

Briefing Note

CAFII EOC Meeting 25 October, 2022—Agenda Item 7(e)

Read Only Items-- October 3/22 CAFII Response Submission to BC Ministry of Finance on Consultation Regarding Restricted Insurance Agent Licences; and Acknowledgement Responses Received

Purpose of this Agenda Item – Read Only Item

To update the EOC on a submission made to BC Ministry of Finance around the intention of BC to develop a restricted insurance agent licence regime.

Background Information

CAFII made a written submission to the BC Ministry of Finance on that province's consultation document related to launching a restricted insurance agent licensing regime.

Recommendation / Direction Sought – Read Only Item

This is a Read Only update.

Attachments Included with this Agenda Item

Two (2) attachments.

October 3, 2022

Kari Toovey, Director, Financial Institutions
Financial and Corporate Sector Policy Branch
Ministry of Finance
fiarview@gov.bc.ca and kari.toovey@gov.bc.ca

Dear Ms. Toovey:

CAFII thanks the BC Ministry of Finance for the opportunity to offer our Association's feedback comments in response to your *Consultation Regarding Restricted Insurance Licences*.

Below, we have divided our submission into two main sections: (i) *High Level/Strategic Feedback*, on issues related to BC's overall development and implementation of a Restricted Insurance Agent (RIA) licensing regime (pages 1 to 4); and (ii) *Specific Feedback Arising From Issues and Questions Raised In The Consultation Paper* (pages 4 to 8). In that latter section, we have decided not to comment on certain issues which are out-of-scope for our Association, such as those related to product warranty insurance.

High Level/Strategic Feedback

While CAFII believes that BC's current system of insurance retailing and licensing exemptions is working well, our members support the province's decision to introduce an RIA licensing regime.

In addition to the Ministry's own current consultation which is limited to the Regulations required to introduce an RIA licensing regime in the province, an ensuing thorough consultation with industry stakeholders by the Insurance Council of BC -- around the Rules that it will need to introduce regarding initial licensee qualifications, ongoing licence requirements, licensee conduct, fees, licence cancellation provisions, and remuneration of licensees, etc. to govern its oversight responsibilities with respect to the RIA regime -- will be just as critically important to ensuring that the regime is structured in a manner that produces the results which the Ministry, the Council, BCFSa, and the industry seek.

CAFII also requests that industry stakeholders such as our Association be consulted on the proposed definitions for the classes of insurance eligible for RIA licensing, in order that we may help ensure that they are aligned with the definitions of Authorized Insurance Products set out in the federal *Bank Act* and *Insurance Business (Banks and Bank Holding Companies) Regulations*.

If carefully designed and implemented, an RIA regime can be an effective tool for managing the sale of certain insurance products, including the two product lines which bring CAFII members together in common cause within this Association: credit protection insurance (CPI) and travel insurance.

We strongly encourage harmonization, to the maximum degree possible, of the Regulations that will govern BC's new RIA regime with those that already exist in the predecessor RIA regimes in Alberta, Saskatchewan, Manitoba, and, soon, New Brunswick. That is a critical requirement for the industry, the absence of which would compel regulated entities to dedicate significant resources to inefficient 'exception management.'

We also support alignment with international regulatory best practices, such as those set out in the International Association of Insurance Supervisors' (IAIS) Insurance Core Principles (ICPs).

As the Canadian insurance industry Association that is perhaps most directly relevant to RIA licensing regimes, CAFII was directly and centrally involved – from an industry expertise and advisory perspective – in the establishment of the existing RIA regimes in Alberta in 2000; in Saskatchewan in 2010; and in Manitoba in 2015. As our members are prominent RIA licensees in each of those jurisdictions, we have also closely monitored and evaluated the evolution, growth, and relative success of each of those three regimes.

We therefore take this opportunity to highlight those features which our Association views as optimal best practices in an RIA regime.

Embed Authorization for Third Party/Outsourced Contractors Within An RIA Licence

Third parties contracted by a restricted licensee (such as a third party administrator) – where the licensee is a federally or provincially regulated financial institution – should be considered authorized under the financial institution (FI)'s RIA licence.

It is critically important to include contractors of such RIA licensees as parties authorized under the RIA licensee's licence because most such FIs outsource certain business activities, functions, and processes to meet the challenges of technology innovation, increased specialization, cost control pressures, and heightened competition. The RIA regime should not require an FI's contractor to hold a separate/independent licence, but rather it should require the FI to take ultimate responsibility for outsourced activities.

Further, federally regulated entities are subject to OSFI's outsourcing Guideline B-10 (currently in the process of being updated) which sets standards for an FI's monitoring and oversight of their contractors and requires them to take ultimate responsibility for outsourced activities. Including contractors under the authority granted to FIs holding an RIA licence would recognize the application of OSFI's outsourcing guideline and be appropriate with respect to the continued distribution of RIA regime-authorized insurance products by national FIs in BC.

Council Oversight Of RIA Regime

We are uncertain at this time as to whether BC plans to utilize industry appointees to assist the Insurance Council in carrying out its oversight of the new RIA regime. Each of the other three Western provinces taps into industry expertise, to some degree, to assist the Council in governing and adjudicating matters related to their RIA regime, and CAFII strongly encourages BC to follow suit.

In that connection, Insurance Councils in Canada have been designed on the basis of 'peer regulation and proportional representation,' administrative law principles which are intended to preclude conflicts of interest and ensure that Council representatives have appropriate knowledge and direct experience in the business they are being called to advise upon with respect to regulation.

Given the unique nature of RIA Regime-authorized insurance products and of alternate, direct-to-consumer distribution channels, impartial adjudication and successful oversight of those products requires expertise from individuals who come from various business models in the marketplace; and it also relies upon effective management of competitive sensitivities relative to the matters before a Council at a given point in time.

Ensuring that an Insurance Council has representation from all categories of market participants on a proportional basis helps to ensure that an impartial, fair, and informed approach is taken in Council deliberations with respect to oversight of all regulated entities. More specifically, the principles of impartiality and fairness indicate that the Insurance Council of BC should be structured and operated in a 'channel neutral' manner. That is to say, the Council should be designed and populated such that the interests of all distribution channels are well-served and the representatives of any particular channel are not in a position to make decisions which could negatively impact consumers' access to products offered by competing distribution channels.

Based on the above-noted considerations, CAFII recommends that -- in conjunction with designing and introducing a new RIA regime -- the BC Ministry of Finance should undertake a review of the Insurance Council of BC's structure and governance to ensure that they are in harmony with the principles of peer regulation; and that they ensure proportional representation and impartiality/fairness for all distribution channels, given the Council's new oversight responsibility for an RIA regime.

Need For An Industry Voice To Advise Insurance Council of BC On Operating/Maintaining An RIA Regime Efficiently And Effectively

Particularly because some adjudication/disciplinary issues are technical in nature and best understood by industry practitioners who have direct experience and expertise in the field, we believe that a Restricted Insurance Agent Advisory Group would provide the Insurance Council of BC with a valuable mechanism for consultation and advice. Such an Advisory Group -- called a Restricted Insurance Agent Advisory Committee (RIAAC) -- has been developed by the Insurance Councils of Saskatchewan, in consultation with industry stakeholders (CAFII and CLHIA), and was launched in 2021.

CAFII strongly believes that the Insurance Council of BC would benefit immeasurably from an industry Advisory Group akin to the one recently launched in Saskatchewan.

Two Other Key Optimal Features

CAFII highlights the following two features as being central to an optimal RIA regime which can have ongoing success, and be recognized as striking the "right balance" between achieving consumer protection through appropriately detailed and rigorous licensing, while not burdening businesses with overly restrictive requirements or red tape:

- ensure sufficient clarity as to which insurance products may be offered under each RIA licence category (see previous comment re consulting industry stakeholders on proposed definitions for the classes of insurance eligible for RIA licensing); and

- implement, as a central component, an online licensing/registration portal and digital platform, with timely electronic reminders and notifications of licence renewal dates, compliance requirements, etc.

Need for Reasonable Lead Time to Prepare For New Licensure Regime

When provinces are finalizing new regulatory changes, and especially when a new licensure regime is being launched, CAFII always requests that lead time of 12 to 18 months be provided to allow for our members' implementation of the required changes.

These changes inevitably become major projects within our member organizations and it takes time to ensure that the necessary systems changes are made, forms revised, staff trained, and consumers notified of how the changes will affect them.

Specific Feedback Arising From Issues and Questions Raised In The Consultation Paper

Classes of Licensees and Classes of Insurance

CAFII supports a full repeal of the Insurance Licensing Exemptions Regulation (ILER), as we view that step as critical in establishing an efficient and effective RIA regime, one which is not bogged down by confusion caused by legacy holdovers from a former regime.

CAFII is pleased that the Ministry of Finance "recognizes that other provinces already offer restricted insurance agent licences to certain businesses and that prescribing the same or similar classes of eligible licensees will promote consistency and simplicity which can be beneficial to both the insurance sector and consumers in BC."

However, we note that the Ministry follows up that reassuring comment with an assertion that it is willing to take a divergent, BC-unique approach whenever it sees reason to do so. CAFII urges the Ministry to reconsider its willingness to take an unharmonized 'go it alone' approach. That's because the cumulative effect of jurisdictions each having differences, subtle or otherwise, in their regulations and licensing approaches, while all seeking the same consumer protection objectives, is an undermining of the achievement of those very objectives due to the addition of confusion, expense, and inefficiencies to the licensing and regulatory compliance processes faced by regulated entities. We encourage the Ministry to take CAFII members' lived experience concerns to heart; to promote harmonization not just in principle, but in practice, and to harmonize the BC RIA regime to the maximum extent possible with those already in place in Alberta, Saskatchewan, Manitoba, and, soon, in New Brunswick.

With respect to Classes of Insurance, CAFII again strongly encourages BC to harmonize to the maximum degree possible with the classes prescribed under the existing RIA regimes in Alberta, Saskatchewan, Manitoba, and, soon, in New Brunswick.

Incidental Sale of Insurance

CAFII recommends that BC give full and serious consideration to harmonizing with the approach utilized by Alberta and Saskatchewan by introducing an RIA regime which does not rely on defining an “incidental seller of insurance.” Such an approach would give your province maximum flexibility to include, at a later date, other existing insurance products which are suitable for a restricted licensing regime, without having to go back and re-open a definition that is codified in legislation or a regulation. It would also make it easier for BC to add new types of insurance products which may be introduced to the market in the future to the restricted licensing regime.

In that connection, CAFII strongly recommends that BC abandon use of the term “incidental sale of insurance” in establishing its RIA regime. Our Association views that term as a negative term that is not an accurate descriptor, nor is it in common usage within the industry. Nearly all of the types of insurance that are offered under an RIA corporate licence – in particular, CPI and travel insurance – are not just inconsequential, add-on insurance protection that is offered in conjunction with the sale of another product. Rather, they constitute insurance that is critical to a consumer’s needs, provides meaningful choice in the marketplace, and provides protection against catastrophic financial loss.

Careful Wording Requested With Respect To Addition to Bill 37 of Section 174 (2): “A restricted insurance agent licence authorizes the licensee, through the licensee’s employees and agents in British Columbia, to act or offer to act as an insurance agent in respect of one or more prescribed classes of insurance that are specified in the licence.”

Some of CAFII’s members either operate their own contact centres or contract with third party contact centres that may be physically located outside of British Columbia. While any contact centre customer service representative (CSR) who deals with residents of British Columbia will have been thoroughly trained in BC-specific regulations and rules relating to the products offered (and would thereby be operating under the corporate RIA licence), we encourage the Ministry to word the Regulation that addresses Section 174(2) very carefully (specifically with respect to “through the licensee’s employees and agents in British Columbia”) in order to make it abundantly clear that this clause does not restrict the ability of an RIA licensee to offer products to BC residents via CSRs who are situated in contact centres physically located outside the province. Deletion of the words “in British Columbia” would resolve the problem which CAFII perceives.

Comments on Amendment to Bill 37 to Amend Section 225.1 (2) by adding: “(iii) restricting post-claim underwriting by those licensees, employees and agents, and”

CAFII disagrees with the assumptions and misunderstandings underlying this statement because they do not accurately reflect the CPI and travel insurance products offered by our members.

Underwriting refers to determining the risk involved in offering coverage to a potential insured, and then determining the premium or “price” required to assume or “underwrite” that risk.

At the time of offering the insurance coverage at the appropriate premium/price, there is a trade-off between the amount of information gathered, and the simplicity, efficiency, and consumer-friendliness of the underwriting process.

As part of the process that the consumer goes through in applying for coverage, CPI attempts to simplify things by asking only limited health-related questions and avoiding, where possible, the taking of para-medical bodily fluid samples.

This process of “simplified underwriting” is now commonplace throughout the entire life and health insurance marketplace. It is not unique to CPI, and is deployed by all major term life insurance underwriters.

At the time of a claim, the insured’s responses to the questions asked at the time of application need to be verified. This is not “post-claims underwriting,” but rather a claims verification process that all insurers employ for all types of life and health insurance coverage. Before paying out a claim, all insurers go through a process of confirming that no material misrepresentations were made in response to the health questions asked at the time of application; that the claim is not the result of a pre-existing medical condition that was excluded at the time of application; and that eligibility is met.

“Post-claims underwriting” is a term that does not line up with the marketplace reality: a reality in which CPI insurers are the very same insurers that underwrite term life and other forms of non-CPI life and health insurance coverage.

Consumer Disclosure Requirements

The consultation document contains three sections that pertain to consumer disclosures. CAFII members take consumer disclosures and transparency very seriously, and they have in place rigorous disclosure practices to ensure that consumers fully understand the insurance coverage which they are applying to obtain, including cost, features, benefits, limitations, and exclusions. CAFII members also comply fully with CLHIA Guidelines G5 (Travel Insurance), G7 (Creditor Insurance), and G9 (Direct Marketing), as applicable.

CAFII recommends that the Ministry of Finance should strive not to be overly prescriptive, and try not to anticipate and fix a problem that does not currently exist. We strongly encourage BC to align with the consumer disclosure expectations that exist in the Alberta, Saskatchewan, Manitoba, and New Brunswick RIA regimes; to remain principles-based; and not to impose additional regulatory burden through new, unharmonized disclosure requirements that would not bring clear additional benefit to consumers.

“Should there be any requirements for warranty cancellations and premium refunds?”

While product warranty insurance is out-of-scope for CAFII, our Association is comfortable with the requirements that are in place for premium refunds in the existing RIA regimes. Our members offer the right to cancel the CPI insurance coverage offered in the RIA regimes in Alberta, Saskatchewan, and Manitoba and receive a full refund during a ‘review period,’ which typically lasts a minimum of 20 days from the onset of coverage.

Should any classes of insurance products sold by a restricted insurance agent licensee be subject to a cooling off period or include a right of rescission?

As per above, CAFII members already provide a 'review period' with a full premium refund provided if the coverage is terminated within 20 days of its onset; and thereafter, consumers can always cancel the coverage at any time and avoid future premium payments.

CAFII notes that there is one important exception to the above-noted right of rescission with a full premium refund, which applies in the case of travel insurance. If, for example, a person obtains travel insurance starting on March 1, then immediately takes a trip on March 2 which lasts through March 10, and then (not having incurred any claims during that trip) cancels the insurance after their return from the trip, having such a scenario fall within the scope of the review-period-with-full-premium-refund would undermine a fundamental principle of insurance and would not be appropriate.

Insurance covers and mitigates against a risk; and in the example provided above, a risk has been covered and a premium earned — even though no claim was made.

"...should the licensee be required to facilitate contact with the insurer providing the policy if the customer has a question the licensee is unable to answer?"

With respect to CPI, in accordance with CLHIA Guideline G7 (Creditor Insurance), CAFII concurs that RIA licensees should be required to provide applicants with a statement which addresses, among other things, (i) who is eligible to apply for the insurance; and (ii) the name of the insurer and instructions on how to contact the insurer to obtain further information or clarification.

"Should there be any restrictions on how a restricted insurance agent holds themselves out...?"

CAFII recommends that the Ministry of Finance should avoid imposing restrictions upon regulated entities that have a strong commitment to the fair treatment of customers, and which operate in a competitive environment where their brands and reputations are of paramount importance.

Should any restricted insurance agent licensees be limited in the commissions or fees they may charge?

CAFII believes that dealing with expectations around commissions or fees is best approached on a nationally harmonized basis through the joint *CCIR/CISRO Guidance: Conduct of Insurance Business and Fair Treatment of Customers*. That Guidance references compensation issues in its section 6.2 on Conflicts of Interest; and there is also ongoing CCIR/CISRO joint work to update, modernize, and enhance the Guidance document with additional commentary on incentives management issues.

In addition, CAFII again strongly recommends harmonization with the existing RIA regimes on this important matter. Under the existing Western Canada RIA licensure regimes, if the licensee, or a qualified entity acting on its behalf, receives compensation, inducements, or other benefits from the insurer, only the fact that compensation will be received must be disclosed to the consumer. Requiring licensees to disclose the simple fact that they will receive compensation, rather than imposing limits on the amount of the compensation paid, is, in our view, a proven RIA regime best practice.

Is a deferred sales model appropriate for any restricted insurance agent licences? For example an insurance product could not be marketed until a set number of days after the primary purchase is made or contract agreed to.

CAFII and its members have serious reservations about consideration being given to the implementation of a deferred sales model for any RIA regime products because the result would be contrary to the policy objectives that underlie RIA licensure frameworks.

RIA regimes can make insurance more accessible to consumers at the place where and at the time when they are obtaining credit, a mortgage, a service, or an item which they are looking to insure. In contrast, CAFII believes that a deferred sales model would make it more difficult for people to get insurance and could lead to further under-insurance among Canadians. RIA regimes should make access to insurance easier, not more difficult.

Thinking about one's death, disability, critical illness, or loss of employment is not something people enjoy doing; and obtaining related life and health insurance coverage is not a subject people seek to discuss. That social reality helps explain why Canadians generally are so vastly under-insured or uninsured¹.

Because all life and health insurance is typically "sold; not bought," unless an offer of CPI is presented to the consumer – conveniently, accessibly, and optionally – at the time that he/she/they is taking on a new debt obligation, such as a mortgage or line of credit, that consumer is much less likely to apply for the insurance coverage at a later point in time. The linking of optional life, disability, critical illness, and loss of employment insurance to the taking on of a new mortgage or other debt obligation provides consumers with a simple, accessible, and affordable way to obtain insurance protection that they otherwise would not go out of their way to secure.

A deferred sales model would not give rise to any incremental consumer protection benefits and instead would do consumers a disservice by limiting choice and access.

CAFII and its members believe that sufficient customer protection already exists under the CCIR/CISRO *Guidance: Conduct of Insurance Business and Fair Treatment of Customers*. In addition, the 20-day minimum 'review period' provided to all CPI insureds provides a period during which they can cancel their insurance and obtain a full refund, if they so wish.

Conclusion

As a key industry stakeholder Association, CAFII very much appreciates the opportunity to review and provide feedback on the BC Ministry of Finance's *Consultation Regarding Restricted Insurance Licences*. We thank the Ministry, in advance, for giving our Association's feedback your thorough consideration.

¹ LIMRA Canadian Life Insurance Ownership Study — 2019 Person-Level Report finds that 50% of Canadians do not have life insurance, and that this coverage gap disproportionately affects lower-income Canadians.

Should you require further information from CAFII or wish to meet with representatives from our Association on this or any other matter at any time, please contact Keith Martin, CAFII Co-Executive Director, at keith.martin@cafii.com or 647-460-7725.

Sincerely,



Rob Dobbins
Board Secretary and Chair, Executive Operations Committee

About CAFII

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

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

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

CAFII's members include the insurance arms of Canada's major financial institutions – BMO Insurance; CIBC Insurance; Desjardins Insurance; National Bank Insurance; RBC Insurance; ScotiaLife Financial; and TD Insurance – along with major industry players Assurant; Canada Life Assurance; Canadian Premier Life Insurance Company; Canadian Tire Bank; CUMIS Services Incorporated; Manulife (The Manufacturers Life Insurance Company); Sun Life; and Valeyo.

Agenda Item 7(e)(2)
October 25/22 EOC Meeting

From: Toovey, Kari FIN:EX <Kari.Toovey@gov.bc.ca>
Sent: October-04-22 10:57 AM
To: Brendan Wycks <brendan.wycks@cafii.com>
Cc: Keith Martin <Keith.Martin@cafii.com>
Subject: RE: CAFII Feedback Submission on BC's Consultation Regarding Restricted Insurance Licences

As always, thanks for CAFII's thoughtful submission on this issue. We will reach out if we require further information or clarification and please don't hesitate to contact me again if you have anything further to add.

Kari

Kari Toovey (she/her)
Director, Financial Institutions
Financial and Corporate Sector Policy Branch, Ministry of Finance
Email: Kari.Toovey@gov.bc.ca **Ph:** 778-698-5262
617 Government Street, Victoria, BC V8V 1X4

From: Janet Sinclair <jsinclair@insurancecouncilofbc.com>
Sent: October-04-22 6:16 PM
To: Brendan Wycks <brendan.wycks@cafii.com>
Subject: RE: CAFII Feedback Submission on BC's Consultation Regarding Restricted Insurance Licences

Hi Brendan,
Thank you for providing us with this information. We look forward to CAFII's input as we develop the rules for this new licensing regime.

Kind regards,
Janet

Janet Sinclair (she/her) | Chief Executive Officer | **Insurance Council of British Columbia**
1400-745 Thurlow Street, Vancouver, BC V6E 0C5
Direct Tel: 604-695-2001
Tel: 604-688-0321 Toll Free within Canada: 1-877-688-0321
jsinclair@insurancecouncilofbc.com | www.insurancecouncilofbc.com

Briefing Note

CAFII EOC Meeting 25 October, 2022—Agenda Item 7(e)

Read Only Items-- AMF 2022 Rendez-Vous Mini-Conference in Montreal on Tuesday, November 22/22

Purpose of this Agenda Item – Read Only Item

To update the EOC on an upcoming AMF half-day mini-conference.

Background Information

The AMF is holding its in-person annual Rendez-Vous half-day mini-conference in Montreal on 22 November, 2022. Unlike prior such in-person meetings held prior to the pandemic, the event will start at 1:30 p.m. not in the morning, and will not include a lunch. There will be comments by AMF CEO Louis Morisset, and the Quebec Minister of Finance. At least one of CAFII's Co-Executive Directors will be in attendance.

Recommendation / Direction Sought – Read Only Item

This is a Read Only update.

Attachments Included with this Agenda Item

1 attachment.

Rendez-Vous With The AMF: Tuesday, November 22/22, Palais des Congres, Montreal

RR

1:30 p.m.	Speech by Louis Morisset, President and CEO of the Autorité des marchés financiers
2:00 pm	Speech by the Quebec Minister of Finance
2:20 p.m.	Conference by Emmanuel Faber, President of the International Sustainability Standards Board (ISSB)
2:40 p.m.	<p>WORKSHOP ESG issues: perspectives of the institutional investor and the public company</p> <p>Moderator and panelists:</p> <ul style="list-style-type: none">• Hugo Lacroix, Superintendent of Securities Markets, Autorité des marchés financiers• Guy Cormier, President and Chief Executive Officer of Desjardins Group• Kim Thomassin, Executive Vice-President and Head of Québec, Caisse de dépôt et placement du Québec• Marie-Claude Dumas, President and CEO, WSP Canada <p>The integration of ESG issues into investment decisions has become essential for a majority of players in the financial sector. How companies define and address environmental, social and governance (ESG) issues can contribute significantly to the value of companies. Various voluntary frameworks have been developed internationally to standardize the presentation of information</p>

Rendez-Vous With The AMF: Tuesday, November 22/22, Palais des Congres, Montreal

	<p>related to these factors. Several institutional investors are also asking companies to measure and disclose their performance against ESG factors.</p> <p>It is in this context that we invite panelists to offer a cross-perspective between institutional investors and public companies on these issues.</p>
3:25 p.m.	BREAK
3:40 p.m.	<p>WORKSHOP Perspectives on the risks and benefits of digital financial services for consumers</p> <p>Moderators and panelists:</p> <ul style="list-style-type: none"> • Lise Estelle Brault, Senior Director of Data Valorization, Fintechs and Innovation • Maya Cachecho, Assistant Professor, Faculty of Law, Université de Montréal • Frédéric Laverdière-Pagé, Vice President Sales and Development, Investia • Dominique Samson, Vice President, Corporate Affairs, Flinks <p>The digital transformation of the financial industry is rapid and profound. On the one hand, we see that humans are increasingly giving way to automated processes. On the other hand, peer-to-peer exchanges, such as those offered by crypto asset markets and decentralized finance, are emerging as an alternative to the intermediaries of the traditional distribution model.</p> <p>Consumers find themselves at the centre of this transformation, which provides them with tangible benefits, but which also brings with it important issues. They are more likely to feel autonomous in making investment decisions and are offered new products or services, often more complex and</p>

Rendez-Vous With The AMF: Tuesday, November 22/22, Palais des Congres, Montreal

	<p>whose risks are sometimes poorly evaluated. More active on social networks, they are more exposed to false or misleading information or are not in line with their needs.</p> <p>How can we promote the introduction and responsible use of digital technologies in the financial industry? Panelists will discuss contemporary consumer protection issues and explore avenues to support everyone's confidence in an evolving industry.</p>
16:40 p.m.	The Authority's news at a glance Updates on different folders
17:00 p.m.	NETWORKING