

CAFII EOC Meeting

Tuesday, October 28, 2014

Location: Royal Bank Plaza, South Tower, Capital Markets

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

1:00 p.m. – 4:00 p.m.

Conference call dial-in information:

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

Chair: G. Grant

Agenda

- | | |
|---|---------------------|
| 1. Call to Order | G. Grant |
| 2. Approval of Agenda and Previous Minutes | All |
| a. EOC Minutes of September 23, 2014 [attachment] | |
| b. Board Minutes of October 7, 2014 [attachment] | |
| c. Summary of Board and EOC Action Items [attachment] | |
| 3. CAFII Financial Management | |
| a. Financial Statements as at September 30, 2014 [attachment] | R. Rajaram |
| b. Development of 2015 CAFII Operating Budget | B. Wycks / G. Grant |
| 4. Board Direction on Media Advocacy | G. Grant |
| 5. Regulatory Relations and Advocacy | |
| a. Regulatory Update [attachment] | B. Wycks |
| b. Travel Insurance Pan-Industry Project Group (TIPIP) | B. Wycks, G. Grant |
| 6. EOC Committee Updates | |
| a. Distribution and Market Conduct Committee | |
| i. CAFII Value Proposition Project | S. Manson |
| b. Licensing Efficiency Issues Committee | M. Gill |
| c. Media and Communications Committee | J. Lewsen/M. Gill |
| d. Events and Networking Committee | |
| i. December 2 Board Meeting and Reception - seeking host | G. Grant |
| ii. February Speaker Series 2015 | M. Sanchez-Chung |
| 7. Other Business | |
| a. 2015 Draft Meeting Calendar [attachment] | L. Duigu |
- Next Regular EOC Meeting is Nov 18/14 in Toronto
 - Next Board Meeting is Dec 2/14 in Toronto (ON) hosted tba.

**CAFII EOC Meeting Minutes
Tuesday, September 23, 2014**

Location: CIBC Insurance

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

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

1. Call to Order

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

2. Approval of Agenda and Previous Minutes

The agenda was approved as presented.

a. EOC Minutes of July 22, 2014

The minutes were accepted as presented.

b. Summary of Board and EOC Action Items

Greg presented the summary of the Board and EOC action items which were merged into a single document designed to help CAFII stay on track and meet deliverables.

- Sponsorship of the CUMIS Group's Membership application with CAFII was confirmed by BMO Insurance. Next steps include a screening interview before making a recommendation to the board.
- Congratulatory letter to ministers are being finalized and shall be sent in the near future.
- BC recommendation is forthcoming once the Licensing Committee has discussed it.

- The Licensing Committee is currently working on finalizing a letter to invest New Brunswick as well as developing recommendations to the EOC on BC representation for banks-in-insurance sector.
- The election of a chair and vice chair was completed recently and shall be confirmed once again at the Board meeting on October 7, 2014.
- Travel Insurance Pan-Industry Project Group (TIPIP). A briefing documenting is currently being drafted by the group and will be circulated to the EOC for review.

3. CAFII Financial Management

a. Financial Statements as at August 31, 2014

Raja reviewed the financials based on the statements included in the meeting package. CAFII currently has an excess of revenue of \$76K and the expense items appear to be fine. At this time all membership invoices for 2014 have been billed and there is one outstanding amount due from KPMG.

b. Development of 2015 CAFII Operating Budget

Each fall operating committee chairs are asked to submit their budgets for the next fiscal year. Historically, the budget was discussed at the October and November EOC meetings. Previous CAFII Treasurers were very hands on with the Budget Development and moving forward Brendan and Leya will work to develop the budget and provide it to CAFII Treasurer, Raja, for review.

Action: Develop preliminary 2015 Operating Budget including 2014 spending and percentage used to date. Chairs to be prompted to provide committee projects and budgets. *[Brendan; October 23, 2014]*

Greg indicated that it would be ideal to have a strategy discussion at the next EOC Meeting.

4. Matters Arising From CNCA Continuance

a. CAFII CNCA Compliance Confirmation

CAFII is officially approved under the new CNCA and a copy of the Certificate of Continuance is included in the meeting materials.

b. Draft Competition Policy recommended for adoption

Brendan presented the draft Competition Policy which was adapted from the previous CAFII By-laws. It was suggested that the guidelines for compliance be amended such that the policy is re-adopted at each Annual Meeting and referred to briefly at the start of each Board and EOC meeting.

Action: The language and approach to compliance in section 2 of the competition policy to be updated as suggested. With this change the Competition Law Policy shall be recommended for adoption at the next Board Meeting on October 7, 2014 *[Leya; October 2, 2014]*

c. Draft Associates Policy recommended for adoption

The associates policy is another item that was removed from the by-laws and is now recommended for adoption as a policy addressing Associates. Members agreed the policy shall be recommended to the board as presented.

Action: The Associates Policy shall be recommended for adoption at the next Board Meeting on October 7, 2014 [*Leya; October 2, 2014*]

5. Regulatory Relations and Advocacy

a. Regulatory Update

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

- British Columbia is expected to launch its mandated 10-year review of its Financial Institutions Act and CAFII is waiting to find out if we will be invited to participate in a round-table discussion in advance of the formal consultation.
- Financial Consumer Agency of Canada (FCAC) is seeking participants for a Harris-Decima Research study on how the Agency deals with associations and other stakeholders. While this study is not a top priority for the association it was acknowledged that a response would promote relationship building.

Action: CAFII shall respond to the online survey and, if selected to participate in a 30 minute interview, decline. [*Brendan; October 24, 2014*]

- Update on CAFII Submission to AMF on Draft Distribution Guide
The content for CAFII's Submission to the AMF has been developed by a group of EOC members over the course of two meetings chaired by Rose Beckford. In addition, Brendan reviewed the highlights of our response with the CLHIA to ascertain if there were any conflicting messages and there were none.
- BC FICOM 'Creditor's Group Insurance Issue'
At this time Brendan has reached out to Harry James and is waiting for more information on the issue of Creditors Group Insurance.
- MB Implementation of ISI Regulation
The insurance council has recently posted a bulletin on implementation which reinforces the fact sheet released in August and includes the fee schedule for applying for a restricted license.

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

CAFII has been participating in regular meetings of the TIPIP group. TIPIP recently reviewed THIA's approved recommendations and enhancement to key documents including medical questionnaires, consumer understanding and their peace of mind.

It was originally thought that CAFII would need to do some additional work on travel insurance issues however Greg confirmed that the need for this has not yet emerged.

c. Joint Visit with Atlantic Canada Insurance Regulators: Oct. 1/14

Brendan advised members that a visit with the Atlantic Canada Regulators is confirmed for October 1, 2014. The CAFII delegation includes board members Chris Knight and Peter McCarthy, and EOC members Charles, Greg, John, Moira, Paul, and Brendan. Greg and John will be presenting on the Underserved Insurance Market as updated by Sue. The draft meeting agenda has been provided to EOC members for review.

d. Stakeholder Meeting with CCIR: Nov 5 or 6/14

We are confirmed for Nov 5 at 9am.

6. EOC Committees Updates

a. Distribution and Market Conduct Committee

i. CAFII Value Proposition Project

DMC Chair, Sue, was not in attendance at the meeting and therefore Greg provided a brief update. At this time all CAFII members have completed the survey. The survey of individual insurers was distributed to 24 organizations with an anticipated response rate of 50% and they are currently on track to achieve this goal. Survey consultants, Towers Watson, have reached out to non-respondent insurers that have not responded.

b. Licensing Efficiency Issues Committee

i. Nova Scotia Bill 43

Moira has reached out to the Nova Scotia representative that is spearheading this bill and his response will determine whether CAFII will send a letter. It was confirmed that CLHIA is also tracking this matter and in the event they prepare a letter to Nova Scotia on Bill 43 then CAFII should do the same.

Action: Draft letter of response to Nova Scotia Bill 43. *[Brendan and Moira; October 31, 2014]*

ii. Input on Terms of Reference for Saskatchewan Restricted License Agents Advisory Committee

A draft terms of reference was included in the meeting materials for EOC member review and feedback was requested.

Action: Provide feedback on the draft input on Representation for Restricted License Holder in Saskatchewan. *[EOC members; September 25, 2014]*

7. Media and Communications Committee

a. Board Communications Strategy Presentation

John and Moira have developed a presentation to the CAFII Board on the history and current status of CAFII's External Communications Strategy. Board membership has changed quite a bit over the last year prompting a recommendation at the last EOC meeting on presenting a high level summary of the strategy as a reminder, and re-confirming the board's position. John reviewed the presentation briefly adding that the full External Communications Strategy deck shall also be provided for reference.

b. Update on Media Outreach

Efforts to kick start CAFII's media outreach began with a published article by Ellen Roseman in July. To date discussions have occurred between newly elected Chair, Rino D'Onofrio, Greg and Brendan. Those discussions resulted in a deck on Creditor Insurance which was developed by Brendan and currently under review by Greg.

Another opportunity surfaced with Megan Harman, a reporter for Investment Executive. Ms. Harman interviewed former CAFII chair, Mark Cummings but, unfortunately, when Brendan reached out to her, the story had already been filed. Ms. Harman appeared to be committed to writing a balanced story by seeking information from different sources.

Greg confirmed that CAFII has another great deck on Creditor. From his perspective we don't yet have a crisp message that we have all agreed to. The goal is to proactively develop a relationship with reporters like Ellen Roseman so that they reach out to CAFII when writing articles that affect our business.

Paul commented that he has a contact at the Toronto Star who could serve as an initial sounding board for the development of CAFII's media relations educational sessions in a low risk environment. Greg confirmed that we have the green light from Rino on this, that the board is already in agreement with the approach, and our next step is to start the process. Before the next board meeting it would be ideal to have the key messages confirmed and meetings setup with a friendly reporter.

Members discussed the perspectives of their board members and agreed that we have received a green light to proceed and are now in a position to act.

Action: Hold lunch education session with Toronto Star reporter, followed by Megan Harman of the Investment Executive. CAFII's key messages and Q&A portion of an educational meeting to be finalised for use at the sessions. *[Brendan, Greg, Paul; October 7, 2014]*

8. Events and Networking Committee

a. October 7, 2014 Board Meeting and Reception

50 people have confirmed their attendance to the speaker presentation and reception on October 7. A conference call has been schedule with speaker Carolyn Rogers to help prepare for her presentation to CAFII members, with Brendan and Leya on Thursday, September 25.

b. February Speaker Series 2015

Jane Rooney, FCAC Financial Literacy Leader has been confirmed for the Annual Members Lunch in February 2015. Following this it was suggested that CAFII approach the new head of FSCO to be a guest speaker at the April 2015 event.

Leya informed members that ScotiaLife Financial was unable to host the next meeting on December 2 because their facilities were not available. Possible solutions include moving the board meeting to December 1 when they are available or seeking another member to host on December 2, which members preferred.

Action: Secure alternative host for the December 2, 2014 Board meeting and reception. [*Leya; October 7, 2014*]

Members agreed that a thank luncheon should be arranged for previous CAFII Secretary and EOC Chair, Jennifer Hines.

Action: Schedule thank you luncheon for former EOC Chair and Secretary, Jennifer Hines. [*Paul; October 28, 2014*]

9. Other Business

10. Termination

There being no further business, the meeting terminated at 3:10 p.m. The next CAFII EOC Meeting will be held on October 28, 2014, in Toronto.

Date

Chair

Recording Secretary

CAFII Board Meeting Minutes
Tuesday, October 7, 2014
Location: TD Bank Tower
66 Wellington St. W, 54th Floor, Toronto, ON

DRAFT

Present:	Chris Knight	TD Insurance
	Todd Lawrence	CIBC Insurance
	Peter McCarthy	BMO Insurance
	Isaac Sananes	Canadian Premier Life Insurance Co. <i>Chair</i>
	Vivianne Gauci	AMEX Bank of Canada
	Joane Bourdeau	National Bank Insurance Co.
EOC Present:	Carol Allen	Assurant Solutions
	Rose Beckford	ScotiaLife Financial <i>(by teleconference for part)</i>
	Charles Blaquiere	Canadian Premier Life Insurance Co.
	Emily Brown	BMO Insurance
	Andre Duval	Desjardins Financial Security Life Assurance
	Eleanore Fang	TD Insurance
	Moira Gill	TD Insurance
	Greg Grant	CIBC Insurance <i>Secretary</i>
	John Lewsen	BMO Insurance
	Sue Manson	CIBC Insurance
	Rosemary Pulla	BMO Insurance
	Raja Rajaram	CIBC Insurance <i>Treasurer (by teleconference for part)</i>
	Maria Sanchez-Chung	TD Insurance
	Paul Yeung	RBC Insurance
Also Present:	Leya Duigu	T•O Corporate Services <i>Recording Secretary</i>
	Brendan Wycks	CAFII <i>Executive Director</i>
Regrets:	Darrell Bruce	ScotiaLife Financial
	Rino D'Onofrio	RBC Insurance
	Linda Fiset	Desjardins Financial Security Life Assurance
	Robert Zanussi	Assurant Solutions
	Derek Blake	RBC Insurance
	Brian Wise	Assurant Solutions

1. Call to Order

The meeting was called to order at 2:10 p.m. I. Sananes acted as Chair; G. Grant acted as Secretary; and L. Duigu acted as Recording Secretary.

1.1. Approval of Agenda

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

The Meeting Agenda be approved as circulated.

1.2. Confirmation of Appointments

Previous Chair M. Cummings stepped down from the CAFII Board at the Annual and Special Meeting in June. A nominations process was conducted resulting in a motion to appoint a successor Chair and Vice-Chair that was carried out electronically.

The following motions were unanimously carried:

IT WAS RESOLVED THAT:

- R. D’Onofrio of RBC Insurance be appointed Chair of the Corporation, effective immediately and for a term concluding with the Annual Meeting in June 2015.
- I. Sananes of Canadian Premier Life Insurance Company be appointed Vice-Chair of the Corporation, effective immediately and for a term concluding with the Annual Meeting in June 2015.

1.3. Appointment of New Director

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

Joane Bourdeau from National Bank Insurance be appointed to the CAFII Board of Directors until the next Annual Meeting in June 2015.

2. Adoption of Minutes:

2.1. Draft Board Meeting Minutes, April 8, 2014

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

The Minutes of the meeting of the Board of Directors held April 8, 2014 be and are adopted in the form presented, and that a copy of these Minutes be signed and placed in the Minute Book of the Corporation.

2.2. Draft Board Meeting Minutes, June 10, 2014

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

The Minutes of the meeting of the Board of Directors held June 10, 2014 be and are adopted in the form presented, and that a copy of these Minutes be signed and placed in the Minute Book of the Corporation.

2.3. Summary of Board Action Items

G. Grant presented the summary documents, informing the Board that we have included the combined Board and EOC documents for the Board's information and review. Today, he will be going through the Summary of the Board Meeting. The items will also be put into a proper order at a later date.

3. Financial Update:

3.1. Financial Statements as at August 31, 2014

R. Rajaram presented the financials that were included in the meeting materials, summarizing total assets, unrestricted net assets and the statement of operations which is currently at 70% of the year's budgeted expenses.

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

The financial statements for CAFII as at August 31, 2014 be and are approved in the form presented.

4. Balanced Scorecard

The Balanced Scorecard outlines the work that CAFII has committed to and provides a measure for the EOC and Executive Director, B. Wycks, to be reviewed against.

G. Grant provided an item-by-item update on performance against the Balanced Scorecard noting that a great deal had been accomplished since the previous Board meeting, but much remained to be done.

5. Matters Arising From CNCA:

5.1. CAFII CNCA Compliance Confirmation

During the Annual and Special meeting held June 10, 2014, CAFII members approved the documents necessary for the Association to achieve continuance under the Canada Non-Profit Corporations Act (CNCA); and this continuance became effective August 25, 2014. Those involved in the review process were thanked for their participation including members of the EOC, Fasken Martineau, and TO Corporate Services.

5.2. Draft Competition Law Policy

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

The Competition Law Policy be adopted in the form presented.

5.3. Draft Associates Policy

On a motion duly made, seconded and unanimously carried

IT WAS RESOLVED that:

The Associates Policy be adopted in the form presented.

6. Regulatory:

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

TIPIP group is comprised of CLHIA, THiA and CAFII, and Jill McCutcheon of BLG is acting as legal counsel. TIPIP members have committed to meeting every two weeks for the purpose of making recommendations to the CCIR on addressing issues related to travel insurance. Each of the participating Associations has a different stake in the initiative. Since travel insurance is its raison d'être, THiA has the largest stake in the effort and is driving much of the process. TIPIP's short-term goal is to create a Briefing Document and send it to the CCIR in advance of its November stakeholder meetings. The names of all three organizations will appear on the document's cover and the EOC will be asked to review and approve the document before it goes forward to the CCIR.

6.2. Joint Visit to Atlantic Canada Regulators: Oct 1/14

- Manitoba Insurance Council: Erin Pearson provided an update on the implementation of the ISI regime, through which the regulator is anticipating approximately 500 Restricted Insurance Agent licensees. A draft Application Form has been shared with B. Wycks and M. Gill, to give CAFII an opportunity to provide informal feedback. Plans for an ISI committee are also being developed.
- Alberta. Mark Prefontaine, Superintendent of Insurance, indicated there are no pending changes on the horizon with respect to life and accident & sickness insurance. The Superintendent's office recently hired a new deputy and Laurie Balfour has a new inter-jurisdictional role with the Canadian Council of Insurance Regulators (CCIR).
- Atlantic Canada Regulators Meeting. CAFII members G. Grant and J. Lewsen presented on the Underserved Insurance Market. The presentation was well-received and it was felt that a slide to summarize our "ask" of the regulators would be a helpful addition. Travel insurance was noted as a hot button issue; however, the exact nature of these issues in the Atlantic Provinces is unclear. Introduction of a Restricted Licensing Regime is not on the horizon; however, if it's adopted in the rest of Canada, the Atlantic regulators expect there will be more pressure for them to join in on this approach.

6.3. Stakeholder Meeting with CCIR: 2014-17 Strategic Plan

A CCIR Stakeholder meeting has been confirmed for November 5, 2014 at 9:00 a.m., and shall be attended by P. McCarthy, C. Knight, T. Lawrence, D. Bruce and B. Wycks. One item that will require a decision before this meeting is whether travel insurance should be discussed as a 'CAFII' issue. The EOC shall discuss this in more detail.

6.4. Regulatory Update

B. Wycks summarized the Regulatory Update that was included in the meeting materials.

7. Committee Reports Addressing CAFII Priorities:

7.1. Distribution and Market Conduct Policy Committee

The committee has been quite involved with the AMF distribution guide response submitted recently, as well as preparing the Underserved Market presentation for CAFII's Oct 1, 2014 meeting with Atlantic Canada regulators.

7.1.1. CAFII Value Proposition Project

The Creditor Value Proposition study has been completed by all CAFII members. At this time, the individual insurer survey has been distributed to 24 companies and, to-date, 12 completed responses have been received. To secure more responses, the sub-committee has recently decided to extend the deadline for individual insurers and this may delay the presentation to the Board.

7.2. Licensing Efficiency Issues Committee

7.2.1. Nova Scotia Bill 43

M. Gill updated the Board on changes that have been proposed to the Nova Scotia Act affecting direct sellers. At this time, CLHIA is tracking this matter and has communicated with the province about preserving the exemption for insurance found in the previous version of the Act. To date, CAFII has not made a representation to Nova Scotia on this matter; however, we are dealing directly with the regulator to supplement the communications coming from CLHIA.

7.2.2. Representation for Restricted Licensees in Saskatchewan

M. Gill provided an update on the licensing committee's initiatives, including those relating to Saskatchewan, as follows:

- New Brunswick: a consultation paper will be released this fall, with the goal creating a more streamlined individual licensing process.
- The licensing committee continues to track issues related to LLQP modernization and, as the situation evolves, we are considering the timing of a follow-up CAFII letter of support.
- Manitoba: CAFII members recently had dinner with the Executive Director of the Insurance Council, which was a great success and opened opportunities for further dialogue and relationship-building.
- Alberta: initially, the concept of representation for restricted licence holders in this province wasn't an option; however, we have since made great progress.

- Saskatchewan: we continue to work on a model for achieving representation for restricted licence holders through an advisory committee to the Executive Director of the Insurance Councils; however, due to a predominant focus on the LLQP modernization initiative and this province's leadership on that issue, representation as well as some other issues has been delayed.
- British Columbia: the Financial Institutions Act is up for a mandated 10-year review beginning this fall. The exemption for creditor insurance is in this Act and it seems obvious that it will become a topic of conversation. British Columbia has a history of doing things on its own, so it might be beneficial to consider what we would like and start making submissions on this.

7.3. Media and Communications Committee

7.3.1. External Communications Strategy Summary

M. Gill and J. Lewsen presented the summary. It was noted that creditor insurance is repeated a number of times throughout the document and now travel is starting to be a recurring topic of discussion. In future, it would be ideal to expand our field of expertise to "alternate distribution"; however, right now creditor insurance is a starting point for growing CAFII recognition in the various stakeholder groups.

7.3.2. Update on Media Outreach

Directors discussed a recent missed opportunity to communicate with the media and challenges with moving the communications agenda forward. Consideration was given to whether CAFII had the right resources and/or processes to deal with communications matters. To-date, CAFII has done a great job with our regulator audience which is a slower moving environment. The media is a faster moving environment and we need to decide as a Board whether B. Wycks should be given a license to communicate the CAFII message with confidence.

Directors felt that the Board has expressed a desire to have a buttoned down plan/strategy that is proactive. This would include documenting who our spokesperson is and what their boundaries are for communicating, and then confirm those recommendations with the Board. G. Grant confirmed that the direction from the Board was clear and that it is time to execute. He has provided a list of eight items and a document of key messages to move forward with and the approach was not to react but begin building our relationships with friendly media. His view is that we have received approval and are at the point of execution.

Directors were informed of a media opportunity that was recently confirmed through which B. Wycks shall engage in a practice educational discussion with a business reporter from the Toronto Star. The goal of this interview is to provide education to a friendly media person in a controlled environment. A document shall be circulated to the Executive Operations Committee (EOC) on this matter and we will reassess after this initial experience with a friendly reporter.

The Board confirmed that once a Key Messages Map and Key Messages are provided for approval G. Grant and B. Wycks are empowered to make a decision. Should anything occur outside of this plan, then G. Grant and B. Wycks can make a decision on this at that time.

Action: Key Messages Map and Key Messages to be provided to the board for approval. [B. Wycks, G. Grant: date]

7.4. Networking and Event Hosting Committee

7.4.1. Events & Speakers: Oct 7/14 and Feb 10/15

The speaker presentation and reception today will be well-attended, as we received 110 acceptances. P. Yeung highlighted the key regulators who will be in the audience.

The 2015 Annual Members luncheon speaker has been confirmed as Jane Rooney of the FCAC, Canada's first Financial Literacy Leader. The date for this event is February 10, 2014. The venue shall be confirmed shortly.

Suggested speakers for subsequent 2015 events included the new CEO of FSCO as well as Jeremy Rudin, Superintendent of Financial Institutions and the head of OSFI.

8. *In Camera* Discussion

The Board of Directors met *in camera* for the remainder of the meeting.

9. Termination

The Board of Directors meeting was terminated upon completion of the *in camera* discussion. The next CAFII Board of Directors meeting will be held on December 2, 2014, in Toronto.

Date

Chair

Recording Secretary

Summary of Meeting Action Items: BOARD & EOC

	Source	Action Item	Responsible	Deadline	Status as of 24-Oct-14
BALANCED SCORECARD / PERFORMANCE MANAGEMENT					
		Balanced Scorecard			
1	Board - June 10, 2014	<ul style="list-style-type: none"> Continue refining the Balanced Scorecard to highlight major goals within each section, for purposes of reporting at Board meetings. 	Greg, Brendan	Ongoing	Ongoing
2	Board - April 8, 2014	Brendan Wycks and the EOC to refine the Balanced Scorecard to reflect the following feedback: <ul style="list-style-type: none"> Identify top three (3) priorities for 2014 in each area of activity Use colour coding to aid in identifying importance and risk, for example: red (high risk) and blue (low risk); Add a percentage weighting to each broad area of activity/audience; and to sub-items: and Identify key persons responsible, primary and secondary, for each item 	B. Wycks, EOC		Pending
FINANCIAL MANAGEMENT					
		2015 Budget			
3	EOC -September 23, 2014	<ul style="list-style-type: none"> Develop preliminary 2015 Operating Budget including 2014 spending and percentage used to date. Chairs to be prompted to provide committee projects and budgets. 	Brendan	23-Oct-14	Pending
MEMBERSHIP					
		Voting Member Application: CUMIS Group			
4	EOC - July 22, 2014	<ul style="list-style-type: none"> BMO Insurance sponsorship of The CUMIS Group membership application by to be confirmed by John. Upon confirmation, Brendan to arrange an interview with CUMIS representatives as outlined in step #3 of the briefing document 	John, Brendan	tba	Completed
5	EOC - June 19, 2014	<ul style="list-style-type: none"> Prepare briefing package on CUMIS' application for Regular Membership. The package should document CAFII's membership application process including pertinent by-laws and past practices regarding new members. A list of current voting and non-voting members should be included along with analysis of relevant issues pertaining to the balance of Foundation versus Regular members. Finally, steps taken to-date with regard to the CUMIS application should be outlined along with the relevant information uncovered during our investigation. Briefing package to be vetted with EOC Chair Greg Grant and then disseminated to Board and EOC members. 	Brendan, Leya	4-Jul-14	Completed
		<ul style="list-style-type: none"> Pose the following questions to their Board Members: "Are they familiar with The CUMIS Group Ltd.? Would they consider sponsoring CUMIS' application to become a Regular (voting) Member of the Association? If sponsoring isn't an option, would they support the application?" 	Foundation EOC members	21-Jul-14	Completed

Source	Action Item	Responsible	Deadline	Status as of 24-Oct-14	
GOVERNANCE AND ADMINISTRATION					
Policy					
6	EOC - September 23, 2014	The language and approach to compliance in section 2 of the Competition Policy to be updated as suggested. With this change the Competition Law Policy shall be recommended for adoption at the next Board Meeting on October 7, 2014.	Leya	2-Oct-14	Completed
		The Associates Policy shall be recommended for adoption at the next Board Meeting on October 7, 2014.	Leya	2-Oct-14	Completed
Meetings					
7	EOC - September 23, 2014	• Schedule thank you luncheon for former EOC Chair and Secretary, Jennifer Hines.	Paul	28-Oct-14	Completed
REGULATOR / POLICY-MAKER RELATIONS AND ADVOCACY					
Eastern Canada: NB, NL, NS					
8	EOC - September 23, 2014	• Draft letter of response to Nova Scotia Bill 43.	Brendan, Moira	31-Oct-14	Pending
9	EOC- June 19, 2014	• Provide the Atlantic Canada Overview and Agenda to interested board members, Peter McCarthy (BMO) and Chris Knight (TD).	Brendan, Leya	18-Jul-14	Completed
		• Submit a letter on the potential changes to the New Brunswick Insurance Act to Invest New Brunswick.	LEIC	30-Sep-14	In progress
Western Canada: BC, AB, SK					
10	EOC - September 23, 2014	• Provide feedback on the draft input on Representation for Restricted License Holder in Saskatchewan.	EOC	25-Sep-14	Completed
11	EOC - June 19, 2014	• Make recommendation to EOC on BC representation for banks-in-insurance sector.	LEIC	15-Sep-14	Outstanding
Pan-Industry Group on Travel Insurance Issues					
12	EOC - July 22, 2014	• Confirm subject matter experts on travel insurance from CAFII members to serve on CAFII working group	Brendan	15-Aug-14	Completed
13	Board - June 10, 2014	• Given the urgency of the issue, the Board agreed that this can't wait until the fall and CAFII should participate in the pan-industry group and assess its position as the group's work progresses.	EOC, Brendan	Ongoing	In progress
		• EOC to prepare proposed CAFII positions on the key travel insurance issues. This proposal-development work will proceed in tandem with the pan-industry project group's meetings and discussions.		none	n/a
		• Directors agreed to be ready to provide approval of such proposals via electronic means, before the next regularly scheduled Board meeting on October 7, 2014, with the possibility of meeting via conference call to discuss the issues if necessary.		none	n/a

	Source	Action Item	Responsible	Deadline	Status as of 24-Oct-14
		<ul style="list-style-type: none"> Directors to communicate any hot button issues or any particular sensitivities related to travel insurance, through their EOC members or directly to Brendan Wycks. 		Ongoing	In progress
		New Ministers			
14	Board - June 10, 2014	<ul style="list-style-type: none"> Prepare and send a CAFII letter of congratulations to the new Ministers of Finance in Newfoundland, Ontario and Quebec (Mr. Carlos J. Leitão), as well as the Premier of Newfoundland once s/he is appointed. 	Brendan	31-Jul-14	In progress
		FCAC			
15	EOC - September 23, 2014	<ul style="list-style-type: none"> FCAC Research Study: CAFII shall respond to the online survey and, if selected to participate in a 30 minute interview, decline. 	Brendan	24-Oct-14	Pending
		LLQP Modernization			
16	EOC - July 22, 2014	<ul style="list-style-type: none"> Draft letter of support for LLQP modernization for review at the July 30 MAC meeting 	Brendan	30-Jul-14	Completed
17	Board - June 10, 2014	<ul style="list-style-type: none"> EOC is tasked with developing a list of relevant policy-makers and legislators; and drafting a letter to them in support of the LLQP modernization 	Brendan, EOC		Outstanding
		<ul style="list-style-type: none"> EOC to continue to monitor developments on this issue and consider scheduling follow-up meetings with the recipients of the letter. 	EOC	Ongoing	Pending
MEDIA AND COMMUNICATIONS					
		Media Outreach			
18	Board - October 7, 2014	<ul style="list-style-type: none"> Key Messages Map and Key Messages to be provided to the board for approval. 	Brendan, Greg	TBA	In progress
19	EOC - September 23, 2014	<ul style="list-style-type: none"> Hold lunch education session with Toronto Star reporter, followed by Megan Harman of the Investment Executive. CAFII's key messages and Q&A portion of an educational meeting to be finalised for use at the sessions. 	Brendan, Greg, Paul	7-Oct-14	In progress
20	EOC - July 22, 2014	<ul style="list-style-type: none"> A plan to be developed leading to a future lunch meeting with Ms. Roseman, including documenting key messages and collecting data and, if appropriate, recommending an alternate media contact(s) to engage 	MAC, Brendan	30-Jul-14	Pending
EVENTS AND NETWORKING					
21	EOC - September 23, 2014	<ul style="list-style-type: none"> Secure alternative host for the December 2, 2014 Board meeting and reception. 	Leya	7-Oct-14	In progress

CAFII

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

Statement of Operations As at September 30, 2014

REVENUE	Current Month	Current YTD	Budget 2014	% Used	YTD 2013 Balance	% Used YTD 2013
Membership Fees	\$33,375	\$267,000	\$400,500	67%	\$300,375	79%
Interest Revenue	\$35	\$312	\$720	43%	\$474	474%
TOTAL REVENUE	\$33,410	\$267,312	\$401,220	67%	\$300,849	70%
EXPENSE						
Association Operating Expenses						
Management Fees	\$18,375	\$169,281	223,380	76%	\$164,188	237%
Lawrie Savage Fees	\$0	\$0	-		\$0	0%
CAFII Legal Fees/Corporate Governance	\$243	\$20,812	19,500	107%	\$0	0%
Audit Fees	\$0	\$0	14,000	0%	\$1,617	16%
Insurance	\$432	\$3,921	5,368	73%	\$2,331	54%
Website (incl translation)	\$0	\$924	540	171%	\$361	67%
Telephone/Fax/Internet	\$151	\$3,929	2,250	175%	\$2,321	107%
Postage/Courier	\$0	\$366	500	73%	\$185	17%
Office Expenses	\$0	\$1,887	4,500	42%	\$1,784	66%
Bank Charges	\$0	\$0	38	0%	\$70	3%
Miscellaneous Expenses	\$0	\$0	-	0%	\$0	0%
Amortization Expense	\$0	\$0	-	0%	\$0	0%
Depreciation Computer/Office Equipm ¹	\$39	\$194	640	0%	\$506	19%
Sub Total Association Operating Expenses	\$19,240	\$201,314	\$270,716	74%	\$173,362	
Distribution & Market Conduct Committee						
Provincial Regulatory Review	\$377	\$2,962	3,000	99%	\$2,861	5%
Research/Studies	\$0	\$25,201	50,000	50%	\$4,996	12%
Sub Total Distribution & Market Conduct Committee	\$377	\$28,164	\$53,000	53%	\$7,857	
Licensing Efficiency Issues Committee						
Regulatory Model (s)	\$0	\$4,699	12,000	39%	\$244	8%
Federal Financial Reform	\$0	\$101	3,000		\$0	0%
Sub Total Licensing Efficiency Issues Committee	\$0	\$4,800	\$15,000	32%	\$244	
Media & Advocacy Strategy Committee						
Tactical Communications Strategy	\$0	\$2,134	51,500	4%	\$72	0%
Association Branding	\$0	\$1,130	2,500	45%	\$2,802	11%
Sub Total Media & Advocacy Strategy Committee	\$0	\$3,264	\$54,000	6%	\$2,874	
Networking & Events Committee						
Board/EOC/AGM Expense ²	\$0	\$12,693	20,500	62%	\$12,604	60%
Networking Events	\$0	\$9	1,756	1%	\$0	0%
15th Anniversary Event	\$0	\$0	-		\$15,566	74%
Sub Total Networking & Events Committee	\$0	\$12,702	\$22,256	57%	\$28,170	
Media Relations, CAFII Consultant						
Media Relations, CAFII Consultant	\$0	\$0	-		\$0	0%
Sub Total Media Relations, CAFII Consultant	\$0	\$0	-		\$0	
TOTAL EXPENSE	\$19,617	\$250,243	414,972	60%	\$212,507	58%
EXCESS OF REVENUE OVER EXPENSES	\$13,793	\$17,069	(\$13,752)		88,341.50	

Explanatory Notes:

- (1) Amortization of office equipment based on 4 year straight line depreciation
(2) Board meetings and receptions, special Board or EOC lunch meetings, speaker expenses

CAFII

Toronto, ON M4V 2Y7

Membership Fees

As At September 30, 2014

	<u>Jan-14</u>		<u>Jul-14</u>	
	<u>Billed</u>	<u>Received</u>	<u>Billed</u>	<u>Received</u>
BMO Bank of Montreal	\$ 23,500.00	Mar7,2014	\$ 23,500.00	August 21,2014
CIBC Insurance	\$ 23,500.00	Mar20,2014	\$ 23,500.00	August 21,2014
RBC Insurance	\$ 23,500.00	Mar17,2014	\$ 23,500.00	August 06,2014
ScotiaLife Financial	\$ 23,500.00	Mar7,2014	\$ 23,500.00	July 25,2014
TD Insurance	\$ 23,500.00	Mar7,2014	\$ 23,500.00	July 25,2014
AMEX Bank of Canada	\$ 11,750.00	Apr7,2014	\$ 11,750.00	October6,2014
Assurant Solutions	\$ 11,750.00	Apr7,2014	\$ 11,750.00	August 21,2014
Canadian Premier Life Insurance Company	\$ 11,750.00	Apr7,2014	\$ 11,750.00	August 21,2014
Desjardins Financial Security Life Assurance Company	\$ 11,750.00	Apr7,2014	\$ 11,750.00	Apr7,2014
National Bank Insurance Company	\$ 11,750.00	Apr7,2014	\$ 11,750.00	July 25,2014
Aimia	\$ 4,800.00	Mar7,2014		
Avalon Actuarial	\$ 4,800.00	Mar20,2014		
Collins Barrow Toronto Actuarial Services	\$ 4,800.00	June6,2014		
CSI Brokers Inc.	\$ 4,800.00	May23,2014		
KPMG	\$ 4,800.00	October9,2014		
Laurentian Bank of Canada	\$ 4,800.00	Mar20,2014		
Munich Re	\$ 4,800.00	Mar7,2014		
Optima Communications	\$ 4,800.00	Mar20,2014		
RGA Life Reinsurance Company of Canada	\$ 4,800.00	Apr7,2014		
The Canada Life Assurance Company	\$ 4,800.00	Mar20,2014		
January Invoices	\$224,250		\$176,250	
July Invoices			\$176,250	
Total Membership Fees	\$400,500			
Total amount to reallocate monthly Jan-Dec		\$33,375		

CAFII

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

Balance Sheet As at September 30, 2014

ASSETS	Current 2014
Current Assets	
Bank Balance	\$363,956
Investments ^A	\$53,381
Accounts Receivable	\$16,550
Interest Receivable	\$128
Prepaid Expenses	\$3,456
Computer/Office Equipment	\$2,334
Accumulated Depreciation -Comp/Equip	(\$856)
Intangible Assets-Trademarks	\$0
Accumulated Amortization-Trademark	\$0
Total Current Assets	\$438,948
TOTAL ASSETS	\$438,948
LIABILITIES	
Current Liabilities	
Account Payable ^B	\$243
Deferred Revenue	\$133,500
Total Current liabilities	\$133,743
TOTAL LIABILITIES	\$133,743
UNRESTRICTED NET ASSETS	
Unrestricted Net Assets, beginning of year	\$288,136
Excess of revenue over expenses	\$17,069
Total Unrestricted Net Assets	\$305,205
Total Unrestricted Net Assets	\$305,205
TOTAL LIABILITIES AND UNRESTRICTED NET ASSETS	\$438,948

Financial Reserves Targets:

Minimum 3 months (25%) of Annual Operating Expenses =	\$ 103,743
Maximum 6 months (50%) of Annual Operating Expenses =	\$ 207,486
Current Level of Financial Reserves:	\$305,205
Current Level of Financials Reserve (%):	74%

CAFI
55 St Clair Ave West, Suite 255
Toronto, ON, M4V 2Y7
Balance Sheet Items
As at September 30, 2014

Item A

Investment Portfolio

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

Item B

Accounts Payable

	<u>Total</u>
	242.95
Total outstanding:	<u><u>242.95</u></u>

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

Regulatory Update – CAFII Executive Operations Committee, October 21, 2014

Prepared By Brendan Wycks, CAFII Executive Director

Introduction

Federal/National

- CCIR Stakeholder Meetings Postponed To 2015 **(page 2)**.
- CCIR's 2014-17 Strategic Plan Published **(page 2)**.
- CCIR's Agencies Regulation Committee (ARC) Dissolved; White Labeling Of Travel Insurance To Be Reviewed By New Travel Insurance Working Group **(page 2)**
- CISRO: Primerica Files LLQP-Related Lawsuits Against Ontario And Saskatchewan **(page 2)**.
- FCAC: Program For National Financial Literacy Conference Released. **(page 3)**:

British Columbia

- **Financial Institutions Commission (FICOM)**
 - New Issue Comes To Light Related To “Effecting” Creditor’s Group Insurance Contracts **(page 4)**.
 - CAFII Encouraged To Consider Submission Input In Anticipation Of 10-Year Review of Financial Institutions Act **(page 4)**.

Alberta:

- David Sorenson Appointed Deputy Superintendent Of Insurance; and Laurie Balfour Returns As Director, Financial Compliance **(page 5)**.
- Alberta Superintendent Has No Current Or On-The-Horizon Policy Issues Related To Life Or Accident & Sickness Insurance **(page 5)**.

Manitoba

- Jim Scalena To Retire As Superintendent Of Insurance At End Of 2014 **(page 5)**.
- ISI Regime Implementation Details Shared with CAFII **(pages 5-6)**.

Ontario

- Brian Mills Appointed Interim CEO of FSCO and Superintendent of Financial Services **(page 6)**.
- FSCO Life Insurance Product Suitability Report Highlights Need For More On-Site Compliance Reviews **(page 7)**.

Atlantic Canada

- Travel Insurance Highlighted As “Hot Button” Issue At CAFII Joint Meeting With Atlantic Canada Insurance Regulators **(page 7)**.

Federal/National

Canadian Council of Insurance Regulators (CCIR)

Stakeholder Meetings Postponed To 2015

On October 15/14, CAFII received notification from Carol Shevlin, CCIR Policy Manager, that due to a number of unavoidable conflicts in scheduling, CCIR was postponing the stakeholder meetings which were to be held on November 5-6/14 in Toronto and will attempt to secure dates in early 2015

2014-17 Strategic Plan Published

CCIR's new 2014-17 Strategic Plan, published October 2/14, features three strategic initiatives that are of particular relevance to CAFII members:

- complete a review of the travel insurance industry, to address regulatory concerns related to consumer protection;
- develop and implement a market conduct supervisory framework, to align supervision with international best practices and enhance consumer protection; and
- partner with industry stakeholders to identify opportunities for harmonization and a reduction in inter-jurisdictional barriers.

Agencies Regulation Committee (ARC) Dissolved; White Labeling Of Travel Insurance To Be Reviewed By New Travel Insurance Working Group

On October 21, Harry James of BC's FICOM advised Brendan Wycks that CCIR's ARC had been dissolved and that ARC's work on travel insurance and white labelled products will now be done by a CCIR working group on travel insurance. The working group will be chaired by Harry and have representatives from both CICSRO and CCIR. Its terms of reference won't be approved until CCIR's winter 2015 meeting; but in the meantime, Harry will try to hold preliminary consultations with key stakeholders and will be in touch with Karen Voin, Chair of the pan-industry group on travel insurance, to set up a November meeting.

Laurie Balfour Appointed Chair of CCIR's New IAIS Core Principles Implementation Committee

Laurie Balfour, Alberta's Director, Financial Compliance, Insurance Regulation and Market Conduct Branch, has been appointed Chair of CCIR's new "Implementation of the IAIS Core Principles Committee" emanating from its new 2014-17 Strategic Plan.

Canadian Insurance Services Regulatory Organisations (CISRO)

Primerica Files LLQP-Related Lawsuits Against Ontario And Saskatchewan

Primerica Canada has filed lawsuits against Ontario and Saskatchewan over their involvement in CISRO's current Life License Qualification Program (LLQP) modernization effort.

In addition, at a recent CLHIA committee meeting, Ron Fullan, Chair of CISRO and its LLQP Committee, stated that CISRO had decided the LLQP itself would bear the costs of defending against the Primerica lawsuits. As a result, the cost of registering for the modernized LLQP will be driven higher.

Letters of LLQP Support From Individual Companies Requested

The CISRO LLQP Committee has indicated that it would like to receive letters of support for LLQP modernization from individual companies in addition to industry Associations.

LLQP Committee Not Planning Stakeholder Information Session Or One-on-One Meetings In Fall 2014

On October 21, Ron Fullan informed CAFII that there are no plans to hold a Stakeholder Information Session or one-one stakeholder group meetings in conjunction its Governance Subcommittee meeting in Toronto on November 24/14. That said, CLHIA has indicated to the LLQP Committee that it may take advantage of the Governance Subcommittee's presence in Toronto to present some suggestions on its draft transition plan for the modernized LLQP.

CISRO To Develop New Strategic Plan

CISRO will be developing a new Strategic Plan in the near future and they make seek input on it from industry Associations.

Financial Consumer Agency of Canada

Program For National Financial Literacy Conference Released

The program for the FCAC's National Financial Literacy Conference, scheduled to take place in Vancouver on November 6-7, was recently released. In announcing the program, the FCAC said that momentum to increase financial literacy in Canada and around the world is stronger than ever and an expanding array of creative approaches are sprouting from grassroots groups, dedicated government and NGO leaders, and respected corporate partners.

"The 2014 National Conference on Financial Literacy will showcase these inspiring stories, the latest research, and next and best practices. With our theme of 'Strengthening Financial Literacy Through Collaboration,' this approach will permeate our event, including delegate roundtable discussions to support a national strategy on financial literacy," the Agency stated.

Conference topics include

- exploring ways to move the dial on financial literacy indicators;
- preliminary results from the 2nd Canadian Financial Capability Survey;
- examples of successful collaboration;
- best practices in program evaluation;
- the launch of a national financial literacy resource; and
- case studies in changing financial behaviour.

There is no registration fee for this conference; however, it is an "invitation only" event capped at 200 attendees.

British Columbia

Financial Institutions Commission (FICOM)

New Issue Comes To Light Related To “Effecting” Creditor’s Group Insurance Contracts

Harry James, Director Policy Initiatives with BC’s FICOM, informed Brendan Wycks on October 21 that since they last spoke on the Creditor’s Group Issue on September 18, it has come to his attention that some insurers are offering coverage intended to pay off loan balances (in whole or in part) through regular group insurance as opposed to through Creditor’s Group Insurance. This new development has slowed progress on FICOM’s plan to issue a directive letter to insurers and lenders offering CGI in the province.

Harry advised that BC continues to hold discussions with the other Western Provinces on related issues, i.e. 1) the role of the lender in effecting the coverage; 2) the need for better controls and oversight of CGI distribution; and 3) the new issue around using Group Insurance instead of CGI.

BC hopes to have one or more draft communiqués prepared by the end of October to circulate for review to Harry’s counterparts in Alberta, Saskatchewan and Manitoba.

CAFII Encouraged To Consider Submission Input In Anticipation Of 10-Year Review of Financial Institutions Act

Harry James advised CAFII on October 21 that FICOM is waiting to hear from the Minister’s office on when the mandated 10-year review of the province’s Financial Institutions Act (FIA) will be announced but, in any case, is starting to prepare for the two pre-consultation roundtable meetings it has proposed.

Typically, after such a legislative review is announced, a consultation paper is released to outline the broader issues. And while FICOM will welcome feedback on the broad issues it has identified, it will also be seeking input on issues not raised in the consultation paper. Harry encouraged CAFII to start considering what issues are important to its members in anticipation of this.

The licensure exemption that CGI currently has in BC is found in the FIA Act; and both that exemption and the structure and powers of the Insurance Council of BC are among the issues that the 10-year review could open up for discussion.

When CAFII representatives met with Gerry Matier, Executive Director of the Insurance Council of BC on May 28/14, he indicated that to create more flexibility, the Insurance Council would be trying to get a number of things moved out of the FIA and into Rules and Regulations. As part of this review, the Council is also looking at changing its structure, and moving from Government-appointed Voting Members to elected Voting Members. Gerry agreed with the suggestion that if this change occurs, it will be all the more important to have all relevant perspectives represented at the Insurance Council table, including the banks-in-insurance perspective.

Alberta

David Sorenson Appointed Deputy Superintendent Of Insurance

David Sorenson was appointed Deputy Superintendent of Insurance, effective September 15/14. Previously, he was Director, Regional Claims West at Unifund Assurance, and also served as Claims Manager at Thompson General Insurance. He has 23 years of experience in the insurance industry, 13 of which were spent in claims.

After serving as Acting Deputy Superintendent of Insurance for over a year, Laurie Balfour has returned to her Director, Financial Compliance position.

Brad Geddes, former Deputy Superintendent of Insurance, has taken on a new and permanent job in Emergency Management for the province, after being seconded to a position in that area in the aftermath of the Calgary flooding crisis in summer 2013.

Robin Campbell Appointed Minister Of Finance

On September 15/14, Alberta Premier Jim Prentice appointed, a second term MLA from West Yellowhead, as Minister of Finance, and President of Treasury Board. Mr. Campbell also serves as Vice-Chair of the Government's Agenda and Priorities Committee and as a member of the Operations Committee. Prior to entering politics, he was the president of the local United Mine Workers of America and worked as an appeals commissioner with the Workers' Compensation Board. He was also a member of the Alberta Labour Relations Board and the Environmental Protection Advisory Committee.

Alberta Superintendent Has No Current Or On-The-Horizon Policy Issues Related To Life Or Accident & Sickness Insurance.

Manitoba

Jim Scalena To Retire As Superintendent Of Insurance At End of 2014

ISI Regime Implementation Details Shared With CAFII

In a September 30/14 liaison meeting with Erin Pearson, Executive Director of the Insurance Council, CAFII representatives gained the following insights about Manitoba's implementation plans for its new ISI regime:

- Manitoba expects to have just under 500 Restricted Insurance Agent (RIA) licensees when the new ISI regime is up and running on June 1/15.
- for the initial license, the Council is asking applicants to file voluntarily starting in January 2015 to avoid a bottleneck leading up to the June 1/15 effective date. The Council will be sending out a more detailed timeline around the first week of December 2014 re the initial RIA application process.
- the initial RIA license application must be submitted in hard copy, paper form; thereafter, license renewals will be done electronically.
- applicants only have to fill out one RIA application for all types of insurance under the ISI regime; not a separate form for each type of insurance.

- the Council is not asking for policies and procedures to accompany a license application; but as per the Regulation, licensees may be asked to produce those documents in the future.
- the Council already has plans in the works for an “ISI Committee” that the Insurance Council can call upon for advice. Erin Pearson agreed to consult with CAFII on the Terms of Reference for the ISI Committee.

Ms. Pearson subsequently shared a copy of the draft RIA Application Form with CAFII, for informal, high level feedback to her. Brendan Wycks will consolidate member feedback, via the EOC, and provide CAFII’s input.

Ontario

Financial Services Commission of Ontario (FSCO)

Brian Mills Appointed Interim CEO And Superintendent Of Financial Services

On October 17/14, Phil Howell, FSCO’s CEO and Superintendent of Financial Services, circulated a note reminding industry stakeholders that he would be retiring as of that date. He advised that the Ontario government had announced that effective October 18/14, Brian Mills, currently Deputy Superintendent of Pensions, would become interim CEO of FSCO and Superintendent of Financial Services while a recruitment process for a permanent CEO is completed.

Brian Mills was appointed Deputy Superintendent, Pensions, on September 16/13. Prior to that, he served as Director, Pension Plans Branch, for four years at FSCO. His earlier career includes 14 years as Managing Principal with Towers Perrin in Toronto and Bristol, England; and experience as Director, Canada Client Management, with EDS/HP/ExcellerateHRO; as Vice-President, Pension Plan Administration with the Ontario Pension Board; and as Senior Policy Advisor with the Ontario government.

Phil Howell’s note indicated that “Brian brings a wealth of experience to the job, in both the public and private sectors. As a key member of my executive team for the past two years, he is also aware of issues and challenges in sectors other than pensions.”

FSCO Life Insurance Product Suitability Report Highlights Need For More On-Site Compliance Reviews

The final report from FSCO’s life insurance product suitability review was released on September 30/14.

Through an online survey of over 1,000 life agents and a number of follow-up qualitative interviews, the review provided an understanding of the point-of-sale process used by life insurance agents in making suitable product recommendations to prospective policyholders.

The main findings of the review are:

- best practices are largely being followed i.e. the actual practices do reflect the needs-based sales practices described in “The Approach: Servicing the Client Through Needs-Based Sales Practices”.
- about 50 per cent of the agents indicated that a compliance review of their sales files had never been conducted, or at least had not been done to their knowledge.
- many of the sales activities are still largely done verbally, with no written records.

- 90 per cent of agents always disclose conflicts of interest, but only 50 per cent do so in writing as required by law.
- a majority of agents believe they have a role to play in supporting financial literacy

As a result of this review, FSCO will:

- publish a series of educational bulletins on requirements necessary to comply with the law;
- conduct follow-up life insurance agent questionnaires;
- conduct more on-site compliance reviews with life insurance agents to assess their compliance with the law; and
- conduct more on-site compliance reviews with life insurance companies to assess if they are meeting their oversight obligations under [section 12 of O. Reg. 347/04](#).

FSCO/AMF Arrange Presentation For CAFII and CLHIA On Results of Complaint Reporting System Joint Review
The AMF and FSCO conducted a joint Complaint Reporting System review in the summer of 2014 to evaluate usage of data by the other participating regulators and the adequacy of the system. The report of the joint review and its recommendations were presented to the CCIR at its fall meeting in Fredericton.

The two regulators have arranged a meeting to present the results of the review to CAFII and CLHIA. That meeting will take place on Thursday, November 13 from 2:00 to 3:30 p.m. at FSCO's office in North York and via webex/teleconference.

Quebec

AMF

Annual Report On Financial Institutions Highlights 2013 Recovery Of Life And Health Insurers In Québec
On October 1/14, the AMF released its 2013 annual report on financial institutions (in French only). The report covers the AMF's oversight and supervision of financial institutions in Québec, aimed at maintaining market efficiency and ensuring the fair treatment of consumers.

The report consolidates four annual reports and is intended to provide a better understanding the AMF's role and its vision as an integrated regulator.

The AMF found that financial institutions generally had satisfactory financial positions and were in compliance with existing capitalization expectations and standards. Of particular note, the report indicates that 2013 saw the gradual financial recovery of life and health insurers. This development included particularly strong performance by Québec chartered insurers, which posted an average solvency ratio of 240%, and a significant growth in direct written premiums in Québec, which totalled \$13.7 billion in 2013.

Atlantic Canada

Travel Insurance Highlighted As “Hot Button” Issue At CAFII Joint Meeting With Atlantic Canada Insurance Regulators

In an October 1/14 liaison meeting, Atlantic Canada insurance regulators told CAFII representatives that travel insurance is definitely a “hot button” topic.

“There are inherent problems in the sales process. A lot of people don’t realize the implications of what they’re selling; they don’t understand that travel insurance is a licensed regime product.. We have concerns about distribution, transparency, and disclosure,” the regulators stated.

Nova Scotia

Possible Review Of Life And Accident & Sickness Provisions In Insurance Act In 2015

Doug Murphy, Superintendent of Insurance, has advised that Nova Scotia could be moving forward with a review of the life and accident & sickness sections of the Insurance Act in 2015. He indicated that there are no other issues related to CAFII’s lines of business on his regulatory radar.

New Brunswick

Position Paper To Be Released On Reforms In Other-than-Life Agents And Brokers Licensing

New Brunswick will be releasing a position paper on “Opportunities for Reforming Other-than-Life Agents and Brokers Licensing Regime” sometime this fall.

Prince Edward Island

Life And Accident & Sickness Insurance Provisions In Insurance Act To Be Reviewed In 2015

Robert Bradley, Superintendent of Insurance, has advised that, beginning in early 2015, PEI will be reviewing the provisions in its Insurance Act related to life and accident & sickness insurance. He also advised that PEI may decide to follow Alberta’s lead and allow electronic beneficiary designation changes, he noted.

Newfoundland

No Issues Related To CAFII Lines Of Business At This Time

Craig Whalen, Acting Superintendent of Insurance, has advised that in his province, there are no current or looming issues or initiatives re life and accident & sickness insurance at this time.

CAFII 2015 Schedule of Meetings

- Draft For Review -

EOC Meetings:

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

Board Meetings:

- Tuesday, April 14, 2015 HOST: Canadian Premier
- Tuesday, June 9, 2015 HOST: BMO Insurance *tentative
incl. Annual Meeting of Members
- Tuesday, October 6, 2015 HOST: Desjardins
- Tuesday, December 8, 2015 HOST: CIBC Insurance *tentative

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

Annual Members Luncheon & Speaker Forum:

February 10, 2015 from 12 -2pm

Venue: TBA, Toronto, ON

** tentative details*

Topic: Consumer Financial Literacy

Speaker: Jane Rooney, FCAC

2014 Board Meetings Hosted by:

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

2013 Board Meetings Hosted by:

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