



CAFII EOC Meeting
Tuesday, November 27, 2012
Location: Royal Bank Plaza
South Tower, Capital Markets
200 Bay St, 5th Floor, DS Boardroom
Toronto, ON
1:00 – 4:00 pm

Agenda

- | | |
|---|-----------------------------|
| 1. Call to Order | J. Hines |
| 2. Approval of Agenda | All |
| 3. Minutes | All |
| a. EOC Minutes October 30, 2012 | |
| b. Board Minutes, October 9, 2012 | |
| 4. Financials | M. Fabian |
| a. October 2012 financials | |
| b. 2013 Draft Budget | |
| • Banking – signatures | |
| 5. Regulatory Update | |
| a. Lawrie Savage Report | A. Riley |
| b. Regulator Visits | A. Riley |
| • Regulator Visits Plan | |
| 6. CAFII Priorities and EOC Committees | |
| a. CAFII Priorities by Committee | A. Riley |
| b. Review of Committee Mandates | J. Hines |
| c. Distribution and Market Conduct Policy Committee | S. Manson |
| • UK PPI | S. Manson |
| d. Licensing Efficiency Issues Committee | M. Gill |
| e. Media & Advocacy Strategy Committee | S. Gelgor / J. Lewsen |
| f. Event & Networking Committee | P. Yeung / M. Sanchez-Chung |
| • December Reception | |
| • Speaker presentation – February 5, 2013 | |
| • CAFII 15 th Anniversary Event | |
| 7. Other Business | |
| a. 2013 Draft Calendar | J. Hines |

Next Board Meeting is December 11, 2012 hosted by ScotiaLife Financial.
Next EOC meeting is January 8, 2012, in Toronto.

Conference call dial-in information:

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



CAFII EOC Meeting Minutes
Tuesday, October 30, 2012
Location: CIBC, Commerce Court
199 Bay St, 4th Floor, Imperial Room
Toronto, ON

Present:

Rose Beckford	ScotiaLife Financial
Charles Blaquiere	Canadian Premier Life Insurance Co. (<i>teleconference</i>)
Emily Brown	BMO Insurance
Matthew Fabian	BMO Insurance <i>Treasurer</i>
Sara Gelgor	ScotiaLife Financial
Greg Grant	CIBC Insurance
Jennifer Hines	RBC Insurance
John Lewsen	BMO Insurance <i>Chair</i>
Sue Manson	CIBC Insurance
John Poolman	Assurant Solutions (<i>teleconference</i>)
Paul Yeung	RBC

Also Present:

Leya Duigu	T•O Corporate Services
Anne Riley	Lawrie Savage and Associates
Brendan Wycks	CAFII

Regrets:

Francois Cholette	Desjardins Financial Security Life Assurance
Andre Duval	Desjardins Financial Security Life Assurance
Wayne Eccles	TD Insurance
Moiria Gill	TD Insurance
Jeff Gladwish	American Express
Maria Sanchez-Chung	MBNA Bank of Canada

1. Call to Order

The meeting was called to order at 1:05pm. J. Hines acted as chair and L. Duigu acted as recording secretary.

2. Approval of Agenda

The agenda was approved as circulated.

3. Minutes

a. EOC Minutes September 25, 2012

Amendments were put forward to the minutes.

b. Board Minutes, October 9, 2012

Amendments were put forward to the minutes.

4. Financials

a. September 2012 Financial

The bank balance is quite high as all the 2012 membership fees have been collected and some large invoices are still pending. We are currently at 53% of our budget and will probably end the year a little higher than planned. Currently we are above our reserve ratio.

b. 2013 Draft Budget

M. Fabian thanked all those that responded to his requests for budgets. M. Fabian, J. Hines, B. Wycks and L. Duigu met recently to discuss the financials and some revisions are being proposed for 2013. Most notably each committee shall be responsible for providing oversight for their spending.

Membership fees are down because we lost two associate members this year. While member recruitment has never been a mandate for the association options for expanding the membership were discussed. *Networking & Events*: P. Yeung to follow-up on the committee's planned expense for next year. *Research*: The Avalon Study is getting older. Members will need to discuss whether it should be redone and if the questions should remain the same. *Federal Financial Reform*: there was a discussion about taking this out or allocating it under Media & Advocacy for action.

Action Items:

- L. Duigu to provide a breakdown of 10th Anniversary expense to Networking Committee.
- L. Duigu to contact Marsh Canada regarding CAFII's insurance and who is covered under the D&O policy.
- L. Duigu to ask CompanyB to bill us for the Committees pages in this fiscal year.
- M. Fabian to update 2013 draft budget and recirculate to EOC Members.
- CAFII Legal/Governance line item to remain
- Networking and Events Committee budget to include Board/EOC/AGM, Events, 15th Anniversary Events and Promotional items
- A. Riley to add budget items to the CAFII Priorities by Committee.

Media Training shall be added to the 2013 budget for the Executive Director.

B. Wycks noted that the success of the ED position is premised on building relationships and a lot of this building will be done over the phone. He wished to ensure that there is no need to meet with regulators in person and that the ED can leverage the existing relationships that members already have. To this end he wished to confirm his participation going forward for any regulator meetings that

come up and it was confirmed that attendance will be determined on a case-by-case basis. In addition CCIR members will be travelling to Toronto for their spring meeting next year and there will be an opportunity to meet them at this time.

Banking. The signing authority policy has changed at the bank and we may be switching banks in order to have greater controls in place.

Reserve Policy, and Reimbursement and Board Hosting Policy are both up for review this year.

5. Regulatory Update

a. Lawrie Savage Report

A. Riley presented the Regulatory report based on the attachment in the package and additional discussion occurred as follows:

- AMF Index was launched. They drew some interesting conclusion regarding consumers with representatives being more informed. E. Stevenson will be in Toronto on November 14-16 and has offered to meet with representatives. Volunteers: M. Gill, G. Grant, J. Hines and B. Wycks.

Action: A. Riley to follow-up on AMF Insurance Guide which appeared in Thompsons today (FR).

b. Saskatchewan Insurance Act – draft letter

A draft letter was included in the meeting package for review and was approved as presented.

c. Regulator Visits

A. Riley reviewed the CAFII Regulator Visit Plan noting in particular:

- **Regulator Visit Plan**
SK Superintendant. David Wilde should be added to the Regulator Visits schedule.
- **CCIR Meeting**
B. Wycks provided a brief update of this meeting, a summary of which will be provided in the coming weeks and additional discussion occurred as follows:
 - Four potential webinars were suggested and CCIR members expressed interest in all of them. It was also noted that the presentation on the Underserved Market spurred on discussion across the country. P. Howell noted that the webinars offer a

market intelligence channel that is a new opportunity for regulators.

- There were two main take aways - we need to market to regulators and legislators and we need to meet the needs of consumers.

Action: Networking & Events Committee to review other opportunities to meet with CCIR members.

6. CAFII Priorities and EOC Committee

a. CAFII Priorities by Committee

b. Review of Committee Mandates

The committees seem to be clear on their objectives and the only discussion item was to confirm which group will be responsible for the webinars going forward.

c. Distribution and Market Conduct Committee

MB Insurance Act Review is currently on hold pending what comes through the licensing review. Avalon Study has been slated for the last half of 2013 and there is a need for a research paper on complaint statistics as there is not a good repository of information for this currently. C. Honor has also suggested creating a research paper on the UK PPI, how Canada and the US relates to it and what it means to us.

d. Licensing Efficiency Issues Committee

No updates.

e. Media and Advocacy Strategy Committee

The committee met on October 19 and wished to follow-up on the various items that came up.

Branding: there is a desire to create a consistent look and feel for everything that comes out of CAFII. We have the infrastructure in place, a website and an Executive Director and it would be ideal to have consistent look.

Website Testimonials and Tag lines. Members were reminded of this deliverable recently and responses will be reviewed at the next meeting. Testimonials (written and video) will be reviewed by the committee as they are received. Each FI should ensure that the appropriate releases are in place and it was also noted that some may also be in use by the member institution as well.

Key Message: these should be added to the website. Committee should seek sign-off from the Board before proceeding.

The committee was also asked to review how CAFII can be differentiated from other associations.

Video. C. Blaquiere circulated an idea for creating a video a few weeks ago. It was a live video stating the facts of the world population and he felt it would be an ideal model for creating facts about the underinsured in Canada and how CAFII members serve them. J. Hines noted another example on US Insurance facts.

Action: B. Wycks to follow up on video idea when he comes on board.

Media Protocol: to be updated and re-circulated by L. Duigu.

Media Lists: were submitted to L. Duigu who will provide them to the group at the next meeting.

Develop 2-3 Scenarios: G. Grant following up on this.

Regulator Kit: to be reviewed by B. Wyckes when he begins.

Webinars: The development, proposal and planning of webinars shall be the sole responsibility of the Media & Advocacy Committee. The Distribution and Market Conduct Committee shall provide statistics and data upon request.

Appointment Notice for CAFII Executive Director, Brendan Wycks. B. Wycks to draft message and L. Duigu to develop a proposed circulation list for discussion. It was also suggested that notices be placed in the Globe & Mail and Financial Post.

f. Event and Networking Committee

December 11 reception. **Action:** L. Duigu to send the draft invitations to the committee and S. Gelgor.

February 2013 speaker series. J. Poolman suggested Jane Carr, VP Legal with Assurant, who presented recently on Capital One and Discover in the US and what occurred there. J. Poolman to find out if J. Carr is available in February. Members were reminded that regulators are not typically invited to the Members Luncheon.

Action: L. Duigu to seek quotes from the Albany Club.

CAFII 15th Anniversary, April 10, 2013. Board meeting, Reception and Dinner will be going forward in April. The committee is currently looking for speakers for this event and P. Yeung is following up on some leads.

7. Other Business

a. 2013 Draft Calendar

8. Termination

There being no further business, the meeting terminated at 4:00 p.m. The next EOC meeting will be held on Tuesday, November 27, 2012 at 1:00 pm in Toronto.

Date

Chair

Recording Secretary

CONFIDENTIAL DRAFT



CAFII Board of Directors Meeting Minutes
Tuesday, October 9, 2012
Toronto Dominion Bank Tower
66 Wellington St West, 54th Floor
Toronto, ON

Present: Julie Barker-Merz, BMO Insurance
Mark Cummings, ScotiaLife Financial
Keith Demmings, Assurant Solutions (*teleconference*) *Vice Chair*
Cathy Honor, RBC Insurance Services Inc. *Chair*
Richard Hébert, National Bank Insurance Co. (*teleconference*)
David Minor, TD Insurance
Isaac Sananes, Canadian Premier Life Insurance
Yvonne Ziomecki, AMEX Bank of Canada (*teleconference*)

EOC Present: Rose Beckford, ScotiaLife Financial
Charles Blaquiere, Canadian Premier Life Insurance
Emily Brown, BMO Insurance
Isabelle Choquette, Desjardins Financial Security Life Assurance Co.
(*teleconference*)
Wayne Eccles, TD Insurance
Matthew Fabian, BMO Insurance *Treasurer*
Sara Gelgor, ScotiaLife Financial
Moirra Gill, TD Insurance
Jeff Gladwish, AMEX Bank of Canada
Greg Grant, CIBC Insurance
Jennifer Hines, RBC Insurance Services
John Lewsen, BMO Insurance *Secretary*
Sue Manson, CIBC Insurance
John Poolman, Assurant Solutions (*teleconference*)
Maria Sanchez-Chung, TD Insurance
Paul Yeung, RBC

Regrets: Andre Duval, Desjardins Financial Security Life Assurance Company
Linda Fiset, Desjardins Financial Security Life Assurance Company
Rick Lancaster, CIBC Insurance

Also: Brendan Wycks, CAFII *Executive Director*
Leya Duigu, T•O Corporate Services *Recording Secretary*
Anne Riley, Lawrie Savage and Associates

1. Call to Order

The meeting was called to order at 2:00 pm. C. Honor acted as chair, J. Hines acted as secretary and L. Duigu acted as recording secretary.

2. Review of CAFII Competition Guidelines

C. Honor reminded members that the Competition Guidelines provided in the package were adopted at the April 3, 2008 Board of Directors meeting. The practice of reviewing the guidelines was adopted at the start of the meetings to ensure that our activities conform to its principles, which were briefly summarized.

3. Approval of Agenda

On a motion duly made, seconded and unanimously carried.

IT WAS RESOLVED that:

The agenda be approved as presented.

4. Executive Director Recruitment Update

Following the June board meeting an EOC sub committee was convened for the purpose of finding an executive director. There was a comprehensive recruitment process and the final candidate was selected and is in attendance at today's meeting. J. Hines introduced CAFII new Executive Director, Brendan Wycks, and provided a brief overview of his credentials. B. Wycks will join CAFII Monday December 3rd, 2012. As a result Lawrie Savage & Associates will be notified that we will no longer need their services effective November 30th, 2012.

C. Honor noted that it's with great sadness that A. Riley who has provided services to CAFII through Lawrie Savage for over 10 years will no longer be supporting CAFII. C. Honor highlighted her many accomplishments over the years she has worked with us which have had an impact not only on CAFII but the industry as well. A. Riley was sincerely thanked for her contribution.

5. Minutes

On a motion duly made, seconded and unanimously carried.

IT WAS RESOLVED that:

The minutes of the meeting of the board held on June 19, 2012 be adopted as amended, and that a copy of these minutes be signed and placed in the minute book of the Corporation.

6. Financial Update

6.1. August Financials

The August 31, 2012 financial statements were included in the meeting package for review. We remain in a strong cash position and deferred revenue is down. Unrestricted net assets are up and we are within our reserve policy limits. The

statement of operations show we are in a similar position to last year. Additional invoices have been received recently and we expect to be closer to our budget by the end of the year. While the financials show that some member fees are still outstanding it was confirmed that everyone has paid and this will be reflected in the next set of financials.

The 2013 budget planning process has begun and a draft budget will be presented at the next board meeting for approval.

On a motion duly made, seconded and unanimously carried.

IT WAS RESOLVED that:

The August 2012 financial statements be and are hereby approved in the form presented.

7. Regulatory Update

7.1. Lawrie Savage Report

A. Riley presented the regulatory updated included in the meeting materials and additional discussion occurred as follows:

- FCAC. The financial toolkit is good and the Credit Card guide was excellent. They continue to consult with CAFII on information and M. Gill has been instrumental in communicating with them.
- CCIR. The webinar was a success allowing us to reach staff in the different jurisdictions. We will also explore the whether CAFIIs 15th Anniversary celebration can be aligned with the Spring meeting in Toronto. An invitation was received for CAFII to meet with CCIR Executive. Volunteers: D. Minor, C. Honor and tentatively M. Cummings. Executive Director B. Wycks shall also be in attendance.

The Lawrie Savage Regulator report was created by A. Riley and is updated for every meeting. Going forward this can become the CAFII Regulatory report under B. Wycks and a synthesized version could be produced and distributed to regulators.

Action: Communications Mandate to be reviewed at the next meeting with a view to incorporating the role of the Executive Director.

7.2. Regulator Meetings

The regulator meetings document was included in the meeting package for review.

7.3. Reports on Regulator Meetings

7.3.1. SK Insurance Council

This update will also provide an update for the Manitoba and Licensing Committee report. M. Gill reported that representation on council has been a discussion topic for some time. The councils recently confirmed that we should proceed with having our legal council draft the necessary steps. The Superintendent has consistently noted how helpful it has been working with CAFII. Saskatchewan has a new superintendent and we have yet to see a formal announcement about him.

Action: CAFII to confirm the appointment of Ian McIntosh as Deputy Superintendant in Saskatchewan and send a letter of introduction and congratulations.

7.3.2. MB Superintendant and Council

The council in Manitoba is very hands on and is firmly of the opinion that we should only receive a single seat, which raises concerns about the purpose of having representation if this nature. We achieved more in Saskatchewan. Concerns were raised with their licensing regime and a detailed letter was requested from CAFII outlining this for the purpose of presenting the information at the next council meeting.

7.3.3. FSCO

A delegation of CAFII members met with FSCO recently to provide an update and meet the new staff under G. Swanson. Attendees were very impressed with the individuals at the meeting who were engaged and interested in the topics discussed. It was pointed out that FSCO only sees isolated complaints and aren't able to get a sense of the total number or types of complaints that arise. CAFII has committed to following up on a call centre presentation to help them gain a better understanding of how it works. Feedback was provided on CAFII's webinar presentation of The Underserved Market noting that regulators are generally struggling with what it is and how to engage.

Action: M. Gill to follow-up with G. Swanson on his request to arrange a call centre visit for FSCO staff.

8. Committee Reports on addressing CAFII Priorities

8.1. Distribution and Market Conduct Policy Committee

8.1.1. Education Curriculum / Webinars

CAFII's first webinar presentation on The Underserved Market was well attended and received by regulators. Of note was the assistance of CCIR Policy Manager, C. Shevlin, who was instrumental in helping us prepare and providing feedback. CLHIA was also prepared to assist us with delivering the presentation when we encountered technical difficulty with Adobe Connect at the last minute. It would be ideal to see how else we can utilize the software and information by holding one-on-one meetings or discussion as well as presentations. A list of potential

topics was circulated to the CCIR and social media/ecommerce has been highlighted for the next webinar presentation.

8.2. Media and Advocacy Strategy Committee

The committee had a number of follow-up items from the last meeting and J. Lewsen reported on each as follows.

Executive Director: The committee, via a Recruitment subcommittee, was tasked with preparing the executive director mandate and recruiting a candidate after the last board meeting in June. As previously noted this has been completed.

Action: Now that we have an Executive Director onboard, the Committee was asked to review the Executive Director mandate, in conjunction with the EOC Chair mandate, to ensure accountabilities are well aligned with each other and the Committee Mandates.

Client Testimonials: Each member institution was asked to provide testimonials that can be shared on the CAFII site.

Action: L. Duigu to send a reminder to CAFII members to submit testimonials.

A. Riley developed some potential CAFII tag lines and a handout was distributed with these ideas as it was thought the board would like to participate in brainstorming. The following suggestions were put forward:

- The ‘consumer’ is very important, therefore providing access to Canadian consumers is a theme that should be included. Key words include access, Canadians and options.
- CAFII is one of the only groups to represent all lines through all distribution channels.
- “Insurance access and options for Canadians”
- The Media & Advocacy Committee should review this in more detail to ensure the tag line aligns with CAFII’s mission statement.

Action: The committee to review and follow-up on developing a CAFII tag line with EOC.

CAFII Brochure: The committee was tasked with developing a CAFII brochure. A. Riley has produced materials and information that can be used in a brochure and it was determined that this would be an initiative for the new Executive Director complete. In addition the brochure would become part of the regulator toolkit.

CAFII Branding: The associations branding with regulators was discussed and the proposed CAFII Regulatory report would be a great place to start. In addition new tabs and content shall be added to the website.

Communications Strategy: This strategy was updated earlier this year and this would be an ideal time to refresh it, now that B. Wycks has joined the association. In addition it would be ideal to make it a standing item on the agenda.

Website: The committee to consider getting links to the CAFII website added to external sites such as FCAC.

Action: L. Duigu to circulate website statistics.

8.3. Licensing Efficiency Issues Committee

See above.

8.4. Networking and Event Hosting Committee

TD Insurance was thanked for hosting today's meeting, speaker presentation and reception. Forty-six people have confirmed attendance and our speaker today is Janet Eckker, former Ontario Minister of Finance.

Going forward it is a special year for CAFII and the committee will be working on the 15th Anniversary Celebration for next year.

Members discussed ways of commemorating the occasion such as creating a video about how CAFII serves consumers. Similar examples include the LOMA video entitled The Heart of the Matter, American Council of Life Insurers and the CLHIA fact book.

The February Members luncheon and speaker series is also coming up. Suggested speakers include a presenter that can present about insurance online.

C. Honor thanked the committees and suggested that this would be an ideal time to review the committee hierarchy and work plans, in tandem with the budget planning. Looking forward top of mind thoughts regarding 2013 planning include:

- Ecommerce. As we look forward this is where the industry is going and we cannot afford to take our eyes off it. The regulators are also saying that they aren't educated in this area and would like to be.
- Credit Card Insurance survey. This issue should be raised next year. C. Honor noted that we are happy there will be results forthcoming from the PPI survey, after which we can think about how to address it.
- CAFII Branding. The Communications Strategy can include CAFII's re-branding and website launch, and coordinating the timing with the 15th Anniversary celebrations.

Action: Review of Committee Mandates to be included in the next EOC meeting to ensure the work load is distributed evenly and the right people are working on projects.

9. Other Business

2013 Meeting Calendar: Will be presented at the next board meeting in December.

New Canadian Not-for-Profit Corporations Act: We must transition by October 2014. We discussed completing this will be headed by B. Wycks with the assistance as required by T·O Corporate Services and Faskens. It has been re-prioritized into 2013.

10. Termination

On a motion duly made, seconded and unanimously carried.

IT WAS RESOLVED that:

The meeting be terminated at 3:40 pm. The next meeting of the board is on Tuesday, December 11, 2012 in Toronto, hosted by ScotiaLife Financial. Motion passed.

Date

Chair

Recording Secretary

CAFII

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

Balance Sheet As at October 31, 2012

ASSETS	Current 2012
Current Assets	
Bank Balance	\$253,458
Investments ^A	\$52,097
Accounts Receivable	\$0
Interest Receivable	\$366
Prepaid Expenses	\$1,656
Intangible Assets-Trademarks	\$0
Accumulated Amortization-Trademark	\$0
Total Current Assets	\$307,577
TOTAL ASSETS	\$307,577
LIABILITIES	
Current Liabilities	
Account Payable ^B	\$14,966
Deferred Revenue	\$68,350
Total Current liabilities	\$83,316
TOTAL LIABILITIES	\$83,316
UNRESTRICTED NET ASSETS	
Unrestricted Net Assets, beginning of year	\$137,319
Excess of revenue over expenses	\$86,942
Total Unrestricted Net Assets	\$224,261
Total Unrestricted Net Assets	\$224,261
TOTAL LIABILITIES AND UNRESTRICTED NET ASSETS	\$307,577

RESERVE RATIO:	
Minimum Reserve for 2012	\$71,258
Maximum Reserve for 2012:	\$435,177
Current Reserve Ratio (CAFII policy requires min. 3 months reserve)	9.5 Months

C A F I I
55 St Clair Ave West, Suite 255
Toronto, ON, M4V 2Y7
Balance Sheet Items
As at October 31, 2012

Item A

Investment Portfolio

Investment Type	Issue Date	Principal	Rate	Deemed Interest	Maturity Date
Cashable GIC #0087-8019718-11	May-07-12	\$52,096.99	1.45%	\$755.41	May-07-13
Total		\$52,096.99		\$755.41	

Item B

Accounts Payable

	Total
	122.04
	14,679.19
	165.11
Total outstanding:	<u>14,966.34</u>

CAFII

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

Statement of Operations As at October 31, 2012

REVENUE	Current Month	Current YTD	Budget 2012	% Used	YTD 2011 Balance	% Used YTD 2011
Membership Fees	\$34,175	\$341,750	\$419,700	81%	\$349,250	91%
Interest Revenue	\$64	\$583	\$750	78%	\$658	658%
TOTAL REVENUE	\$34,239	\$342,333	\$420,450	81%	\$349,908	89%
EXPENSE						
Management Fees	\$5,885	\$58,848	\$70,617	83%	\$57,690	83%
Lawrie Savage Fees	\$14,679	\$146,792	\$171,289	86%	\$143,914	86%
Fasken Martineau Fees ¹	\$1,694	\$1,694	\$10,467	16%	\$0	0%
Audit Fees	\$0	\$347	\$11,594	3%	\$1,162	12%
Board/EOC/AGM Expense ²	\$903	\$12,585	\$21,000	60%	\$14,917	71%
Insurance	\$307	\$2,365	\$4,320	55%	\$2,358	55%
Website (incl translation)	\$0	\$2,707	\$540	501%	\$2,396	444%
Telephone/Fax/Internet	\$78	\$516	\$1,000	52%	\$895	41%
Postage/Courier	\$3	\$234	\$500	47%	\$246	23%
Office Expenses	\$84	\$726	\$2,700	27%	\$1,823	68%
Bank Charges	\$0	\$38	\$0	0%	\$0	
Miscellaneous Expenses	\$278	\$278	\$0	0%	\$0	
Amortization Expense	\$0	\$0	\$0	0%	\$0	
Regulatory Model (s)	\$0	\$0	\$2,940	0%	\$0	0%
Tactical Communications Strategy ⁷	\$0	\$1,911	\$22,250	9%	\$9,549	38%
Media Relations, CAFII Consultant	\$2,260	\$10,430	\$12,000		\$8,129	68%
Research/Studies ⁴	\$0	\$5,085	\$42,000	12%	\$55,568	132%
Federal Financial Reform ⁵	\$0	\$0	\$2,160	0%	\$0	0%
Provincial Regulatory Review ⁶	\$0	\$10,723	\$54,000	20%	\$8,815	16%
Provincial Networking Strategy ³	\$0	\$0			\$17	
CCIR Research for Sup.model support	\$0	\$111	\$5,800	2%	\$0	0%
TOTAL EXPENSE	\$26,172	\$255,391	\$435,177	59%	\$307,477	59%
EXCESS OF REVENUE OVER EXPENSES	\$8,067	\$86,942	(\$14,727)		42,431.39	

Explanatory Notes:

- (1) Legal work relating specifically to CAFII
- (2) Board meetings and receptions, special Board or EOC lunch meetings, speaker expenses
- (3) Speaker lunches such as the one we did in BC and other events where we invite provincial regulators
- (4) Research for the creditor issues committee and any new issue that may come up
- (5) Placeholder
- (6) Faskin Martineau work: costs associated with regulation changes, insurance act updates, and issues related to restricted licensing regimes.
- (7) Fees for PR, media and communications firm

CAFII
 Toronto, ON M4V 2Y7
Membership Fees
As At October 31, 2012

	<u>Jan-12</u>		<u>Jul-12</u>	
	<u>Billed</u>	<u>Received</u>	<u>Billed</u>	<u>Received</u>
TD Insurance	\$23,500.00	24-Feb-12	\$23,500.00	11-Sep-12
Assurant Solutions	\$11,750.00	24-Feb-12	\$11,750.00	7-Sep-12
BMO Insurance	\$23,500.00	16-Mar-12	\$23,500.00	Sep21,2012
Canadian Premier Life Insurance Company	\$11,750.00	17-Feb-12	\$11,750.00	11-Sep-12
CIBC Insurance	\$23,500.00	2-Mar-12	\$23,500.00	28-Sep-12
National Bank Insurance Company	\$11,750.00	9-Mar-12	\$11,750.00	14-Sep-12
RBC Insurance	\$23,500.00	9-Mar-12	\$23,500.00	24-Sep-12
ScotiaLife Financial	\$23,500.00	17-Feb-12	\$23,500.00	10-Oct-12
Desjardins Financial Security Life Assurance Company	\$11,750.00	24-Feb-12	\$11,750.00	7-Sep-12
AMEX Bank of Canada	\$11,750.00	23-Mar-12	\$11,750.00	12-Oct-12
Avalon Actuarial	\$4,800.00	2-Mar-12		
CSI Brokers Inc.	\$4,800.00	23-Mar-12		
Dion, Durrell & Associates Inc.	\$4,800.00	18-May-12		
Eckler Partners Ltd.	\$4,800.00	resigned		
KPMG	\$4,800.00	20-Apr-12		
Laurentian Bank of Canada	\$4,800.00	2-Mar-12		
Oliver, Wyman Consulting Limited	\$4,800.00	25-May-12		
Optima Communications	\$4,800.00	16-Mar-12		
RGA Life Reinsurance Company of Canada	\$4,800.00	25-May-12		
Swiss Reinsurance Company Ltd	\$4,800.00	10-Feb-12		
Munich Re	\$4,800.00	13-Apr-12		
CIT Financial Ltd.	\$4,800.00	resigned		
Aimia	\$4,800.00	9-Mar-12		
The Canada Life Assurance Company	\$4,800.00	13-Apr-12		
January Invoices	\$243,450		\$176,250	
July Invoices	\$176,250			
Total Membership Fees	\$419,700			

2013 Budget Draft - Canadian Association of Financial Institutions in Insurance

	2010 Budget	2011 Budget	2012 Budget	CAGR 2010-2012	2013 Budget Recco.	Change 2012-2013	Comments
Revenues							
Membership Fees	\$ 378,000	\$419,100	419700	3.5%	\$ 410,100	-2%	
Interest	\$ 925	\$100	750	-6.8%	\$ 750	650%	
TOTAL REVENUE	\$ 378,925	\$ 419,200	\$ 420,450	3.5%	\$ 410,850	-2%	
EXPENSE							
<u>ASSOCIATION OPERATING EXPENSES</u>							
Management Fees	\$61,387	\$69,167	\$70,617	4.8%	\$ 209,150	196%	Increase management fees + E.D. Compensation
Lawrie Savage Fees	\$167,990	\$167,990	\$171,289	0.7%	\$ -	-100%	Contract terminated
CAFII Legal Fees/Corporate Governance	\$10,467	\$10,467	\$10,467	0.0%	\$ 10,467	0%	
Audit Fees	\$9,420	\$9,813	\$11,594	7.2%	\$ 13,108	13%	Extra time estimated to prepare new standards for not-for-profit organizations
Insurance	\$4,320	\$4,320	\$4,320	0.0%	\$ 4,750	10%	Increase D&O coverage \$5MM-\$10MM, Increase in Office coverage \$2MM-\$5MM
Website	\$540	\$540	\$540	0.0%	\$ 540	0%	
Telephone/Fax/Internet	\$2,160	\$2,160	\$1,000	-22.6%	\$ 1,000	0%	
Postage/Courier	\$1,080	\$1,080	\$500	-22.6%	\$ 500	0%	Additional fees for ADP
Office Expenses	\$2,700	\$2,700	\$2,700	0.0%	\$ 4,500	67%	Office hardware for E.D.
Bank Charges	\$0	\$0	\$0		\$ -		
Miscellaneous Expenses	\$0	\$0	\$0		\$ -		
Amortization Expense ¹	\$0	\$0	\$0		-\$ 640		CAFII office equipment Depreciation
<u>SUB-COMMITTEE EXPENSES</u>							
Distribution & Market Conduct Committee							
Provincial Regulation Review	\$54,000	\$54,000	\$54,000	0.0%	\$ 54,000	0%	
Research/Studies	\$59,000	\$42,000	\$42,000	-10.7%	\$ 45,000	7%	Updated Avalon study
Licensing Efficiency Issues Committee							
Regulatory Model(s)	\$5,940	\$2,940	\$2,940	-20.9%	\$ 2,940	0%	
Federal Financial Reform	\$2,160	\$2,160	\$2,160	0.0%	\$ 2,160	0%	
Media & Advocacy Strategy Committee							
Tactical Communications Strategy	\$27,000	\$28,250	\$22,250	-6.2%	\$ 22,250	0%	
Networking and Events Committee	\$26,000	\$21,000	\$21,000	-6.9%		69%	Increase due to 15th Anniversary Event
Board/EOC/AGM Expense ²					\$ 16,000		
Networking Events					\$ 3,500		
15th Anniversary Event					\$ 16,000		
Media Relations, CAFII Consultant	\$0	\$12,000	12000	0.0%	\$ -	-100%	
TOTAL EXPENSE	\$ 434,164	\$ 430,587	\$ 429,377	-0.4%	\$ 405,225	-6%	
Balance	-\$ 55,239	-\$ 51,662	-\$ 10,177		\$ 5,625		
Estimated Cash Balance			\$ 125,000		\$ 130,625		

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

2013 Reserve (based on 6 month Reserve):

Operating Expenses	2013	Est. Monthly
Management Fees	\$ 209,150	\$17,429
Audit Fees	\$ 13,108	\$1,092
Board/EOC/AGM Expense	\$ 16,000	\$1,333
Insurance	\$ 4,750	\$396
Telephone/Fax/Internet	\$ 1,000	\$83
Postage/Courier	\$ 500	\$42
Office Expenses	\$ 4,500	\$375
	<hr/>	<hr/>
	\$ 251,021	\$ 20,751

Minimum Reserve = Greater of:	
Reserve at 25% of Annual Operating Expense =	\$ 62,755
Reserve at 6 months of Operating Expense =	\$ 124,504

2013 Reserve (based on 3 month Reserve):

Operating Expenses	2013	Est. Monthly
Management Fees	\$ 209,150	\$17,429
Audit Fees	\$ 13,108	\$1,092
Board/EOC/AGM Expense	\$ 16,000	\$1,333
Insurance	\$ 4,750	\$396
Telephone/Fax/Internet	\$ 1,000	\$83
Postage/Courier	\$ 500	\$42
Office Expenses	\$ 4,500	\$375
	<hr/>	<hr/>
	\$ 251,021	\$ 20,751

Minimum Reserve = Greater of:	
Reserve at 25% of Annual Operating Expense =	\$ 62,755
Reserve at 3 months of Operating Expense =	\$ 62,252

	2000	2001-2002	2006-2010	2011	2012
Founding Members	\$ 44,000	\$ 47,000	\$ 42,300	\$ 47,000	\$ 47,000
TD Life Insurance					
BMO Life Insurance Company					
CIBC Insurance					
RBC Insurance Services					
Scotia Life Insurance Company					
Voting Members	\$ 22,000	\$ 24,000	\$ 21,600	\$ 23,500	\$ 23,500
Assurant Solutions					
Canadian Premier Life Insurance Company					
National Bank of Canada					
Desjardins Financial Security Life					
American Express					
Associate Members	\$ 5,000	\$ 5,000	\$ 4,500	\$ 4,800	\$ 4,800
Avalon Actuarial Consulting Inc					
CSI Brokers Inc.					
Dion, Durrell & Associates Inc.					
KPMG					
Laurentian Bank of Canada					
Oliver Wyman Consulting Limited					
Optima Communications					
RGA Life Reinsurance Company of Canada					
Swiss Re Life & Health Canada					
Munich Re					
Aima					
The Canadian Life Assurance Company					
Total Membership Fees	\$ 395,000	\$ 420,000	\$ 378,000	\$ 419,100	\$ 410,100
% Increase/(Decrease) from previous term		6.3%	-10.0%	10.9%	-2.1%

Federal

Financial Literacy Month

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

Alberta

License Renewal to be July 1st Each Year for all Classes

The *Certificate Expiry, Penalties and Fees Regulation* has been amended to require licenses to run from July 1st of to June 30th for all classes (Life, General and Adjusters). The changes will be phased in beginning with the Life and Accident and Sickness agents in December of 2012, with holders receiving a certificate that will expire on June 30, 2014. In April 2013, Adjusters will be issued a certificate that will expire on June 30, 2014. Fees will be prorated accordingly and Continuing Education requirements remain at the current 15 hour requirement. In September 2013, General Insurance Agents will receive a certificate that will expire on June 30, 2014, resulting in a license term that is reduced by approximately four months. The fee for this group of certificates will be reduced on a prorated basis. Continuing Education requirements for general insurance agents are reduced to 10 credit hours during the transitional period and will return to 15 credit hours following the transition. Complete details of the changes, a table of prorated fees and links to the regulation can be viewed on the Alberta Insurance Council website at www.abcouncil.ab.ca

New Probationary License / Changes to General Agent Licensing

The *Insurance Agents and Adjusters Regulation* has been amended and was effective November 7, 2012. Changes include:

- 1) A new Probationary Certificate to allow prospective new general insurance agents to try out the job prior to qualification. It is available on a 1 time basis only, is valid for 90 days and is subject to supervision.
- 2) Removal of the requirement to move to level 2 from level 1 within 3 years. Level 1 agents whose certificates were cancelled for failing to advance to Level 2 may be entitled to re-apply for the Level 1 certificate. Level 1 agents are subject to ongoing supervision.
- 3) Level 2 applicants will have to pass a single examination that covers both personal and commercial insurance.
- 4) A new level 3 certificate will be issued to the Designated Representative of an agency. All Level 2 certificate holders who are currently the Designated Representative of an agency will be issued

a Level 3 certificate. Those wishing to become a Designated Representative must successfully pass a Management Examination in addition to meeting other requirements.

Saskatchewan

Financial and Consumer Affairs Authority Created

What was previously the Saskatchewan Financial Services Commission is now the Financial and Consumer Affairs Authority (FCAA). David Wild is Superintendent of Insurance and Ian McIntosh is Deputy Superintendent. The name change occurred on October 1, 2012.

Manitoba

Insurance Regulator Merged with Securities Commission

The Financial Institutions Regulation Branch which oversees insurance companies, the Insurance Council, credit unions and co-operatives has merged with the Manitoba Securities Commission which has responsibility for securities regulation, real estate agents and mortgage brokers. The Financial Institutions Regulation branch which had reported as a branch of the Ministry of Finance becomes part of a “special operating agency” reporting through the Ministry of Finance. The Insurance group expects to move to the securities commission building. The effective date of merged operations was October 1, 2012.

Ontario

Proposed Administrative Monetary Penalties (AMP) Regulations

Budget Bill 55 amended the *Automobile Insurance Rate Stabilization Act, 2003*, *Compulsory Automobile Insurance Act*, and *Insurance Act* to provide the Superintendent of Financial Services with the authority to impose administrative penalties and provide the Lieutenant Governor in Council the power to make regulations under these Acts. The Ministry of Finance has posted to the Ontario Regulatory Registry a summary of three regulations under the above noted Acts. Amendments under the Acts would be proclaimed in force at the same time as the regulations.

According to the registry posting, the three sets of proposed AMP regulations may:

- Prescribe provisions of the Act or the regulations for the purposes of general or summary administrative penalties;
- Prescribe criteria the Superintendent is required or permitted to consider when imposing a general or summary administrative penalty;
- Prescribe the amount of a penalty, or the method for calculating the amount of a penalty, and

prescribe different penalties or ranges of penalties for different types of contraventions or failures to comply and for different classes of persons;

- Authorize the Superintendent to determine the amount of a penalty, if the amount of the penalty or the method for calculating the amount of the penalty is not prescribed, and prescribe criteria the Superintendent is required or permitted to consider when determining this;
- Authorize a penalty to be imposed for each day or part of a day on which a contravention or failure to comply continues;
- Authorize higher penalties for a second or subsequent contravention or failure to comply by a person;
- Govern the manner of paying the penalties;
- Require that a penalty be paid before a specified deadline or before a deadline specified by the Superintendent;
- Authorize the imposition of late payment fees respecting penalties that are not paid before the deadline, including graduated late payment fees; and
- Prescribe lesser maximum administrative penalties and the requirements established under the Act to which the lesser maximum penalties apply.

Comments on the AMP regulations are due by **December 15, 2012**

Life Insurance Product Suitability Reviews to Commence

FSCO's 2012 Statement of Priorities set out as a priority to "undertake a market conduct review to determine how the life insurance industry is ensuring that consumers get appropriate information to make informed decisions when purchasing life insurance products. The focus of the review will be to understand and assess the processes life insurance agents use in making recommendations to consumers and the processes in place at life insurance companies when developing and distributing products." FSCO advises that this review will start as an information gathering process in 2013.

FSCO wants to assess suitability at point of sale (POS), and follow the application through to the insurer to determine how insurers validate suitability. FSCO will be looking at captive agents, independent agencies and the call center environment. They do not intend to contact consumers or policyholders directly at this time. FSCO would like access to companies' internal client satisfaction survey information to help determine level of suitability. FSCO will be starting with the agent side first. FSCO is modelling the exercise after the OSC which is doing a similar exercise. FSCO will do its field work in early 2013 and hopes to complete the review over the summer. The range of products includes travel health, term,

whole life and seg funds. (ISI is not specifically included). FSCO noted that suitability is of interest to many countries and dovetails with IAIS Financial Sector Assessment Program (FSAP) which the CCIR will be working on this year.

Quebec

AMF Appointments

In November, the Autorité des marchés financiers (AMF) appointed Eric Stevenson to the position of Superintendent, Client Services, Compensation and Distribution, a role he had on an interim basis following the departure of Patrick Déry. Mr. Stevenson also assumes oversight of the modernization and systems integration project (MISA) that will increase the efficiency and effectiveness of the AMF by making information systems integrated and more efficient. Philippe Lebel was appointed to the position of Director General for Legal Affairs.

New Consumer Insurance Guide

The AMF has produced a practical guide to answer consumer questions and to help consumers understand insurance. It focuses on two broad insurance classes: damage insurance, which includes automobile and home insurance, and insurance of persons, which includes life insurance. It is currently available in bookstores and on-line at www.protegez-vous.ca/boutique.

Canadian Council of Insurance Regulators

Final MGA Paper released

At its fall meeting, CCIR adopted the final version of the position paper on the MGA distribution channel in the life insurance industry. It was given a new title - *Strengthening the Life MGA Distribution Channel*. The paper is otherwise the same as was released in March 2012. The paper does not apply to distribution of group products; it applies to MGA distribution of life, accident and sickness insurance and annuities. The paper contained four recommendations as follows:

- Insurer Relationship with MGAs - Insurers must have in place effective systems and controls whenever they use the services of an MGA
- Agent Supervision - Insurers should incorporate the principles in CLHIA Guideline G8 - *Screening Agents for Suitability and Reporting Unsuitable Agents* into all of their business across Canada, including any contracts involving the outsourcing of these functions to an MGA.
- Product Suitability- Regular market conduct reviews should be undertaken by regulators to determine if insurers and their agents are providing consumers with adequate information to make informed decisions, and suitable product recommendations.
- Information needs of regulators- Regulators will develop options and an action plan to make sure that adequate information on life agents and MGAs is obtained in a timely manner.

The paper also contained *Best Practices for Insurer-MGA Relationships* (core principles). Strategies for achieving each principle are included. The Principles are as follow:

- Principle One – A Clear Strategy
An insurer has a clear strategy for selecting, appointing and managing MGA arrangements as part of its overall distribution plan.
- Principle Two – Thorough Due Diligence
An insurer carries out thorough due diligence of each MGA prior entering into the arrangement to provide services.
- Principle Three – Well Defined Roles and Responsibilities
An insurer has a written agreement in place with each MGA which clearly defines the conditions, scope and limits of contracted services.
- Principle Four – Active Oversight
An insurer proactively manages MGA contracts once in place to ensure compliance with contract conditions.

CAFI made a submission last March with 2 comments- 1) outsourcing of claims should continue to be permitted (“CAFI would like to note that outsourcing of claims handling to parties other than MGAs is an accepted industry practice which provides companies with operational support alternatives and which is beneficial to consumers. While outsourcing to MGAs is not a current practice, existing outsourcing of claims handling to appropriate parties should be considered an acceptable practice to continue”), and 2) the proposed Alberta business number system will be a good resource for regulators and industry who need to know about licensees.

Third Party Administrator (TPA) Regulation

The Agencies Regulation Committee (ARC) will commence a review of TPA regulation for group life, accident and sickness, creditor’s group insurance, and travel insurance to determine potential risks to consumers.

Review of Canada’s Adherence to Insurance Core Principles

According to the CCIR fall meeting highlights, “The International Monetary Fund will be conducting a financial stability assessment of Canada in 2013 under the Financial Sector Assessment Program (FSAP). The FSAP will assess Canada’s adherence with international standards and insurance core principles (ICPs) in the areas of insurance, banking, securities, payment/settlement systems and fiscal transparency. Federal and provincial regulators, including CCIR, are working together to assemble the necessary documentation for the review team.”

Credit Score Project Completed

At the fall meeting, CCIR approved the release of the Credit Scoring Working Group *Findings Report – Use of Credit Scores by Insurers* which summarizes the summer 2011 consultation which compiled research and facts surrounding credit-based insurance scores and how they are used. The CCIR now considers the mandate of this group to be complete.

Electronic Commerce

The CCIR fall highlights report that the Electronic Commerce Committee (ECC) presented preliminary recommendations arising from its consultation earlier this year on Electronic Commerce in Insurance Products.

Topics for recommendations include:

- Consumer access to additional information/advice from a licensed intermediary when using electronic channels
- The role and regulation of comparison shopping sites
- Designating Beneficiaries through electronic means, and
- Termination of insurance by the insurer through electronic means.

The ECC will now proceed to prepare a Position Paper for consultation in 2013.

CCIR to Become Involved with Dispute Resolution

The CCIR fall highlights notes that “the Joint Forum of Financial Market Regulators (JF) has asked CCIR to play a greater role in working with the two insurance Ombudservices - OmbudService for Life and Health Insurance (OLHI) and the General Insurance OmbudService (GIO) - in the interests of Canadian consumers. CCIR recognizes the importance of dispute resolution mechanisms for consumers and the role of regulators in providing some oversight. CCIR intends to engage representatives of OLHI and GIO as well as other members of the JF Dispute Resolution Committee to consider next steps.”

Upcoming CCIR Meetings

CCIR will hold a winter conference call meeting on January 24, 2012 . The CCIR Spring meeting will be held April 11 and 12, 2013 in Toronto.

Canadian Insurance Services Regulatory Organizations (CISRO)

New CISRO Website Launched

Stakeholders can be kept up to date on CISRO activities by visiting its website at <http://www.cisro-ocra.com/>

Life License Qualification Program (LLQP) Redesign

As announced in July 2012, a new national life training program is being developed. The CISRO project is being coordinated by the AMF. The program is to be ready by September 2015. Currently the LLQP does not include BC and Quebec but both provinces will be included in the new program.

CAFII Regulator Visit Plan 2013

updated November, 2012

Jurisdiction	Regulator	Annual Courtesy Call	Purpose	Attendees	Org	Date/Venue	Status
British Columbia	Insurance Council of BC: Gerry Matier, Exec. Dir.	X	Update on Council priorities			Invite when in Toronto	
	Financial Institutions Commission(FICOM) Carolyn Rogers , CEO FICOM, Superintendent (interim CCIR chair) Doug McLean, Deputy Superintendent	X				Surrey When Carolyn is in Toronto or CAFII chair is in BC	
Alberta	Alberta Insurance Council : Joanne Abram, CEO, Tom Hampton, Chief Operating Officer	X	Update on Council priorities Council Representation Licensing for 3 rd party providers Business number registration system			Edmonton	
	Ministry of Finance: Mark Prefontaine, Superintendent					Edmonton	
	New President of Treasury Board and Minister of Finance Doug Horner						
Saskatchewan	Sask. Insurance Council: Ron Fullan, Chair	X	Review Council priorities Council Representation			Invite when in Toronto	
	Financial and Consumer Affairs Authority, David Wild, Chairperson Superintendent of Insurance, Ian McIntosh Deputy Superintendent of Insurance		Courtesy visit, Introduction of CAFII Insurance Act review, ISI council representation			Regina	
	Consultant (ex Superintendent) Jim Hall		Insurance Act review				

Jurisdiction	Regulator	Annual Courtesy Call	Purpose	Attendees	Org	Date/Venue	Status
Manitoba	Ministry of Finance: Jim Scalena, Superintendent	X	Update on Insurance Act review. ISI regime			Winnipeg	
	Manitoba Insurance Council: Erin Pearson, Exec Director;	X	Review Council priorities Restricted cert holder representation on council				
	Ministry of Finance Minister Stan Struthers		Letter of introduction sent, include on a visit of Chair to Manitoba. Wait until issues with Insurance act review are resolved				
Ontario	FSCO: Phil Howell, CEO & Superintendent	X				Toronto	
	FSCO: Grant Swanson, Exec Dir Licensing & Market Conduct division						
	FSCO: Company Complaint Officer Day			-individual companies		Toronto November	
Quebec	AMF: Mario Albert, CEO;	X				Quebec City	
	AMF: Superintendent, Eric Stephenson	X					
	AMF : Rendez-vous			-individual companies		October	
New Brunswick	Superintendent		Review priorities Discuss /educate on creditor's group insurance (CGI) and Avalon; Licensing issues, electronic licensing; Insurance Act Review Status ; David Weir (Deputy Super)- Atlantic Taskforce on ISI (chair)			TBD Fredericton	
	Consumer Advocate		Review priorities, Discuss /educate on creditor's group insurance (CGI) and Avalon;			TBD Fredericton	

Jurisdiction	Regulator	Annual Courtesy Call	Purpose	Attendees	Org	Date/Venue	Status
Nova Scotia	Superintendent		Review priorities, Discuss /educate on creditor's group insurance (CGI) and Avalon; Atlantic Taskforce on ISI			TBD Halifax	
PEI	Superintendent		Courtesy- Low priority for 2013 (if member is in Charlottetown)			Charlottetown	
Newfoundland and	Superintendent		Review priorities, Discuss /educate on creditor's group insurance (CGI) and Avalon;			St John's	
CCIR	Carol Shevlin, Policy Manager	X	Annual lunch. Discuss priorities			May Toronto	
	CCIR Executive						
CISRO	Ron Fullan Chair					-invite when in Toronto	
Federal	Federal Finance		Educational – marketing of CGI				
	OSFI: Julie Dickson, Superintendent						
	OBSI: Doug Melville Ombudsman		Educational – marketing of CGI				
	Financial Consumer Agency of Canada (FCAC)		Financial Literacy re insurance				

Executive Operations Committee

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

Mandate	Activities	Issues of Interest
Recommend budget and priorities to Board	Draft and review Financial Reports	
Keep environment open to key products	Be aware of current and emerging issues (Regulatory Update).	
	Develop responses to regulatory initiatives. Forward to board for approval as necessary. Oversight of Distribution and Market Conduct Policy Committee (DMC)	Regulation of ISI
		International regulation of creditor products
		Market Conduct Regulation
		Electronic Commerce
Keep environment flexible /efficient	Identify barriers to efficient operations. Oversight of Licensing Efficiency committee	Provincial Insurance Act Reviews
		Licensing Irritants
		Provincial Insurance Councils and CISRO issues
		Electronic licensing
Develop communication plans and tools	Oversight of Media and Advocacy Strategy Committee(MAC)	Multi-jurisdictional licensing/mutual recognition
		Communications strategy, CAFII Branding Advocacy Strategy Website
Build relationships with key stakeholders	Connect with regulators. Manage and conduct regulator visits. (Manage Regulator Visit Schedule) Approve attendees at regulator meetings, review meeting notes and manage follow-up actions	
	Oversight of Networking and Events committee	
Other items	Continuance under new Not for Profit Corporations Act	Changes to be made before 2014

Distribution and Market Conduct Policy Committee

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

Co-Chairs:1) Sue Manson CIBC 2) Wayne Eccles TD **Other members:** 3)Emily Brown BMO 4) John Poolman, Assurant

5) Andre Duval, DSF 6) Rose Beckford ScotiaLife Financial

Mandate: Oversee development of CAFII policy positions as directed by EOC. Oversee taskforces as required

Activities: Draft CAFII submissions, Manage and interpret industry research projects as approved by EOC

Priorities	Issues	Currently Active Issues	Status
Regulation of ISI	Quebec DWR, distribution guide review, review of Distribution Act	√	Input provided on Guide (signature, remuneration) letter sent June 2012 , meeting Nov 2012
	Alberta – review of medical questions on applications	√	Project for review required by CAFII, response to Superintendent required -recommend referral to CLHIA
AML/ATF paper			Complete- Response sent March 1, 2012, follow up questions answered
Intn'l regulation of creditor	PPI	√	review developments
	US Debt protection products		review developments
	IAIS core principles		Watch file - CCIR committee announced
Market Conduct Regulation	▼		▼
	MGA CCIR consultation		Complete-Letter of input -June 30 2012
	TPA CCIR review upcoming		Awaiting CCIR project
	FSCO Life Insurance Product suitability review		Project commencement spring 2013
	Input to provincial strategic plans and priorities		Complete- FSCO priorities submitted May 2012
Electronic Commerce	CCIR consultation released Feb 2012 -CCIR to produce a position paper for consultation on key issues spring 2013		Complete- Submission made May 2012
	AMF consultation released Feb 2012		Complete- Submission made May 2012
Provincial Insurance Act Reviews	Manitoba Insurance Act Review	√	Insurance act changes made spring 2012
	Saskatchewan Insurance Act	√	Provide input by October 2012
	Ontario Insurance Act review		Insurance act changes made with budget bill
Complaint management	Determine what statistics are available, define what should be tracked, collect CAFII member statistics		- new project, start in 2013

Deleted: Quebec Commercial Practices Guideline

Deleted: Awaiting re-release for comment

AMF Distribution Guide Task Force

(Task Force of Distribution and Market Conduct Policy Committee)

Members: Emily Brown, John Poolman, Rose Beckford, Moira Gill, Sue Manson

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

CONFIDENTIAL

Licensing Efficiency Issues Committee

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

Chair: Moira Gill TD 2) John O'Hoski Cdn Premier 3)Sara Gelgor , ScotiaLife Financial 4) John Poolman, Assurant 5)Greg Grant CIBC

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

Priorities	Issues	Currently active issues	Status
Licensing operation issues Streamlining and harmonizing licensing requirements (training, CE, other)	Request for restricted certificates for 3 rd parties Alberta	v	CAFII letter to the Council (2011). Council responded that they did not support the request. Committee decision to address the issue with the Council again in 2012.
	CISRO project to redesign LLQP – project completion target Sept 2014		
	Licensing process -streamlining and harmonization		Identification of issues on going.
ISI regime implementation	Manitoba – issues to be resolved with implementing regulations		Included in Insurance Act spring 2012 Letter sent in August 2012
Provincial Insurance Councils and CISRO issues	Opportunities to have restricted licensees represented or otherwise participate on Council discussed with Saskatchewan and Alberta. Committee identified a need for an analysis of options for BC, Alberta & Saskatchewan council representation needed	v	Legal assistance engaged and analysis of options underway. Meeting with AIC Jan 2012. Meeting with Sask. held Meeting with Manitoba held
Electronic licensing	Promote use of electronic licensing systems by provincial regulators Possible use of “business numbers” to link		Letter of support sent to CISRO May 2012
Multi-jurisdictional licensing/ mutual recognition	Trade Agreements - promote mutual recognition (Ontario – Quebec, New West Partnership)		Attended trade agreement update meeting May 2012

Media and Advocacy Strategy Committee

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

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

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

Resources: L. Duigu, Rick Evans

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

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

Initiatives	Status/Explanation	Resp	Next steps
Develop a communications strategy	Update communications strategy-CAFIL branded “Regulatory Value Added Strategy” for website and regulator communication. Most materials exist but materials should be reviewed and recommendations made as to how to package and brand materials. Include concept of sending targeted messages to regulators when an issue is in the media. -bring strategy up to date, should be a refresher at every board meeting	ED	Develop ideas at MAC cttee Nov 20
Website -collect testimonials, post on site	Testimonial (written or video)- 1 per member , have 7 or 8 available and determine how to rotate through (value –add to members)	J Lewsen	Website live May 2012 Email reminder to be sent w/o Oct 22 2012
-Refresh CAFIL mission statement	review mission statement to ensure it is in line with branding,	ED	
-expand tabs to include other products®ulators/industry	-incorporate alternate distribution (underserved market)	ED	Underserved market material drafted , to be approved for website
	- Travel product – ED to reach out to travel	ED	

CAFII Priorities by Committee –November 2012

Initiatives	Status/Explanation	Resp	Next steps
-Develop CAFII “Did you know” video to convey important facts	association and clhia, look at it from distribution perspective (Charles Blaquiére suggestion) Budget allocation request \$10,000	ED	
-what’s new	In place, ongoing update of news		Updating
CAFII Branding -develop marketing tagline	several taglines to be sent to Board, -identify differentiating factor, eg advocating for insurance access , choice, all Canadians, - include tagline on all submissions, website, swag, and letters to regulators	J Lewsen	suggestions to board for their input w/o Oct 22 2012
-CAFII newsletter for regulators	Insurance regulatory news to be collected monthly and shared with regulators as a value added service Budget Request re formatting?	ED	December 2012– first month
-CAFII “look”	Develop a font and layout unique to CAFII to be used in letters, submissions and newsletter – Budget allocation request \$10,000	ED	
-Acquire soft marketing tools (pads, pens etc),	Pens, mugs and iphone holders – include tagline on next re-order - Budget allocation request	P Yeung	Items are in stock
Media Protocol -Develop and manage protocol for handling media requests	Protocol needs to be revised for arrival of ED	ED	
-media training for ED	Budget allocation request \$2,000		Schedule training for March 2013
-Monitor Media		ED	
-Develop List of Friendly media			Paul & Moira have the list
-Notify communications department s of member firms	To be done when messaging is reviewed		

CAFII Priorities by Committee –November 2012

Initiatives	Status/Explanation	Resp	Next steps
-News Release	Send out notification of new ED		To each regulator and industry associations
Develop 2-3 likely scenarios		G Grant	By October 26, 2012
Key Message Development - identify issues and develop key messages	Key message document Develop and review stock messages to be used in communication opportunities	A Riley	Key messages document drafted for review
Regulator kit -develop booklet /brochure -key facts sheet	For new regulators.(Do not want to be proactive with media.) Compile package of information for regulators which can include -booklet - past submissions, -testimonials and -key fact sheet. Booklet - Take images from website, testimonials, designed to highlight major issues. Small 10 page booklet that can be given out with business cards. -develop a “Key facts” sheet to be part of regulator package	 ED ED	Possible RBC intern to do kit, testimonials To be developed by ED as he reviews CAFII materials
Manage research to support message (eg. Pollara) - develop key messages - manage plan of use of research - determine when and what research must be undertaken or renewed	Pollara plan of use in place		
Industry Statistics	- identify and keep current statistics from LIMRA and CAFII research	ED	
Webinars Develop and offer webinar education	-develop / oversee development of new webinars -review and keep webinars current -track who has seen which webinars		Digital, apps and social media webinar to be developed by an outside consultant.

CAFII Priorities by Committee –November 2012

Initiatives	Status/Explanation	Resp	Next steps
Determine distribution of webinar material	-plan number of webinars per year, have list of upcoming webinars -deliver webinars Budget allocation request \$10,000		

Media Response Taskforce

Membership: Taskforce consists of any 2 members of the Media and Advocacy Strategy committee plus Rick Evans.

Purpose: Deal with media issues as they arise. Make recommendation to Board communications committee (Members: Cathy Honor, RBC; Mark Cummings, Scotia; Dave MinorTD; Rick Lancaster, CIBC, Julie Barker-Merz BMO)

CAFII Priorities by Committee –November 2012

Networking and Events Committee

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

Chair: Paul Yeung RBC 2) Maria Sanchez –Chung TD 3)

Ex-officio: John Lewsen Resources: Leya Duigu

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

Priority	Activities	Status
Plan Quarterly Speaker and reception events, and member-only event	February Speaker Event (members only)	Derek Yoo PWC on Ecommerce
	March/April	Byren Innes, NewLink Group Emerging products in Insurance and distribution trends
	June AGM	no speaker, Board meeting with AMF in Quebec city
	October	Janet Ecker, TFSA
	December Reception	
Keep current lists of key contacts		
Christmas cards to key contacts?		
Seek out other opportunities to meet with contacts (eg corporate table)		

CAFII Priorities by Committee –2013 proposed

Executive Operations Committee

Mandate	Activities	Issues of Interest
Recommend budget and priorities to Board	Draft and review Financial Reports	
Keep environment open to key products	Be aware of current and emerging issues (Regulatory Update).	
	Develop responses to regulatory initiatives. Forward to board for approval as necessary. Oversight of Distribution and Market Conduct Policy Committee (DMC)	Regulation of ISI
		International regulation of creditor products
		Market Conduct Regulation
		Electronic Commerce
Keep environment flexible /efficient	Identify barriers to efficient operations. Oversight of Licensing Efficiency committee	Provincial Insurance Act Reviews
		Licensing Irritants
		Provincial Insurance Councils and CISRO issues
		Electronic licensing
Develop communication plans and tools	Oversight of Media and Advocacy Strategy Committee(MAC)	Multi-jurisdictional licensing/mutual recognition
		Communications strategy, CAFII Branding Advocacy Strategy Website
Build relationships with key stakeholders	Connect with regulators. Manage and conduct regulator visits. (Manage Regulator Visit Schedule) Approve attendees at regulator meetings, review meeting notes and manage follow-up actions	
	Oversight of Networking and Events committee	
Other items	Continuance under new Not for Profit Corporations Act	Changes to be made before 2014

CAFII Priorities by Committee –2013 proposed

Distribution and Market Conduct Policy Committee

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

Co-Chairs: 1) Sue Manson CIBC 2) Wayne Eccles TD Other members: 3) Emily Brown BMO 4) John Poolman, Assurant

5) Andre Duval, DSF 6) Rose Beckford Scotialife Financial

Mandate: Oversee development of CAFII policy positions as directed by EOC. Oversee taskforces as required

Activities: Draft CAFII submissions, Manage and interpret industry research projects as approved by EOC

Priorities	Issues	Currently Active Issues	Status
Regulation of ISI	Quebec DWR, distribution guide review, review of Distribution Act	✓	Recommendations expected spring 2013
Intn'l regulation of creditor	PPI	✓	review developments
	US Debt protection products		review developments
	IAIS core principles		CCIR committee doing Financial Sector Assessment Program (FSAP) review
	TPA CCIR review upcoming		CCIR project announced
	FSCO Life Insurance Product suitability review		Project commencement spring 2013
	Input to provincial strategic plans and priorities		Input to FSCO priorities- each June
Electronic Commerce	CCIR to produce a position paper for consultation on key issues spring 2013		
	AMF final recommendations expected		
Provincial Insurance Act Reviews	Manitoba Insurance Act Review		Awaiting regulations
	Saskatchewan Insurance Act	✓	Consultations expected
	Ontario Insurance Act review		Awaiting regulations
Complaint management	Determine what statistics are available, define what should be tracked, collect CAFII member statistics		- new project, start in 2013

AMF Distribution Guide Task Force

(Task Force of Distribution and Market Conduct Policy Committee)

Members: Emily Brown, John Poolman, Rose Beckford, Moira Gill, Sue Manson

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

CAFII Priorities by Committee –2013 proposed

Licensing Efficiency Issues Committee

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

Chair: Moira Gill TD 2) 3)Sara Gelgor , ScotiaLife Financial 4) John Poolman, Assurant 5)Greg Grant CIBC

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

Priorities	Issues	Currently active issues	Status
Licensing operation issues Streamlining and harmonizing licensing requirements (training, CE, other)	Request for restricted certificates for 3 rd parties Alberta		
	CISRO project to redesign LLQP – project completion target Sept 2014		
	Licensing process -streamlining and harmonization		Identification of issues on going.
ISI regime implementation	Manitoba – issues to be resolved with implementing regulations		Awaiting regulations
Provincial Insurance Councils and CISRO issues	Opportunities to have restricted licensees represented or participate on Council - Manitoba, Saskatchewan and Alberta.	v	Legal assistance engaged and analysis of options underway.
Electronic licensing	Promote use of electronic licensing systems by provincial regulators Possible use of “business numbers”		
Multi-jurisdictional licensing/ mutual recognition	Trade Agreements - promote mutual recognition (Ontario – Quebec, New West Partnership)		

CAFII Priorities by Committee –2013 proposed

Media and Advocacy Strategy Committee

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

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

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

Resources: L. Duigu,

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

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

Initiatives	Status/Explanation	Resp	Next steps
Develop a communications strategy	Update communications strategy-CAFII branded “Regulatory Value Added Strategy” for website and regulator communication. Most materials exist but materials should be reviewed and recommendations made as to how to package and brand materials. Include concept of sending targeted messages to regulators when an issue is in the media. -bring strategy up to date, should be a refresher at every board meeting	ED	
<u>Website</u> -collect testimonials, post on site -Refresh CAFII mission statement -expand tabs to include other products & regulators/industry	Testimonial (written or video)- 1 per member , have 7 or 8 available and determine how to rotate through (value –add to members) review mission statement to ensure it is in line with branding, -incorporate alternate distribution (underserved market) - Travel product – ED to reach out to travel association and clhia, look at it from distribution perspective	J Lewsen ED ED	Underserved market material drafted , to be approved for website

CAFII Priorities by Committee –2013 proposed

Initiatives	Status/Explanation	Resp	Next steps
-Develop CAFII “Did you know” video to convey important facts	(Charles Blaquiere suggestion) Budget allocation request \$10,000	ED	
-what’s new	In place, ongoing update of news	ED	Updating
<u>CAFII Branding</u> -develop marketing tagline	-identify differentiating factor, - include tagline on all submissions, website, swag, and letters to regulators	J Lewsen	Suggestions collected, tagline decision required
-CAFII newsletter for regulators	Insurance regulatory news to be collected monthly and shared with regulators as a value added service Budget Request re formatting?	ED	December 2012– first month
-CAFII “look”	Develop a font and layout unique to CAFII to be used in letters, submissions and newsletter – Budget allocation request \$10,000	ED	
-Acquire soft marketing tools (pads, pens etc),	Pens, mugs and iphone holders – include tagline on next re-order	P Yeung	Items are in stock
Media Protocol -Develop and manage protocol for handling media requests	Protocol needs to be revised for arrival of ED	ED	
-media training for ED	Budget allocation request \$2,000		Schedule training for March 2013
-Monitor Media		ED	
-Develop List of Friendly media			Paul & Moira have the list
-Notify communications department s of member firms	To be done when messaging is reviewed		

CAFII Priorities by Committee –2013 proposed

Initiatives	Status/Explanation	Resp	Next steps
-News Release	Send out notification of new ED		To each regulator and industry associations
Develop 2-3 likely scenarios		G Grant	By October 26, 2012
Key Message Development - identify issues and develop key messages	Key message document Develop and review stock messages to be used in communication opportunities	A Riley	Key messages document drafted for review
Regulator kit -develop booklet /brochure	For new regulators.(Do not want to be proactive with media.) Compile package of information for regulators which can include -booklet - past submissions, -testimonials and -key fact sheet. Booklet - Take images from website, testimonials, designed to highlight major issues. Small 10 page booklet that can be given out with business cards.	ED	Possible RBC intern to do kit, testimonials
-key facts sheet	-develop a “Key facts” sheet to be part of regulator package	ED	To be developed by ED as he reviews CAFII materials
Manage research to support message (eg. Pollara) - develop key messages - manage plan of use of research - determine when and what research must be undertaken or renewed	Pollara plan of use in place		
Industry Statistics	- identify and keep current statistics from LIMRA and CAFII research	ED	
Webinars Develop and offer webinar education Determine distribution of	-develop / oversee development of new webinars -review and keep webinars current -track who has seen which webinars -plan number of webinars per year, have list of upcoming		Digital, apps and social media webinar to be developed by an outside consultant.

CAFII Priorities by Committee –2013 proposed

Initiatives	Status/Explanation	Resp	Next steps
webinar material	webinars -deliver webinars Budget allocation request \$10,000		

Media Response Taskforce

Membership: Taskforce consists of any 2 members of the Media and Advocacy Strategy committee plus ED.

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

CAFII Priorities by Committee –2013 proposed

Networking and Events Committee

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

Chair: Paul Yeung RBC 2) Maria Sanchez –Chung TD 3)

Ex-officio: John Lewsen Resources: Leya Duigu

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

Priority	Activities	Status
Plan Quarterly Speaker and reception events, and member-only event	February Speaker Event (members only)	
	March/April	
	June AGM	
	October	
	December Reception	
15th anniversary event	Reception with CCIR	CCIR provided tentative date of April 10
Keep current lists of key contacts		
Christmas cards to key contacts?		
Seek out other opportunities to meet with contacts (eg corporate table)		



255-55 St. Clair Ave West
Toronto, Ontario M4V 2Y7
Telephone: (416) 494-9224
Fax: (416) 967-6320
Email: cafii@cafii.com

2013 SCHEDULE OF MEETINGS

EOC:

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

January 8, 2013 – EOC Luncheon at 12:00 pm prior to meeting

February 19, 2013

March 26, 2013

April 23, 2013

May 28, 2013

June 25, 2013

August 13, 2013 (optional conference call)

September 24, 2013

October 29, 2013

November 26, 2013

BOARD:

All meetings will be held at 2pm unless otherwise specified

Wednesday, April 10, 2013

HOST: RBC (coordinate with 15th Anniversary)

Tuesday, June 11, 2013

HOST: *BMO Insurance* (CAFII AGM)

Tuesday, Oct 8, 2013

HOST: *AMEX*

Tuesday, December 10, 2013

HOST: *CIBC Insurance (venue booked-Feb 2012)*

AGM: June 11, 2013

Host: BMO Insurance

Receptions

Spring Member Luncheon and Speaker Forum

February 5, 2013

Toronto 12-2:00 pm

Venue: The Albany Club (suggested)

Speaker: tba

CAFII 15th Anniversary Celebration *new

April 10, 2013 (tentative)

Toronto

Venue: tba

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

Jun 11, Oct 8, Dec 10, 2013

Toronto

2012 Board Meetings Hosted by:

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

2011 Board Meetings Hosted by:

Assurant Solutions, RBC Insurance, Canadian Premier Life Insurance Co., BMO Insurance; AGM: *RBC Insurance.*