

CAFII EOC Meeting

Tuesday, September 23, 2014

Location: CIBC Insurance

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

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 [attachment] | G. Grant |
| 2. Approval of Agenda and Previous Minutes | All |
| a. EOC Minutes of July 22, 2014 [attachment] | |
| b. Summary of Board and EOC Action Items [attachment] | |
| 3. CAFII Financial Management | |
| a. Financial Statements as at August 31, 2014 [attachment] | R. Rajaram |
| b. Development of 2015 CAFII Operating Budget | R. Rajaram |
| 4. Matters Arising From CNCA Continuance | |
| a. CAFII CNCA Compliance Confirmation [attachment] | B. Wycks |
| b. Draft Competition Policy recommended for adoption [attachment] | B. Wycks |
| c. Draft Associates Policy recommended for adoption [attachment] | B. Wycks |
| 5. Regulatory Relations and Advocacy | |
| a. Regulatory Update [attachment] | B. Wycks |
| i. Update on CAFII Submission to AMF on Draft Distribution Guide | R. Beckford/B. Wycks |
| ii. BC FICOM "Creditor's Group Insurance Issue" | B. Wycks |
| iii. MB Implementation of ISI Regulation [attachment] | B. Wycks |
| b. Travel Insurance Pan-Industry Project Group (TIPI) [attachment] | B. Wycks/G. Grant/E. Brown |
| c. Joint Visit with Atlantic Canada Insurance Regulators: Oct. 1/14 [attachment] | B. Wycks |
| d. Stakeholder Meeting with CCIR: Nov 5 or 6/14 | B. Wycks |
| 6. EOC Committee Updates | |
| a. Distribution and Market Conduct Committee | |
| i. CAFII Value Proposition Project | S. Manson |
| b. Licensing Efficiency Issues Committee | |
| i. NS Bill 43 [attachment] | M. Gill |
| ii. Input on Representation for Restricted Licence Holders in SK [attachment] | M. Gill |
| c. Media and Communications Committee | |
| i. Board Communications Strategy Presentation [attachment] | J. Lewsen/M. Gill |
| ii. Update on Media Outreach | B. Wycks |
| d. Events and Networking Committee | |
| i. October 7, 2014 Board Meeting and Reception | P. Yeung, B. Wycks |
| ii. February Speaker Series 2015 | M. Sanchez-Chung |
| 7. Other Business | |
| • Next Board Meeting is Oct 7/14 in Toronto (ON) hosted by TD Insurance | |
| • Next Regular EOC Meeting is Oct 28/14 in Toronto | |

CAFII EOC Meeting Minutes

Tuesday, July 22, 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
	Charles Blaquiere	Canadian Premier Life Insurance Co.
	Andre Duval	Desjardins Financial Security Life Assurance
	Eleanore Fang	TD Insurance (<i>by teleconference</i>)
	Moira Gill	TD Insurance (<i>by teleconference, for part</i>)
	Greg Grant	CIBC Insurance, <i>Chair</i>
	John Lewsen	BMO Insurance
	Sue Manson	CIBC Insurance
	Rosemary Pulla	BMO Insurance
	Maria Sanchez-Chung	TD Insurance
	Paul Yeung	RBC Insurance (<i>by teleconference</i>)
Regrets:	Emily Brown	BMO Insurance
	Raja Rajaram	CIBC Insurance
	Brian Wise	Assurant Solutions
	Cecilia Xiao	Assurant Solutions
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 p.m. Greg acted as Chair and Leya acted as Recording Secretary.

2. Approval of Agenda and Previous Minutes

The agenda was approved as presented. Greg informed members that he will be managing the Action Items against the combined Board and EOC Action Items list in the meeting materials.

The minutes of the Board Meeting held June 10, 2014 were accepted as presented and the minutes of the EOC Meeting held June 19, 2014 were approved as presented.

Moira joined the meeting at 1:23 pm

3. Update on EOC and Board Action Items

The Action Items from the combined EOC and Board Action Items list were reviewed. Updates were provided regarding items completed or still in progress with additional discussion occurring as follows:

The CUMIS Group Application for Regular Membership

Member organizations present at the meeting indicated their support for the application. John indicated that BMO Insurance may be willing to act as a sponsor and he will confirm this support internally before a commitment is made. Upon confirmation of BMO's commitment, the process will proceed to step #3 outlined in the briefing document, i.e. an interview with CUMIS representatives and CAFII will be arranged. CAFII participants shall include Brendan, Greg and the EOC member from the sponsoring organization.

Action: 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; date tba]

CAFII Financial Reserves Policy

Action: June 2014 balance sheet, showing the updated description of the financial reserves policy, when circulating the draft EOC Meeting Minutes for July 22, 2014. [Leya; date tba]

Joint Visit to Atlantic Canada Insurance Regulators

Leya reported that a meeting room has been confirmed at the Crowne Plaza in Fredericton. As requested at the June EOC meeting, an email invitation was sent to Board and EOC members by Brendan.

CAFII Board Chair

A successor Chair has not been identified at this time. Greg will follow-up with potential candidates.

LLQP Modernization

The Media and Communications Committee will be taking the lead on developing a list of relevant policy-makers and legislators and drafting a letter to them in support of LLQP modernization, as agreed during the last Board meeting on June 10, 2014. The committee will be discussing this at its next meeting on July 30, 2014. Members discussed latest developments on this issue from other industry players.

Action: Draft letter of support for LLQP modernization for review at the July 30 MAC meeting. [Brendan; July 30, 2014]

Pan-Industry Group on Travel Insurance Issues

Brendan, Greg and John are currently representing CAFII on the Pan-industry Group. The group has held some robust discussions focusing on three main distribution issues and producing background information. CAFII has not taken a firm position on any issues to date.

It was agreed that the DMC committee is the most appropriate group to be engaged on the Pan-industry Group issues. However, the work of the Pan-industry group is moving quickly along an aggressive time line and the DMC is not in a position to support this effort at this time. As a means of updating CAFII members on the work of the Pan-industry group, a conference call shall be arranged to provide an update after each Pan-industry group meeting.

It was agreed that CAFII members should be canvassed for subject matter experts to serve on a CAFII working group to receive the teleconference updates and to develop CAFII positions. A DMC leader for this CAFII working group has not yet been identified.

Action: Setup a 30 minute briefing of the CAFII working group on Thursday, July 24 at 8:30 a.m. and following each pan-industry group meeting moving forward. Attendees shall include John, Greg, Brendan from the working group and Derek, Andre (or Isabelle Choquette), Rosemary, Rose and Eleanor. [Leya; ongoing]

Action: Confirm subject matter experts on travel insurance from CAFII members to serve on CAFII working group. [Brendan; date tba]

Action: Identify a DMC leader for the CAFII working group on travel insurance. [Greg; date tba]

Balanced Scorecard

Greg advised members that the Balanced Scorecard developed earlier this year documents CAFII strategy and tactics for the current period, 2014. The next step for the EOC will be to develop the strategy and tactics for next year (2015) and beyond.

4. Update on Pan-Industry Project Group on Travel Insurance

As discussed above.

5. The CUMIS Group Application for Regular Membership

As discussed above.

6. Regulatory Update

Brendan summarised the key highlights of the Regulatory Update document included in the meeting materials.

- FICOM, British Columbia. A meeting is scheduled with Harry James, BC FICOM on July 28. Regulators from Alberta and Saskatchewan will be on the call, along with CAFII EOC members.

Action: Schedule a pre-meeting for CAFII attendees to discuss the proposed agenda and CAFII's responses for the conference call with Harry James, BC FICOM. [Leya; date tba]

- Manitoba. Scott Moore confirmed that the regulator is working towards a proclamation date for the Regulation establishing a Restricted License Holder/ISI Regime.
- Ontario. FSCO's Life Insurance Product Suitability Review mini-survey of insurers was released, and respondents include a small sample of CAFII members. FSCO staff informed members that the scope and breadth of the mini-survey would not be onerous; however, the amount of information and detail being requested is significantly more than expected. A consultation period would have benefited the process by setting more realistic expectations and reducing the ambiguity in some of the questions and information requested. CAFII members agreed to reserve judgement until the results are released; we may wish to comment on the process, survey and findings at that time.
- Quebec Distribution Guide. CAFII received the latest draft of the proposed Distribution Guide in French and the AMF has committed to send Brendan an English version by August 1. Rose to lead a working group charged with analysis of the Guide, with support from Moira, Sue, Rosemary, Andre, Derek and Greg.

Action:

- Circulate the English template of the Guide when received from the AMF. [Brendan; upon receipt]
- Convene a meeting to discuss the Guide. [Leya; date tba]
- CISRO Presentation on Multi-Jurisdictional Licensing Issues
Brendan reported that CISRO has confirmed CAFII's invitation to present on multi-jurisdictional licensing issues at its September 29-30 meeting. However, this is not a concern for the majority of CAFII members and it was agreed that our offer to present should be withdrawn.

Action: Inform Ron Fullan, Chair of CISRO, that CAFII is withdrawing its offer to present on multi-jurisdictional licensing issues. [Brendan, date tba]

a. October 1/14 Joint Visit with Atlantic Canada Insurance Regulators

As discussed above.

7. Distribution and Market Conduct Committee

Sue reported on the Comparative Project on Creditor Insurance Customer Value Proposition based on the attachment included in the meeting materials. Members discussed the proposed communication and it was agreed that the initial message shall indicate the survey was commissioned by an *industry association in insurance*. The name of the Association (CAFII) shall only be provided after the survey is completed, in the executive summary that will contain highlights of the survey results.

8. Licensing Efficiency Issues Committee

A committee meeting has been booked for July 31 and the items listed in today's meeting agenda will be addressed at that time.

9. Media and Communications Committee

John reported that the committee will be meeting on July 30. Greg noted that one of the agenda items for that meeting relates to two negative articles penned by Ellen Roseman that recently appeared in the Toronto Star. He related that the common theme coming from Board and EOC members was that we should not react specifically to these articles but engage with her at a later time under less hostile circumstances. The MAC committee would be charged with developing a plan leading to a future lunch meeting with Ms. Roseman, including documenting key messages, collecting data to support our position and, if appropriate, recommending an alternate media contact(s) to engage.

Action: 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; July 30, 2014]

10. Events and Networking Committee

Confirmed Speaker for October 7/14 Event

Brendan reported that Carolyn Rogers has confirmed her agreement to speak at the next CAFII event on October 7, 2014.

February 2015 Annual Members' Luncheon Speaker

Planning for the February speaker series has begun with the proposed topic of Consumer Financial Literacy. Maria will be reaching out to FCAC for a guest speaker once she has received more information about the tentative dates for the event.

Brendan reported that CAFII has received an invitation to sponsor the FCAC's National Conference on Financial Literacy which takes place November 6-7, 2014 in Vancouver. This offer shall be discussed during the next Media and Communications Committee Meeting.

Future Speaker Events

A firm date for the February 2015 speaker series event needs to be set. Also, the committee is requesting speaker suggestions for the April 2015 event.

Action: Maria to be provided with possible dates for the February 2015 speaker series event. [Leya; date tba]

11. Other Business

12. Termination

There being no further business, the meeting terminated at 3:30 p.m. The next CAFII EOC Meeting will be held on September 23, 2014, in Toronto.

Date

Chair

Recording Secretary

Summary of Meeting Action Items: Board and EOC

Source	Action Item	Responsible	Deadline	Status as of 19-Sep-14
A)	Application for Voting Membership from The CUMIS Group Ltd			
EOC Meeting, June 19, 2014 item 2.a.	<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
EOC Meeting, July 22, 2014 item 3.	<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	In progress
B)	Congratulatory Letters to New Ministers			
Board Meeting, June 10, 2014 item 2b.	<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
C)	CAFII Financial Reserves			
EOC Meeting, June 19, 2014 item 3.b.	<ul style="list-style-type: none"> Update minimum and maximum reserve descriptions to indicate that they are target numbers. In addition, add a note to the monthly financial statements to indicate the actual level of reserves as at the particular month-end. 	TO Corp, Raja	18-Jul-14	Completed
EOC Meeting, July 22, 2014 item 3.	<ul style="list-style-type: none"> Include the June 2014 balance sheet, showing the updated description of the financial reserves policy, when circulating the draft EOC Meeting Minutes for July 22, 2014 	Leya	15-Aug-14	Completed
	Joint Visit with Atlantic Canada Insurance			Done
EOC Meeting, June 19, 2014 item 5.a (i)	<ul style="list-style-type: none"> Provide the Atlantic Canada Overview and Agenda to interested board members, Peter McCarthy (BMO) and Chris Knight (TD). 	Brendan, Leya	18-Jul-14	Completed
D)	Licensing Committee Issues			
	<ul style="list-style-type: none"> Make recommendation to EOC on BC representation for banks-in-insurance sector. 	LEIC	15-Sep-14	In progress

Source	Action Item	Responsible	Deadline	Status as of 19-Sep-14
EOC Meeting, June 19, 2014 item 6.b.	<ul style="list-style-type: none"> Submit a letter on the potential changes to the New Brunswick Insurance Act to Invest New Brunswick. Book a Licensing Committee Meeting. 	LEIC	30-Sep-14	In progress
E)	Communicaitons Strategy	Leya	18-Jul-14	Completed
Board Meeting, June 10, 2014 item 2.3	<ul style="list-style-type: none"> Prepare and deliver a high level recap of the CAFII Communications Strategy at the October 7, 2014 Board meeting. 	John, Moira	30-Sep-14	In progress
F)	Balanced Scorecard			
Board Meeting, June 10, 2014 item 4.5	<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	
	EOC Meetings			Done
EOC Meeting, June 19, 2014 item 7.	<ul style="list-style-type: none"> Secure meeting room for a July 22, 2014 EOC Meeting. 	Leya	4-Jul-14	Completed
G)	CAFII Board Chair			
Board Meeting, June 10, 2014 item 4.1.2	<ul style="list-style-type: none"> In conjunction with Mr. Cummings, the EOC Chair and Executive Director to oversee the circulation of a Board Chair nomination motion for an electronic approval vote by Directors prior to the next regularly scheduled Board meeting on October 7, 2014. 	Greg, Brendan	30-Sep-14	In progress
H)	LLQP Modernization			
Board Meeting, June 10, 2014 item 4.2	<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 EOC to continue to monitor developments on this issue and consider scheduling follow-up meetings with the recipients of the letter. 			
EOC Meeting, July 22, 2014 item 3.	<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
I)	Pan-Industry Group on Travel Insurance Issues			
Board Meeting, June 10, 2014 item 4.3	<ul style="list-style-type: none"> 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 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. 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. 	EOC, Brendan	Ongoing	In progress

Source	Action Item	Responsible	Deadline	Status as of 19-Sep-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. 			
EOC Meeting, July 22, 2014 item 3.	<ul style="list-style-type: none"> Setup a 30 minute briefing of the CAFII working group on Thursday, July 24 at 8:30 a.m. and following each pan-industry group meeting moving forward. Attendees shall include John, Greg, Brendan from the working group and Derek, Andre (or Isabelle Choquette), Rosemary, Rose and Eleanor 	Leya	23-Jul-14	Completed
	<ul style="list-style-type: none"> Confirm subject matter experts on travel insurance from CAFII members to serve on CAFII working group 	Brendan	15-Aug-14	In progress
	<ul style="list-style-type: none"> Identify a DMC leader for the CAFII working group on travel insurance 	Greg	8-Aug-14	Completed
J)	FICOM, British Columbia Meeting			Done
EOC Meeting, July 22, 2014 item 6.	<ul style="list-style-type: none"> Schedule a pre-meeting for CAFII attendees to discuss the proposed agenda and CAFII's responses for the conference call with Harry James, BC FICOM 	Leya	23-Jul-14	Completed
K)	Quebec Distribution Guide			
EOC Meeting, July 22, 2014 item 6.	<ul style="list-style-type: none"> Circulate the English template of the Guide to EOC members when received from the AMF. 	Brendan	5-Aug-14	Completed
	<ul style="list-style-type: none"> Convene a meeting of AMF Distribution Guide Task Force to discuss the Guide. 	Leya	13-Aug-14	Completed
L)	CISRO Presentation on Multi-Jurisdictional Licensing Issues			
EOC Meeting, July 22, 2014 item 6.	<ul style="list-style-type: none"> Inform Ron Fullan, Chair of CISRO, that CAFII is withdrawing its offer to present on multi-jurisdictional licensing issues. 	Brendan	8-Aug-14	Completed
M)	Response to Ellen Roseman, Toronto Star Article			
EOC Meeting, July 22, 2014 item 9.	<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	Completed
N)	Events & Networking Committee			Done
EOC Meeting, July 22, 2014 item 10.	<ul style="list-style-type: none"> Maria to be provided with possible dates for the February 2015 speaker series event 	Leya	29-Jul-14	Completed

CAFII

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

Statement of Operations

As at August 31, 2014

REVENUE	Current Month	Current YTD	Budget 2014	% Used	YTD 2013 Balance	% Used YTD 2013
Membership Fees	\$0	\$233,625	\$400,500	58%	\$270,200	71%
Interest Revenue	\$36	\$277	\$720	38%	\$430	430%
TOTAL REVENUE	\$36	\$233,902	\$401,220	58%	\$270,630	61%
EXPENSE						
Association Operating Expenses						
Management Fees	\$18,375	\$150,906	223,380	68%	\$146,309	212%
Lawrie Savage Fees	\$0	\$0	-		\$0	0%
CAFII Legal Fees/Corporate Governance	\$0	\$20,569	19,500	105%	\$0	0%
Audit Fees	\$0	\$0	14,000	0%	\$1,617	16%
Insurance	\$432	\$3,489	5,368	65%	\$1,892	44%
Website (incl translation)	\$594	\$924	540	171%	\$333	62%
Telephone/Fax/Internet	\$670	\$3,778	2,250	168%	\$2,184	101%
Postage/Courier	\$51	\$366	500	73%	\$173	16%
Office Expenses	\$86	\$1,887	4,500	42%	\$1,738	64%
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	\$156	640	0%	\$467	17%
Sub Total Association Operating Expenses	\$20,246	\$182,074	\$270,716	67%	\$154,783	
Distribution & Market Conduct Committee						
Provincial Regulatory Review	\$0	\$2,586	3,000	86%	\$2,861	5%
Research/Studies	\$0	\$25,201	50,000	50%	\$4,996	12%
Sub Total Distribution & Market Conduct Committee	\$0	\$27,787	\$53,000	52%	\$7,857	
Licensing Efficiency Issues Committee						
Regulatory Model (s)	\$2,644	\$4,699	12,000	39%	\$244	8%
Federal Financial Reform	\$0	\$101	3,000		\$0	0%
Sub Total Licensing Efficiency Issues Committee	\$2,644	\$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	\$879	\$12,693	20,500	62%	\$12,528	60%
Networking Events	\$0	\$9	1,756	1%	\$0	0%
15th Anniversary Event	\$0	\$0	-	#DIV/0!	\$15,566	74%
Sub Total Networking & Events Committee	\$879	\$12,702	\$22,256	57%	\$28,095	
Media Relations, CAFII Consultant						
Media Relations, CAFII Consultant	\$0	\$0	-		\$0	0%
Sub Total Media Relations, CAFII Consultant	\$0	\$0			\$0	
TOTAL EXPENSE	\$23,769	\$230,626	414,972	56%	\$193,853	53%
EXCESS OF REVENUE OVER EXPENSES	(\$23,733)	\$3,276	(\$13,752)		76,777.60	

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 August 31, 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	
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				
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 realocate monthly Jan-Dec	\$33,375				

CAFI

55 St Clair Ave West, Suite 255

Toronto, ON M4V 2Y7

Balance Sheet

As at August 31, 2014

	Current 2014
ASSETS	
Current Assets	
Bank Balance	\$386,614
Investments ^A	\$53,381
Accounts Receivable	\$16,550
Interest Receivable	\$92
Prepaid Expenses	\$3,888
Computer/Office Equipment	\$2,334
Accumulated Depreciation -Comp/Equip	(\$817)
Intangible Assets-Trademarks	\$0
Accumulated Amortization-Trademark	\$0
Total Current Assets	\$462,042
TOTAL ASSETS	\$462,042
LIABILITIES	
Current Liabilities	
Account Payable ^B	\$3,755
Deferred Revenue	\$166,875
Total Current liabilities	\$170,630
TOTAL LIABILITIES	\$170,630
UNRESTRICTED NET ASSETS	
Unrestricted Net Assets, beginning of year	\$288,136
Excess of revenue over expenses	\$3,276
Total Unrestricted Net Assets	\$291,412
Total Unrestricted Net Assets	\$291,412
TOTAL LIABILITIES AND UNRESTRICTED NET ASSETS	\$462,042

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:	\$291,412
Current Level of Financials Reserve (%):	70%

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

	Total
	232.11
	2,644.20
	878.58
Total outstanding:	<u>3,754.89</u>

Leya Duigu

From: Koker Christensen <kchristensen@fasken.com>
Sent: August-31-14 9:14 PM
To: brendan.wycks@cafii.com; leya@cafii.com; 'Pamela Smith' (pamela@tocorp.ca)
Cc: Kathryn Beck
Subject: Continuance
Attachments: Canadian Association of Financial Institutions in Insurance - Certificat....pdf

CAFII has continued under the *Canada Not-for-profit Corporations Act* effective August 25, 2014. I attach a copy of the Certificate of Continuance. It was a pleasure to have assisted you with this.

Best regards,

Koker

Koker Christensen | Partner

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Certificate of Continuance

Canada Not-for-profit Corporations Act

Certificat de prorogation

*Loi canadienne sur les organisations à but non
lucratif*

CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE ASSOCIATION CANADIENNE DES INSTITUTIONS FINANCIÈRES EN ASSURANCE

Corporate name / Dénomination de l'organisation

342486-3

Corporation number / Numéro de
l'organisation

I HEREBY CERTIFY that the above-named corporation, the articles of continuance of which are attached, is continued under section 211 of the *Canada Not-for-profit Corporations Act*.

JE CERTIFIE que l'organisation susmentionnée, dont les statuts de prorogation sont joints, a été prorogée en vertu de l'article 211 de la *Loi canadienne sur les organisations à but non lucratif*.

Virginie Ethier

Director / Directeur

2014-08-25

Date of Continuance (YYYY-MM-DD)
Date de prorogation (AAAA-MM-JJ)

Document Owner:	CAFII Executive Operations Committee
Practice Applies to:	CAFII Members
Process Responsibility:	CAFII Secretary
Final Accountability:	CAFII Board of Directors

DEFINITION:

"Competition Act" means the *Competition Act*, R.S.C. 1985, c. C-34, as amended;

COMPETITION LAW POLICY

1. Competition Law Policy Statement

It is the Corporation's policy that it, and all of its members, fully comply with the Competition Act in respect of any activity undertaken for or on behalf of the Corporation. Responsibility for such compliance rests with the Board and with each member.

2. Guidelines for Competition Act Compliance

At each meeting of the members of the Corporation, each member shall be furnished with a document setting out the Corporation's guidelines for Competition Act compliance (the **"Guidelines"**). Each attending member shall acknowledge receipt of the Guidelines in writing and agree to adhere to the Guidelines in respect of any activity undertaken for or on behalf of the Corporation.

3. Consequences for Failure to Comply with Policy and Guidelines

Failure by a member to comply with this policy or the Guidelines is grounds for removal of that member from the register of the Corporation in accordance with section 9.06.

4. Annual Review of Guidelines

The Guidelines shall be reviewed annually by the Corporation and shall be amended from time to time, as necessary or considered desirable by the Board of Directors.

Any changes to the Competition Law Policy may not be ratified by electronic means.

If you have any questions, comments or suggestions regarding this document, contact the Executive Director, Brendan Wycks at Brendan.wycks@cafii.com.

CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE

GUIDELINES FOR *COMPETITION ACT* COMPLIANCE

Trade association meetings present a risk of interactions among competitors that in and of themselves may contravene, or may lead to a contravention of, Canada's competition laws. Depending on the circumstances, an inference may be drawn by the Competition Bureau of an improper agreement among competitors resulting from such interactions. In addition to rules of general application to all industries, there are also specific provisions in the *Competition Act* (the "**Act**") dealing with agreements or arrangements between federal financial institutions.¹

Consequently, the Canadian Association of Financial Institutions in Insurance ("**CAFII**"), and its members, should be cognizant of the importance of compliance with the Act and committed to such compliance. In fulfilling the mandate of CAFII, and working towards the achievement of its objectives, members of CAFII are expected to adhere to the guidelines that follow and CAFII's competition law policy to promote and respect the spirit and the letter of the law.

1. **Prohibited Activities**²

(a) **Anti-Competitive Agreements or Understandings**

Neither CAFII nor any committee or activity of CAFII shall be used for the purpose of bringing about or attempting to bring about any agreement, written or oral, formal or informal, express or implied, among competitors regarding:

- (i) the amount or kind of prices, premiums, service charges, interest rates, or other terms or conditions of any products or services to be offered for sale by insurance companies;
- (ii) the amount or kinds of products or services to be offered to customers or classes of customers;
- (iii) the customers or classes of customers to whom any insurance company product or service may be sold or withheld; or
- (iv) the territories in which an insurance company product or service may be sold.

(b) **Sharing Information Posing Anti-Competitive Risk**

No CAFII activity, including any activity undertaken by a CAFII committee or group, shall involve discussion, exchange, collection or dissemination among competitors, for any purpose or in any fashion, information on those matters identified in subparagraphs (i) to (iv) in paragraph (a) above.

¹ For the purposes of the relevant provisions of the Act, "federal financial institution" means a bank or authorized foreign bank within the meaning of section 2 of the *Bank Act*, a company to which the *Trust and Loan Companies Act* applies or a company or society to which the *Insurance Companies Act* applies.

² The activities captured by these guidelines include any activities undertaken for or on behalf of CAFII, including but not limited to, CAFII meetings, formal or informal CAFII-sponsored events, and advocacy and lobbying initiatives.

Where projects involve the collection of individual firm statistical data, such collection shall involve only aggregate data from past transactions and shall include effective steps to protect against disclosure of individual product-pricing or interest-payment information.

(c) Exchange of Cost Information – Anti-Competitive Purposes

No CAFII activity shall include any discussion of costs or any exchange of cost information for the purpose or with the probable effect of:

- (i) increasing, maintaining, or stabilizing prices, premiums, service charges, interest rates, or other terms or conditions of insurance company products or services;
- (ii) reducing competition with respect to the range or quality of products or services offered by insurance companies; or
- (iii) promoting agreement among insurance companies with respect to their selection of products or services for purchase, their choice of suppliers, or the prices they will pay for such products or services, including commissions for the services of commissioned agents.

(d) Published Papers

Papers published by or on behalf of CAFII or presented in connection with CAFII programs should not discuss or refer to the amount or kind of prices, premiums, service charges, interest rates, or other financial terms or conditions of insurance products or services offered for sale by insurance companies. Additionally, reference to costs in such papers should not be accompanied by any suggestion, express or implied, that prices, premiums, interest rates, service charges or other terms or conditions of insurance company products or services should be raised, adjusted, or maintained in order to reflect such costs. To ensure compliance, authors of conference papers shall be informed of CAFII's Guidelines for Competition Act Compliance and CAFII's competition law policy and the need to comply with these rules in the preparation and presentation of their papers.

(e) No Attempt at Product Standardization

Neither CAFII nor any CAFII committee or group shall make any effort to bring about the standardization of any insurance product or service for the purpose or with the effect of preventing the development or sale of any product or service not conforming to a specified standard.

(f) Independent Dealings with Suppliers

No CAFII activity or communication shall include any agreement, or any discussion which might be construed as an agreement, to collectively refrain from purchasing any products or services from any supplier.

(g) No Exclusion from CAFII Activities

No person shall be arbitrarily or unreasonably excluded from participation in any CAFII committee or activity where such exclusion may impair such person's ability, or the ability of his or her employer, to compete effectively in the insurance industry or as a supplier to the insurance industry.

2. Permissible Activities

The Act expressly permits certain activities among competitors and, as a result, within trade associations. These permitted activities include:

- the exchange of statistics;
- the defining of service or product standards;
- the exchange of credit information;
- the definition of industry terminology;
- co-operation in research and development; and
- agreements on environmental protection measures.

However, the usefulness of these exemptions is **very limited**. These activities become illegal if the result is that competition is unduly decreased, or if entry into an industry or expansion of a business within that industry is unduly restricted. For example, although “the exchange of statistics” is permitted, that does not mean that any and all forms and kinds of statistics and numbers, such as price lists or market-share data, may be exchanged among trade association members. Likewise, the defining of service or product standards may become criminal conduct if there is an agreement that CAFII members will restrict the range of services or products they offer to certain specified customers, or they agree to standards in terms of quality, range or quantity of products or services they offer with the aim of eliminating low price competitors.

3. Efforts to Influence Governmental Action

In general, one has a right to meet and to make joint presentations with respect to governmental activities of common interest. However, this right should not be used jointly by competitors for an anti-competitive purpose such as, for example, the lobbying for a legislative or regulatory change having the objective of impeding entry of new competitors, increasing insurance premiums, or restricting insurance services to certain classes of customers or geographic regions. Caution should be exercised where a particular lobbying initiative pertains to subject-matter that has competitive overtones or may be perceived as a concerted effort to lessen or prevent competition. In such cases, legal advice should be sought before proceeding with the initiative.

Document Owner:	CAFII Executive Operations Committee (EOC)
Practice Applies to:	CAFII Associates
Process Responsibility:	CAFII Secretary
Final Accountability:	CAFII Board of Directors

1. Definition

Associates shall consist of any individual, corporation, partnership and other legal entities who have an interest in furthering the objects of the Corporation, who have been sponsored by a Foundation or Regular Member and whose applications for admission have been accepted by the Secretary.

2. Fees

The fees payable by Associates shall from time-to-time be fixed by resolution of the Board. When fixing these fees, the Board shall take into consideration:

- a) the Corporation's need for stability of funding;
- b) the overall administrative costs of the Corporation's operations;
- c) administrative ease;
- d) the potential impact of fees upon applicants for Associate status in the Corporation.

A notice of the fees payable at any time shall be sent to each Associate by the Executive Director promptly before the due date.

3. Resignation

Associates may resign at any time by resignation in writing, which shall be effective upon any date or time on or after the execution of the instrument of resignation. An Associate shall remain liable for payment of any assessment of other sum levied or which became payable by the member to the Corporation prior to acceptance of such resignation.

4. Termination for Non-payment

If Associate fees are levied by the Board, the status of any Associate who is in arrears may be terminated by or under the authority of the Board if such arrears of fees are not paid within a designated time; and if such arrears are not paid by such designated time the Board may pass a resolution authorizing the removal of such Associates from the register of Associates of the Corporation and thereupon such person shall cease to be an Associate of the Corporation. Any such Associate may re-apply for Associate status in the Corporation.

5. Removal

Upon thirty days' notice in writing to an Associate of the Corporation, the Foundation Members may, after giving the Associate an opportunity to be heard, pass a resolution authorizing the removal of such Associate from the register of Associates of the Corporation and thereupon such person shall cease to be an Associate of the Corporation.

6. Transferability and Termination of Associate Status

Associate status in the Corporation shall not be transferable and shall automatically lapse upon the occurrence of any one of the following events:

- (a) the death or dissolution of the Associate;
- (b) the expiry of the Associate's period of Associate status, if any;
- (c) the failure of the Associate to pay the prescribed fees as per section 2;
- (d) the resignation of the Associate in accordance with section 3; and
- (e) the removal of the Associate pursuant to section 5.

Authorization

The Board of Directors has the authority to change or modify this policy on Associates as it may deem necessary from time-to-time.

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

Any changes to the Associates Policy may not be ratified by electronic means.

If you have any questions, comments or suggestions regarding this document, contact the Executive Director, Brendan Wycks at Brendan.wycks@cafii.com.

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

Regulatory Update – CAFII Executive Operations Committee, September 19, 2014

Prepared By Brendan Wycks, CAFII Executive Director

Executive Summary

- **BC FICOM**
 - **Directive Letter to Insurers and Lenders on “Creditor’s Group Insurance Issue” Delayed (page 2):** Harry James of BC’s FICOM is arranging a dialogue with Alberta, Saskatchewan, and Manitoba regulator counterparts before issuing the directive letter previously promised on this matter.
 - **10-Year Review of Financial Institutions Act to be launched this Fall (pages 2-3):** BC will be launching a mandated review of its FIA this Fall. FICOM has recommended to the Minister that CAFII be invited to participate in one of two roundtable meetings with industry stakeholders that will be held prior to the formal consultation.
 - **Consultation on Draft Guideline for *Non-Compliant Filings Administrative Penalty* (page 3):** CAFII needs to decide whether it should respond to this consultation as an industry Association; or if the industry’s interests would be better served by leaving it up to interested member FIs to respond individually.
- **Manitoba Regulatory Framework For Incidental Sellers of Insurance Regime (page 4):** Insurance Council Publishes Bulletin On Implementation Of New Restricted Licence Holders Regulation.
- **Ontario To Level Insurance Playing Field For Credit Unions (page 5):** Ministry of Finance Review Leads to Ban on “Online Promotion of Insurance Products By Credit Unions.”
- **New Brunswick (page 6):** Position Paper Is Next Step in Consultation on “Opportunities for Reforming the New Brunswick Licensing Framework for Other-than-Life Agents and Brokers”
- **Financial Consumer Agency of Canada (pages 7-8):** Terry Campbell, President of the Canadian Bankers Association and Leslie Byrnes, Vice President Distribution & Pensions, CLHIA appointed to 15-member National Steering Committee on Financial Literacy.

British Columbia

Financial Institutions Commission (FICOM)

Directive Letter to Insurers and Lenders on “Creditor’s Group Insurance Issue” Delayed

In an update discussion on September 18, Harry James, Director, Policy Initiatives at FICOM, advised Brendan Wycks that the plan to issue a “directive letter” in mid-September to insurers and lenders involved in Creditor’s Group Insurance in the province has been delayed, and the letter will now likely be issued in October.

Harry is trying to arrange a teleconference dialogue with regulator counterparts in the three other Western provinces, and noted that the term ‘effected’ is common to the insurance legislation in all four provinces as it relates to CGI.” “That dialogue will help to finalize either a harmonized approach that we take collectively as four neighbouring provinces , or individually as provinces taking substantively similar approaches.”

“If there are substantive differences in opinion on the best way to move forward, we may decide to reach out to the industry Associations one more time.”

While there have been logistical difficulties in scheduling that dialogue among the four provinces, “we’re hoping to have that discussion within the next couple of weeks, before the CISRO and CCIR meetings in Fredericton early October.”

(In summarizing comments at the end of CAFII’s July 28 consultation teleconference with him (which Laurie Balfour, Alberta’s Acting Deputy Superintendent of Insurance, and Ian McIntosh, Saskatchewan’s Deputy Superintendent of Insurance, attended as observers), Harry advised that a directive letter would likely be FICOM’s next step, as follows:

Our plan going forward is to provide clarity on the roles of insurers and lenders involved in CGI in BC, which will likely be issued in the form of a directive letter in mid-September 2014.

The two question survey in the open letter that we sent to all entities that offer creditor’s group insurance in BC identified that there are 10 or 11 insurers with a CGI product in the market where the group policyholder is not the lender.

The letter, which will allow a one year transition period for parties to come into compliance with the terms set out, will be sent to all insurers who identified themselves as having a product in the market where the lender is not the group policyholder; and to industry Associations such as CAFII and CLHIA.)

10-Year Review of Financial Institutions Act to be launched this Fall

A mandated 10-year Review of BC’s *Financial Institutions Act* (FIA) will be announced this Fall. Harry James advised that as part of the FIA Review announcement, likely within the next few weeks, the Minister will indicate that FICOM will hold two roundtable meetings with industry stakeholders – to gather input on desired modernizations and other changes to the Act – prior to the launch of the formal consultation phase of the Review.

He indicated that FICOM has put forward “Brendan Wycks, Executive Director of CAFII” as a recommended stakeholder participant in the roundtable meetings. The decision as to who is invited to participate in the roundtable meetings rests entirely with the Minister’s office; “so while there is no guarantee, we wanted you to know that we had recommended that you be invited as a stakeholder participant from CAFII. So you may be hearing about this in the next little while if the Minister’s office does select you.”

BC’s FIA dates from 1989 when it was decided to have a comprehensive Act that would cover governance and the regulatory framework for FIs operating in the province, including the insurance industry. In contrast, BC’s Insurance Act is strictly limited to terms and definitions. Because the FIA is the key piece of legislation for the financial sector in the province, a mandatory 10-year review clause was built-in.

Consultation on Draft Guideline for Non-Compliant Filings Administrative Penalty

On September 9, BC’s FICOM issued, for industry consultation, a draft guideline on the province’s new Non-Compliant Filings Administrative Penalty (NFAP). The notice about this consultation was addressed to all CEOs/General Managers/Chief Agents of British Columbia Authorized Financial Institutions (credit unions, trust companies, P&C and life insurers).

The NFAP guideline is based on provisions set out in the FIA and is intended to provide clarity regarding these sections and some guidelines for penalty amounts.

Under the legislation, FICOM or its delegate can order an administrative penalty for any breach of a prescribed provision of the FIA, or for failure to comply with any order or undertakings given. The *Administrative Penalty Regulation* sets out the maximum penalty that can be charged for a contravention, but the amount of penalty is discretionary, subject to a maximum. FICOM or its delegate has the discretion to issue an administrative penalty or a warning.

In this consultation, FICOM is seeking feedback on the quantum to recommend for an administrative penalty under normal circumstances. It is also seeking feedback on the types of filings that it has identified as being subject to a penalty.

FICOM has developed three potential options for administrative monetary penalties: a *per diem* basis; a flat rate basis; and an escalating by contravention basis. It is seeking feedback on both the basis to be used and the rates being suggested.

The deadline for response submissions to this consultation is October 31, 2014.

CAFII should consider whether it should respond to this consultation as an industry Association; or if the industry’s interests would be better served by leaving it up to interested member FIs to respond individually.

Insurance Council of BC

Notice Re Corporate or Partnership (“Entity”) Licensing

On September 18, the Insurance Council of BC issued a Notice advising that it is regularly encountering problematic situations where an Entity applies for a licence or licence amendment, with a request that Council’s approval be effective on a pre-established date.

These types of situations usually arise as a result of a merger or acquisition, and it is not uncommon for non-standard issues to exist which require the Entity to provide additional information. This can result in the new Entity not being able to commence insurance operations when originally planned.

Therefore, the Council strongly recommends that an Entity submit its application a minimum of 60 days prior to the date on which the Entity wishes to commence operations. By submitting the application 60 days in advance, there is a greater possibility that the requested date will be met.

The Council's review of an Entity's application includes a suitability review of its officers, directors, major shareholders, and partners; the name(s) under which the Entity intends to operate; and any other information that may be material to the application.

Manitoba

Insurance Council of Manitoba

Insurance Council Publishes Bulletin On Implementation Of New Restricted Licence Holders Regulation

On August 26, Scott Moore, Deputy Superintendent of Insurance, issued a Fact Sheet on Manitoba's Amended Insurance Act (previously circulated), which announced that the legislative and regulatory changes developed to create an Incidental Sellers of Insurance (ISI)/Restricted Licence Holders regime would become effective January 1, 2015, but transitional provisions would see its implementation line up with the Insurance Council of Manitoba's licensing renewal cycle that has June 1, 2015 as its operative date.

As a follow-up to that, the Insurance Council of Manitoba has issued a bulletin that provides greater detail on implementation of the province's new ISI regime. The bulletin sets out the fee schedule for a Restricted Insurance Agent Licence, a schedule that is tiered and based on the number of employees offering insurance products in the eligible organization.

This bulletin, available on the Insurance Council's website, has been included in the materials for September 23 CAFII EOC meeting.

Superintendent of Insurance

2014 Annual Report Of The Superintendent Of Insurance On The Business Of 2013

Superintendent of Insurance Jim Scalena recently published his annual report on the insurance business in Manitoba in 2013.

The Report includes the following information:

- the types of licence held by each insurance entity licenced in the province;
- total premium income and claims payouts for each class of insurance for 2013;
- direct written premium and direct claims payouts (loss ratio calculated) for each insurance entity operating in the province, for 2013 and 2012; and
- gross insurance in force (number of policies and dollar value) by company at end of 2013 and end of 2012.

Ontario

Ontario Ministry of Finance

Ontario To Level Insurance Playing Field For Credit Unions

Following a Ministry of Finance review at the beginning of 2014, which included industry roundtable meetings for consultation and input, the Ontario government has decided to ban “online promotion of insurance products by credit unions” by harmonizing the province’s credit union legislation with the federal Bank Act which governs such activities for FRFIs. Here is the relevant excerpt from the Ontario budget that was re-introduced and passed in July following the election of the Wynne majority government:

Online Promotion of Insurance

In recent years, credit unions and other deposit-taking institutions have been providing an increasing array of online services to their customers. Many services that used to be exclusively accessed in a credit union’s “bricks and mortar” branches are now being accessed by consumers online. It is important to ensure that Ontario’s policies regarding the online insurance activities of credit unions keep consumers’ best interests in mind.

To this end, in late 2013, the Province initiated an examination of insurance-product promotion on credit union websites. In addition to seeking the views of the insurance and credit union sectors, recent federal government action affecting federally incorporated financial institutions was also considered. As a result, the Province is proposing to prohibit credit unions from online promotion of insurance products such as home and auto insurance, which they are not permitted to promote in their branches.

This Ministry of Finance review initiative was brought to the CAFII EOC’s attention in January by Moira Gill, as an issue to be watched. CAFII did not receive an invitation to the roundtable meetings so we did not participate directly.

Directly related to the decision to ban online promotion of insurance by credit unions,, the government has also announced that a review of Ontario’s *Credit Unions and Caisses Populaires Act, 1994* will be launched this Fall, likely in October. Following is the relevant excerpt from the July budget:

Credit Unions

Credit unions and caisses populaires play an important role in Ontario’s economy. They have over 1.5 million members and, at the end of 2013, had provided \$33.4 billion in loans to households and businesses throughout the province. A modern regulatory framework that enables the credit union system to flourish and protect members is essential.

A review of the Credit Unions and Caisses Populaires Act, 1994, will be launched in the fall. This will provide an opportunity to update the legislation and regulations so credit unions can continue to meet the needs of their members and the economy into the future.

Financial Services Commission of Ontario (FSCO)

CAFII Invited To Participate In Panel At FSCO's Annual Symposium For Life & Health Insurance Sector

CAFII has accepted an invitation from FSCO to have a representative participate on a panel at its 7th Annual Market Conduct Symposium for the Life & Health Insurance Sector to be held on the morning of Friday, November 21 at Novotel in North York.

The theme for this year's FSCO symposium is "Hot Topics in Life and Health Insurance". The panel that CAFII has been invited to participate in is on the inter-related topics of financial literacy, sales to seniors, and financial planning. Other panel participants are likely to be from CAILBA, CLHIA, Advocis, and OLHI.

The Media and Communications Committee has determined that Brendan Wycks, as Executive Director, will be CAFII's participant on the panel, utilizing a script of approved CAFII Key Messages.

New Brunswick

Financial and Consumer Services Commission (FCNB)

Position Paper Is Next Step in Consultation on "Opportunities for Reforming the New Brunswick Licensing Framework for Other-than-Life Agents and Brokers"

In a recent update telephone conversation with Brendan Wycks, David Weir, New Brunswick's Deputy Superintendent of Insurance, advised that the next step in this consultation, to which CAFII responded on October 31, 2013, will be the following:

Based on analysis of the response submissions to the consultation paper, David is nearing completion of a "Position Paper" in which concrete recommendations will be made on each of the key issues set out in the consultation document. His draft Position Paper will be vetted, discussed, and approved by the FCNB's executive team, including Superintendent of Insurance Angela Mazerolle, which has yet to occur.

He expects that the Position Paper will be finalized and released this Fall, in October or November, with a 30 day period likely provided for stakeholder response feedback.

Saskatchewan

Financial Consumer Affairs Authority (FCAA)

Completion of Insurance Act Re-Write in 2014-15

Saskatchewan's FCAA recently published its 2013-14 Annual Report on its website.

In his transmittal letter to the Minister, David Wild, Chair and CEO of the FCAA and Superintendent of Insurance, highlights that one of its objectives for next year is to "complete the re-write of the Saskatchewan Insurance Act."

In the Report, the FCAA indicates that it made significant progress on the re-write initiative in 2013-14 by consulting with legislators and regulators in the three other Western provinces – with a view to harmonizing Saskatchewan's Act with those of its neighbours, to the maximum degree possible – and with its own Insurance Councils of Saskatchewan.

Statistical Report of Superintendent of Insurance for 2013

On August 7, David Wild, Superintendent of Insurance, submitted the *Statistical Report of the Superintendent of Insurance For The Year Ended December 31, 2013*; and it is posted on the FCAA's website.

The Report includes the following information from the Insurance Councils of Saskatchewan:

- trends in the number and types of insurance licences issued over the past five years;
- complaints received and dealt with by each of the three Councils for the past five years;
- the types of licence held by each insurance entity licenced in the province;
- aggregate direct written premium and direct claims payouts (loss ratio calculated) for each class of insurance for the past 20 years; and
- direct written premium and direct claims payouts (loss ratio calculated) for each insurance entity operating in the province in 2013.

Federal/National

Canadian Council of Insurance Regulators (CCIR)

Publication of 2014-17 Strategic Plan Delayed

CCIR's new 2014-17 Strategic Plan, which it had expected to publish mid-summer on its website, has not yet been released. Publication is now likely delayed until immediately following the Council's Fall meeting, which takes place October 2-3 in Fredericton.

Carolyn Rogers, CCIR Chair, will be the guest speaker at CAFII's October 7 Regulator Reception event, where she will share highlights of the new Strategic Plan along with hot-off-the-presses news about implementation plans.

Third Annual Stakeholder Meetings: November 5-6, 2014 in Toronto

CAFII has accepted CCIR's invitation to meet during its annual stakeholder meetings being held November 5 and 6 in Toronto. Based on availability times offered by several CAFII Board members, Brendan Wycks proposed three date/time options to Carol Shevlin, CCIR Policy Manager, and is awaiting her confirmation.

This year, due to capacity restrictions at the venue where CCIR is holding the stakeholder meetings, the size of CAFII's delegation will be limited to a maximum of six individuals. In 2013, CAFII's delegation for this stakeholder meeting comprised seven representatives.

Financial Consumer Agency of Canada

Terry Campbell, President of the Canadian Bankers Association and Leslie Byrnes, Vice President Distribution & Pensions, CLHIA Appointed To 15-member National Steering Committee On Financial Literacy

On July 30, Minister of State (Finance) Kevin Sorenson and Financial Literacy Leader Jane Rooney announced the membership of FCAC's new National Steering Committee on Financial Literacy. The 15 members selected from more than 100 applicants represent a broad range of public, private and non-profit organizations from across Canada.

Of particular note, Terry Campbell, President of the Canadian Bankers Association, and Leslie Byrnes, Vice-President, Distribution & Pensions, Canadian Life and Health Insurance Association, are among the 15 members selected.

The mandate of the Steering Committee is to provide advice to the Financial Literacy Leader on the development and implementation of a national strategy for financial literacy. The members will champion the national strategy for financial literacy, provide leadership within their sectors, and engage broad stakeholder communities in working to advance the Strategy's goals and priorities. They will also report to the Financial Literacy Leader on progress being made in their sectors.

The Steering Committee will meet at least three times a year. The initial term of membership will be for a two-year period. Members may be re-appointed at the discretion of the Financial Literacy Leader.

Erica Hiemstra of CLHIA has advised that the Steering Committee met for the first time on September 19 in Toronto. She surmised that the major focus of its agenda would be on the program for the National Financial Literacy Conference scheduled for November 6-7, 2014 in Vancouver.

National Financial Literacy Conference

The program for the FCAC's National Financial Literacy Conference scheduled to take place in Vancouver on Thursday, November 6 and Friday, November 7 has not yet been released.

However, FCAC has advised Brendan Wycks that there will be no registration fee charged for the conference – in effect, it will be a “by invitation only” event – and that CAFII will definitely be invited.

Erica Hiemstra of CLHIA has advised that, contrary to her earlier indication, CLHIA ultimately did decide to sponsor the FCAC's Financial Literacy Conference. Given that CLHIA's “sponsorship benefits” include Corporate Kiosk (ie. booth/display table) space, it has sponsored at either the Gold level (\$25,000) or Platinum level (\$35,000).

With a Corporate Kiosk to look after, CLHIA will likely have three representatives attending the Conference: Leslie Byrnes, Wendy Hope, and Erica Hiemstra.

Fact Sheet – August 26, 2014

Manitoba's Amended Insurance Act

On September 1, 2014, changes to *The Insurance Act* (Act) will go into effect.

While most of the amendments will be effective September 1, 2014, other amendments provide a transitional period in order for insurers to change systems, contract provisions, forms and advise staff. Although the regulatory regime related to incidental sellers of insurance will be effective January 1, 2015, it is important to note that transitional provisions coincide with the licensing renewal cycle (June 1, 2015) at the Insurance Council of Manitoba. Effective March 1, 2015, the remainder of the amendments will come into force related primarily to life and health insurance contract provisions.

The following information highlights some of the major changes in the Act and related Regulations.

Some significant amendments to the Act include:

- Many of the Act's provisions, including virtually all of Parts V and VI (life insurance and accident and sickness insurance), are harmonized with the Insurance Act of Alberta.
- Part IV (fire insurance) is consolidated with Part III (insurance contracts generally) and harmonized statutory conditions are made applicable to most property and casualty insurance contracts. Parts VIII (livestock insurance) and IX (weather insurance) are repealed. The risks governed by these parts will be governed by the consolidated Part III.
- Consumer protection enhancements include:
 - better access for claimants to documents and information about life insurance and accident and sickness insurance contracts
 - enhancements to dispute resolution
 - protection for innocent persons from loss of coverage for intentional acts of co-insureds and other persons
 - requiring the approval of the Superintendent of Insurance for fire exclusions
 - authority to licence incidental sellers of insurance
- As in other provinces, insurers, brokers and agents will be permitted to offer reasonable customer inducements, such as loyalty reward programs.
- A broker or agent is no longer prohibited from charging a fee on a commercial insurance transaction in connection with which a commission is also earned.
- To promote greater risk-based self-evaluation, insurers who conduct their own compliance audits have a limited privilege in relation to the audit documentation.
- Amendments are made to facilitate and regulate electronic transactions under the Act.

Some significant amendments to the Regulations include:

Insurance Agents and Adjusters Regulation, Amendment

- The Insurance Amendment Act defines an “incidental seller of insurance” (ISI) as a person that, in the course of selling or providing goods or services to the person’s customers or clients, sells, negotiates or arranges insurance, or offers to sell, negotiate or arrange insurance, that relates to those goods or services.
- Amendments to the Regulation outline the licensing requirements for an ISI Restricted Insurance Agents Licence to:
 - include the types of entities who are permitted to hold a licence
 - restrict the type of insurances to be sold
 - appoint a designated official who is responsible for supervising insurance activities under the licence
 - ensure the restricted licence holder has reasonable policies and procedures in place
 - ensure that anyone who solicits, negotiates or transacts insurance on behalf of the restricted licence holder is knowledgeable, competent and suitable
 - maintain adequate liability insurance (errors and omissions)
 - require adequate product disclosure and limitations on the use of the personal information provided by a consumer
 - outline the application and licence issuing process
- Transitional provisions include 2015 in force dates to coincide with the licensing renewal cycle (June 1, 2015) at the Insurance Council of Manitoba.

Insurance Agents and Adjusters Fees Regulation, Amendment

- Sets out the restricted licensing fee for an Incidental Seller of Insurance licence holder in relation to the number of authorized persons.

Insurance (General Matters) Regulation

This new regulation was created in part to complement a number of consumer related Act amendments:

- Insurers and agents/brokers will be permitted to offer an inducement to insure as long as the fair market value of the payment, allowance, gift or offer to a prospective insured does not exceed \$25.00 per year.
- Sets out requirements for an innocent co-insured to claim their portion of a loss where the loss to the property is caused by the intentional or criminal acts of one of the co-owners of the property.
- Sets out certain prescribed exclusions and circumstances where contracts relating to loss or damage by fire or another prescribed peril apply. These exclusions are consistent with other jurisdictions.
- Require insurers to provide claimants with better access to documents and information about their group life insurance and accident and sickness insurance contracts with exceptions.
- Provide consumers with a ten day right of rescission (cooling off period) for life insurance or accident and sickness insurance policies. This does not apply to personal travel insurance if the term of the contract is less than 190 days, a variable insurance contract or an annuity contract.

Classes of Insurance Regulation, Amendment

- The Insurance Amendment Act completed the second phase of repealing the definitions of the classes of insurance from the Act and moving them to the Classes of Insurance Regulation. The first phase occurred when the Act was amended in 2007. The classes of insurance will be consistent with other Canadian jurisdictions.

Financial Institutions Regulation Branch

207–400 St. Mary Avenue, Winnipeg, MB R3C 4K5 • tel: 204.945.2542 • fax: 204.948.2268 • www.gov.mb.ca/firb

A DIVISION OF THE MANITOBA FINANCIAL SERVICES AGENCY

Insurance Fees Regulation, Amendment

- This Regulation has been amended to harmonize with the amended Classes of Insurance Regulation.

Insurance Councils Regulation, Amendment

- Sets out the clear authority for the Insurance Council of Manitoba to publish administrative decisions related to licensing or disciplinary actions of agents or adjusters. This clarity was necessary to allow the Insurance Council to participate in national data base to inform consumers of an administrative decision or information of the disposition of an appeal of an administrative decision.

Insurance Companies Financial Requirements Regulation, Amendment

- The Insurance Companies Financial Requirements Regulation 174/97 and the Guarantee Corporation for Insurers Regulation 140/90 are being merged into this Regulation.
- The term “guarantee plan” is replaced by “compensation association” to be consistent with Act amendments and the term used across Canada.

Access to the Act and the revised Regulations

Although the amended Act and Regulations have yet to be posted on the Manitoba Laws website, please continue to monitor the website as we anticipate that it will be updated shortly:

<http://web2.gov.mb.ca/laws/statutes/ccsm/i040e.php>

If you have any questions regarding amendments to *The Insurance Act* or Regulations please contact the Office of the Superintendent of Insurance, either by email insurance@gov.mb.ca or by phone 204-945-1150.

Agenda Item 5(b)
September 23, 2014 EOC Meeting

Briefing Document On
Progress of Travel Insurance Pan-Industry Project Group (TIPIP)
September 19, 2014

CAFII, the Travel Health Insurance Association (THiA), and the Canadian Life and Health Insurance Association (CLHIA) have formed a Travel Insurance Pan-Industry Project Group (TIPIP). The essence of TIPIP's mandate is to develop a pan-industry response to issues related to travel health insurance that have been articulated by the Canadian Council of Insurance Regulators (CCIR).

While the 2014-2017 CCIR Strategic Plan has not yet been published, TIPIP has been advised that when it is published imminently it will set out a review initiative related to travel health insurance with a particular focus on policy wording and pre-existing condition exclusions, disclosure, and general fair treatment of customers in on-line, call centre and in-person sales and support.

TIPIP is owned by the three participating associations and chaired by CLHIA. Participation in its meetings has been limited to a maximum of four representatives per Association to keep the group to a manageable number. CAFII's representatives participating are Greg Grant, Emily Brown, and Brendan Wycks. TIPIP is also supported by Jill McCutcheon of Borden Ladner Gervais as legal counsel (under a retainer relationship with THiA, so at no incremental cost to TIPIP or the participating Associations).

TIPIP has been meeting every two weeks since late June and is focused on developing a briefing document on the travel health insurance industry in Canada for the CCIR, and having it ready to be the focus of a stakeholder group meeting with CCIR in early November. The document may also include some recommendations.

TIPIP is targeting completion of a near-final draft of the briefing document by early October and will be seeking feedback from the memberships of the three participating Associations before it is finalized.

In the meantime, TIPIP has provided to CCIR, for its October 2-3/14 Fall Meeting, the progress report set out on the following page. CCIR is aware of TIPIP's work and supportive of the pan-industry initiative.

Travel Insurance Pan-Industry Project Group (TIPIP): Update for CCIR

About TIPIP:

- The industry is giving serious consideration to the travel health insurance issues recently identified through CCIR
- As a result, TIPIP was developed in June 2014 to respond to CCIR regarding issues relating to travel health insurance. TIPIP is looking forward to working in consultation with CCIR on this initiative.
- TIPIP is owned by the participating Associations:
 - Travel Health Insurance Association (THIA)
 - Canadian Association of Financial Institutions in Insurance (CAFII)
 - Canadian Life and Health Insurance Association (CLHIA)
- TIPIP is chaired by CLHIA who will act as primary contact for CCIR on behalf of the group. Please contact Karen Voin at (416)-359-2020 or kvoin@clhia.ca.

Status:

- TIPIP has been meeting every two weeks since June to develop an industry response to CCIR.
- As a first step, TIPIP is preparing a briefing document that will provide CCIR with an overview and discussion of issues related to the travel health insurance industry. This will include the role the industry plays in providing disclosure to consumers including Call Centre support, policy wording with a specific focus on pre-existing condition clauses, medical questionnaires, training and licensing, and "white-labelling". The report will also outline areas where the industry is currently considering potential change to assist in improving the consumer experience and providing "peace of mind".
- While we've made significant progress in a number of areas, some of the issues are complex and there are areas where further deliberations, dialogue (including with CCIR), and consensus building will be required.

Next Steps:

- TIPIP's work continues, including engaging the memberships of the three participating Associations in the deliberations.
- TIPIP will circulate the briefing document referenced above to CCIR in October
- TIPIP representatives will attend a stakeholder group meeting with CCIR in early November, to share more insight into the work being done, dialogue, and seek feedback from CCIR.

CAFII Joint Visit To Atlantic Canada Insurance Regulators

7:30 a.m. to 12 Noon, October 1, 2014

(Breakfast served at 7:30 am and the meeting proper will commence at 8:30 am)

Garrison Room, Crowne Plaza (Lord Beaverbrook Hotel), Fredericton

CAFII Presentation On “The Underserved Insurance Market” (Presenters: Greg Grant and John Lewsen)

This updated CAFII presentation -- drawing upon recent independent, third party research conducted by LIMRA, Investment Executive, and Ipsos Reid -- offers fresh analysis and insights that address (i) challenges facing low and middle income Canadians; (ii) traditional channels and the underserved market; (iii) alternate distribution channels; and (iv) how gaps can be addressed.

Possible Agenda Items

1. Importance Of Fostering Innovation And Access For The Under-served Market Via Alternate Distribution
Discussion Leader: Peter McCarthy and John Lewsen, CAFII
2. Electronic Commerce: What implementation steps do Atlantic Provinces plan to take with respect to final CCIR Position Paper on Electronic Commerce? **Discussion Leader: Regulators**
3. Electronic licensing and other interprovincial harmonization issues; including Canadian Insurance Participant Registry and prospects for Atlantic Provinces to “get on board.” **Discussion Leader: Chris Knight and Moira Gill, CAFII**
4. Update on status of Atlantic Task Force on ISI; other related opportunities for regulatory modernization and inter-provincial harmonization. **Discussion Leader: Regulators**
5. CCIR’s 2014-17 Strategic Plan. **Discussion Leader: Regulators**
6. Pan-Industry Project Group on Travel Insurance Issues. **Discussion Leader: Greg Grant and Brendan Wycks, CAFII**
7. LLQP Modernization, including CAFII’s initiatives in support for CISRO’s efforts. **Discussion Leader: Brendan Wycks, Moira Gill, and John Lewsen, CAFII**
8. Insurance Act Review status in each province; and Superintendent’s Priorities in each province. Any particular regulatory concerns or hot button issues re insurance at this time? Anything looming on the horizon?
Discussion Leader: Regulators
9. Update on New Brunswick’s “Opportunities for Reforming the Licensing Framework for Other-than-Life Agents and Brokers.” **Discussion Leader: Angela Mazerolle**
10. Provincial interest in federal Government’s proposed financial consumer code. **Discussion Leader: Regulators**
11. Plain Language, Consumer Financial Literacy, and Consumer Protection. **Discussion Leader: John Lewsen and Moira Gill, CAFII**
12. Given CAFII’s expanded focus on both regulators and policy-makers, would it be prudent for CAFII to meet with the Minister of Finance and/or another key legislator or policy-maker in each province in the near future? Who are the key legislator and policy-maker officials? **Discussion Leader: Paul Yeung, CAFII**

Agenda Item 6(b) (i)
September 23, 2014 EOC Meeting

Recap Document On
Nova Scotia Bill 43: Amendments to Direct Sellers' Regulation Act (DSRA)

From: Lewsen, John [mailto:john.lewsen@bmo.com]
Sent: Friday, August 15, 2014 9:46 AM
Subject: RE: Update Re Nova Scotia Bill 43 - Amendments to Direct Sellers' Regulation Act (DSRA)

Hi Brendan
Thanks for the update
Subject to what Moira has to say after speaking to her GR people, I would be in favour of us making a submission similar to the one for the CLHIA
Regards,

John Lewsen

Chief Compliance Officer: BMO Life Assurance Company; BMO Life Insurance Company | Legal, Corporate & Compliance Group | BMO Financial Group

From: Brendan Wycks [mailto:brendan.wycks@cafii.com]
Sent: Thursday, August 07, 2014 4:51 PM
Subject: Update Re Nova Scotia Bill 43 - Amendments to Direct Sellers' Regulation Act (DSRA)
EOC Members:

Here is an update on what I've found out about this legislative/regulatory development in Nova Scotia, which was brought to light last week by Rose Beckford (**see Action Item question for CAFII posed at end**):

On August 5, CLHIA sent a letter **Re: Direct Sellers' Regulation Act (DSRA), as amended by Bill 43**, along with a summary of Direct Selling (including distant or remote contracts) Legislation In Other Provinces As At July 2014, to Dean Johnston, Director, Consumer and Marketplace Policy, at Service Nova Scotia.

The letter asks the government of Nova Scotia to reaffirm that life and health insurance products and services regulated under the province's insurance legislation will continue to be excluded from application of the DSRA, noting that this exemption is currently codified in the DSRA but will be removed by Bill 43 once it is proclaimed. The letter points out that the DSRA, which regulates the direct selling of certain goods and services in Nova Scotia, now excludes from its application goods and services whose sale is regulated by another federal or provincial statute [clause s. 6(1)(a)]. Bill 43 will remove this exemption [clause 3(b)].

CLHIA has been advised that Nova Scotia's intent is to continue to have some exclusions, but to have them be more focused. Therefore, the letter highlights the fact that similar legislation in a number of other provinces excludes financial services and products or consumer transactions which are already regulated under **those provinces'** Insurance Acts from the scope of their direct selling and 'distant' or 'remote selling' consumer protection legislation.

Nova Scotia is asked to include similar provisions in its regulations to exclude both contracts for and the selling of life and health insurance which are already regulated under the province's Insurance Act. The letter notes that such exemptions would be more focused, narrower and more specific than the current exemption, while still being consistent with the public policy goal of avoiding dual and overlapping regulation, which substantially increases costs for regulated entities. This approach would also maintain consistency between the laws of provinces that have enacted legislation with respect to direct selling and 'distant' selling or 'remote' contracts. As well, it would give clarity to the industry with respect to its compliance obligations in this area.

The letter points out that in Nova Scotia, sales and sellers of insurance products are already strictly regulated. Life and health insurers and insurance intermediaries carrying on business in Nova Scotia are subject to the *Insurance Act* and its regulations (in particular the *Insurance Agents Licensing Regulations*). The *Insurance Act* and its regulations are overseen by the Office of the Superintendent for Insurance and create a complete code of consumer protection for life and health insurance products in the province.

It further points out that Newfoundland and Labrador, Quebec, Ontario, Manitoba, Saskatchewan, Alberta, and British Columbia have previously put into place provisions under their 'consumer protection' legislation to address direct selling, 'distant selling' or 'remote' contracts. Prince Edward Island and New Brunswick have specific direct selling legislation. The provisions in these provinces are either specifically stated to be inapplicable to insurance products or the selling of insurance, where insurance legislation is in place; or, in the case of British Columbia's legislation, has been interpreted generally as being inapplicable to regulated insurance products.

The letter concludes with a recommendation that the government of Nova Scotia include provisions in the DSRA regulations to exclude both contracts for the sale of goods or services to which Nova Scotia's *Insurance Act* applies and direct sellers carrying on the business for which they are licensed under the *Insurance Act* from application of the DSRA.

This letter – prepared by Craig Anderson, CLHIA's new Assistant Vice-President and Senior Counsel (succeeding Jodi Skeates) – was sent under the signature of Frank Zinatelli, Vice President and General Counsel; and c.c.'d to Doug Murphy, Nova Scotia's Superintendent of Insurance.

Action Item Question: should CAFII prepare and send a similar letter to Dean Johnston, who has the lead on the DSRA regulations file at Service Nova Scotia? Or are CAFII members' interests sufficiently well-covered by CLHIA's fairly comprehensive letter and intervention on this matter. Note, however, that the CLHIA letter does not explicitly ask that provisions be included in the DSRA regulations to exclude goods and services whose sale is regulated by a federal statute.

Brendan Wycks, BA, MBA, CAE
Executive Director
Canadian Association of Financial Institutions in Insurance

From: Brendan Wycks [<mailto:brendan.wycks@cafii.com>]
Sent: Tuesday, July 29, 2014 12:53 PM
To: 'Beckford, Rose'
Subject: RE: Nova Scotia Bill 43 - Amendments to Direct Sellers' Regulation

Thanks, Rose, for drawing this to our attention.

You're correct that one of the amendments that Nova Scotia Bill 43 made was to strike out this clause from the former Direct Sellers' Regulation:

Act does not apply

6 (1) *This Act does not apply to a direct sales contract*

(a) the subject of which is goods or services, the sale of which is regulated by a federal or provincial statute;

I find it interesting that a province can simply over-ride a federal statute by Regulation, especially without consultation.

I too would like to find out how significant a development other EOC members feel this Nova Scotia initiative is.

I recommend that

- I consult with Erica Hiemstra to find out exactly what CLHIA has done and plans to do on this issue (I wasn't aware of this prior to now; and Erica didn't raise it in our liaison discussion last week); and
- if we decide to take independent CAFII action on it, we should do so directly with Doug Murphy, Nova Scotia's Superintendent of Insurance, and not add it to the agenda for the Joint Meeting with the Atlantic Canada Regulators on October 1. Better not to have the matter discussed in an open forum and potentially give the three other regulators "ideas."

We'll need to decide how/when to engage with Doug Murphy. If it's to be post-haste, I suggest we arrange a teleconference meeting with him. If we need to meet with him in-person, we can decide if that needs to be quite soon such that it warrants a special visit to Halifax; or if we can kill two birds with one stone by having a dinner meeting with him in Fredericton on Tuesday, September 30, the evening before our meeting with the Atlantic Canada regulators.

Moira knows Doug Murphy quite well, so I'm sure can provide sage advice on the best way for CAFII to engage with him on this.

Brendan Wycks, BA, MBA, CAE
Executive Director
Canadian Association of Financial Institutions in Insurance

From: Beckford, Rose [<mailto:rose.beckford@scotiabank.com>]

Sent: Tuesday, July 29, 2014 9:22 AM

To: Brendan Wycks

Cc: Grant, Greg; 'Gill Moira'; 'Lewsen, John'; derek.blake@rbc.com; Manson, Sue

Subject: Nova Scotia Bill 43 - Amendments to Direct Sellers' Regulation

Brendan,

The amended Direct Sellers' Regulation Act received Royal Assent on May 14, 2014.

The previous Act exempted direct sales contracts related to the sales of goods and services that are regulated under a federal or provincial statute, thus exempting insurance products. However, the Amendment that came into effect on July 1, 2014 removes this exemption and also expanded the definition of 'direct selling' to include telemarketing.

I think this Amendment may be of sufficient interest to CAFII for us to:

1. Contact Nova Scotia regarding their intent and our concerns; and
2. Add it to the Agenda for the Atlantic Regulators visit later this year.

I am aware that the CLHIA is working on this issue with Nova Scotia, but CAFII's voice would give more weight to the argument for maintaining the status quo. The link to the Amendment is below.

We have an opportunity to request that the Regulations that are being developed, exempt insurance products as per Clause 3(d) below.

I would welcome the feedback from the other EOC members.

Clause 3

(a) clarifies that the Direct Sellers' Regulation Act does not apply to certain kinds of sales contracts generally (rather than not applying to certain kinds of direct sales);

(b) removes exemptions from the Act that pertain to sales regulated by other statutes and merchants (as previously defined by the Act);

(c) clarifies that the purchase of goods or services to be used in businesses are exempt from the application of the Act; and

(d) provides that the Act does not apply to any class of direct sales contracts that is prescribed by the regulations.

http://nslegislature.ca/legc/bills/62nd_1st/1st_read/b043.htm

http://nslegislature.ca/index.php/proceedings/bills/bill_43_-Direct_Sellers_Regulation_Act_amended

Rose Beckford | Director, Compliance

ScotiaLife Financial | Insurance Canada

Agenda Item 6(b) (ii)
September 23, 2014 EOC Meeting

INSURANCE COUNCILS OF SASKATCHEWAN
Restricted Insurance Agents Advisory Committee
Terms of Reference

Mandate

As an advisory body to the Executive Director, the committee serves as a voice for Restricted Insurance Agents (RIAs) in relation to the Insurance Councils, by

- making recommendations to the Executive Director, Superintendent, and Councils on matters related to the regulation of RIAs;
- providing expert advice on issues related to potential regulatory or operational changes that could directly or indirectly affect RIAs; and
- liaising with the Councils on issues/matters specific to RIAs.

While the committee shall serve as a source of ready expertise and advice on matters related to RIAs as a licence holder class, its existence shall in no way preclude the right of industry Associations and individual companies to make representations to the Executive Director, Superintendent, and Councils on such matters.

Scope

The committee will be called upon to provide advice and make proactive recommendations on RIA-relevant issues, including

- RIA channel-specific distribution practices;
- characteristics and needs of consumers for which RIA-distributed products are designed;
- protocols for handling and resolving RIA-specific complaints;
- protocol for RIA representation in disciplinary matters involving RIAs;
- how Council decisions and initiatives may impact RIAs;
- efficiency and effectiveness of the Saskatchewan RIA regime, including harmonization with other provinces.

Membership

The committee will be composed of six (6) to eight (8) members, with the Executive Director retaining the option of calling upon additional RIA resources as necessary to obtain deeper expertise on specific issues.

The following considerations shall govern the selection and appointment of committee members:

- membership on the committee shall be allocated to achieve proportionate representation of the different RIA sectors -- based on the number of employees working in the "life," "general" and "other RIA" sectors;
- a majority of committee appointees shall be direct representatives of RIA licence holders. A minority of committee appointees (*eg. two (2) appointees where there are eight (8) members of the committee*) shall be representatives of sponsors of RIA licence holders;

- industry Associations – in particular, the Canadian Association of Financial Institutions in Insurance (CAFI) and the Canadian Life and Health Insurance Association (CLHIA) --shall be called upon to propose members based on the proportionate allocation decided upon;
- membership shall be specific to the Association appointing the member; consequently, a departing member would not automatically be replaced by a representative from the same RIA, but could be if a new appointee from the same RIA would be able to bring the type of expertise required by the committee at that time;
- committee members are not required to be resident in Saskatchewan and are not required to be the designated individual of a corporate RIA pursuant to Section 15.11(3) of the Saskatchewan Insurance Regulations; and
- committee members shall serve a three-year term, once renewable. In establishing the initial composition of the committee, the Executive Director may stagger members' terms of office in order to ensure appropriate continuity of expertise.

Chair

The committee is chaired by the Executive Director of the Insurance Councils of Saskatchewan.

Meetings

The committee will meet as required, at the call of the Executive Director, but not less than twice per year.

Where two or more members feel that a meeting should be held to deal with an important issue(s), they may request, in writing to the Executive Director, that a meeting of the committee be scheduled on an urgent basis; the Executive Director's co-operation with such a request may not be unreasonably withheld.

The Executive Director shall prepare a meeting agenda (and may request agenda items from members).

The committee may meet in-person or by teleconference or other electronic means.

Conduct of the committee's meetings and related procedures shall be as consistent as possible with those followed by the Insurance Councils.

Quorum

Quorum for meetings will be attendance by a simple majority of Advisory Committee members.

Decision-making

Decisions and recommendations of the committee shall be determined by majority vote.

Committee Records

The Executive Director shall maintain minutes of the committee's meetings, focused on decisions/recommendations and action items.

The Executive Director will report at least annually to the Superintendent and the Insurance Councils on the activity, deliberations and decisions/recommendations of the committee.

Duration

The duration of the committee's mandate is indefinite. However, after an initial implementation period and assessment of the committee's role and effectiveness, it may be decided that the committee should evolve into a separate RIA Council, with independent decision-making authority.

Amending the Terms of Reference

This Terms of Reference may be revised by the Executive Director, in consultation with and upon the recommendation of the Advisory Committee.

CAFII External Communications Strategy Review Presentation to Board

DRAFT

Moira Gill and John Lewsen
October 7, 2014 | Toronto, ON

Table of Contents

1. Why a Communications Strategy
2. Four challenges in launching a Communications Strategy
3. External Communications Strategy last revised, October 2013
4. Communications Objectives
5. Key Audiences
6. Key accomplishments
7. Build on a strong foundation

Why a Communications Strategy

Regulators and Policy-Makers

- *Majority of CAFII's positions and recommendations are reflected in policy recommendations and amendments by regulators.*
- *Frequency of regulator initiated meetings and communications increases because CAFII is recognized as a credible and well-informed resource on creditor insurance matters.*

Media

- *Increased instances of creditor insurance stories and articles in the media that are more balanced and positive (ie. CAFII key messages and stock answers cited more frequently).*
- *Enquiries from media sources increases as CAFII becomes a recognized voice on creditor insurance issues.*

Public and Consumer Interest Groups

- *Increase in consumer friendly information and resources on www.cafii.com*
- *Increased instances of creditor insurance stories and articles that are balanced and positive in consumer publications and websites.*

Four Challenges in launching a Communications Strategy

- Reaching a consensus on whether to engage
 - Different visions, experience and risk appetites
 - Climate during lead up to last bank review
- Pro-active or reactive
 - Creating an issue that doesn't exist by engaging
 - Allowing opponents to define the issues
- Resources and Expertise
 - In house
 - Media relations firm on retainer
 - Spokesperson on retainer
 - ED accountability
- Approval process
 - Board Communications Committee (now defunct)
 - Media and Communications Committee

External Communications Strategy

last revised, December 2013

- Support strategic Objectives
- Demonstrate value proposition
- Gain control of the Communications Agenda

Communications Objectives

- Build on successful regulator communications approach
- Educational focus
- Develop a profile
- Ready to respond

Key Audiences

From

To

Regulators and
Policy Makers

Strong base



Continue to build

Media

Minimal reactive crisis
management



Prepared and
selectively proactive

Public and
Consumer
Interest Groups

Not in scope



Crafting consumer
focused message
and being a credible
go to resource

Key Accomplishments

- Established EOC Media & Communications Committee December 2011
- New website launched in May 2012
- Commissioned various independent studies to support messaging (Pollara, Avalon and LIMRA)
- Enhanced website content - ongoing
- CAFII Rebranding launched with 15th anniversary
- Approval of External communications strategy: December 2013
- ED completed CAFII focussed media training March 2014

Building on a strong foundation

- Discussion
 - How far
 - How fast
- Model for Board engagement and decision making
 - Board Communications Committee membership
- Next steps