

CAFII Executive Operations Committee Meeting Agenda

Date: Tuesday, November 19, 2024
Chair: K. Kasperski
Location: 250 Yonge Street; 12th Floor, Ferdinand
Magellan Meeting Room and [Virtual Teams Meeting](#)

Time: 2:00 – 4:00 p.m. EST
Dial-In: 647-497-5535
Phone Conference ID: 219 998 73#

1. Call to Order, Welcome, and Priority Matters	2:04 p.m.	Presenter	Action	Document
a. Call to Order	2:04 p.m.	K. Kasperski	Call to Order	
b. Land Acknowledgement	2:05 p.m.	R. Saburi	Reflection	✓
c. Welcome to New EOC Members: Gael Jasaron (BNC) Stephanie Kotani (Scotia Insurance)	2:06 p.m.	K. Kasperski/G. Jasaron/ S. Kotani	Introduction	✓ (2)
2. Consent Items	2:09 p.m.	Presenter	Action	Document
a. Consultations/Submissions Timetable				☞
b. October & November Regulatory Update				☞(2)
c. Regulator and Policy-Maker Visit and Communication Recap				☞
d. Summary of Board and EOC Action Items				☞
e. Schedule of CAFII 2024 Meetings and Events				☞
f. EOC Approved Schedule of CAFII 2025 Meetings and Events				☞
3. Financial Management	2:10 p.m.	Presenter	Action	Document
a. CAFII Financial Statements as at October 31/24	2:10 p.m.	D. Hinnecke	Update	✓
b. CAFII Forecast as at October 31/24	2:13 p.m.	D. Hinnecke	Update	✓
c. CAFII Draft Operating Budget for 2025	2:16 p.m.	K. Martin/D. Hinnecke	Endorsement for Board Approval	✓
d. CAFII Updated Critical Path for 2025 Operating Budget	2:26 p.m.	K. Martin	Update	✓
4. Committees and Working Groups	2:27 p.m.	Presenter	Action	Document
a. Market Conduct & Licensing Committee	2:27 p.m.	B. Kuiper	Introduction	
i. Federal Department of Finance Proposed Amendment to the Criminal Code to Include Insurance Costs in the Calculation of Interest	2:28 p.m.	K. Martin	Update/ Discussion	
b. Quebec Committee	2:35 p.m.	J. Russell	Introduction	
i. Feedback on October 30, 2024 Quebec Committee Review of the Deck Presented by Mario Beaudoin on October 8, 2024	2:36 p.m.	J. Russell	Update/ Discussion	✓
c. Research, Media, Education & Communication Committee	2:41 p.m.	A. Stuska	Introduction	✓ (2)
i. Article for the National Post	2:42 p.m.	W. Bairos	Update	✓
ii. Execution of Media Plan Including Posting Blogs	2:45 p.m.	W. Bairos	Update	✓
iii. Front and Backend Website Investments, Including Videos on LIMRA Research	2:50 p.m.	K. Martin	Update	✓
iv. Deloitte Research on Technology Trends and Artificial Intelligence	2:53 p.m.	A. Stuska	Update	✓ (2)
d. Diversity, Equity, and Inclusion Working Group	2:56 p.m.	T. Harri-Morar	Introduction	✓
i. Summary Results of the DEI Survey with CAFII Members	2:57 p.m.	R. Jennings	Summary	✓
ii. Proposed Recommendation to the Board to Wind-Down the DEI Working Group Now that it Has Achieve its Objectives	3:03 p.m.	T. Harri-Morar	Endorsement for Board Approval	✓

e. Networking & Events Committee	3:12 p.m.	C. Manno	Introduction	
i. Speaker and Webinar Ideas for 2024	3:13 p.m.	K. Martin	Update	✓

5. Strategic and Regulatory Initiatives	3:18 p.m.	Presenter	Action	Document
a. Expansion of the RSM Canada Quarterly Benchmarking Study to Include HELOCs	3:18 p.m.	K. Martin	Update	
b. DISCUSS: When should CAFII seek to meet the new FCAC Commissioner, and the Department of Finance, in Ottawa?	3:22 p.m.	K. Martin	Discussion	☞(2)

6. Governance	3:26 p.m.	Presenter	Action	Document
a. Hiring Senior Manager, Operations	3:26 p.m.	K. Martin	Update	✓
b. Feedback from Robyn Jennings 1-on-1 EOC Meetings	3:29 p.m.	R. Jennings	Update	
c. Draft Minutes of October 29/24 EOC Meeting	3:31 p.m.	R. Jennings	Approval	✓

7. Read Only Items	3:31 p.m.	Presenter	Action	Document
a. Mario Beaudoin Quarterly Meeting				✓
b. AMF – Regulation Respecting the Management and Reporting of Information Security Incidents, Published October 23, 2024, Taking Effect April 23, 2025				✓
c. FSRA Presentation Deck to the Sectoral Advisory Committee (SAC) on Life and Health Insurance Meeting on November 6, 2024				✓

8. In-Camera Session	3:31 p.m.	Presenter	Action	Document

Next EOC Meeting: Tuesday, January 21/25, 2:00 to 4:00 p.m. EST (Virtual-only meeting)

Next Board Meeting: Tuesday, December 3/24, 3:00 to 5:00 p.m. EST (Hybrid), Hosted by Chubb Insurance Company of Canada, 199 Bay St. (Commerce Court West), Muskoka Meeting Room, 25th Floor, Toronto

Briefing Note

CAFII EOC Meeting November 19, 2024—Agenda Item 1(a)
Call to Order, Welcome, and Priority Matters—Call to Order

Purpose of this Agenda Item—Start of Meeting

Start of meeting.

Background Information

The meeting will be called to order by EOC Chair Karyn Kasperski.

Recommendation / Direction Sought—Start of Meeting

No action required.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting November 19, 2024—Agenda Item 1(b)
Call to Order, Welcome, and Priority Matters—Land Acknowledgement

Purpose of this Agenda Item – *Reflection*

To acknowledge the indigenous land upon which the meeting is being held.

Background Information

EOC member Rebecca Saburi will give a land acknowledgment.

Recommendation / Direction Sought – *Reflection*

No action required.

Attachments Included with this Agenda Item

One (1) attachment.

Land Acknowledgement
BMO

As we gather here today, I acknowledge that the land we are meeting on has, for many millennia, been the traditional territory of Indigenous nations including the Huron-Wendat, the Haudenosaunee, the Anishnabeg and the Mississaugas of the Credit.

We honour and recognize the First Peoples of this territory, and the ongoing contributions of First Nations, Inuit and Métis (may-tee) Peoples to the vibrancy of our community today. We are grateful for the opportunity to live and work together on these lands.

Briefing Note

CAFII EOC Meeting November 19, 2024—Agenda Item 1(c)

Call to Order, Welcome, and Priority Matters—Welcome to New EOC Members: Gaël Jasaron (BNC) and Stephanie Kotani (Scotia Insurance)

Purpose of this Agenda Item—Introduction

Welcome and introduce CAFII’s new EOC member, Gaël Jasaron (BNC), and Stephanie Kotani (Scotia Insurance)

Background Information

EOC Chair Karyn Kasperski will welcome and introduce Gaël Jasaron (BNC), and Stephanie Kotani (Scotia Insurance), who will then be provided the opportunity to briefly introduce themselves.

Recommendation / Direction Sought—Introduction

No action required.

Attachments Included with this Agenda Item

Two (2) attachments.

New EOC Member - Gael Jasaron (BNC)



- Gaël joined National Bank Insurance Compliance and Risk Management team in September 2024 as a Senior Compliance Advisor.
- Prior to joining the Bank, Gaël was most recently a Senior Market Conduct Consultant for Empire Life.
- Over the course of his 14-year experience in the financial industry, Gaël served increasing responsibilities in compliance and audit functions for Assante Wealth management, CI Investments and the Financial Services Commission of Ontario (FSCO).
- Gaël holds a Bachelor's Degree in International Business from the CY Cergy Paris University in France along with the Associate Insurance Regulatory Compliance (AIRC) certification from LOMA

New EOC Member – Stephanie Kotani (Soctia Insurance)



- Stephanie Kotani is a long-tenured Scotiabank leader with experience in Retail Banking, Business Banking, Wealth Management, Human Resources and Insurance. In her current role with Insurance Canada, Stephanie leads business and people strategic initiatives as well as internal and external communications. Stephanie is deeply involved in Diversity, Equity and Inclusion committees both within Scotiabank and in the community. In her spare time, Stephanie is the Board Chair of a not-for-profit organization and coaches Special Olympic athletes in Rhythmic Gymnastics and Track & Field.

Briefing Note

CAFII EOC Meeting November 19, 2024—Agenda Item 2(a-f) Consent Items

Purpose of this Agenda Item—Information Only

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

Background Information

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

- a. Consultations/Submissions Timetable
- b. October and November Regulatory Updates
- c. Regulator and Policy-Maker Visit and Communication Recap
- d. Summary of Board and EOC Action Items
- e. Schedule of CAFII 2024 Meetings and Events
- f. EOC Approved Schedule of CAFII 2025 Meetings and Events

Recommendation / Direction Sought—Information Only

No action required.

Attachments Included with this Agenda Item

No attachments.

For convenience, all items have been linked below:

- [Consultations/Submissions Timetable](#)
- [October Regulatory Update](#)
- [November Regulatory Update](#)
- [Regulator and Policy-Maker Visit and Communication Recap](#)
- [Summary of Board and EOC Action Items](#)
- [Schedule of CAFII 2024 Meetings and Events](#)
- [EOC Approved Schedule of CAFII 2025 Meetings and Events](#)

Briefing Note

CAFII EOC Meeting November 19, 2024—Agenda Item 3(a)
Financial Management – CAFII Financial Statements as at October 31, 2024

Purpose of this Agenda Item – *Update*

To update the EOC on CAFII's financial statements as at October 31, 2024.

Background Information

CAFII Treasurer Donald Hinnecke will provide an update on CAFII's financial statement as at October 31/24.

Recommendation / Direction Sought – *Update*

This is an update item.

Attachments Included with this Agenda Item

One (1) attachment.

CAFII

20 Richmond Street East, Suite 600-25
Toronto, ON M5C 2R9

Statement of Operations As at Oct 31st, 2024

	Current Month	Budget Oct-24	Variance to Monthly Budget	Current YTD	Budget '24 YTD	Variance Budget to YTD	Budget 2024
Revenue							
<i>Member and Associate Dues</i>	\$78,706	\$76,362	\$2,344	\$787,063	\$763,618	\$23,445	\$916,342
<i>Interest Revenue</i>							
Interest Revenue - Saving Account	\$1,251	\$1,250	\$1	\$9,900	\$12,500	(\$2,600)	\$15,000
45030 Interest-Savings, Short-term CD	\$970	\$0	\$970	\$16,658	\$0	\$16,658	\$0
Total Interest Revenue	\$2,222	\$1,250	\$972	\$26,558	\$12,500	\$14,058	\$15,000
<i>Miscellaneous (One time event fees)</i>	\$0	\$0	\$0	\$270	\$0	\$270	\$0
TOTAL REVENUE	\$80,928	\$77,612	\$3,316	\$813,891	\$776,118	\$37,773	\$931,342
Expenses							
<i>Association operating</i>							
CAFII Staff Salaries and Benefits	\$27,523	\$36,875	\$9,352	\$369,260	\$383,019	\$13,760	\$456,767
Managing Matters Contractual Fees	\$11,388	\$10,637	(\$751)	\$107,655	\$106,373	(\$1,282)	\$127,648
Legal Counsel and Consultant Support Associated w	\$0	\$3,000	\$3,000	\$692	\$27,000	\$26,308	\$30,000
Audit Fees	\$1,417	\$1,417	(\$0)	\$11,964	\$14,167	\$2,203	\$17,000
Insurance	\$733	\$708	(\$25)	\$7,273	\$7,080	(\$193)	\$8,500
Website SEO and Enhancements	\$28,023	\$12,769	(\$15,254)	\$28,907	\$83,507	\$54,600	\$96,276
Member Communication and Technology Tools	\$1,332	\$958	(\$374)	\$13,660	\$9,583	(\$4,076)	\$11,500
Telephone/Fax/Internet	\$396	\$500	\$105	\$5,745	\$5,000	(\$745)	\$6,000
Postage/Courier	\$0	\$17	\$17	\$55	\$166	\$111	\$200
Office Expenses	\$55	\$300	\$245	\$2,171	\$3,000	\$829	\$3,600
Bank Charges	\$25	\$56	\$31	\$944	\$568	(\$376)	\$680
Depreciation Computer/Office Equipment	\$215	\$268	\$53	\$2,147	\$2,681	\$534	\$3,217
Managing Matters Webinar Fees	\$1,921	\$1,921	\$0	\$11,526	\$9,605	(\$1,921)	\$11,526
New Hire for 6 months	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Office Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Professional Development/Continuing Education	\$0	\$0	\$0	\$0	\$5,650	\$5,650	\$5,650
Miscellaneous Expense	\$0	\$0	\$0	\$0	\$1,000	\$1,000	\$1,000
Total Association operating Expenses	\$73,028	\$69,426	(\$3,602)	\$561,997	\$658,399	\$96,402	\$781,164
<i>Research and education committee</i>							
Research/Studies	\$0	\$0	\$0	\$16,802	\$16,950	\$148	\$68,814
CAFI Benchmarking Study/RSM Canada	\$0	\$16,950	\$16,950	\$33,900	\$50,850	\$16,950	\$67,800
Total Research and education committee Expenses	\$0	\$16,950	\$16,950	\$50,702	\$67,800	\$17,098	\$136,614
<i>Market conduct committee</i>							
Provincial Regulatory Visits and Relationship-Building	\$0	\$0	\$0	\$5,531	\$4,400	(\$1,131)	\$6,600
Federal Regulatory Visits and Relationship-Building	\$0	\$0	\$0	\$0	\$2,000	\$2,000	\$2,000
Total Market conduct committee	\$0	\$0	\$0	\$5,531	\$6,400	\$869	\$8,600
<i>Networking and events committee</i>							
Annual Members and Associates Luncheon	\$0	\$0	\$0	\$20,707	\$14,000	(\$6,707)	\$14,000
Board Hosting (External)	\$0	\$0	\$0	\$0	\$0	\$0	\$7,500
Board/EOC Meeting Expenses	\$182	\$1,778	\$1,596	\$3,740	\$12,444	\$8,704	\$16,000
Industry Conferences and Events	\$170	\$0	(\$170)	\$11,175	\$11,000	(\$175)	\$11,000
EOC Annual Appreciation Dinner	\$65	\$0	(\$65)	\$4,731	\$6,500	\$1,769	\$6,500
Speaker fees & travel	\$0	\$0	\$0	\$0	\$0	\$0	\$1,600
Gifts	\$0	\$0	\$0	\$1,987	\$800	(\$1,187)	\$1,200
CAFII Staff/Board Relationship-Building	\$0	\$330	\$330	\$1,425	\$1,650	\$225	\$2,000
Networking Events	\$0	\$500	\$500	\$826	\$2,000	\$1,174	\$2,000
CAFI 25th Anniversary Celebration	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Networking and events committee	\$417	\$2,608	\$2,191	\$44,591	\$48,394	\$3,804	\$60,200
<i>Media and advocacy strategy committee</i>							
Media Outreach	\$497	\$0	(\$497)	\$6,916	\$2,100	(\$4,816)	\$3,000
Media Consultant Retainer	\$2,543	\$3,000	\$458	\$25,425	\$30,000	\$4,575	\$36,000
Marketing Collateral	\$0	\$1,350	\$1,350	\$130	\$1,350	\$1,220	\$2,700
Total Media and advocacy strategy committee	\$3,039	\$4,350	\$1,311	\$32,471	\$33,450	\$979	\$41,700
TOTAL EXPENSE	\$76,484	\$93,334	\$16,850	\$695,291	\$814,444	\$119,152	\$1,028,278
NET INCOME	\$4,444	(\$15,722)	20,166	\$118,600	(\$38,325)	\$ 156,925	(\$96,936)
proof	-	0	-	0	0	-	0

Explanatory Notes:

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

CAFII

20 Richmond Street East, Suite 600-25
Toronto, ON M5C 2R9

Balance Sheet As at Oct 31st, 2024

	CAFII Operations		
	31-Oct 2024	30-Sep 2024	31-Dec 2023
ASSETS			
Current Assets			
Bank Balance	\$193,863	\$520,764	\$35,071
Savings Account	\$423,206	\$496,955	\$208,306
TD Investment in GIC- 1104 8045480 01	\$300,000	\$404,603	\$404,603
PLCLCAD Plooto Clearing	\$0	\$0	\$0
TD Canada Trust ****054	\$0	\$0	\$0
Undeposited Funds	\$0	\$0	\$0
Accounts Receivable	\$0	\$0	\$1,594
Interest Receivable	\$401	\$3,864	\$709
Prepaid Expenses	\$6,910	\$7,134	\$5,780
Computer/Office Equipment	\$10,303	\$10,303	\$9,866
Accumulated Depreciation -Comp/Equip	(\$4,370)	(\$4,155)	(\$2,223)
Total Current Assets	\$930,313	\$1,439,467	\$663,706
TOTAL ASSETS	\$930,313	\$1,439,467	\$663,706
LIABILITIES			
Current Liabilities			
Accrued Liabilities	\$16,427	\$17,553	\$18,622
Credit Card	\$1,072	\$792	\$441
Account Payable	\$35,684	\$18,190	\$43,527
Deferred Revenue	\$157,413	\$236,119	\$0
Suspense	\$0	\$451,540	\$0
Total Current liabilities	\$210,596	\$724,194	\$62,590
TOTAL LIABILITIES	\$210,596	\$724,194	\$62,590
UNRESTRICTED NET ASSETS			
Unrestricted Net Assets, beginning of year	\$601,117	\$601,117	\$669,275
Excess of revenue over expenses	\$118,600	\$114,156	(\$68,158)
Total Unrestricted Net Assets	\$719,717	\$715,273	\$601,117
Total Unrestricted Net Assets	\$719,717	\$715,273	\$601,117
TOTAL LIABILITIES AND UNRESTRICTED NET ASSETS	\$930,313	\$1,439,467	\$663,706
	0	0	-
Financial Reserves Targets as per 2024 Budget:			
Minimum 3 months (25%) of Annual Operating Expenses=		\$ 257,070	36,152.46
Maximum 6 months (50%) of Annual Operating Expenses=		\$ 514,139	72,304.92
Current Level of Financial Reserves (total unrestricted net assets):		\$719,717	
Current Level of Financials Reserve (%) :		70%	0.09

CAFII
20 Richmond Street East, Suite 600-25
Toronto, ON M5C 2R9
Membership Fees

		<u>Jan-24</u>				
		<u>Billed</u>	<u>Received</u>	<u>Invoice sent</u>	<u>Method of Payment</u>	<u>Received Date</u>
TD Insurance	2024 Upper Tier Member	\$ 77,110	\$ 77,110	24-Jan-24	Cheque	02-Feb-24
BMO Bank of Montreal	2024 Upper Tier Member	\$ 77,110	\$ 77,110	24-Jan-24	Direct Payment - EFT	15-Feb-24
CIBC Insurance	2024 Upper Tier Member	\$ 77,110	\$ 77,110	24-Jan-24	Direct Payment - EFT	01-Feb-24
RBC Insurance	2024 Upper Tier Member	\$ 77,110	\$ 77,110	24-Jan-24	Direct Payment - EFT	02-Feb-24
Scotia Insurance	2024 Upper Tier Member	\$ 77,110	\$ 77,110	24-Jan-24	Direct Payment - EFT	29-Jan-24
Desjardins Financial Security Life Assura	2024 Upper Tier Member	\$ 77,110	\$ 77,110	24-Jan-24	Cheque	22-Apr-24
National Bank Insurance	2024 Upper Tier Member	\$ 77,110	\$ 77,110	24-Jan-24	Direct Payment - EFT	31-Jan-23
Manulife Financial	2024 Upper Tier Member	\$ 77,110	\$ 77,110	24-Jan-24	Direct Payment - EFT	01-Feb-24
The Canada Life Assurance Company	2024 Upper Tier Member	\$ 77,110	\$ 77,110	24-Jan-24	Direct Payment - EFT	28-Feb-24
Securian Canada	2024 Lower Tier Member	\$ 38,555	\$ 38,555	24-Jan-24	Cheque	Deposited - Mar 12
Assurant	2024 Lower Tier Member	\$ 38,555	\$ 38,555	24-Jan-24	Direct Payment - EFT	25-Jan-24
CUMIS Group Ltd	2024 Lower Tier Member	\$ 38,555	\$ 38,555	24-Jan-24	Cheque	02-Feb-24
Canadian Tire Bank	2024 Lower Tier Member	\$ 38,555	\$ 38,555	24-Jan-24	Direct Payment - EFT	09-Feb-24
Chubb Life Insurance Company of Canada	2024 Initiation Members (Lower Tier)	\$ 23,133	\$ 23,133	24-Jan-24	Cheque	Deposited - Mar 12
RSM Canada	Associate	\$ 5,000	\$ 5,000	24-Jan-24	Cheque	09-Feb-24
Willis Towers Watson	Associate	\$ 5,000	\$ 5,000	24-Jan-24	Direct Payment - EFT	26-Feb-24
KPMG LLP	Associate	\$ 5,000	\$ 5,000	24-Jan-24	Cheque	22-Apr-24
Optima Communications	Associate	\$ 5,000	\$ 5,000	24-Jan-24	Direct Payment - EFT	26-Feb-24
RGA Life Reinsurance Company of Canada	Associate	\$ 5,000	\$ 5,000	24-Jan-24	Direct Payment - EFT	06-Mar-24
Torys LLP	Associate	\$ 5,000	\$ 5,000	24-Jan-24	Direct Payment - EFT	23-Feb-24
Stikeman Elliott	Associate	\$ 5,000	\$ 5,000	24-Jan-24	Cheque	02-Feb-24
Norton Rose Fulbright Canada	Associate	\$ -		24-Jan-24	Norton has given indication that they aren't renewing their membership for this year- We reversed this invoice	
Royal & Sun Alliance Insurance Company	Associate	\$ 5,000	\$ 5,000	24-Jan-24	Cheque	05-Apr-24
Total of Renewing Members		\$911,343	\$911,343			
New Members						
PWC	Associate	\$ 5,000	\$ 5,000	29-Feb-24	Cheque	26-Mar-24
Fasken	Associate	\$ 5,000	\$ 5,000	03-Apr-24	Direct Payment - EFT	09-Apr-24
Canadian Western Bank	2024 Initiation Members (Lower Tier)	\$ 23,133	\$ 23,133	26-Mar-24	Direct Payment - EFT	30-Apr-24
Total Membership Fees		\$944,476	\$944,476			
Total amount to realocate monthly Jan-Dec. 2024		\$78,706.33				

Briefing Note

CAFII EOC Meeting November 19, 2024—Agenda Item 3(b)
Financial Management – CAFII Forecast as at October 31, 2024

Purpose of this Agenda Item – *Update*

To update the EOC on CAFII's forecast as at October 31, 2024.

Background Information

CAFII Treasurer Donald Hinnecke will provide an update on CAFII's forecast as at October 31/24. This forecast has been updated to reflect most recent spending or expected spending and should be close to the end of year actuals.

Recommendation / Direction Sought – *Update*

This is an update item.

Attachments Included with this Agenda Item

One (1) attachment.

2024 CAFII Budget
In \$ Cdn

	2021 Actuals	2022 Actuals	2023 Actuals	CAFII 2024 Budget	2024 YTD Oct 2024	2024 Forecast	Comment/Rationale
Revenue							
Member and Associate Dues	955,970	991,653	953,098	916,342	787,063	944,476	Add PWC \$5,000
Interest Revenue							
Interest Revenue - Saving Account	236	2,579	11,062	15,000	9,900	11,900	Updated - Monthly transfer to Cheuqina of 100k
Interest Revenue - Investment Account			12,216		16,658	18,539	Re-invest GIC \$300000 for 100days from Oct 18 @3.75%
Total Interest Revenue	236	2,579	23,278	15,000	26,558	30,438	
Miscellaneous (One time event fees)	-	12,511	380	-	270	270	
TOTAL REVENUE	956,206	1,006,743	976,756	931,342	\$813,891	975,184	
EXPENSE							
Association operating							
CAFII Staff Salaries and Benefits				456,767	369,260	424,305	Adjusted for Shanav's exit and Keith's revised pay+ new hire w.e.f. Oct 1
Managing Matters Contractual Fees	486,711	507,904	636,709	127,648	107,655	129,928	updated
New Hire for 6 months					16,950	16,950	Recruitment expenses for new hire
Legal Counsel and Consultant Support Associated with					692	692	Updated as per Keith's email Oct1
Regulatory Submissions and Related Communications/Advocacy	74,221	-	18,479	30,000			
Initiatives							
Audit Fees	13,224	15,187	15,902	17,000	11,964	14,798	updated
Insurance	5,877	6,275	7,681	8,500	7,273	8,738	Actual cost
Website SEO and Enhancements	50,737	45,200	45,200	96,276	28,907	68,683	Updated as per Keith's email Oct1
Member Communication and Technology Tools	6,958	7,990	11,993	11,500	13,660	15,286	updated and est Oct-Dec cost
Telephone/Fax/Internet	6,799	5,935	6,707	6,000	5,745	6,572	updated
Postage/Courier	-	60	73	200	55	55	updated
Office Expenses	2,694	7,898	2,943	3,600	2,171	2,282	updated
Bank Charges	663	548	582	680	944	994	updated
Depreciation Computer/Office Equipment	1,136	716	1,507	3,217	2,147	2,576	updated
Managing Matters Webinar Fees		7,684	13,447	11,526	11,526	11,526	Same as budaet
Speaker fees & travel	-	-	738	1,600	-	-	Same as budaet
New Office Equipment		-	-	-	-	-	Same as budaet
Professional Development/Continuing Education		-	-	5,650	-	-	Updated as per Keith's email Oct1
Miscellaneous Expense	-	283	-	1,000	-	-	Updated as per Keith's email Oct1
Total Association operating Expenses	649,019	605,680	761,961	781,164	561,997	703,384	
Research and education committee							
Research/Studies	75,473	73,026	67,677	68,814	16,802	61,802	\$7200 lower than the budget
CAFII Benchmarking Study/RSM Canada	67,800	67,800	84,750	67,800	33,900	81,360	updated
Total Research and education committee	143,273	140,826	152,427	136,614	50,702	143,162	
Market conduct committee							
Provincial Regulatory Visits and Relationship-Building	-	9,205	36,385	6,600	5,531	5,531	As per Keith
Federal Regulatory Visits and Relationship-Building	-	-	-	2,000	-	-	As per Keith
Total Market conduct committee	-	9,205	36,385	8,600	5,531	5,531	
Networking and events committee							
Annual Members and Associates Luncheon	-	13,147	13,666	14,000	20,707	20,707	Forecasted expenses are \$6000 over budget due to across-the-board significant increases in event costs, along with a higher than expected attendance at this event.
Board Hosting (External)	-	203	7,500	7,500	-	7,500	the Dec 3 Board meeting and reception at Chubb will result in a subsidy request from Chubb for \$7500
Board/EOC Meeting Expenses	1,822	11,361	14,599	16,000	3,740	16,182	there will be some expenses for travel and hotel for the Oct 8 meeting in Montreal
Industry Conferences and Events	-	615	5,153	11,000	11,175	11,175	Acutal expense
EOC Annual Appreciation Dinner	-	2,501	2,964	6,500	4,731	4,776	updated
Gifts	-	765	632	1,200	1,987	2,437	updated
CAFII Staff/Board Relationship-Building	-	-	-	2,000	1,425	2,000	updated
Networking Events	-	1,854	11,549	2,000	826	1,276	updated
CAFII 25th Anniversary Celebration	-	15,315	-	-	-	-	
Total Networking and events committee	1,822	45,761	56,062	60,200	44,591	66,053	
Media and advocacy strategy committee							
Media Outreach	9,542	2,779	3,939	3,000	6,916	6,916	updated to ytd
Media Consultant Retainer	29,792	37,331	32,678	36,000	25,425	30,510	updated
Marketing Collateral	717	1,787	1,462	2,700	130	130	Not to spend money on leave behinds The YTD should be the estimate for the forecast.
Total Media and advocacy strategy committee	40,050	41,897	38,079	41,700	32,471	37,556	
TOTAL EXPENSE	834,165	843,369	1,044,914	1,028,278	695,291	955,687	
Excess of Revenue over Expenses	122,041	163,374	(68,158)	(96,936)	118,600	19,498	
Unrestricted Net Assets (beginning of year)	230,223	230,223	669,275	603,791	603,791	603,791	
Unrestricted Net Assets (end of period)	352,264	393,597	601,117	506,855	722,391	623,289	

Explanatory Notes:

(2) Amortization of office equipment based on 4 year straight line depreciation

Actual/Forecasted Financial Reserves	2021 Actuals	2022 Actuals	2023 Actuals	CAFII 2024 Budget	2024 YTD Oct 2024	2024 Forecast
Minimum 3 months (25%) of Annual Operating Expenses =	208,541	210,842	261,228	257,069	173,823	238,922
Maximum 6 months (50%) of Annual Operating Expenses =	417,082	421,685	522,457	514,139	347,646	477,843
Actual/Forecasted Level of Financial Reserves:	352,264	393,597	601,117	506,855	722,391	623,289
Actual/Forecasted Level of Financial Reserves %:	0	47%	48%	49%	104%	65%

Briefing Note

CAFII EOC Meeting November 19, 2024—Agenda Item 3(c)
Financial Management – CAFII Draft Operating Budget for 2025

Purpose of this Agenda Item – *Endorsement for Board Approval*

To request endorsement from the EOC on CAFII’s draft Operating Budget for 2025.

Background Information

CAFII Executive Director Keith Martin and CAFII Treasurer Donald Hinnecke will present CAFII’s draft Operating Budget for 2025 to the EOC and request endorsement. If endorsed, the draft will be presented to the Board in December for approval.

Recommendation / Direction Sought – *Endorsement for Board Approval*

This is an endorsement item for Board approval.

Attachments Included with this Agenda Item

One (1) attachment.

2025 CAFII Budget
In \$ Cdn

	2024 Budget	2024 Forecast	2024 Forecast Comments	2025 Operating Budget Rounded Up	2025 Budget Comment/Rationale
Revenue					
Member and Associate Dues	\$916,342	\$944,476	In 2024 we added an unbudgeted \$23,133 for CWB as a new member. We added two new Associates (PWC and Fasken) and lost one (Norton Rose) for a net pick up of \$5000. In total, we added \$28,133 in revenue (\$916,342+\$28,133=\$944,475)	\$959,900	This includes CWB as a full-year member in 2024, although we are not sure when the acquisition by National Bank will occur.
Interest Revenue					
Interest Revenue - Saving Account	\$15,000	\$11,899			
Interest-Savings, Short-term CD		\$17,994			
Total Interest Revenue	\$15,000	\$29,894		\$15,000	Projecting lower interest rates leading to lower interest revenue
Miscellaneous (One time event fees)	\$0	\$270			
TOTAL REVENUE	\$931,342	\$974,640		\$974,900	
EXPENSE					
Association operating					
CAFII Staff Salaries and Benefits	\$456,767	\$424,305	Adjusted for Shanay's exit and Keith's revised pay+ new hire w.e.f. Oct 1	\$470,500	NON DISCRETIONARY (FOR BASE; INCREASE IN PAY IS DISCRETIONARY) While most calculations are based on forecast, this forecast line includes the loss of the Operations Manager. The budget is based on three staff for the full year. Therefore the 2024 budget is the correct starting point for the 2025 calculations.
Managing Matters Contractual Fees	\$127,648	\$129,928		\$147,000	Contract Non Discretionary
	\$30,000	\$692			
Legal Counsel and Consultant Support Associated with Regulatory Submissions and Related Communications/Advocacy Initiatives			Updated as per Keith's email Oct1	\$30,000	This warrants a discussion about whether we wish to put a placeholder here. We have not spent legal fees in the past two years. We are using the same amount we did in 2024 as a set aside.
Audit Fees	\$17,000	\$14,798	Based on actual spend.	\$15,600	Adding 5% inflation costs.
Insurance	\$8,500	\$8,767	Actual cost	\$9,200	Adding 5% inflation costs.
Website SEO and Enhancements	\$96,276	\$68,683	Updated as per Keith's email Oct1	\$46,700	The bulk of the \$40K for the rebuild of the backend is a one-time 2024 costs which explains the lower budget ask in 2025.
Member Communication and Technology Tools	\$11,500	\$15,037	Updated and est Oct-Dec cost	\$14,600	No change.
Telephone/Fax/Internet	\$6,000	\$6,532	Same as budget	\$6,900	No change.
Postage/Courier	\$200	\$55	Based on actual spend.	\$200	No change.
Office Expenses	\$3,600	\$2,282	Based on actual spend.	\$3,200	No change.
Bank Charges	\$680	\$994	Updated	\$1,300	No change.
Depreciation Computer/Office Equipment	\$3,217	\$2,576	Updated	\$2,600	No change.
Managing Matters Webinar Fees	\$11,526	\$13,447	Same as budget	\$12,700	CONTRACT NON DISCRETIONARY Adding 10% additional costs with base of \$1700 plus HST. That is new costs of \$2200 per webinar, with 6 webinars planned for 2025.
Speaker fees & travel	\$1,600	\$0	Same as budget	\$2,500	Plan on inviting Mary Carmichael as a speaker in 2025, she is based in BC and we would incur some travel and hotel costs.

[Links](#)

[See Detailed Calculations for Revenue Line 5](#)

[See Detailed Calculations for Expense Line 16](#)

[See Detailed Calculations for Expense Line 17](#)

[See Detailed Calculations for Expense Line 21](#)

[See Detailed Calculations for Expense Line 25](#)

New Hire for 6 months		\$16,950	Recruitment expenses for new hire	\$0	
New Office Equipment	\$0	\$0	Same as budget	\$0	
Professional Development/Continuing Education	\$5,650	\$0	Updated as per Keith's email Oct1	\$10,000	Updated to \$10K based on John Burns' feedback
Miscellaneous Expense		\$0			This new line item was to purchase a laptop to help
	\$1,000		Updated as per Keith's email Oct1		participants at Board/EOC meetings without video
					capabilities get onto the virtual meeting. I took my
					personal laptop to several meetings and I did not get
					any interest expressed, so I was not able to make a
					use case for the investment.
Total Association operating Expenses	\$781,164	\$705,046		\$773,000	
Research and education committee					
Research/Studies	\$68,814	\$61,614	\$7200 lower than the budget	\$68,900	I was able to negotiate a better rate with Deloitte but
CAFII Benchmarking Study/RSM Canada	\$67,800	\$81,360	Same as budget	\$68,000	do not anticipate doing that with Pollara.
Total Research and education committee	\$136,614	\$142,974		\$136,900	CONTRACTUAL NON DISCRETIONARY
Market conduct committee					
Provincial Regulatory Visits and Relationship-Building	\$6,600	\$6,600	Same as budget	\$28,000	Tried to build out costs based on 2023 expenses for
Federal Regulatory Visits and Relationship-Building	\$2,000	\$0	Same as budget	\$2,500	visits to the same regulatory authorities. Plan is for
Total Market conduct committee	\$8,600	\$6,600		\$30,500	visits to every province for 2 CAFII staff in 2025.
Networking and events committee					Plan to visit FCAC and Department of Finance in
Annual Members and Associates Luncheon	\$14,000	\$20,707	"Forecasted expenses are \$6000 over budget due	\$21,500	2025
Board Hosting (External)	\$7,500	\$7,500	to across-the-board significant increases in event		CONTRACTUAL NON DISCRETIONARY The quote
Board/EOC Meeting Expenses	\$16,000	\$16,000	costs, along with a higher than expected	\$16,000	from St. James' Cathedral for the 2025 event is
Industry Conferences and Events	\$11,000	\$11,005	attendance at this event."	\$15,200	higher than 2024 by \$800, so that will be added to
Networking Events	\$2,000	\$1,276	the Dec 3 Board meeting and reception at Chubb	\$2,000	the forecast expense.
Gifts	\$1,200	\$1,987	will result in a subsidy request from Chubb for		The Board has rescinded the policy that allows for
EOC Annual Appreciation Dinner	\$6,500	\$4,776	\$7500	\$6,500	reimbursements for up to \$7500 of costs incurred at
CAFII Staff/Board Relationship-Building	\$2,000	\$2,000	there will be some expenses for travel and hotel for		a reception.
CAFII 25th Anniversary Celebration	\$0	\$0	the Oct 8 meeting in Montreal		
Total Networking and events committee	\$60,200	\$65,251	Same as budget	\$65,200	
Media and advocacy strategy committee					

See Detailed Calculations for Expense Line 42

See Detailed Calculations for Expense Line 50

See Detailed Calculations for Expense Line 54

Media Outreach	\$3,000	\$6,420	Updated to ytd	\$6,500	Higher expense was partly due to main media press release on the LIMRA research. Recommend doing again in 2025. Translation costs are here too and are higher than in 2024 budget due to translation of all webinar meeting summaries.
Media Consultant Retainer	\$36,000	\$30,512	Same as budget	\$30,500	\$2542.50 is the monthly retainer charge, annual cost is \$30,500. Have negotiated an arrangement where more than the 10 hours a month is not charged, but taken from a bank of under 10 hours per month charged, leading to a lower cost than with the previous media consultant.
Marketing Collateral	\$2,700	\$130	Not to spend money on leave behinds The YTD should be the estimate for the forecast.	\$0	Physical leave-behinds are no longer necessary as people seek to avoid paper.
Total Media and advocacy strategy committee	\$41,700	\$37,062		\$37,000	
TOTAL EXPENSE	\$1,028,278	\$956,933		\$1,042,600	
Excess of Revenue over Expenses	-\$96,936	\$17,707		-\$67,700	
Unrestricted Net Assets (beginning of year)	\$603,791	\$603,791		\$621,498	
Unrestricted Net Assets (end of year)	\$506,855	\$621,498		\$553,798	

Explanatory Notes:

(2) Amortization of office equipment based on 4 year straight line de

Actual/Forecasted Financial Reserves	2024 Plan	2024 Forecast	2025 Projection
Minimum 3 months (25%) of Annual Operating Expenses =	\$257,069	\$239,233	
Maximum 6 months (50%) of Annual Operating Expenses =	\$514,139	\$478,467	
Actual/Forecasted Level of Financial Reserves:	\$506,855	\$621,498	\$553,798
Actual/Forecasted Level of Financial Reserves %:	49%	65%	53%

Briefing Note

CAFII EOC Meeting November 19, 2024—Agenda Item 3(d)

Financial Management – CAFII Updated Critical Path for 2025 Operating Budget

Purpose of this Agenda Item – *Update*

To update the EOC on CAFII’s critical path for the 2025 operating budget.

Background Information

CAFII Executive Director Keith Martin will update the EOC on CAFII’s critical path for the 2025 operating budget.

Recommendation / Direction Sought – *Update*

This is an update item.

Attachments Included with this Agenda Item

One (1) attachment.

Critical Path for Development and Approval of 2025 CAFII Operating Budget

Task	Responsible	Timing/Deadline
Meet with EOC Leadership (Karyn Kasperski, John Burns, Donald Hinnecke) to discuss overall philosophical approach to operating budget.	Keith Martin	August 19, 2024 (done)
Reach out to CAFII Committee Chairs and Vice-Chairs, on behalf of Executive Director, with request for input submissions on individual portfolio 2025 Operating Budget spending requests, along with related rationale, by September 19, 2024	Ricky Nason	September 13, 2024 (done)
Provide input submissions on individual portfolio 2024 Operating Budget spending requests, along with related rationale, to Controller R. Nason (with c.c. to D. Hinnecke, K. Martin, R. Jennings)	Committee Chairs and Vice-Chairs	September 20, 2024 (done)
Prepare Draft 1 of 2023 Operating Budget, for review by K. Kasperski, J. Burns, D. Hinnecke	K. Martin	October 17, 2024 (done)
Meet virtually to review and amend, as necessary, Draft 1 of 2024 Operating Budget	D. Hinnecke, K. Kasperski, J. Burns, K. Martin, R. Nason, R. Jennings	October 24, 2024 (done)
Prepare Draft 2 of 2024 Operating Budget, for K. Kasperski, J. Burns, D. Hinnecke, for sign off	K. Martin	November 4, 2024 (done)
Post Draft 2 of 2023 Operating Budget for Nov. 19/24 EOC Meeting and incorporate it into consolidated package of meeting materials	T. Woodland, B. Wycks, S. Smith	November 12, 2024
Present Operating Budget 2025 to EOC for Endorsement	EOC Members	November 19, 2024
Review, discuss, and approve Draft 3 of 2024 Operating Budget (must be in open Board meeting so the approval decision can be minuted)	Board of Directors	December 3/23

Briefing Note

CAFII EOC Meeting November 19, 2024—Agenda Item 4(a)
Committees and Working Groups – Market Conduct & Licensing

Purpose of this Agenda Item – *Introduction*

To update the EOC on the recent activities of the Market Conduct & Licensing Committee.

Background Information

Chair of the Market Conduct & Licensing Committee, Brad Kuiper, will update the EOC on the Market Conduct & Licensing Committee's recent activities.

Recommendation / Direction Sought – *Introduction*

This is an introduction item.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting November 19, 2024—Agenda Item 4(a)i

Committees and Working Groups – Market Conduct & Licensing – *Federal Department of Finance*

Proposed Amendment to the Criminal Code to Include Insurance Costs in the Calculation of Interest

Purpose of this Agenda Item – Update/Discussion

To inform and discuss with the EOC the Federal Department of Finance’s proposed amendment to the Criminal Code to include insurance costs in the calculation of interest.

Background Information

CAFII Executive Director Keith Martin will update the EOC on the Federal Department of Finance’s proposed amendment to the Criminal Code to include insurance costs in the calculation of interest. CAFII made a formal written submission to the Department on September 11, 2024. CAFII has since learned that the Department meet with the CLHIA to discuss the proposed amendments to the criminal code. At this meeting, the Department asked the CLHIA for data on how many credit protection insurance (CPI) sales are made after the loan instrument, like a mortgage, is offered. This may be concerning because it implies the regulator is thinking about a deferred sales model, which does not work well for CPI. It is unclear if this is why the Department is requesting this data. The CBA also has not heard back from the Department.

CAFII has requested a meeting with the Department of Finance but to date has not heard back.

Recommendation / Direction Sought – Update/Discussion

This is an update item with the opportunity for discussion.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting November 19, 2024—Agenda Item 4(b) Committees and Working Groups – Quebec Committee

Purpose of this Agenda Item – *Introduction*

To introduce and update the EOC on the Quebec/AMF Committee's recent activities.

Background Information

Chair of CAFII's Quebec/AMF Committee, Jennifer Russell, will introduce and update the EOC on the Committee's recent activities.

Recommendation / Direction Sought – *Introduction*

This is an introduction item.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting November 19, 2024—Agenda Item 4(b)i
Committees and Working Groups – Quebec Committee – *Feedback on October 30, 2024, Quebec Committee review of the Deck Presented by Mario Beaudoin on October 8, 2024*

Purpose of this Agenda Item – Update/Discussion

To update and discuss with the EOC the feedback from the Quebec Committee on Mario Beaudoin’s presentation on October 8, 2024, at the Industry Issues Dialogue meeting with AMF Executives in Montreal.

Background Information

Quebec Committee Chair Jennifer Russell will update and discuss with the EOC the feedback from the Quebec Committee on Mario Beaudoin’s (AMF) presented on October 8, 2024, at the Industry Issues Dialogue meeting with AMF Executives.

Recommendation / Direction Sought – Update/Discussion

This is an update item with the opportunity for discussion.

Attachments Included with this Agenda Item

One (1) attachment.

2023 DWR MARKET PROFILE FOR CAFII

Prepared by the Alternative Insurance Distribution
Practices Direction

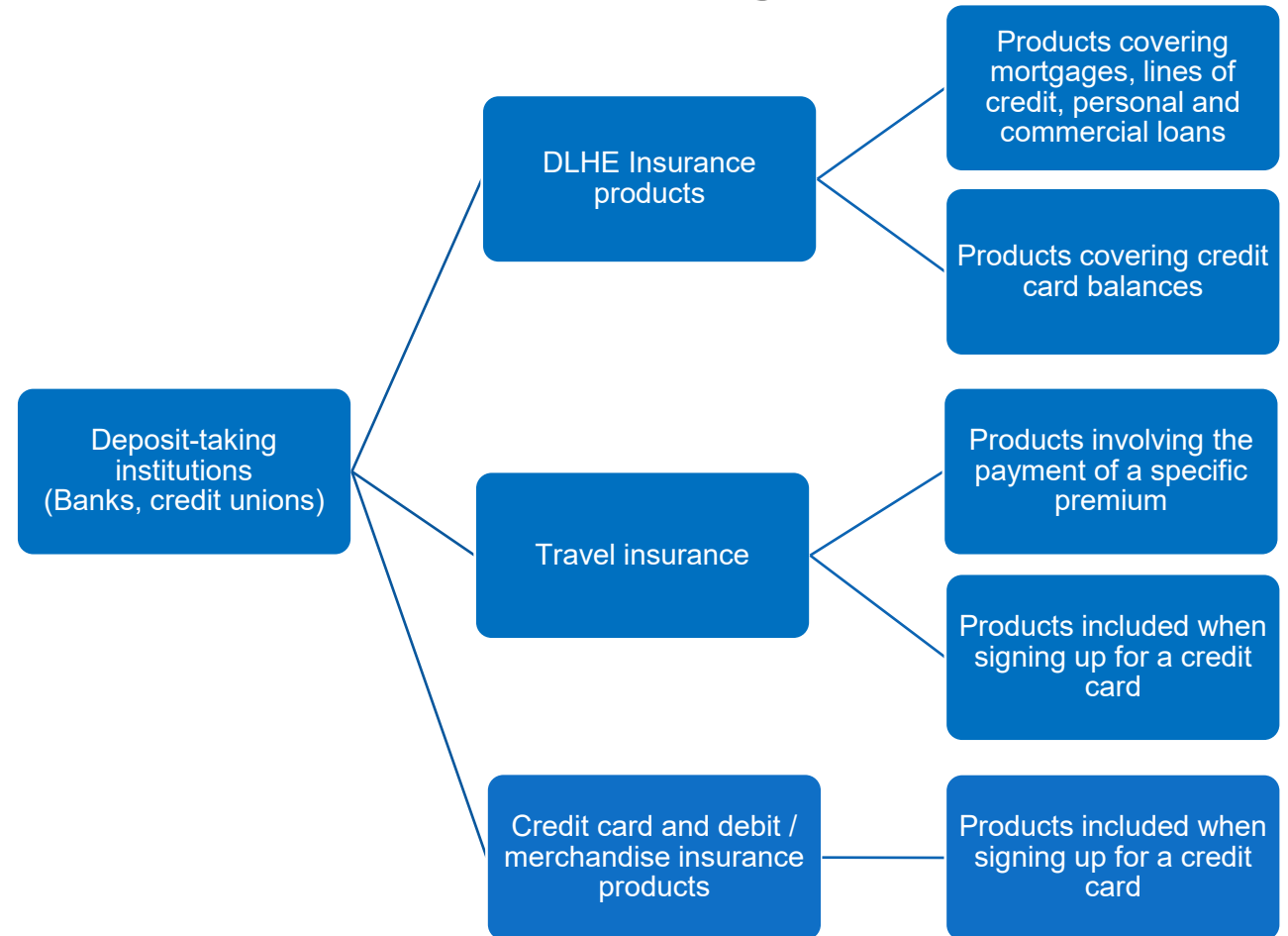
Octobre 2024

Distribution without representative – an exceptional regime

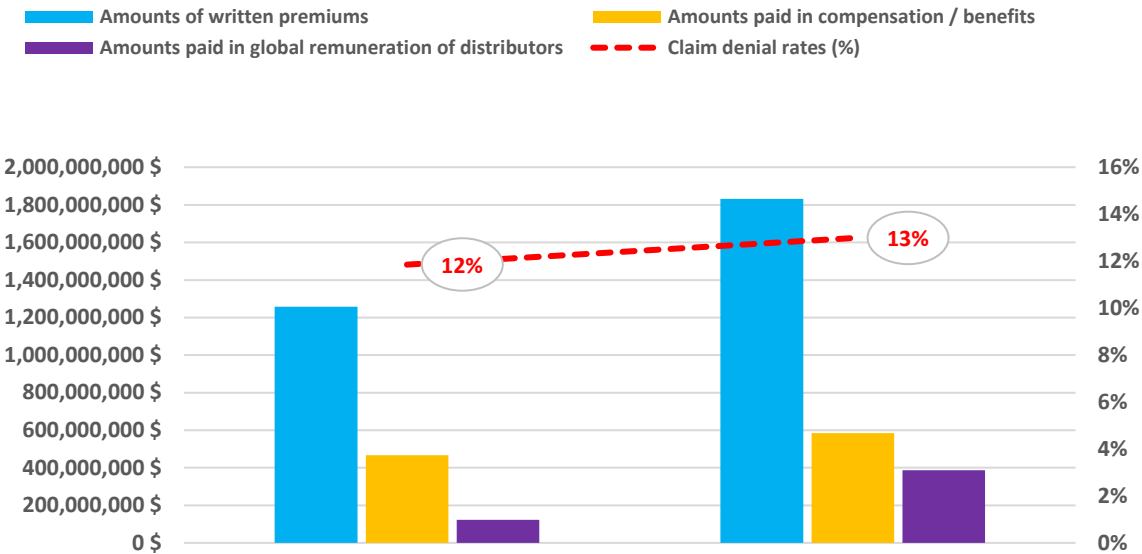
The [*Act respecting the distribution of financial products and services*](#) (The Act) allows certain insurance products to be offered by distributors rather than certified representatives.

Among the products offered by deposit-taking institutions (banks, credit unions), we find the following:

- Insurance on a debtor's life, health and loss of employment to cover either a home loan or a credit card balance;
- A travel insurance policy requiring payment of a premium and offered by deposit-taking institution;
- A travel insurance included when enrolling to a credit card;
- An insurance coverage for purchased goods or an extended warranty included when enrolling to a credit card.

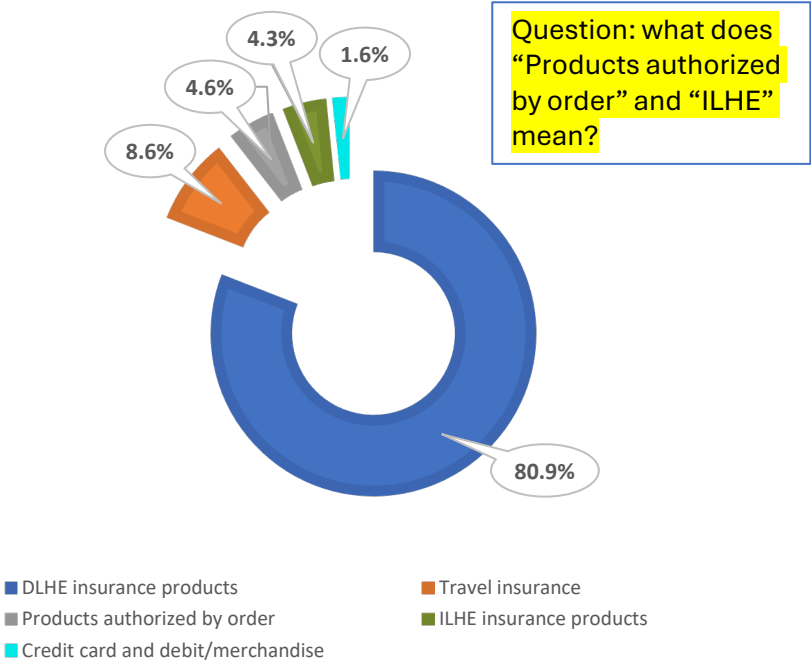


Volumetry for all DWR products in 2023



	CAFII members	Overall market
Number of active insurers	15	42
Number of products offered	467	767
Number of claims processed	122 688	170 445
Global remuneration rate of distributors (including administrators)%	10 %	21 %

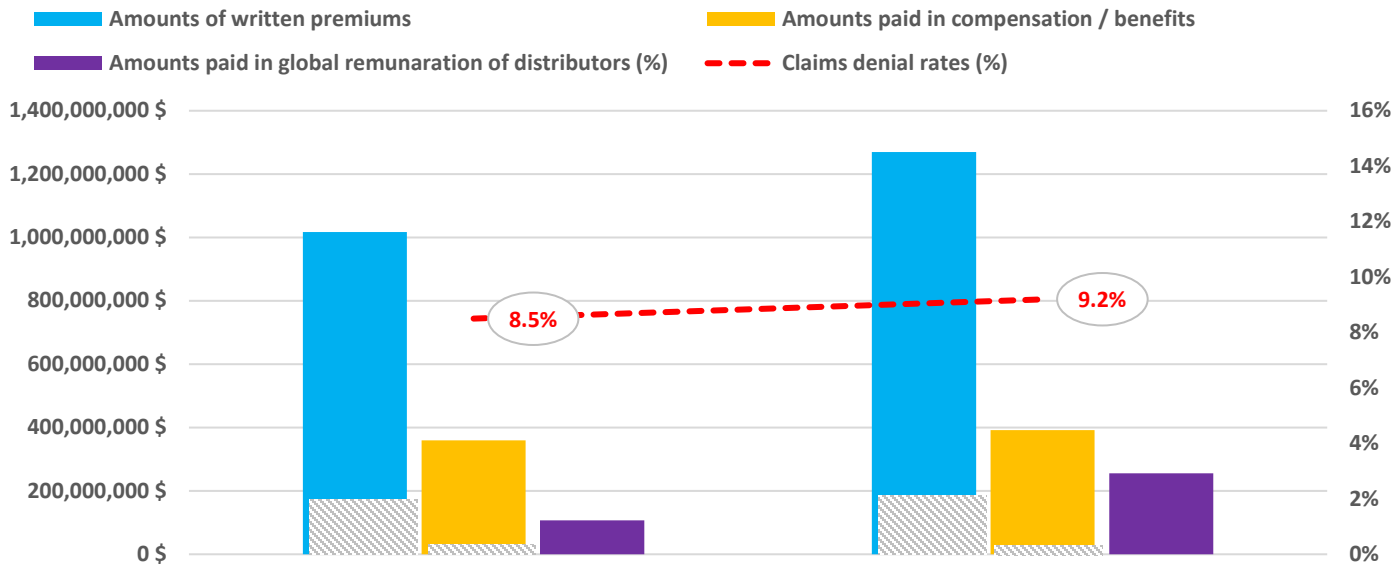
CAFII member generate 69% of DWR written premium volume, according to this breakdown by product type:



Question: what is global remuneration rate? Do they mean average remuneration rate?

Keith Martin (KM) Answer: As I understood it, this is the total amount (not average) of money paid in remuneration to distributors.

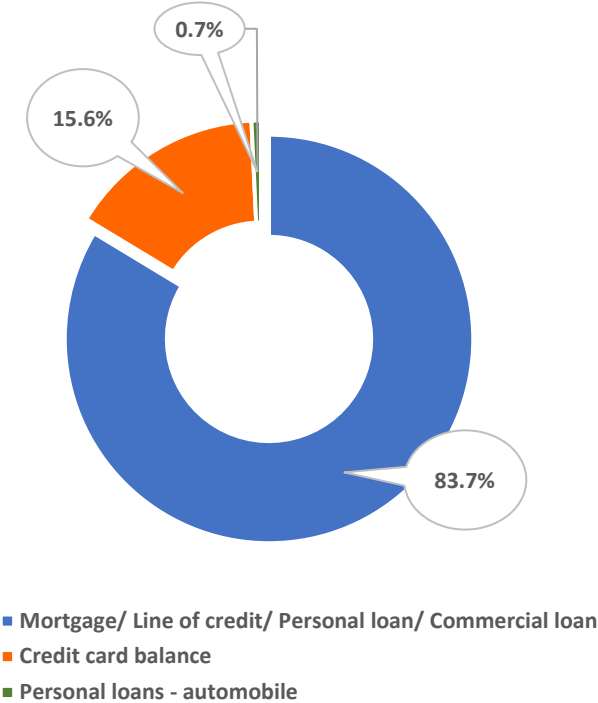
Overall DLHE insurance products offered in 2023



	CAFII members	Overall DLHE market
Number of active insurers	10	19
Number of products offered during the year	109	163
Number of claims processed	48 631	56 463
Approximate average indemnities paid	8 084 \$	7 650 \$
Global remuneration rate of distributors (including administrators)	10%	20 %

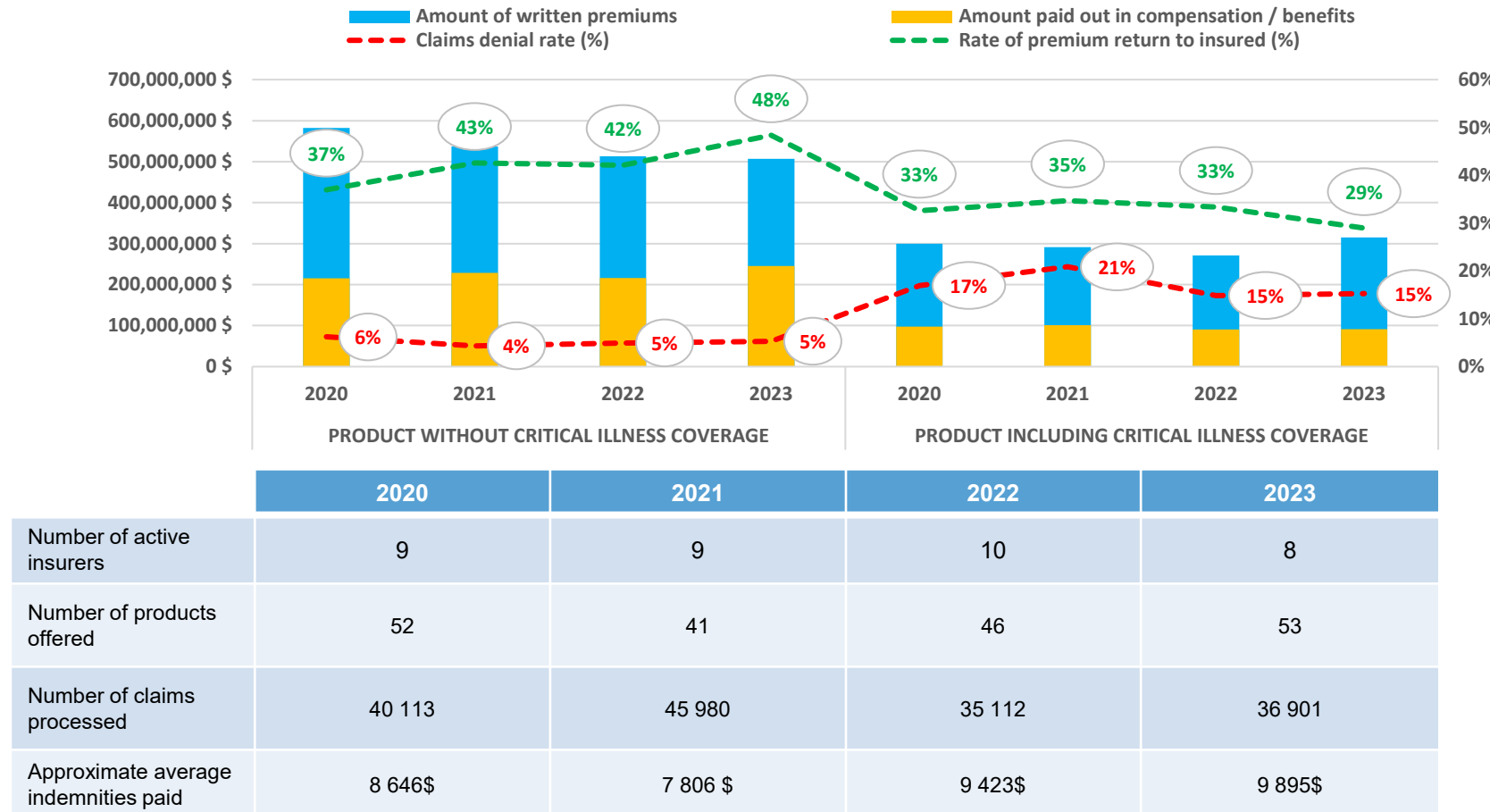
 The hatched areas represent the volume related to DLHE products covering credit card balances.

Breakdown of product types offered by CAFII members (%)¹



1. The chart above shows the breakdown by sub-category of the 80.9% DLHE written premium volume held by CAFII member insurers..

Results and added value for “Mortgage/Mortgage Line of Credit/Personal Loan/Commercial Loan” products - CAFII members



Question: do you know if the products listed here are just products sold via deposit taking institutions or if they include products sold via auto dealers as well?

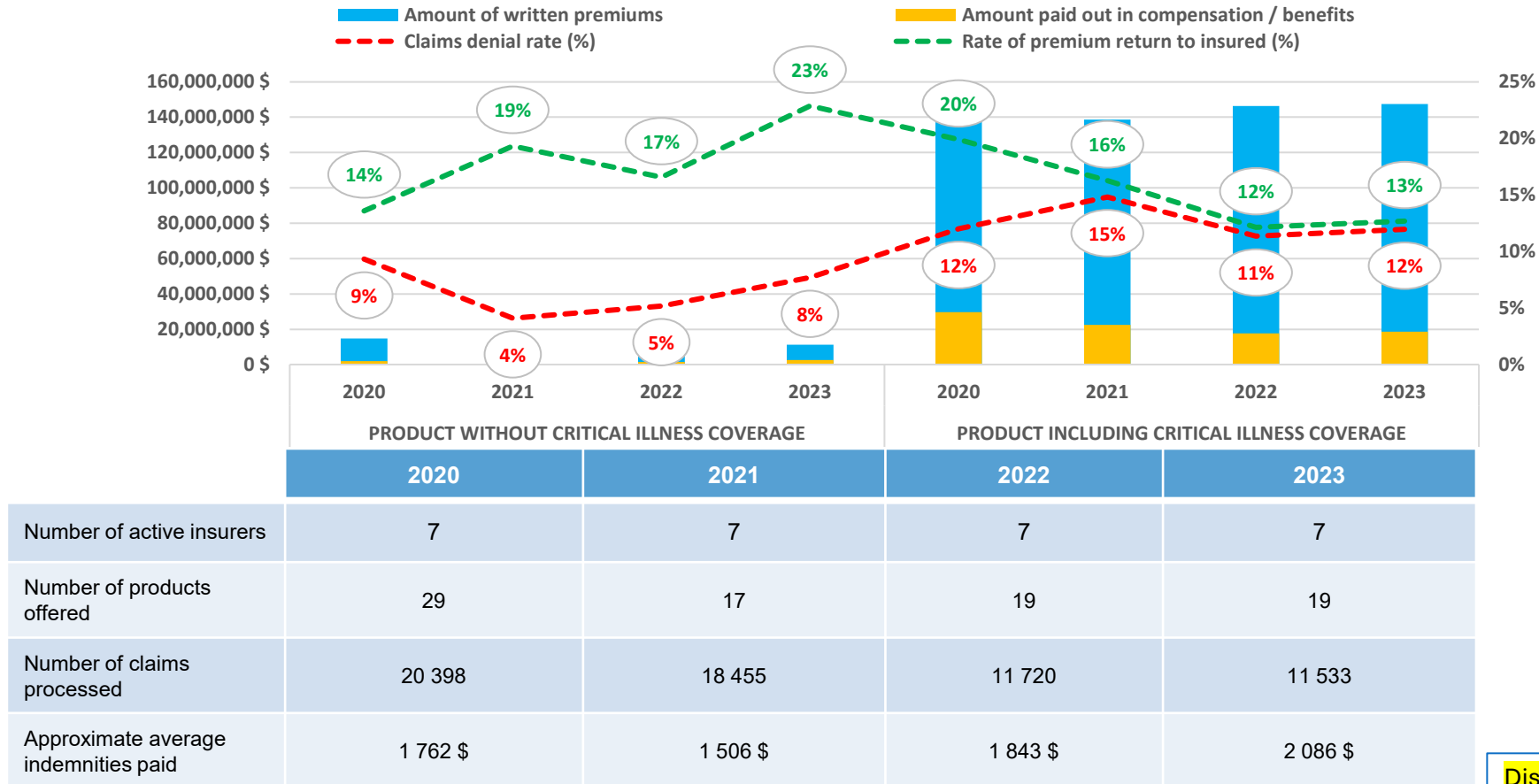
KM Answer: My impression was that these are products offered by CAFII distributors so no auto insurance. But you might need to confirm with someone on Mario's team.

Discussion: how are members planning on dealing with this slide?

The majority of products in this sub-category are offered as pre-selected protection combinations

*The chart above excludes all products offered through vehicle dealers and shows only products subject to an annual premium.

Results and added value for “Credit card balance” products - CAFII members

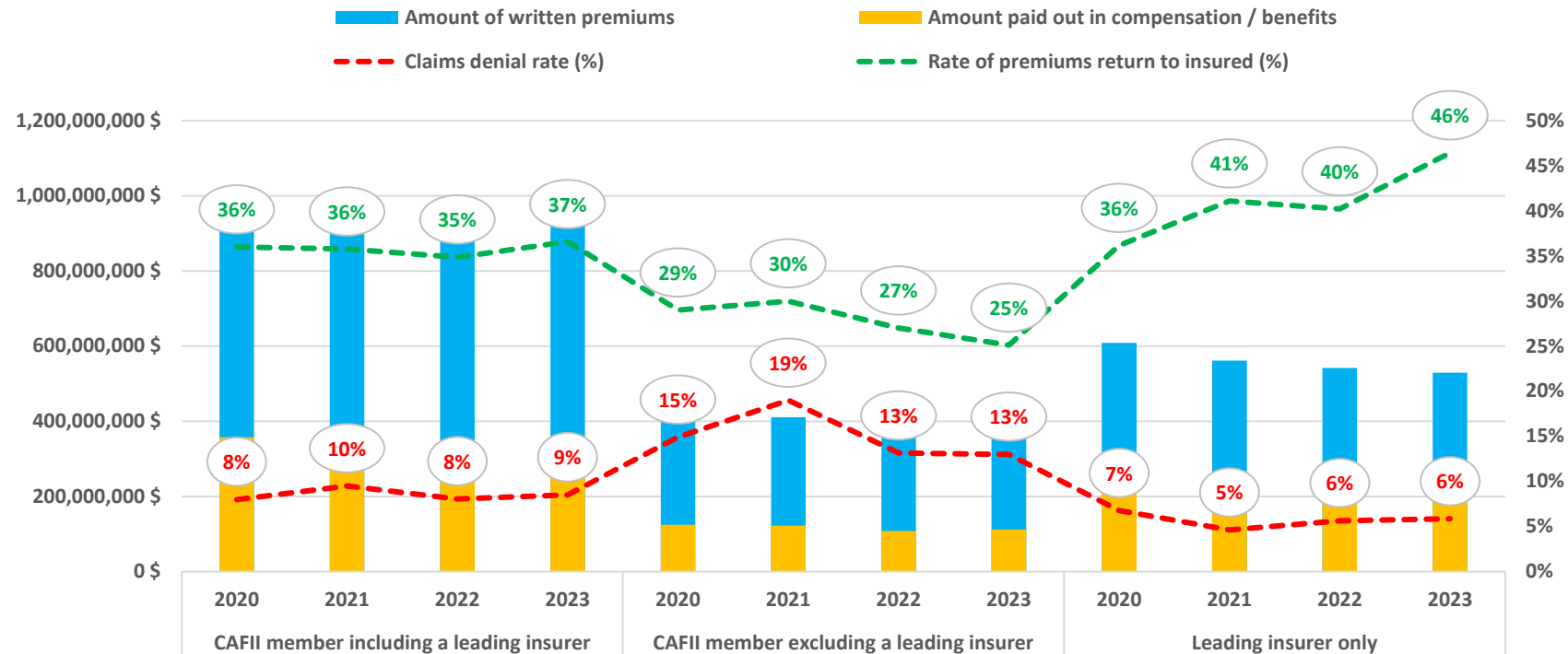


The majority of products in this sub-category are offered as an indissociable package of protection.

Discussion: how are members planning on dealing with this slide?

*The chart above excludes all products offered through vehicle dealers and shows only products subject to an annual premium.

Results and added value for CAFII members including or excluding a leading insurer*



Question: I don't understand this slide. By any chance are you able to explain what the AMF was trying to explain here?

KM Answer: Mario said that one CAFII member has a much better claims denial rate (lower) and return of premium to customers (higher) than other members.

So including that member in the overall numbers skews the results. So Mario has also run the numbers with that "leading insurer" excluded, to get more accurate results of the industry overall.

Note the footnote—excludes auto dealers.

*The chart above excludes all products offered through vehicle dealers and shows only products subject to an annual premium.

Complaints and reports

Since 2020, among the complaints and reports received at the Authority and related to DLHE products offered through DWR, by deposit-taking institutions, the 3 main reasons for complaints are as follows:

- Non-disclosure of the nature or scope of cover, eligibility criteria, insurability or exclusions;
- Refusal or limitation of indemnity (including pre-existing clause and misrepresentation);
- Insurance imposed without the consumer's knowledge.

Next steps for DLHE product monitoring

CAFI member will soon be receiving correspondence regarding the following items:

- **Added value for DLHE products:**

Given the vast range of products offered, and the uneven eligibility and scope of coverage, insurers will shortly be receiving a communication concerning the notion of added value products. As this notion is at the heart of the Authority's concerns, insurers will be asked to give special attention to the rate of return of premium to insured.

- **End of age-related protection on credit card balances:**

Since certain protections included in products covering credit card balances end when a certain age is reached, insurers will have to provide information to their insured to inform them when coverages ends.

- **High claim denial rates and implementation of an indicator to monitor denial rates:**

For CAFI member, we found that 50% were using a denial rate indicator. The Authority will ask all concerned insurers to implement a monitoring indicator in this matter.

- **Products offering protection to non-debtor insured:**

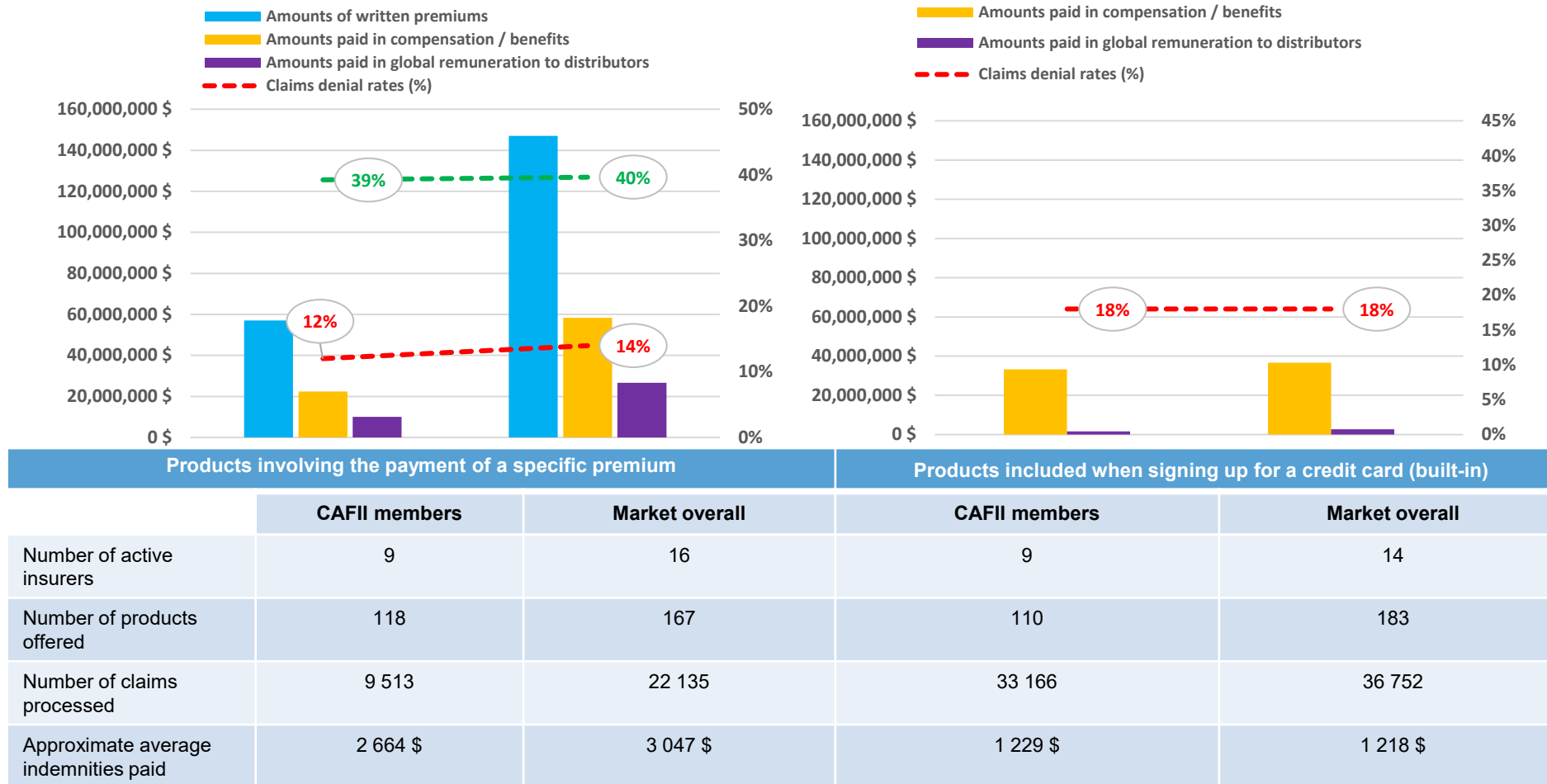
For products covering mortgages/mortgage lines/line of credit/personal loans/commercial loans, coverage will terminate through attrition.

For products covering credit card balances, a 3-year extension will be granted in order to terminate these products.

All concerned insurers will be invited to provide an action plan on this subject and to discuss it with the Authority. They must, however, commit to meeting the deadline.

Have members received correspondence from the AMF on these matters? Discussion item: what is in the letter, how are you planning on responding?

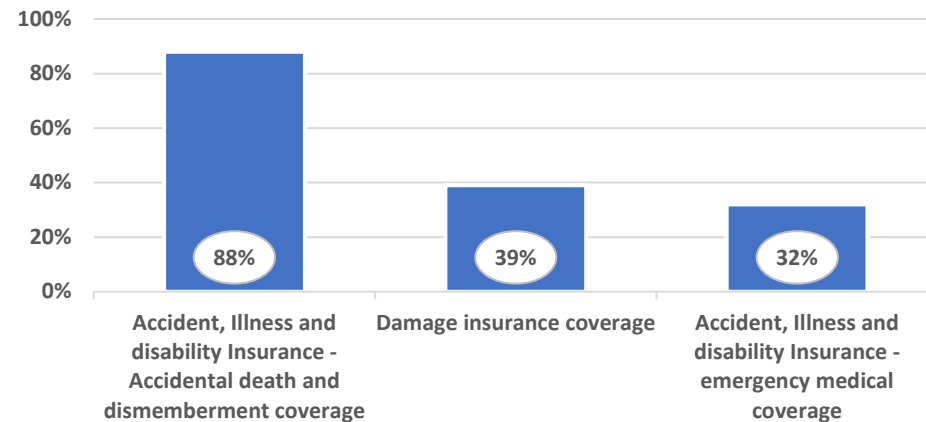
Travel insurance products offered in 2023



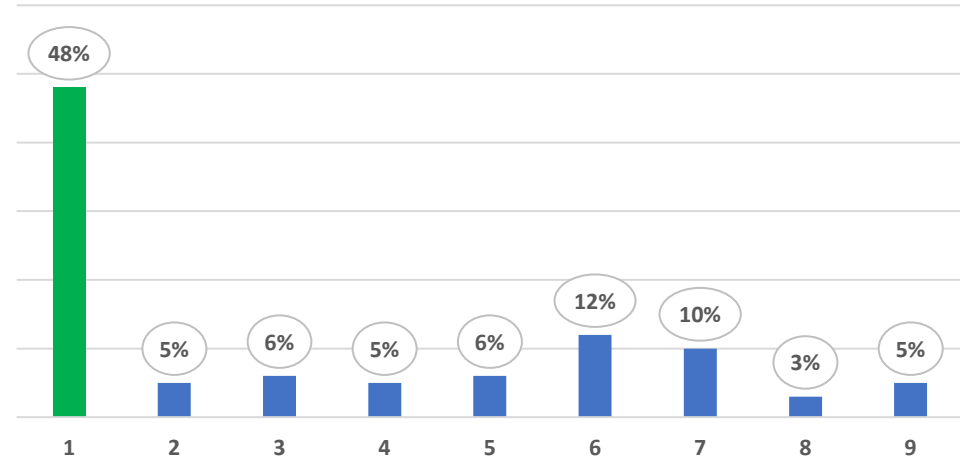
Since no specific premium is charged for products included when signing up for a credit card (Built-in), we are unable to provide a volumetry for this data, or for the % of premium returned to insured.

Products included when signing up for a credit card offered in 2022

Proportion of travel insurance coverage on
credit cards



Number of protection by credit card



Facts about products included when signing up for a credit card (overall market):

- The products offered provide between 1 and 9 coverages; however, 48% of the products offered provide only one coverage, i.e. accidental death and dismemberment;
- Only 32% of products offered include emergency insurance coverage.

Briefing Note

CAFII EOC Meeting November 19, 2024—Agenda Item 4(c)

Committees and Working Groups – Research, Media, Education, & Communication Committee

Purpose of this Agenda Item – *Introduction*

To introduce and inform the EOC of the Research, Media, Education, & Communication (RMEC) Committee’s recent activities.

Background Information

Chair of the RMEC Committee Andrea Stuska will introduce and inform the EOC of the RMEC Committee’s recent activities.

Recommendation / Direction Sought – *Introduction*

This is an introduction item.

Attachments Included with this Agenda Item

Two (2) attachments.

Research, Media, Education, and Communications (RMEC) Committee

Reports to: Executive Operations Committee (EOC)

Proposed Chair: Andrea Stuska, TD Insurance

Proposed Vice Chair: Stephanie Kotani, Scotia Insurance

Working with CAFII's Executive Director, responsible for:

- Formulating strategy, making recommendations, and providing accountability reports and updates to the EOC, and ultimately via the EOC to the Board, on CAFII's implementation of its Strategic Plan priority of commissioning independent, third party research on matters related to credit protection insurance (CPI) and related issues relevant to CAFII's mandate, in support of CAFII's regulatory relationship-building, communications, and advocacy objectives including its communications and media objectives;
- Monitoring the implementation and execution of CAFII research initiatives, following Board approval;
- Formulating the strategy for and overseeing implementation of CAFII education and insight-sharing initiatives which flow from the Association's commissioned research and targeted at insurance regulators and policy-makers, and other stakeholders;
- Maximizing the utility of research findings as well as other assets and insights (such as the recordings of webinars or the summaries of comments from speakers at CAFII events, and videos on relevant CPI topics) on the CAFII website, with trade and mainstream media, and on social media;
- Formulating strategy, making recommendations, and providing accountability reports and updates to the EOC, and ultimately via the EOC to the Board, on CAFII's implementation of its Strategic Plan priority of maintaining a dynamic, consumer-focused website; related search engine optimization; and selected media relations initiatives to advance the Association's communications objectives;
- Oversight of the CAFII website to ensure it is supporting the Strategic Plan objective of providing relevant information to regulators, policy-makers, and the general public;
- Committee members are encouraged to consult internally within their organizations on research initiatives and media articles including from their legal departments.

Membership of the Research, Media, Education & Communication (RMEC) Committee, as at November 1, 2024

<div> <div>  </div> <div> Research, Media, Education & Communication Committee </div> </div>				
First	Last	Email	Company	BOD/EOC/Committee
Cecillia	Xiao	cecillia.xiao@assurant.com	Assurant Canada	Research, Media, Education & Communication Committee
Aaron	Sobeski	aaron.sobeski@bmo.com	BMO Insurance	Research, Media, Education & Communication Committee
Rebecca	Saburi	Rebecca.Saburi@bmo.com	BMO Insurance	Research, Media, Education & Communication Committee
Graeme	Auchincloss	graeme.auchincloss@cwbank.com	Canadian Western Bank	Research, Media, Education & Communication Committee
Bobby	Khangura	Bobby.Khangura@cibc.com	CIBC Insurance	Research, Media, Education & Communication Committee
Lauren	Ross	Lauren.Ross@cibc.com	CIBC Insurance	Research, Media, Education & Communication Committee
Kevin	Szweras	kevin.szweras@cibc.com	CIBC Insurance	Research, Media, Education & Communication Committee
Amogh	Yadav	amogh.yadav@cibc.com	CIBC Insurance	Research, Media, Education & Communication Committee
Barbara	Nelson	barbara_nelson@cooperators.ca	CUMIS/The Co-operators	Research, Media, Education & Communication Committee
Michelle	Costello	michelle.costello@cumis.com	CUMIS/The Co-operators	Research, Media, Education & Communication Committee
Deirdre	Kennedy	deirdre.kennedy@cumis.com	CUMIS/The Co-operators	Research, Media, Education & Communication Committee
Stéphanie	Beaulieu	stephanie.beaulieu@dsf.ca	Desjardins Insurance	Research, Media, Education & Communication Committee
Shivani	Patel	Shivani_Patel@manulife.ca	Manulife	Research, Media, Education & Communication Committee
Fernando	Heleno	fernando.heleno@rbc.com	RBC Insurance	Research, Media, Education & Communication Committee
**Stephanie	Kotani-Geneau	Stephanie.Kotani@scotiabank.com	Scotia Insurance	Research, Media, Education & Communication Committee
Venkata	Bojedla	Venkata.Bojedla@securiancanada.ca	Securian Canada	Research, Media, Education & Communication Committee
Jacqlyn	Marcus	Jacqlyn.Marcus@securiancanada.ca	Securian Canada	Research, Media, Education & Communication Committee
*Andrea	Stuska	andrea.stuska@td.com	TD Insurance	Research, Media, Education & Communication Committee
Sergey	Beznosov	sergey.beznosov@td.com	TD Insurance	Research, Media, Education & Communication Committee
Dallas	Ewen	dallas.ewen@gw.ca	The Canada Life Assurance Company	Research, Media, Education & Communication Committee
* Chair				
**Vice Chair				

Briefing Note

CAFil EOC Meeting November 19, 2024—Agenda Item 4(c)i

Committees and Working Groups – Research, Media, Education, & Communication Committee – *Article for the National Post*

Purpose of this Agenda Item – Update

To update the EOC on CAFil’s article for the National Post.

Background Information

CAFil’s Media Consultant Wendy Bairos will update the EOC on the article for the National Post.

Recommendation / Direction Sought – Update

This is an update item.

Attachments Included with this Agenda Item

One (1) attachment.

DRAFT Op-Ed

To be pitched to media

For Approval by the CAFII Board

The Unseen Risk: Why Canadian Homeowners Are Falling Short on Insurance

By Keith Martin, Executive Director of the Canadian Association of Financial Institutions in Insurance (CAFII)

A troubling trend has surfaced in the Canadian homeownership landscape, posing a significant risk to many families' financial stability: an alarming number of homeowners are either uninsured or underinsured when it comes to life and health insurance. According to recent research conducted by LIMRA on behalf of the Canadian Association of Financial Institutions in Insurance (CAFII), a staggering 80% of Canadian homeowners surveyed fall into these categories. This statistic is representative of many Canadian families who may be at significant financial risk due to unforeseen circumstances.

The implications of this insurance gap could be severe. Without adequate life and health insurance coverage, families could face immense financial strain if an unexpected covered event were to occur, such as disability, critical illness, or the untimely death of any household income earners. This financial strain could result in negative impacts to families' current financial health and long-term stability, making it challenging to manage debts, maintain their standard of living, or plan for the future.

Consider a Canadian family with a mortgage of \$300,000. If the primary income earner was to pass away unexpectedly without adequate insurance, the surviving family members may need to use their savings to cover monthly mortgage payments and in worse-case scenarios, they may not have sufficient savings to service their debts which could result in the loss of their home.

In contrast, if the same family had a credit protection insurance (CPI) policy for their \$300,000 mortgage covering the primary income earner, the CPI could reduce or pay off the remaining mortgage balance in the event of their death, up to the policy limit. This means the surviving family members could maintain their standard of living and potentially avoid the devastating consequences of being underinsured.

The important role of credit protection insurance (CPI) is undeniable, especially for low-income homeowners who are disproportionately affected. Nearly half of these homeowners are uninsured, and among those who are insured, 75% are underinsured, with policies covering less than seven to ten times their income—as defined by the Financial Consumer Agency of Canada. Our study, which surveyed over 1,175 Canadian homeowners across various income brackets, revealed significant disparities in insurance coverage. While 55% of homeowners with a mortgage, home equity line of credit or both have some form of CPI, low-income homeowners have significantly fewer CPI products. This gap highlights an opportunity to educate more homeowners on the benefits of CPI and the role it plays as part of a family's overall financial plan to help ensure future security.

Moreover, the survey uncovered that many low-income homeowners do not seek financial advice. Exacerbating the issue, approximately 38% indicated they neither have nor wanted a financial professional to provide them with advice. Financial attitudes and concerns are another insightful aspect of the research. Among low-income homeowners, 48% reported being somewhat or not at all financially knowledgeable, and 53% are primarily concerned with paying monthly bills, while 44% worry about having enough money for comfortable retirement.

The urgency of addressing this issue has never been clearer. Recent parliamentary discussions about improving financial literacy and access to insurance products underscore the need for decisive action. The government's focus on enhancing financial inclusion, as highlighted in the recent 2024 budget, aligns with our study's findings and presents an opportune moment for financial institutions and policymakers to collaborate on closing the insurance gap by:

- Improving awareness of the importance of adequate insurance coverage.
- Launching educational campaigns that target vulnerable households, emphasizing the benefits of both traditional life insurance and CPI.
- Providing accessible and affordable financial advice to ensure all homeowners are making more informed decisions.

Insurance providers can also play a part in closing the insurance gap by continuing to develop more inclusive products tailored to the needs of low-income homeowners. Simplified application processes and flexible payment options could make insurance more accessible to this underserved market.

Effective government regulations are vital for safeguarding homeowners, but they must be crafted to protect consumers without stifling access to essential insurance. Overly restrictive regulations risk deterring people from securing the coverage they need, leaving them vulnerable to financial hardships. The goal should be to create smart, streamlined regulations that empower, rather than inhibit, the purchase of adequate insurance. By doing so, governments can ensure widespread financial protection without unintended consequences.

Closing the insurance gap is critical to ensure families have the knowledge they need to make informed decisions about the CPI needs in times of adversity. As we move forward, it is imperative that we take decisive action to support Canadian homeowners in securing their financial futures.

Briefing Note

CAFII EOC Meeting November 19, 2024—Agenda Item 4(c)ii
Committees and Working Groups – Research, Media, Education, & Communication Committee –
Execution of Media Plan Including Posting Blogs

Purpose of this Agenda Item – *Update*

To update the EOC on CAFII’s execution of its approved media plan, including posting blogs.

Background Information

CAFII’s Media Consultant Wendy Bairos will update the EOC on CAFII’s execution of its approved media plan, including posting blogs.

Recommendation / Direction Sought – *Update*

This is an update item.

Attachments Included with this Agenda Item

One (1) attachment.

CAFII - Media Plan

October 2024

Formally Approved by the CAFII Board of Directors at the October 8, 2024 Board Meeting

Overview: CAFII's mission and goal is to inform and educate the public and government stakeholders on behalf of its members. Additionally, CAFII aims to ensure proper standards for the distribution and marketing of all insurance products and services, working with legislative and regulatory groups to establish the framework. To date CAFII has chosen to limit its engagement with mainstream media.

Objective: CAFII aims to enhance public and regulators/policy makers understanding of the insurance products offered by its members, thereby reinforcing its role as a trusted resource. By addressing misinformation and educating the public and our regulators, we seek to build confidence in the insurance marketplace and support informed decision-making and flexible regulation that allows for innovation. Additionally, in meeting these objectives, CAFII looks to build brand awareness.

Approach: To expand our outreach while maintaining our cautious stance toward media engagement, we propose targeted strategies that will allow us to communicate effectively with consumers. These strategies will help CAFII position itself as a reliable source of information in the insurance industry, balancing the need for visibility with our risk-averse approach.

Submit contributed content and byline articles to consumer facing media

To enhance CAFII's visibility and establish it as a trusted source of expertise, we will submit high-quality contributed content and byline articles to relevant consumer-facing media outlets. This approach not only builds brand awareness beyond our membership but also positions CAFII as a thought leader, and trusted resource, in the sector.

Examples of Approaches:

1. Focus on research insights: We will develop articles that highlight key research findings, such as those from LIMRA, to provide data-driven insights that resonate with consumers.
2. Leverage industry expertise: Articles will draw on CAFII's deep industry knowledge to offer expert perspectives on trends, challenges, and opportunities within the insurance

marketplace.

3. Address consumer concerns: Content will focus on demystifying insurance products, addressing common misconceptions, and providing practical considerations for consumers.

Attached is our initial article focusing on LIMRA research findings. In priority order, we will be pitching this article to Financial Post, Toronto Star, and CBC.

Considerations

- While we aim to secure placement of the byline article, there is no guarantee that editors will accept it as is. We will pitch multiple editors to increase the chances of publication.
- Editors may suggest revisions, request a different emphasis, or ask for a re-write, but the core of the article will largely remain true to the original draft.
- If the article does not get picked up—whether due to timing or relevance to their audience—we recommend posting it as an insight piece on the CAFII website and promoting it through our social media channels.

Additional opportunities:

Increase Website Traffic and Strengthen the CAFII Brand: Boost visibility and engagement through more frequent blog or article publications on the CAFII website and promoting those articles on social channels.

Expand CAFII's Owned Content on Website and LinkedIn: Regularly publishing content on the CAFII website and promoting it on LinkedIn allows CAFII to maintain control over its messaging. Additionally, consistently updating content will enhance SEO performance, helping CAFII rank higher in search results for insurance-related topics.

Engage New and Existing Audiences: Content created and shared on the CAFII website and LinkedIn page typically reaches an audience already familiar with the organization. There are considerations for future strategies to broaden CAFII's reach to new audiences, including leveraging paid opportunities such as paid editorial placements that highlight CAFII insights in relevant industry publications, and boosting posts on social media channels to maximize visibility. This approach will drive more traffic to the CAFII website, fostering greater awareness and engagement with CAFII's mission. There are no paid promotions being considered for the remainder of 2024 and 2025 and no budget is being requested, but we will build a resource file to have on hand.

Process:

1. Topic Identification and Alignment:

- Begin by identifying a broad list of potential topics that are relevant to CAFII's members and their interests.
- These topics will be confirmed in collaboration with the Media Advocacy Committee and EOC, to ensure alignment with what matters most to members, as well as with the seasonality calendar of key industry events, trends, and concerns.
- The aim is to align content topics with the strategic priorities of CAFII and the needs of its members.

2. Topic Approval:

- Work with CAFII Media Advocacy Group on final list and approval
- Present the prioritized list of topics to the EOC for review and endorsement.
- During this stage, the EOC may provide input on refining the topics to better align with member needs or to fit into the overall communications strategy.
- Once approved, this list will serve as the foundation for content creation efforts.

3. Content Development:

- From the approved list, select the top 3 topics that are most timely and relevant.
- Develop these topics into fully drafted byline articles, attributed to Keith Martin, intended for media outreach.
- Each article should be crafted with a focus on securing publication in key media outlets, emphasizing angles that would appeal to editors and their readership.
- At least one CAFII member will be expected to send the letter to their legal counsel for review and feedback.
- Each article to be reviewed and approved by the Media Advocacy Committee.

4. Media Pitching:

- Pitch the byline articles to targeted media outlets.
- Track responses from editors, noting any feedback or requests for adjustments to the content.

5. Publication Strategy:

- If an article is accepted by a media outlet, collaborate with the editor to finalize and publish the piece.
- For articles not selected by editors, repurpose them by publishing them on the CAFII website as insight pieces. This ensures that the content is still utilized and contributes to CAFII's thought leadership and online presence.

6. Promotion and Amplification:

- Promote published articles, whether through media or the CAFII website, across all CAFII-owned channels, including LinkedIn and other social media platforms.

- Consider additional amplification strategies such as paid promotions, partnerships with influencers, or cross-promotion with other relevant organizations.

7. Ongoing Review and Adjustment:

- Regularly review the performance of published content, including metrics like engagement, reach, and SEO impact.
- Use insights from these reviews to refine future topic selection, content development, and promotional strategies, ensuring continuous alignment with CAFII's goals and member interests.

Draft list of topics

Below is a list of future topics for CAFII articles.

1. **"The Role of Credit Protection and Mortgage Insurance in Safeguarding Canadian Homeowners"**
Explore how credit protection, mortgage life, disability, and critical illness insurance collectively offer financial security during times of economic uncertainty or personal hardship, ensuring that homeowners can protect their families and homes.
2. **"Credit Protection and Personal Loan Insurance: Building Financial Resilience in Uncertain Times"**
Highlight the benefits of credit protection and personal loan insurance, particularly during job loss, disability, or untimely death, and how they help homeowners and borrowers stay financially stable.
3. **"Debunking Myths and Misconceptions About Credit Protection Insurance"**
Address common misconceptions surrounding credit protection insurance (CPI) while providing clear, factual information to help consumers make informed decisions about securing their financial future.
4. **"When Should You Consider Credit Protection Insurance? Key Life Stages and Financial Moments"**
Identify critical life stages—such as taking on a new mortgage, personal loan, or experiencing major life changes—where credit protection insurance becomes especially valuable.
5. **"Critical Illness, Disability, and Job Loss Insurance: Essential Safety Nets for Canadian Families"**
Discuss the importance of critical illness, disability, and job loss insurance in providing peace of mind and financial stability, covering medical bills, income loss, or temporary unemployment.
6. **"Choosing the Right Insurance: Mortgage Life Insurance vs. Traditional Life Insurance"**
Compare and contrast mortgage life insurance and traditional life insurance options to help homeowners decide which coverage best fits their family's needs and financial situation.

7. **"The Complete Guide to Filing Insurance Claims: Disability, Job Loss, and Critical Illness"**
Provide a step-by-step guide to successfully navigating the claims process for disability, job loss, and critical illness insurance, with tips on documentation and communication with insurers.
8. **"Why Life and Health Insurance Are Essential for Every Canadian Family"**
Explore the different types of life and health insurance, from term and whole life to supplementary health insurance, and explain how they can safeguard a family's financial future in times of need.
9. **"Maximizing Your Insurance Coverage: Tips for Home, Life, and Health Insurance"**
Offer strategies for homeowners and families to get the most out of their insurance policies, including understanding deductibles, choosing beneficiaries, and optimizing health insurance.
10. **"Preventing Common Home Insurance Claims and Understanding Deductibles"**
Offer practical considerations on avoiding common home insurance claims, such as those related to water damage or fire, and explain how deductibles impact coverage and cost.
11. **"The Importance of Travel Medical Insurance: Protecting Canadians Abroad"**
Discuss why travel medical insurance is essential for Canadians traveling outside the country, emphasizing the potential high costs of medical care abroad and how proper coverage can protect travelers from financial strain during emergencies.
12. **"Comprehensive Travel Insurance: What You Need to Know Before Your Next Trip"**
Explore the different types of travel insurance (trip cancellation, interruption, and medical coverage) and provide guidance on selecting the right policy to cover unforeseen events, such as medical emergencies, flight cancellations, or lost baggage.
13. **"Why Trip Cancellation and Interruption Insurance is a Must-Have for Today's Travelers"**
Explore the importance of trip cancellation and interruption insurance, particularly in the current travel landscape, where unexpected events like illness, flight delays, or global disruptions can lead to significant financial loss. Highlight how this type of insurance provides peace of mind and financial protection, ensuring that travelers are covered for non-refundable expenses if their plans are derailed.

Briefing Note

CAFII EOC Meeting November 19, 2024—Agenda Item 4(c)iii

Committees and Working Groups – Research, Media, Education, & Communication Committee – *Front and Backend Website Investments, Including Videos on LIMRA Research*

Purpose of this Agenda Item – *Update*

To update the EOC on CAFII’s front and backend website investments, including videos on the research LIMRA conducted for CAFII.

Background Information

CAFII’s Executive Director Keith Martin will update the EOC on CAFII’s front and backend website investments, including videos on the research LIMRA conducted for CAFII.

Recommendation / Direction Sought – *Update*

This is an update item.

Attachments Included with this Agenda Item

One (1) attachment.



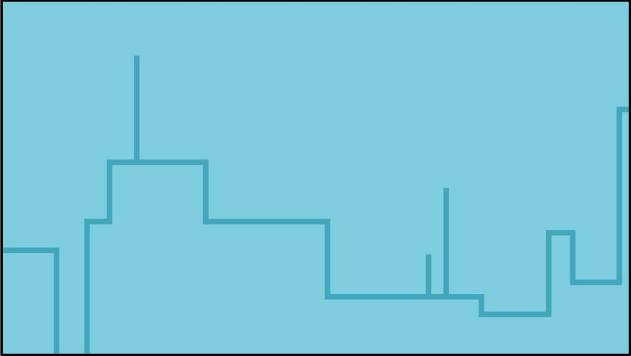
5050 Dufferin Street, Unit 227,
Toronto, ON, M3H 5T5
T 416.675.0751
E info@keywestvideo.com

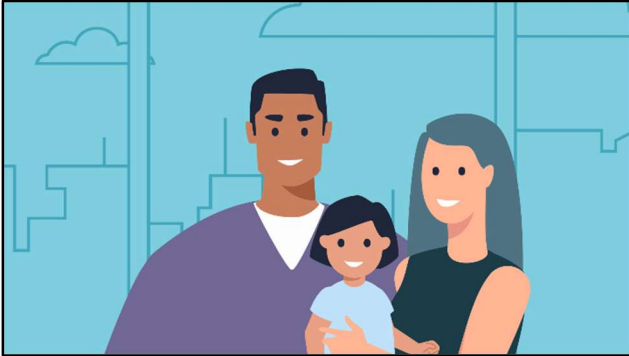


www.keywestvideo.com

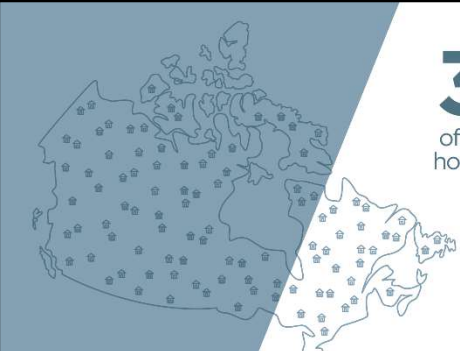


VIDEO STORYBOARD




Client: CAFII
Project Name: CAFII Animations
Project Contact: **Role of CPI**
Keith Martin




Animator: Sarah Ryan
Date: November 07, 2024
Version: 2.0


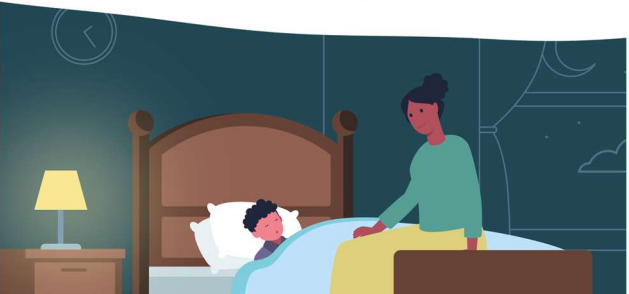

STORYBOARD		TIMING/DESCRIPTION		SCRIPT/VOICE OVER
SHOT 1		DESCRIPTION	TEXT ON SCREEN	NARRATION
		Scene starts on the outline of a cityscape. Camera pulls back, passing through a window to show mom, dad and child happy together in their home.		Life can be unpredictable. But being prepared can make all the difference.


			
			
SHOT 2	DESCRIPTION	TEXT ON SCREEN	NARRATION
	<p>Scene transitions to a map of Canada, small house icons dotted throughout it.</p> <p>White split screen slides in, showing '38% of homeowners' text while highlighting a similar portion of the map and house icons.</p>	<p>38% of Canadian homeowners.</p>	<p>According to a LIMRA study, 38% of Canadian homeowners may be at financial risk if an unexpected event were to happen.</p>

 <p>38% of Canadian homeowners</p>			
SHOT 3	DESCRIPTION	TEXT ON SCREEN	NARRATION
	<p>Scene transitions back to the home of the previous family, showing the father playing with his daughter alone - implying the mother has passed away.</p> <p>'uninsured or underinsured' text bubble appears on screen.</p>	<p>Underinsured or Uninsured</p>	<p>If you're like those Canadians who are uninsured or underinsured, you might not have enough coverage to protect what matters most – your home, your family.</p>
	<p>Camera zooms out as father looks worriedly at a pileup of bills and payment noticed, their savings jar running low.</p>		
SHOT 4	DESCRIPTION	TEXT ON SCREEN	NARRATION

	Camera zooms out to show house exterior. It's rainy and cloudy, but the scene turns sunny in time with the VO.		But there's a simple way to help secure that peace of mind.
			
			
SHOT 5	DESCRIPTION	TEXT ON SCREEN	NARRATION

	<p>Background transforms into a shield surrounding family home. A soft glow radiates from it as “CPI – helping protect your home.” text appears.</p>	<p>CPI – helping protect your home.”</p>	<p>Credit Protection Insurance, or CPI, is designed to help reduce or pay off your outstanding mortgage or home equity line of credit balance when an approved claim is made.</p>
 <p>CPI – helping protect your home.</p>			
SHOT 6	DESCRIPTION	TEXT ON SCREEN	NARRATION
	<p>Scene transitions to show the same father and daughter eating together.</p>		<p>It’s about ensuring that your loved ones can remain in the home they know, even during life’s hardest moments.</p>

			
SHOT 7	DESCRIPTION	TEXT ON SCREEN	NARRATION
<p data-bbox="239 532 575 557">Secure your family's future.</p> 	<p data-bbox="747 509 1037 597">Scene transitions to show single mother tucking her son into bed.</p> <p data-bbox="747 634 1003 690">"Secure your family's future." Text appears.</p>	<p data-bbox="1068 509 1310 565">Secure your family's future.</p>	<p data-bbox="1390 509 2003 565">With CPI, you're taking a small but important step to secure their future.</p>
SHOT 8	DESCRIPTION	TEXT ON SCREEN	NARRATION
	<p data-bbox="747 907 1016 1057">Scene transitions to show family of three watching tv together. CAFII and LIMRA logo appear.</p>		<p data-bbox="1390 907 1961 963">Because protecting your home means protecting what matters most.</p>
SHOT 9	DESCRIPTION	TEXT ON SCREEN	NARRATION

<p>CAFII: Making insurance simple, accessible, and affordable.</p>	<p>Scene transitions to white. CAFII tagline fades in, followed by the CAFII and LIMRA logos. URL appears below them.</p>	<p>CAFII: Making insurance simple, accessible, and affordable.</p>	<p>CAFII strives to make insurance simple, accessible, and affordable. Learn more about Credit Protection Insurance and how it can give you peace of mind.</p>
 <p>cafii.com</p>			

Briefing Note

CAFII EOC Meeting November 19, 2024—Agenda Item 4(c)iv

Committees and Working Groups – Research, Media, Education, & Communication Committee – *Deloitte Research on Technology Trends and Artificial Intelligence*

Purpose of this Agenda Item – *Update*

To update the EOC on the CAFII-commissioned Deloitte research on technology trends and artificial intelligence.

Background Information

Chair of the RMEC Committee Andrea Stuska will update the EOC on the CAFII-commissioned Deloitte research on technology trends and artificial intelligence. Deloitte has completed most of their interviews with CAFII members. The next phase will be to release a survey to those members for completion, a draft of which has already been circulated to the Research & Education Committee for feedback. A meeting occurred on October 30/24 to discuss the committee’s feedback. Deloitte has indicated that once the survey is updated to reflect the commentary, a copy will be sent via email to one representative from each of CAFII’s member companies. Once completed, Deloitte will summarize the findings for discussion with the Research & Education Committee before circulating it within the EOC.

Recommendation / Direction Sought – *Update*

This is an update item.

Attachments Included with this Agenda Item

Two (2) attachments.

Exploring Emerging Technology & Gen AI Trends in CPI

Survey Questions Draft

Legend:

Blue = Survey coding instructions (for internal team use)

Context [Include on cover page]

The financial services and insurance industries are facing several headwinds and market shifts, largely driven by evolving customer expectations, availability of emerging technologies, and intensifying competition, both within and outside the industries. To craft CAFII's 2025 research report, Deloitte will bring their perspectives and insights on the most critical emerging technology and Gen AI trends and highlight key implications for the Canadian Credit Protection Insurance (CPI) industry. Through the research report developed by Deloitte, CAFII will be able to bring Deloitte's perspective and insights on emerging technologies and key implications for CPI to its members, Board, regulators, and the public as appropriate.

To supplement our research and interviews, you have been identified as a Credit Protection Insurance leader (Business and / or Technology) within your organization that can help complete the below benchmarking study. All responses will be anonymized.

Scope [Include on every page]

This survey is focused on the Credit Protection Insurance (CPI) product. Credit Protection Insurance, also known as Creditor's Insurance, Creditor's Group Insurance, or Credit Insurance, is used to pay out a mortgage or loan balance (up to the maximum specified in the certificate of insurance) or to make/postpone debt payments on the customer's behalf in the event of death, disability, job loss or critical illness. The focus of this survey and research is on mortgage credit protection.

Unless specified for a specific product (e.g., mortgages), we request your input on the overall CPI product offering.

1. General Questions

1.1. **Q1.** With respect to Credit Protection Insurance, do you consider your organization with respect to its business model to be a: [\[Single Choice\]](#)

- Underwriter
- Distributor
- Both

1.2. **Q2.** What is the relative size and scale of the Credit Protection Insurance portfolio at your organization? [\[Table, numbers only, allow input 0-100\]](#)

Dimension	Percentage [Numbers only]	Comments [Free form short text]
(%) CPI revenue as a percentage of total life & health insurance revenue		
(%) CPI revenue as a percentage of total organization revenue		

1.3. **Q3.** Within your organizational structure, where does Credit Protection Insurance sit: [\[Select single option\]](#)

- Its own distinct line of business
- As part of a broader Life & Health insurance business line
- As part of the Wealth Management business line
- As part of the Consumer Lending business line
- Other (please specify): _____ [\[Free-form, short text\]](#)

2. CPI Business & Digital KPIs

For this section, please provide responses with respect to mortgages

2.1. **Q4.** With respect to your Credit Protection Insurance product specific to **mortgages**, please complete the below table as it portrays to your operational metrics:

	Priority [Multiple choice: High, Med, Low, Not Tracked]
• (%) Revenue Growth (new sales)	
• (%) Penetration Rate	
• (%) STP for new business	
• (%) STP for claims	
• (#) Claims settlement time	
• (#) Products per customer	
• Other (Please Specify): _____ [Short-form text]	

2.2. **Q5.** With respect to your Credit Protection Insurance product specific to mortgages, how important are the below digital metrics:

Metric	Priority [Single Choice per Row: High, Medium, Low, Not Tracked]
• (%) sales from Digital channels (e.g., website, mobile app)	
• (%) servicing intents from digital platforms (e.g., website, mobile app)	
• (%) customers digitally active (i.e., customer adoption and engagement with digital platforms)	
• (%) Conversion rates (digital experience funnel)	
• (#) Transactions/ intents available digitally	
• Other (Please Specify): _____ [Short-form text]	

2.3. **Q6.** With respect to your Credit Protection Insurance product specific to **mortgages**, how important are the below customer experience metrics:

	Priority [Single Choice per Row: High, Medium, Low, Not Tracked]
• (#) NPS	
• (%) Retention	
• (%) Claim satisfaction	
• (%) Renewal rate	
• (%) Percentage of claims with complaints filed	
• (%) Percentage of complaints with a satisfactory response	
• Other (Please Specify): _____ [Short-form text]	

2.4. **Q7.** With respect to your Credit Protection Insurance product key metrics, if there are additional details on material variances on metrics / targets between product mix and/or channels that you would like to share, please include them below
[Optional, Free-form, long text]

3. Technology Maturity

In this section, we will explore the following emerging technologies: [\[Include as notes on every page in this section\]](#)

Technology	Definition
Advanced Data Analytics & AI	Techniques and tools to analyze data (i.e., customer, third party, operations, etc.) and extract insights, enabling predictive / smart functions and informed decisions across internal and external functions
Gen AI	Artificial intelligence systems that can create new content, such as text, images, or voice, based on the data they have been trained on leveraging existing or proprietary Large Language Models (LLM)
Cloud Computing	Delivery of computing services—including storage, processing power, and software—over the internet ("the cloud"), allowing organizations to access and store data and applications remotely
Cyber & Security	Technologies and practices designed to protect systems, networks, and data from cyber threats and unauthorized access, also including identity verification tools such as Multi-Factor Authentication
CRM / Client Management	Involves the use of tools and strategies to manage client interactions, improve service, and enhance retention, including distribution technology such as digital platforms that streamline the sale, management, and renewal of policies, and other related services.
Core Technology (modernization)	This involves updating and upgrading the foundational technologies and systems that support an organization's primary operations, including systems such as policy admin, claims, underwriting, etc.
Mobile and Digital Assets	Technologies and applications designed for digital and mobile devices, enabling self-serve intents as well as live or asynchronous engagement with agents (human or AI), or static content
Process Automation	Technologies that automate repetitive and routine tasks, reducing the need for human intervention, including Robotic Process Automation (RPA), workflow automation, rule-based triggers
Other	Other new or emerging technologies being implemented in your organization to drive towards organizational objectives (i.e., Improved experience, revenue, cost optimization)

3.1. Q8. How mature do you perceive your organization's CPI Business with respect to the below technologies? [\[Matrix / Likert; Single selection per row\]](#)

Definitions:

- **Lagging industry:** Have not adopted the technology, at foundational stages of exploring the technology internally, or are behind CPI industry industry capabilities expected by customers to be available by all
- **At par:** Have implemented the technology in one or more area of your CPI value chain
- **Slightly ahead:** Integration / delivery of the technology to a level that is matched only by select competitors
- **Market leading:** Specific unique strength or differentiated competitive advantage is achieved / enabled through the technology

Maturity compared to the industry	Lagging industry	At par	Slightly Ahead	Market Leading
Advanced Data Analytics & AI				
Generative AI				
Cloud computing				
Cyber and security				
CRM / client management				
Core technology (modernization)				
Mobile and digital assets				
Process automation				

3.2. Q9. Over the next 3-5 years, what is the desired level of maturity your organization envisions for the following technologies? [\[Matrix / Likert; Single selection per row\]](#)

	Not a Priority Area	At Par	Slightly Ahead	Market Leading
Advanced Data Analytics & AI				
Generative AI				
Cloud computing				
Cyber and security				
CRM / client management				
Core technology (modernization)				
Mobile and digital assets				
Process automation				

3.3. **Q10.** What key barriers does your organization face, to achieve the desired level of technology maturity? Please rank the top 5. [\[Force rank, top 5\]](#)

- Lack of access to internal talent and expertise
- Legacy technology limitations
- Unknown / limited ROI
- Level of funding / investment required
- Lack of leadership support
- Organizational resistance to change
- Growth focused on short-term gains
- Lack of understanding around emerging technologies
- Integrations and shared ownership of the customer and employee experiences (underwriter / distributor)
- Evolving regulatory environment
- Lack of demand by target customers
- Unfavorable macro-economic conditions
- Inability to match competitor value
- Other, please define:

3.4. **Q11.** If there is any additional context or notes, you wish to provide regarding the current and future state of your organization, including any key barriers your organization is facing, as it relates to the technologies assessed. [\[Free Form – Optional\]](#)

	Notes / Context
Advanced Data Analytics & AI	
Gen AI	
Cloud computing	
Cyber and security	
CRM / client management	
Core technology (modernization)	
Mobile and digital assets	
Process automation	

- 3.1. **Q12.** Across the CPI value chain which emerging technology do you believe will have the greatest impact in your organization? Please enter 1 to 3 technologies for each step of the value chain – you may state N/A if none apply [\[Free Form\]](#)

Value Chain Activity	Emerging Technologies (Free Form) or N/A
Discovery / Lead Generation	
Customer Disclosure	
Product Development & Pricing	
Onboarding & Policy Admin	
Quote and Application	
Underwriting	
Claims	
Servicing	
Renewals	

- 3.2. **Q13.** In the next 5 to 7 years, how transformational do you anticipate these emerging technologies will be on the CPI industry? [\[Likert\]](#)

Definitions:

- *Incremental change from current state (i.e., slight improvements to operational efficiencies, but business model / products remain largely consistent)*
- *Significant change from current state (i.e., changes to how the business will operate, engage with clients etc.)*
- *Fundamental change from current state (i.e., changes to business operations, business model, client interaction model etc.)*

	No Change	Incremental Change	Significant Change	Fundamental Change
Advanced Data Analytics & AI				
Gen AI				
Cloud computing				
Cyber and security				
CRM / client management				
Core technology (modernization)				
Mobile and digital assets				
Process automation				
Other				

4. Technology Investment

In this section, we will explore the following emerging technologies: [\[Include as notes on every page in this section\]](#)

Technology	Definition
Advanced Data Analytics & AI	Techniques and tools to analyze data (i.e., customer, third party, operations, etc.) and extract insights, enabling predictive / smart functions and informed decisions across internal and external functions
Gen AI	Artificial intelligence systems that can create new content, such as text, images, or voice, based on the data they have been trained on leveraging existing or proprietary Large Language Models (LLM)
Cloud Computing	Delivery of computing services—including storage, processing power, and software—over the internet ("the cloud"), allowing organizations to access and store data and applications remotely
Cyber & Security	Technologies and practices designed to protect systems, networks, and data from cyber threats and unauthorized access, also including identity verification tools such as Multi-Factor Authentication
CRM / Client Management	Involves the use of tools and strategies to manage client interactions, improve service, and enhance retention, including distribution technology such as digital platforms that streamline the sale, management, and renewal of policies, and other related services.
Core Technology (modernization)	This involves updating and upgrading the foundational technologies and systems that support an organization's primary operations, including systems such as policy admin, claims, underwriting, etc.
Mobile and Digital Assets	Technologies and applications designed for digital and mobile devices, enabling self-serve intents as well as live or asynchronous engagement with agents (human or AI), or static content
Process Automation	Technologies that automate repetitive and routine tasks, reducing the need for human intervention, including Robotic Process Automation (RPA), workflow automation, rule-based triggers

4.1. **Q14.** Where are you currently focusing technology investments across your Credit Protection Insurance value chain – please allocate % to total 100 across each area [\[Table, numbers only, allow input 0-100, columns must total to 100\]](#)

Value Chain Activity	Current Estimated Focus (%)	Anticipated Allocation (next 1-2 years) (%)
Discovery / Lead Generation		
Customer Disclosure		
Product Development & Pricing		
Onboarding & Policy Admin		
Quote and Application		
Underwriting		
Claims		
Servicing		
Renewals		

4.2. **Q15.** Where are you currently focusing technology investments across emerging technologies below – please allocate % to total 100 across each area [Matrix table; Numerical values; each column add up to 100]

Technologies	Current Estimated Focus (%)	Anticipated Allocation (next 1-2 years) (%)
Advanced Data Analytics & AI		
Gen AI		
Cloud computing		
Cyber and security		
CRM / client management		
Core technology modernization (policy admin, billing, claims)		
Mobile and digital assets		
Process automation		
Other [please specify]		

4.3. **Q16.** Please rank the below business and technology objectives with respect to their priority in influencing your investment decisions related to emerging technologies (refer to emerging technologies as previously defined) – please rank all applicable criteria: [Force rank top 5]

- Enhancing Customer Experience
- Improving Customer Access /Disclosure and/or Decision-making Tools
- Improving Margins & Overall Profitability
- Revenue Growth
- Expense Savings
- Operational Efficiency
- Product Innovation
- Front-line Employee Experience (e.g., Sales)
- Cyber Protection
- Legacy / Platform Modernization
- Reduction of technology risk
- Increased Offering Flexibility
- Back-Office & Support Employee Experience (e.g., UW, Contact Center, Claims)
- Other (Please Specify)

4.4. **Q17.** What are the top 5 challenges with technology investment execution / delivery? [\[Force rank top 5\]](#)

- Access to qualified and trained internal technology resources
- Access to qualified and trained internal business resources
- Dependencies with other major investment programs
- Change management, including adoption
- User testing and quality
- Misalignment on outcomes/targets
- Program governance or project management
- Legacy systems and inflexible architecture and foundations
- Evolving regulatory environment
- Data readiness and data impact upskilling

4.5. **Q18.** What is your organization's preferred approach to accessing emerging technology? Please rank by highest to lowest preference. [\[Forced rank all\]](#)

- Build and develop in-house
- Buy
- Partner

4.6. **Q19.** Please rank the following decision criteria / factors when determining Build, Buy, Partner, by highest to lowest importance. [\[Force rank all\]](#)

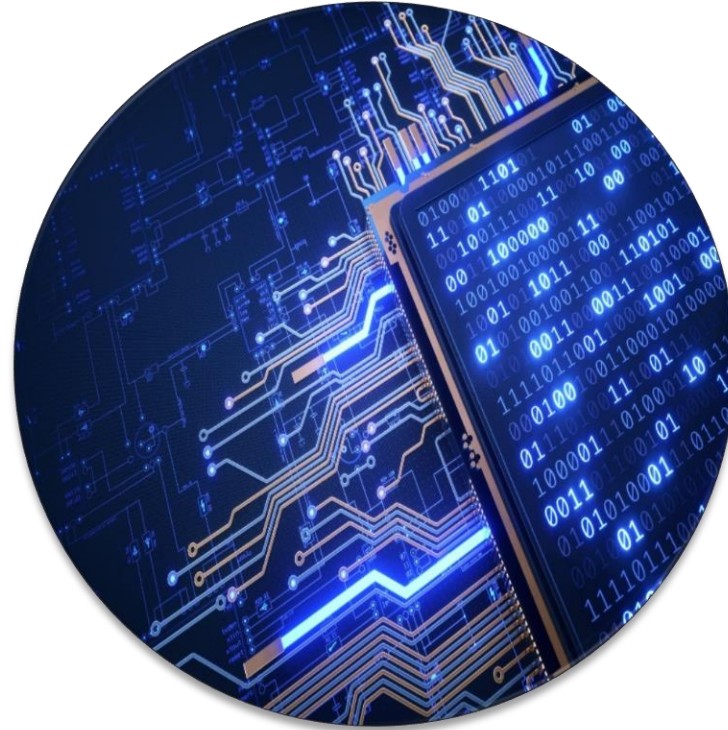
- Development pace and time to market
- Lower internal resource requirements
- Technology expertise / capabilities
- Ability to customize offering
- Lower cost to operate and scale offering
- Ability to maintain proprietary ownership

4.7. **Q20.** In regards to your response on the previous questions (Build, Buy, Partner preference), please comment on why you have chosen this ranking. [\[Free form, long text\]](#)

5. Final Thoughts

- 5.1. Thank you for completing the survey, if there are any additional comments you want to provide that would help contextualize your responses and clarify both the current and future CPI technology landscape of your organization, (i.e., cloud vs on prem architecture, roadmap priorities, etc.) please include it here: [\[Free Form\]](#)
- 5.2. If you have a file you would like to provide as further background for your responses, please upload it here. [\[File Upload\]](#)

END OF SURVEY



Exploring Emerging Technology & Gen AI Trends in CPI

Research, Media, Education & Communication Committee Check In

November 8th 2024

Today's Objectives

To update the Research, Media, Education & Communication Committee (RMEC) on the Deloitte – CAFII CPI research engagement we will cover the below topics;

- 1. Context and background review**
- 2. Progress to date and next steps**
- 3. Initial insights from member interviews**
- 4. Member survey plan**
- 5. Open questions**



Engagement Background & Objectives

CAFII engaged Deloitte to provide a perspective on emerging technology and Gen AI trends and the implications to the Credit Protection Insurance industry and customer experience, leveraging industry experts and supplementary research



Background

- The **financial services and insurance industries** are facing several headwinds and market shifts, largely driven by **evolving customer expectations, availability of emerging technologies**, and **intensifying competition**, both within and outside the industries
- To craft **CAFII's 2024 research report**, Deloitte will bring their **perspectives and insights** on the **most critical emerging technology and Gen AI trends** and highlight **key implications for the Canadian Credit Protection Insurance (CPI) industry**
- Through the **research report developed by Deloitte**, CAFII will be able to bring **Deloitte's perspective and insights on emerging technologies and key implications for CPI** to its members, Board, regulators, and the public as appropriate



Objectives

- 1 **Highlight** how **emerging technologies and Gen AI are changing the CPI landscape**
- 2 **Gather** perspectives **on impacts from emerging technology and Gen AI trends in CPI** from subject matter experts
- 3 **Highlight priorities** and identify **strategic investment opportunities** for CPI insurers and distributors in light of industry trends
- 4 **Consolidate** key insights and findings into a **comprehensive research report** and summarize into **presentation materials and summary output**

To achieve these objectives, we will be **working directly with CAFII members**, engaging them in both a **survey and deep dive interviews**
The focus of this document is on the Deep Dive Interviews with CAFII Members



Status Report – Week of Oct 28th

OVERALL STATUS:

MEDIUM DELAY

KEY ACTIVITIES COMPLETED

- ✓ Consolidated initial interview themes – Scotia and BMO outstanding
- ✓ Initiated external research to gather perspectives on emerging technologies impact on CPI, and customer preferences

KEY ACTIVITIES IN-FLIGHT

1. Continue to complete interviews, consolidating insights and themes:
 - 11 interviews completed, 2 outstanding (BMO, Scotia)
 - 2 organizations will not be engaged (Chubb, CT Financial)
2. Finalize quantitative Survey – Nov 5th
3. Continue secondary research

UPCOMING ACTIVITIES

1. Complete interview synthesis when final
2. Share out survey finalized with members
3. Finalize research and synthesize with survey and interview outputs
4. Draft preliminary report

MILESTONES (M) / DELIVERABLES (D)

	Timing	Status
1 Kick-Off (M)	Prep	C
2 Stakeholder Interviews (M)	Week 1-5	M
3 Conduct Quantitative Survey (M)	Week 3-5	M
4 Conduct Supplementary External Research (M)	Week 3-5	OT
5 Touchpoint #1: Share preliminary findings (M)	Week 8	OT
6 Preliminary Research Report (M)	Week 10	M
7 Touchpoint #2: Review & Refine with CAFII RMEC	Week 13	-
8 Comprehensive Research Report (D)	January	-
9 Summary Document (D)	January	-
10 Presentation-friendly Board Materials (D)	January	-
11 Virtual Presentations (D)	TBC	-

OUTSTANDING ITEMS / ISSUES / RISKS

#	Description	Owner	Current Status	Due Date	Status
3	Finalize Survey	Deloitte/ CAFII	In progress	Nov. 5th	M

Update on the Interview Process

Deloitte has conducted the majority of interviews with CAFII members covering both underwriters and distributors of CPI, with a focus on interviewing CPI business and technology leads

CAFII Member Organizations to be Interviewed



Interview Context and Scope

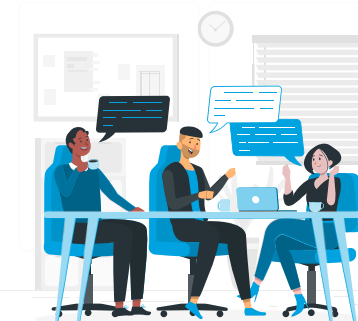
13/15

organization
interviewed

>25

Interviewees both on the
business and technology side

1. Chubb, and CT Financial declined to participate in interviews
2. Draft key themes are highlighted on the subsequent slide
3. Insights will be supplemented with both Deloitte research and the upcoming member benchmarking survey



Preliminary CAFII Member Engagement Themes

Based on interviews conducted with both CPI distributors and underwriters, the below key themes have emerged which will be synthesized with the upcoming survey results and Deloitte research to shape the report



Strategic Priorities

- A – Retention:** Proactively identifying opportunities to improve value to existing customers, prevent cancelations & changes
- B - Digital Discovery:** Introducing new digital experiences (i.e., education, resources, etc.) to help consumers better understand the value of CPI and the coverages available to facilitate lead generation
- C – Improve Penetration:** Creating engaging experiences and offerings that are aligned to emerging lending distribution and drive increased penetration across target segments
- D – Simplify & Streamline Operations:** Driving additional value both internally and for customers through operational enhancements



Technology Priorities

- E – Value Through Analytics:** Generating value from the data that is available across the entire value chain with a focus on client insights
- F – Scalability & Flexibility:** Powering modern front-end experiences with cost efficient operations through workflow automation
- G – Digital Engagement Channels:** Introducing self-serve functionality for customers and digital tools for advisors to easily address clients' questions
- H – Simplified Integrations:** Enabling partners and modern experiences by simplifying connectivity and data sharing through APIs where possible



Emerging Opportunities

- I – Product Innovation:** Evolving CPI products to meet the needs / expectations of today's customers and the realities of a digital first financial service ecosystem
- J – AI-Enabled Tools:** Equipping employees, both frontline and back-office, with intelligent tools to support agent training, education (e.g., agent assist, chatbot, etc.)
- K – Personalized Engagement:** Leveraging AI to personalize experiences along the lending & CPI journey to inform next best action & recommendations
- L – Automated UW & Claims:** Automatic UW at time of application and real-time adjudication and triage of claims minimizing turnaround times & costs

Key
Challenges

Regulatory Limitations
Many feel regulatory bodies haven't kept pace with emerging technology, stifling innovation

Legacy Platforms
Still operating on mainframe Banking systems that are expensive to change and difficult to modernize

Reliance On Lending Model
CPI remains a secondary product, with a high dependency on the use of digital, technology & AI in lending

Funding & Resources Availability
Competitive environment internally for limited funding and resources to deliver emerging technology

Next Steps on the Survey

To build on the interviews and Deloitte research, we will be conducting a survey with participating CAFII members with the objective of obtaining quantifiable benchmark data

Target Audience



- We will engage the respective CAFII member appointed point of contacts to coordinate the completion of the survey
- Although each member will complete a single response, the survey can be completed by multiple individuals
- To Confirm: Should organizations that have not participated in the interview be included in the survey?



Survey



Focus Areas (Quantitative):

- **Priority Business Outcomes Driving Investment** (e.g., growth, customer penetration, profitability)
- **Operational Metrics & Targets** (e.g., % STP for new business)
- **Digital KPIs Monitored** (e.g., % of sales from digital, % of digitally active)
- **Customer Experience** (e.g., NPS, client retention)
- **Technology Investment** (e.g., budget allocation to various Technology domains current and future, approach for funding new initiatives)

Additional Details / Next Steps

1. The survey is targeted to be sent out on October November 11th and we will provide a 2-week time frame to member for its completion
2. We estimate approximately 2 weeks upon receipt of responses to consolidate and synthesize takeaways
3. The survey includes approximately 20 questions and is evaluated to take about 30 minutes to complete – assuming information is readily available
4. Anonymized survey takeaways / outputs will be shared with participating members
5. Members will have the opportunity to engage the Deloitte team to help complete the survey an address any concerns, questions, and clarifications



Any Questions?

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Briefing Note

CAFII EOC Meeting November 19, 2024—Agenda Item 4(d)

Committees and Working Groups – Diversity, Equity, and Inclusion Working Group

Purpose of this Agenda Item – *Introduction*

To introduce and update the EOC on the Diversity, Equity, and Inclusion (DEI) Working Group's recent activities.

Background Information

Chair of the DEI Working Group, Tejal Harri-Morar, will introduce and update the EOC on the committee's recent activities.

Recommendation / Direction Sought – *Introduction*

This is an introduction item.

Attachments Included with this Agenda Item

One (1) attachment.

Membership of the Diversity, Equity, and Inclusion (DEI) Working Group as at November 1, 2024

First	Last	Email	Company	BOD/EOC/Committee
Jennifer	Russell	Jennifer.russell@assurant.com	Assurant Canada	Diversity, Equity, and Inclusion Working Group
Megan	Bolton-Mclean	megan.bolton-mclean@assurant.com	Assurant Canada	Diversity, Equity, and Inclusion Working Group
Tejal *	Harri-Morar	Tejal.HarriMorar@bmo.com	BMO Insurance	Diversity, Equity, and Inclusion Working Group
Uppi	Doshi	Uppi.Doshi@cwbank.com	Canadian Western Bank	Diversity, Equity, and Inclusion Working Group
David	Self	David.Self@wi.cibc.com	CIBC Insurance	Diversity, Equity, and Inclusion Working Group
Sania	Abdul Malak	sania.abdulmalak@cibc.com	CIBC Insurance	Diversity, Equity, and Inclusion Working Group
Deirdre	Kennedy	deirdre.kennedy@cumis.com	CUMIS/The Co-operators	Diversity, Equity, and Inclusion Working Group
Tamar	Soltys	tamar.soltys@cumis.com	CUMIS/The Co-operators	Diversity, Equity, and Inclusion Working Group
Dominique	Lavoie	DominiqueA.Lavoie@desjardins.com	Desjardins	Diversity, Equity, and Inclusion Working Group
Bessie	Paliouras	Bessie_Paliouras@manulife.ca	Manulife	Diversity, Equity, and Inclusion Working Group
Oulimata	Ba	oulimata.ba@bnc.ca	National Bank Insurance	Diversity, Equity, and Inclusion Working Group
Sushil	Masih	sushil.masih@rbc.com	RBC Insurance	Diversity, Equity, and Inclusion Working Group
Stephanie	Kotani	Stephanie.Kotani@scotiabank.com	Scotiabank	Diversity, Equity, and Inclusion Working Group
Lauren	Round	lauren.round@securiancanada.ca	Securian Canada	Diversity, Equity, and Inclusion Working Group
Andrea	Stuska	andrea.stuska@td.com	TD Insurance	Diversity, Equity, and Inclusion Working Group
* Chair				

Briefing Note

CAFIL EOC Meeting November 19, 2024—Agenda Item 4(d)i

Committees and Working Groups – Diversity, Equity, and Inclusion Working Group – *Summary Results of the DEI Survey with CAFIL Members*

Purpose of this Agenda Item – Summary

To update the EOC on the summarized results from CAFIL’s DEI survey to CAFIL’s member companies.

Background Information

CAFIL Research Analyst Robyn Jennings will update the EOC on the results of the DEI survey to CAFIL’s member companies. The survey was conducted over the summer (2024), and all responses were aggregated during the Fall (2024). The findings indicate that all members are engaged in DEI and have well-advanced policies and procedures. R. Jennings was the lead on this project, with support and help from CAFIL’s Executive Director Keith Martin and the Chair of the DEI Working Group, Tejal Harri-Morar.

Recommendation / Direction Sought – Summary

This is a summary item.

Attachments Included with this Agenda Item

One (1) attachment.

CAFII Member Company Questionnaire Results On Diversity, Equity, and Inclusion (DEI) Policies and Procedures Within Member Companies

CAFII is surveying its member companies to determine the scope of their approaches to Diversity, Equity, and Inclusion (DEI) initiatives, including policies, procedures, frameworks, and succession planning. We would like to share the results from individual members more generally, so please let us know if you are uncomfortable with sharing your input.

In 2023, the CAFII Board of Directors requested the creation of a DEI working group, which now has more than 13 members as of 2024. Like the working group itself, this questionnaire's goal is to better understand and draw from CAFII members' existing DEI practices and policies. This way, both CAFII and its member companies can continue strengthening and growing their DEI initiatives.

If you are not comfortable answering a question on behalf of your organization at any point, please feel free to leave it blank.

1. Member Companies' and Respondents' Details

Company Names:

Assurant,
 BMO,
 Canada Life,
 Canada Western Bank,
 CIBC,
 CUMIS/Co-Operators,
 Desjardins Group
 Manulife,
 National Bank Insurance,
 RBC Insurance,
 Scotiabank,
 Securian Canada.
 TD Insurance.

Company Representatives' Names and Job Titles:

Jennifer Russell (Assurant) - AVP Client Services, Implementation and Business Process Optimization

Andrea Berger (BMO) - Senior Advisor, Change Management

Kody Kilbourne (Canada Life) - Senior Compliance Assessment Consultant

Uppi Doshi (Canada Western Bank) - Senior Manager Inclusion and Diversity

Sania Abdul Malak (CIBC) - Group Product Manager

Michelle Costello (CUMIS/Co-Operators)- Business Compliance Manager, Creditor

Dominique Lavoie (Desjardins Group), Senior Advisor, Direct Sales Product Development and Pricing

Basilici (Bessie) Paliouras (Manulife) - Compliance Consultant, Individual Insurance and Affinity, Canada

Ivan Murray (National Bank Insurance) - Chief Compliance and Risk Officer, NB Insurance

Connie Chung (RBC Insurance) – Head, Global Diversity & Inclusion, Wealth Management & Insurance

Stephanie Kotani (Scotiabank) - Director Strategic Initiatives, Insurance Canada

Elizabeth Charles (Securian Canada) – AVP Diversity Equity & Inclusion

Andrea Stuska (TD Insurance) - Senior Manager, Environment, Government & Industry Relations

Company Representatives' Connection to DEI:

In terms of the member companies' representatives' connection to DEI, three categories stood out.

Out of the thirteen companies that completed the survey, five representatives indicated they are members of the CAFII DEI Working Group. Outside of CAFII, eight representatives indicated that they are a part of their company's DEI working group(s) and/or committee(s). Of those who answered, only one representative indicated that their connection to DEI was a personal one (identity).

It's important to note that there's potential for overlap between these categories. For instance, an individual on the CAFII DEI working group could also be a part of their member company's DEI working group or committee. This complexity adds depth to our understanding of the representatives' engagements.

2. DEI Questions

- a. Does your company/organization have an active (in use) DEI strategy and/or framework? This can include policies, procedures, practices, etc. Please provide a detailed response. Please share any relevant documents with us.

Out of the thirteen member companies that submitted responses, all thirteen indicated that they have an active (in use) DEI strategy and/or framework. In fact, all seemed to have six overarching shared goals:

- Create a DEI-focused governance structure. This will align all DEI efforts across the organization to promote and maintain DEI at the member, client, and senior management levels.
- Build a diverse workforce. This means diversity at all levels of the organization, including upper management.
- Create an inclusive workplace and company culture. This means caring about employees' mental and physical well-being and extends to creating spaces in which employees can be their authentic selves. DEI must, therefore, be embedded in everything the member company does.
- Engage communities. This means participating in and supporting the communities in which member companies and their employees live and work. Support can take the form of fundraising or educational initiatives.
- Foster strategic partnerships to align with DEI commitments. This means prioritizing working with companies that invest in DEI and ESG initiatives to influence systemic change through partnerships.
- Offer inclusive products and services. This means fully supporting customers regardless of circumstance. It is crucial to offer inclusive products and services, including resources and tools, that consider the diversity of communities and customers.

- b. Do you have DEI policies that govern the work of your company's employees' involvement with industry associations? Please provide a detailed response. Please share any relevant documents with us.

Out of thirteen member companies that completed the survey, seven indicated that, yes, their member company does have DEI policies in place that govern the work of employees' involvement across industry associations. Only four member companies indicated no; they do not have any formal DEI policies in place that govern the work of the company's employees' involvement with industry associations.

Several of the companies that replied yes made it clear that the DEI policies governing employees were not reserved for their involvement with industry associations but, in fact, acted as a general code of conduct (based on DEI principles) expected across all interactions, industry and otherwise.

- c. Does your company have internal or external DEI policies?

Below is the tally of the member companies' responses. Four member companies indicated they have internal-only DEI policies, eight indicated they have both internal and external policies, and zero indicated they had external-only policies. One company indicated that they do not have any DEI policies in place; however, their internal and external practices align with their DEI strategic plan.

- ☐ INTERNAL - 4
- ☐ EXTERNAL - 0
- ☐ BOTH - 8
- ☐ NO POLICIES - 1

- If *BOTH*, how do these policies differ?

Six of the eight-member companies that indicated they have both internal and external DEI policies in place explained the differences between the two.

In general, internal DEI policies are more detailed to guide employees and management, while external policies are written more generally to apply to customers and shareholders. External policies involve general communication with the media and public (i.e., disclosure of DEI commitments and their impacts), while internal policies involve training programs, committees and working groups, KPI progress tracking, and policies and amendments. Overall, internal DEI policies are significantly more granular. For many member companies, however, there is a crossover between internal and external DEI policies, which is Board succession planning. This seemingly internal aspect has external implications, as this information is publicly available, which also demonstrates a company's commitment to transparency and DEI.

Two companies indicated that their internal and external DEI policies are the same because the expectations they have of themselves apply to their shareholders, partners, and the public, and vice versa.

- d. Who is responsible for implementing and executing of your company's DEI initiatives?

Regarding the implementation and execution of member companies' DEI initiatives, it became evident that all answers could be generalized and separated into four categories.

- Upper management is responsible; however, this then trickles down to each individual employee for implementation: 3
- Specific committees, working groups, and/or individual(s), possibly including upper management, are responsible for all DEI implementation: 7
- There is a general shared responsibility for DEI implementation: 2
- HR is responsible: 1

Each member company expressed that, generally, all employees, particularly those with leadership roles, are responsible for implementing and maintaining DEI initiatives.

- e. Does your company monitor and track its DEI initiatives?

Of the 13 member companies that completed the survey, all 13 indicated that their company tracks and monitors its DEI initiatives.

- ☐ YES - 13
- ☐ NO - 0
- ☐ UNSURE - 0

- If YES, please elaborate on how your company tracks DEI initiatives and what it does with this data.

Regarding the tracking and monitoring of DEI initiatives, it became evident that all answers could be generalized and separated into four categories:

- Through a DEI-specific tracking team/committee/working group: 2
- Internal data collection based on representation goals: 2
- HR efforts such as internal surveys: 5
- A combined approach involving DEI-specific team(s), data collection, DEI training completion, employee questionnaires, and accountability goals based on representation stats: 4

- f. Does your organization have its own DEI Working Group (or groups)?

Of the 13 member companies that completed the survey, all 13 indicated that they had their own company-specific DEI working groups.

- ☐ YES - 13
☐ NO - 0
☐ UNSURE - 0

- If YES, how active is this group/s?

Twelve out of thirteen of CAFII member companies indicated that they have more than one DEI-focused working group and that all groups are active. In fact, many of the DEI Working Groups are involved through the regular promotion, education, and/or engagement on DEI topics and initiatives on a weekly, monthly, and quarterly basis (timing varies per company).

One member company indicated that they have one strategic, cross-functional leadership team.

- g. What initiatives do you and/or your organization participate in, if any? This can include both internal and external initiatives.

In response to the question, twelve of the member companies defined their participation in DEI initiatives as:

- Largely, if not entirely, external initiatives (charitable programs and organizations): 2
- Largely, if not entirely, internal initiatives: 2
- A combination of both external (charitable programs and organizations) and internal initiatives (company-created working groups, committees, councils, and programs): 8

One company did not disclose the initiatives, internal or external, that it participates in.

One company indicated that it participates in all major DEI days of significance, such as International Women's Day and Black History Month, and encourages its employees to volunteer in their communities as part of its initiative participation.

Many of the external and internal initiatives mentioned are focused on educational and leadership programs, alliance or allyship groups, celebration of identities, and sponsorship programs. For the most part, and in no particular order, the top categories for DEI initiatives seem to be:

- Women,
- Members of the Black community,
- Visible minority groups,
- Indigenous peoples,
- Persons with disabilities,
- 2SLGBTQIA+ people,
- Low- to moderate-income communities,
- Youth.

Member companies demonstrate a significant financial commitment to DEI initiatives, with fundraising playing a key role. Almost every company disclosed the funds it raised for specific charities in 2023, underscoring their dedication to economic prosperity and support of Canadian communities as integral parts of their DEI work.

Almost every member company publishes a sustainability report annually summarizing their DEI work, including fundraising.

- h. To your knowledge, does your company consider DEI when determining its succession planning?

Of the 13 member companies that completed the survey, all 13 indicated that their company does consider DEI when determining its succession planning.

- ☐ YES - 13
☐ NO - 0
☐ UNSURE - 0

- Please elaborate on your above answer for clarity. Succession planning can include board succession, leadership roles, etc.

When asked to elaborate, twelve companies explained that DEI is factored into the formal recruitment process, proactive and adaptive succession planning at all levels, and talent retention. Two companies indicated their DEI effort for succession planning is gender-focused. Only one member company did not elaborate.

Of those companies that did provide detailed answers, several representatives emphasized that their company employs a robust DEI review system for succession planning. This is achieved through proactive talent management and rigorous internal assessments across all levels of the organization, demonstrating our unwavering commitment to diversity.

Many, if not all, of the companies have a DEI target (percentage-based) for 2024 or 2025. This is often Board-focused; however, it can and does extend to executive leadership below the Board.

- i. To your knowledge, does your company have ESG policies, procedures, and practices in place?

Of the 13 member companies that completed the survey, 11 indicated that their company has ESG policies, procedures, and practices in place, 1 indicated that it does not, and 1 indicated that it was unsure.

- ☐ YES - 11
☐ NO - 1
☐ UNSURE - 1

- If YES, please explain your company's ESG strategy, policies, procedures, and/or practices.

Eleven out of thirteen member companies indicated they employ an ESG framework focused on improving the global climate. Many have some kind of climate risk policy or strategy in place. Two areas of focus that appeared often were:

- Reducing the company's carbon footprint, and
- Enhancing sustainability and climate resilience (offering green products, engaging in responsible partnerships, adhering to and disclosing climate action commitments). This also involves climate action through the integration of environmental commitments into *all* business decisions.

Almost every company produces a sustainability report that is published annually. The report summarizes the company's commitment to and successful adherence to DEI and ESG policies.

- If YES, does your company's DEI policies and procedures intersect with its ESG strategy, policies, and procedures?

Of the thirteen member companies that completed the survey, eleven stated that their company's DEI policies and procedures intersect with its ESG strategy, policies, and procedures, while one stated that their DEI and ESG priorities are consistent. Only one company did not provide an answer.

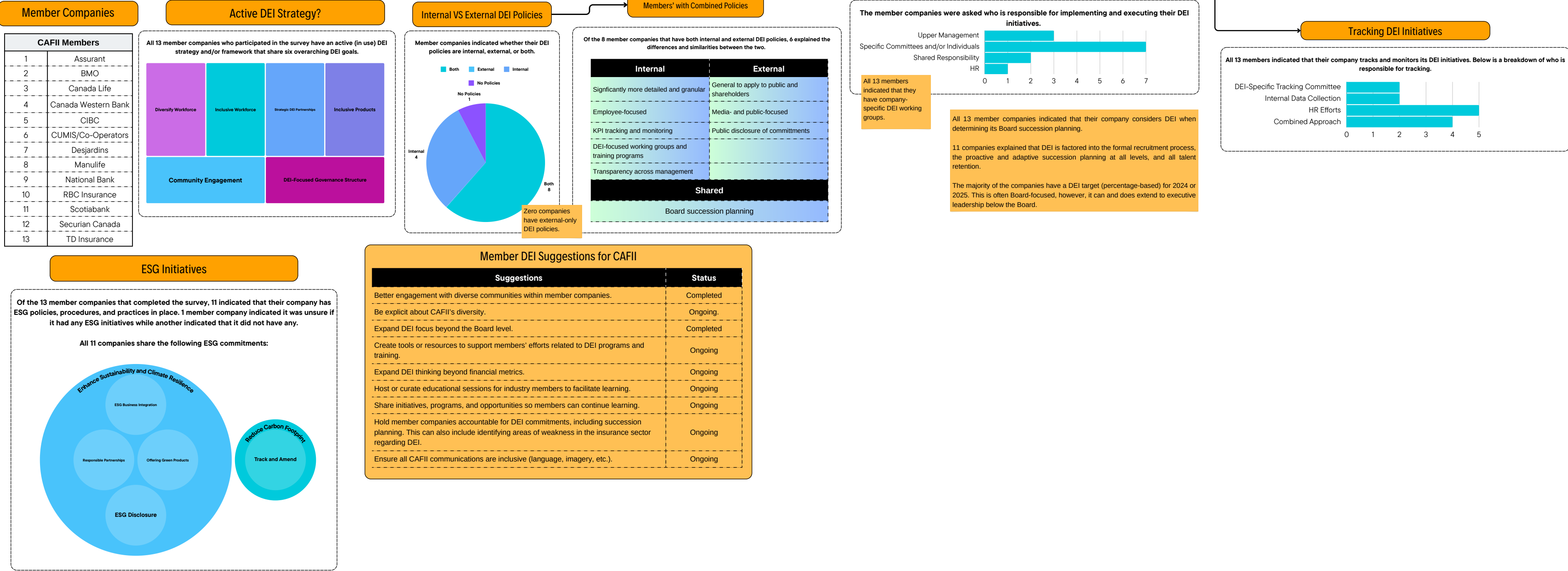
- j. How do you think CAFII can best further DEI in the industry? Are there things you believe CAFII can and should be doing regarding DEI and industry? Please answer below.

The following is a summary of the suggestions received on how CAFII can further DEI internally and at the industry level:

- Better engagement with diverse communities within member companies.
- Be explicit about the diversity within CAFII.
- Create tools or resources to support members' efforts related to DEI programs and training.
- Ensure all CAFII communications are inclusive (language, imagery, etc.).
- Expand DEI focus beyond the Board level.
- Expand DEI thinking beyond financial metrics.
- Hold member companies accountable for DEI commitments, including succession planning. This can also include identifying areas of weakness in the insurance sector regarding DEI.
- Host or curate educational sessions for industry members to facilitate learning.
- Share initiatives, programs, and opportunities so members can continue learning.

CAFII Member DEI Engagement

DEI Policies, Procedures, Activities, and Initiatives



ESG Initiatives

Of the 13 member companies that completed the survey, 11 indicated that their company has ESG policies, procedures, and practices in place. 1 member company indicated it was unsure if it had any ESG initiatives while another indicated that it did not have any.

All 11 companies share the following ESG commitments:

Member DEI Suggestions for CAFII

Suggestions	Status
Better engagement with diverse communities within member companies.	Completed
Be explicit about CAFII's diversity.	Ongoing.
Expand DEI focus beyond the Board level.	Completed
Create tools or resources to support members' efforts related to DEI programs and training.	Ongoing
Expand DEI thinking beyond financial metrics.	Ongoing
Host or curate educational sessions for industry members to facilitate learning.	Ongoing
Share initiatives, programs, and opportunities so members can continue learning.	Ongoing
Hold member companies accountable for DEI commitments, including succession planning. This can also include identifying areas of weakness in the insurance sector regarding DEI.	Ongoing
Ensure all CAFII communications are inclusive (language, imagery, etc.).	Ongoing

Briefing Note

CAFII EOC Meeting November 19, 2024—Agenda Item 4(d)ii

Committees and Working Groups – Diversity, Equity, and Inclusion Working Group – *Proposed Recommendation to the Board to Wind-Down the DEI Working Group Now that it Has Achieved Its Objectives*

Purpose of this Agenda Item – *Endorsement for Board Approval*

To inform the EOC of the proposal to the Board to wind-down the DEI working group since it has achieved its objectives. Endorsement of this recommended proposal will then be sought.

Background Information

Chair of the DEI Working Group, Tejal Harri-Morar, will inform the EOC of the proposed recommendation to the Board to wind down the Working Group since it has achieved its objectives, as indicated by the DEI survey's findings, which suggest that all members are engaged in DEI and have well-advanced policies and procedures.

Recommendation / Direction Sought – *Endorsement for Board Approval*

This is an item for endorsement to the Board.

Attachments Included with this Agenda Item

One (1) attachment.

Recommendation to the Board

From the outset of this working group, we take this opportunity in expressing our gratitude to all members who volunteered their time, expertise and views that contributed to this working group achieving the success it did.

The purpose of the CAFII DEI working group was to further the goal of seeing greater diversity at the CAFII board level and to determine whether CAFII should propose best practices for members whether that be in the form of a policy, guideline, practice or some other format.

Th working group made significant strides, directly and indirectly on furthering the representation on the CAFII Board.

It subsequently then embarked on gathering information from all members to determine what member companies currently had in place to assist the working group on understanding what type of policy, guideline or best practice was required for member companies.

From the survey conducted, CAFII discovered the following:

- 1. Member companies already have robust DEI programmes and initiatives in place which includes shared goals that underpin what CAFII was looking for to further DEI;*
- 2. Further, member companies are actively involved in DEI initiatives which indicates that DEI is an important and continuing aspect of member companies' operations and culture;*
- 3. Most members have active DEI working groups within their organizations;*
- 4. **Succession planning:** Most organizations consider DEI for appointments at Board, and senior and management level.*
- 5. Interestingly most members have ESG policies which intersect with DEI which further indicates that our member companies are already actively expanding scope of DEI to all relevant parts of their organization and thinking of DEI holistically and how it continues to intersect with different developing areas.*

As a result of the outcome of the survey, it is now evident that all member companies have been actively involved in furthering DEI and further continue to make it a priority within their respective organization. Therefore, our recommendation to the EOC committee and the Board is to:

- 1. Dissolve this working group as the purposes for which the working group was achieved and a result of the survey, it is now evident there is no need for CAFII to develop policy, guideline or practice to drive DEI at member level; AND*
- 2. Integrate the objectives of the Working Group into other CAFII Committees that can still monitor DEI development, training etc. so that CAFII can continue to contribute in this space, including the Research, Media, Education & Communications (RMEC) Committee, and the Networking and Events Committee.*

Briefing Note

CAFII EOC Meeting November 19, 2024—Agenda Item 4(e)
Committees and Working Groups – Networking & Events Committee

Purpose of this Agenda Item – *Introduction*

To introduce and update the EOC on the Networking & Events Committee’s recent activities.

Background Information

Chair of the Networking & Events Committee, Carmelina Manno, will introduce and update the EOC on the Committee’s recent activities.

Recommendation / Direction Sought – *Introduction*

This is an introduction item.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting November 19, 2024—Agenda Item 4(e)i

Committees and Working Groups – Networking & Events Committee – *Speakers and Webinars Ideas for 2024*

Purpose of this Agenda Item – *Update*

To update the EOC on CAFII’s speakers and webinars ideas for 2024.

Background Information

CAFII’s Executive Director, Keith Martin, will update the EOC on CAFII’s speakers and webinars ideas for 2024.

Recommendation / Direction Sought – *Update*

This is an update item.

Attachments Included with this Agenda Item

One (1) attachment.

Key Dates for 2025 Networking & Events

Receptions Following Board Meeting

- Thursday, April 3, 2025 HOST: TD Insurance (at TBD)
- Tuesday, June 3, 2025 HOST: RBC Insurance (at TBD)
- Tuesday, December 4, 2025 HOST: CIBC Insurance (at TBD)

Possible Speakers:

- Mary Carmichael BC Proposed for April 3, 2025 Board Meeting at TDI
 - <https://events.foundryco.com/speaker/mary-carmichael/>
 - New CEO BCFSa
 - New CEO FSRA
 - Yves Ouellet CEO AMF
 - New CEO Canadian Chamber of Commerce Candace Laing
 - <https://chamber.ca/news/candace-laing-to-head-canadian-chamber-of-commerce/>
-

Annual Members and Associates Luncheon

Thursday, May 22 at St. James Cathedral

Proposed Topic and Panelists:

Lawyers Panel with Three CAFII Associates:

Stuart Carruthers, Partner, Stikeman Elliott

Jill McCutcheon, Partner, Torys

Koker Christensen, Partner, Fasken

Proposed 2026 Topic: A panel of 3-4 bank economists to speak about the economy

Webinars:

- January 29 or 30, 2025
- March 26 or 27, 2025
- April 23 or 24, 2025
- September 24 or 25, 2025
- October 22 or 23, 2025
- November 26 or 27, 2025

Possible Webinar Speakers/Topics:

Deloitte on AI research commissioned by CAFII

Swati Agrawal DEI and IAIS

FSRA Innovation lab

Travel and travel insurance

Amina Deiab CEO Alberta Insurance Council

New Executive Director, Insurance Councils of Alberta

Possibly a western panel of insurance councils (BC, Alberta, Saskatchewan, Manitoba)

Briefing Note

CAFII EOC Meeting November 19, 2024—Agenda Item 5(a)

Strategic and Regulatory Initiatives – Expansion of the RSM Canada Quarterly Benchmarking Study to Include HELOCs

Purpose of this Agenda Item – *Update*

To update the EOC on the expansion of the RSM Canada Quarterly Benchmarking study to include HELOCs.

Background Information

CAFII Executive Director Keith Martin will update the EOC on the expansion of the RSM Canada Quarterly Benchmarking study to include HELOCs.

Recommendation / Direction Sought – *Update*

This is an update item.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting November 19, 2024—Agenda Item 5(b)

Strategic and Regulatory Initiatives – DISCUSS: When Should CAFII Seek to meet the new FCAC Commissioner and the Department of Finance, in Ottawa?

Purpose of this Agenda Item – *Discussion*

To discuss with the EOC when CAFII should seek to meet with the FCAC's new Commissioner and/or the Department of Finance, both of which are in Ottawa.

Background Information

CAFII Executive Director Keith Martin will discuss with the EOC when CAFII should seek to meet with the FCAC's new Commissioner and/or the Department of Finance, both of which are in Ottawa.

Recommendation / Direction Sought – *Discussion*

This is a discussion item.

Attachments Included with this Agenda Item

No attachments.

For convenience, the following items have been linked below:

- [Government Announces Appointment of Commissioner of the Financial Consumer Agency of Canada](#)
- [Biographical Notes – Shereen Miller](#)

Briefing Note

CAFII EOC Meeting November 19, 2024—Agenda Item 6(a)
Governance – Hiring Senior Manager, Operations

Purpose of this Agenda Item – *Update*

To update the EOC on the hiring of a new Senior Operations Manager.

Background Information

CAFII Executive Director Keith Martin will update the EOC on the hiring of a new Senior Operations Manager.

Recommendation / Direction Sought – *Update*

This is an update item.

Attachments Included with this Agenda Item

One (1) attachment.

Senior Manager, Operations

Do you enjoy working in a highly professional environment where you can play a pivotal role in bringing together industry executives on common issues, who are dedicated to delivering meaningful choice to their consumers? Have you been searching for an opportunity to grow your career in a high impact industry with a motivating leadership team, dedicated to fostering your professional progress and success?

CAFIL is the exciting intersection of high level executives in the Finance and Insurance industries, with government officials and regulating bodies. CAFIL's intimate team works in a fully remote environment between in-person events.

CAFIL is a not-for-profit industry Association celebrating over 25 years as a key stakeholder in Canada's life and health insurance sector. We bring together tremendous competitors and find common ground.

Our mission is to deliver a united voice for financial institutions involved in selling insurance through a variety of distribution channels. CAFIL believes that consumers are best served when they have meaningful choice in the purchase of insurance products and services. Our members offer credit protection, travel, life, health, and property and casualty insurance across Canada through client contact centres, agents and brokers, travel agents, direct mail, branches of financial institutions, and the internet. CAFIL's members are Canada's leading banks, credit unions, and insurers.

Reporting to the Executive Director, CAFIL is seeking a Senior Manager, Operations to collaborate with the Executive Director and lead the Association's key operational and process matters.

Location and Nature of Position

As is the case for all CAFIL team members, the Senior Manager, Operations will work almost exclusively from their home office. CAFIL has always endorsed a remote work model. The Senior Manager, Operations position is a full-time, 35 hours per week role.

Key Responsibilities and Accountabilities

The incumbent will be responsible to ensure vigilant leadership to best manage the Association's affairs.

Reporting to the Executive Director, the Senior Manager, Operations will have the following responsibilities and accountabilities:

Operations, Processes, and Project Management

- Assess current state and develop and deploy required policies and processes with the goal of regrouping under a Policies & Procedures manual the details on all processes, outputs, projects, and initiatives. Ensure enforcement, and regular audit;
- Ensure compliance of all relevant rules and regulations for CAFIL Policies and Procedures;
- Provide continuous leadership in streamlining processes, seek efficiencies and cost effectiveness for CAFIL, its administration and operations;

- Assist with review and negotiation of new contracts and renewals with suppliers and vendors while fostering strong relationships;
- Give direction to our 3rd party vendor regarding the ongoing development and enhancement of the back-end member portal (the “intranet”);
- Organize and execute electronic voting of the Board as required;
- Review, assess and optimize CAFII’s annual Operating Budget as per Executive Director and board direction on identified focusses; managing monthly financial statement and forecast-to-fiscal-year-end updates to the EOC and Board; and managing the annual audited financial statements process and related relationship with external auditor;
- Managing the annual commercial insurance renewal process, including reviewing and assessing costs, and recommendations to the Executive Director for go to market;
- Administration of the annual Member and Associate dues invoicing and collection process;
- Oversight of CAFII’s electronic accounts payable process, in conjunction with the Association’s Controller/Accountant;
- Onboarding new EOC, Board, and Committee members, including setting up one-hour meetings to brief new members on CAFII, and working with our partner Managing Matters to keep CAFII’s orientation package up to date, including identifying and implementing the most efficient way of maintaining an up-to-date orientation package for new members; and
- Collaborate with Executive Director to organize and execute Executive Operations Committee (EOC) meetings and sub-committee meetings, Board of Directors meetings, and the Annual Meeting of Members (AGM), including the preparation of agendas and minutes, preparing related material, and tracking action items;
- Plan a diversity of Association’s events by allocating and managing budgets and managing efforts of our 3rd party provider and the Event Coordinator to ensure Board, Associate and Member satisfaction.

Events

- Plan, and execute post-Board meeting Reception Events;
- Oversight and delivery of the Annual Members and Associates Luncheon;
- Oversight and delivery of the EOC Annual Appreciation Dinner;
- As per general directives, execute annual tour schedule, travel and accommodations for CAFII team to connect with insurance regulators and policymakers in person (typically one per year to either Western Canada (four provinces); or Atlantic Canada (four provinces));
- Responsible for organizing and producing side bar meetings with regulators and policymakers in conjunction with the annual CLHIA Consumer and Complaints Conference, (usually held in May in a major Canadian city);
- Develop and deliver the Annual Liaison Lunch and Industry Issues Dialogue with Autorité des marchés financiers staff executives in Quebec (Montreal or Quebec City), followed by an immediately ensuing CAFII Board meeting;
- Coordinate in-person, virtual, or hybrid meetings with executives from the Financial Services Regulatory Authority of Ontario (FSRA), other provincial/territorial insurance regulators and policy-makers, the Canadian Council of Insurance Regulators (CCIR), the Canadian Insurance Services Regulatory Organisations (CISRO), the Financial Consumer Agency of Canada (FCAC), the Office of the Superintendent of Financial Institutions (OSFI), or from allied industry Associations, as requested by the Executive Director;

- Assist in the planning/organization of six to eight CAFII webinars per year; and
- Other Operations, Events, and Association Governance duties, as may be assigned by the Executive Director from time-to-time.

Key Skills, Experience, and Attributes

- 8-10 years' experience with growing responsibilities in the Associations sector, business, or government, with a focus on operations, process, project management, and events;
- Strong project management skills;
- Demonstrated business acumen;
- Self-starter with demonstrated abilities to focus on multiple, often concurrent, events and processes;
- Thrives in a fast-paced and complex environment combined with a wide span and variety of responsibilities;
- Quick study for new concepts and grasping the vernacular and subtleties of life and health insurance;
- Fluent bilingualism (English and French) is a valuable asset.

Travel

This position will entail occasional travel within Canada, and the need to travel to downtown Toronto offices of CAFII member companies and other industry organizations a few times per month.

November 2024

Briefing Note

CAFII EOC Meeting November 19, 2024—Agenda Item 6(b) Governance – Feedback from Robyn Jennings 1-on-1 EOC Meetings

Purpose of this Agenda Item – *Update*

To update the EOC on CAFII’s Research Analyst Robyn Jennings’ 1-on-1 EOC meetings currently underway.

Background Information

CAFII Research Analyst Robyn Jennings will update the EOC on the 1-on-1 EOC meetings she is currently engaged in.

Recommendation / Direction Sought – *Update*

This is an update item.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

**CAFII EOC Meeting November 19, 2024—Agenda Item 6(c)
Governance – Draft Minutes of October 29/24 EOC Meeting**

Purpose of this Agenda Item – *Approval*

To request approval from the EOC for the October 29/24 EOC Meeting draft minutes.

Background Information

CAFII Research Analyst Robyn Jennings will request approval from the EOC for the draft minutes of the October 29/24 EOC Meeting.

Recommendation / Direction Sought – *Approval*

This is an approval item.

Attachments Included with this Agenda Item

One (1) attachment.

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

Thursday, October 29, 2024, 2:00-3:30pm

Minutes

Virtually:	Karyn Kasperski	RBC Insurance, EOC Chair
	John Burns	Securian Canada, EOC Vice-Chair
	Donald Hinnecke	RBC Insurance, Treasurer
	Rob Dobbins	Assurant Canada
	Jennifer Russell	Assurant Canada
	Martin Boyle	BMO Insurance
	Rebecca Saburi	BMO Insurance
	Catherine Latulippe	Canadian Tire Bank
	David Parkatti	Canadian Western Bank
	Afzal Baig	Chubb Life Insurance Company of Canada
	David Self	CIBC Insurance
	Kevin Szweras	CIBC Insurance
	Michelle Costello	CUMIS/The Co-operators
	Deirdre Kennedy	CUMIS/The Co-operators
	Isabelle Choquette	Desjardins
	Suzie Blanchard	Manulife Financial
	Janet Pacini-Thibodeau	Manulife Financial
	Archie Sachdeva	Manulife Financial
	Sharon Murrell-Foster	Manulife Financial
	Gaël Jasaron	National Bank Insurance
	Shannon Dowe	RBC Insurance
	Charles MacLean	RBC Insurance
	Sushil Masih	RBC Insurance
	Fernando Heleno	RBC Insurance
	Marco DeiCont	Securian Canada
	Jacqlyn Marcus	Securian Canada
	Asma Desai	Securian Canada
	Brad Kuiper	Scotia Insurance
	Fay Coleman	TD Insurance
	Shahnoor Khimjee	TD Insurance
	Andrea Stuska	TD Insurance
	Peter Thorn	TD Insurance
	Jason Beauchamp	The Canada Life Assurance Company
	Dallas Ewen	The Canada Life Assurance Company
Regrets:	William Oyetakin	BMO Insurance
	Cynthia Golubic	Canadian Tire Bank
	John Juba	Chubb Life Insurance Company of Canada
	Lauren Ross	CIBC Insurance
	Casandra Litniansky	CUMIS/The Co-operators
	Diane Quigley	CUMIS/The Co-operators

Almas Satwat	CUMIS/The Co-operators
Nathalie Baron	Desjardins Insurance
Pierre-Olivier Cyr	Desjardins Insurance
Carmelina Manno	Manulife Financial
Katia Umutoniwase	Manulife Financial
Ivan Murray	National Bank Insurance
Jonathan Poulin	National Bank Insurance
Stacey Hughes-Brooks	RBC Insurance
Alfonso Movilla	Scotia Insurance
Mais El-Magraby	Scotia Insurance
Prithipal Rajasekaran	Scotia Insurance
Sean Kradjian	Scotia Insurance
Stephanie Kotani	Scotia Insurance

Also Present: Keith Martin, *Executive Director*
 Robyn Jennings, *Research Analyst*
 Troy Woodland, *Association Coordinator*
 Wendy Bairos, *Media Consultant*

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

Item 1 (a): Call to Order

The meeting was chaired by EOC Chair Karyn Kasperski, who called the meeting to order.

Item 2: Consent Items

The following Consent Items that do not require any discussion or decisions were tabled:

- a. Consultations/Submissions Timetable
- b. September/October Regulatory Update
- c. Regulator and Policy-Maker Visit and Communication Recap
- d. Summary of Board and EOC Action Items
- e. Schedule of CAFII 2024 Meetings and Events
- f. EOC Approved Schedule of CAFII 2025 Meetings and Events

Item 3: Financial Management Matters

Item 3 (a): CAFII Financial Statements as at September 30/24

CAFII Treasurer Donald Hinnecke provided an update on CAFII's financial statements as at September 30/24. Member associate revenue dues were higher than anticipated due to the addition of a new initiation member and one net new associate. Interest revenue was above expectations and will continue this way until the year end. Association operating expenses were below expectations; CAFII is spending \$45K versus the anticipated \$56K. This was a result of lower staffing costs and no legal expenses. Otherwise, all operating costs remain as anticipated, expect for a slight increase in Managing Matter expenses to help remedy the staffing vacancy. Networking & Events Committee did incur some expense due to Board meetings and the EOC Appreciation Dinner. Media and Advocacy has a slightly

lower retainer cost for the media consultant than planned due to the structure of the contract with the media consultant having changed so that overruns in a given month are not charged against CAFII but rather are drawn from a bank of previously unused hours. Overall, CAFII's net income is positive, and the Association will continue to see healthy and robust results.

At the end of September, CAFII still had the erroneously deposited \$450K in its account, thereby skewing CAFII's balance sheet. In mid-October, the funds were finally returned to the correct owner. CAFII has a healthy cash amount in its bank account. CAFII's GIC matured in October. Deferred revenue is dropping every month and will be gone by the end of the year. Some sizeable invoices will be going out soon, including for CAFII's website enhancements. CAFII has \$715K of free capital, which is a strong position to be in.

Item 3 (b): CAFII Forecast as at September 30/24

CAFII Treasurer Donald Hinnecke provided an update on CAFII's forecast as at September 30/24. CAFII continues to see strong revenue numbers for the budget and investment income. A number of expenses have been updated. There was a one-time cost relating to recruiting fees for the replacement of the Operations Manager; the website and SEO enhancements will be \$25-30K lower than expected; and there was a slight uptick in members' communication technology tools. Professional development expenses have been deferred to the next fiscal year. The Research & Education Committee will spend a bit less than budgeted, and there was a higher cost for the Annual Luncheon, meaning that Networking & Events spent a bit more than anticipated. Media Advocacy's expenses are trending lower than planned. CAFII's GIC matured in October; of the \$409K, \$300K was reinvested, and the rest was used for operating expenses. Overall, CAFII expects to have a surplus of \$18K versus the anticipated deficit of \$96K. This is due to diligent expense management and will position the Association strongly for 2025.

Item 3 (c): CAFII Critical Path for 2025 Operating Budget

CAFII's Executive Director, Keith Martin, updated the EOC on CAFII's critical path for the 2025 Operating Budget. He explained that the Path includes the key dates to achieve objectives around the approval of the 2025 Operating Budget. The two key dates are the December 3/24 Board Meeting and the November 19/24 EOC meeting. A well-advanced EOC Operating Budget will be presented for review and potential endorsement at the November EOC meeting. Lengthy discussions have been ongoing to prepare for the aforementioned dates, and a first draft of the 2025 operating budget has already been created and shared with the EOC Chair, Vice Chair, and Treasurer.

Item 4: Committee Updates

Item 4 (a): Marketing Conduct & Licensing

i. Federal Department of Finance Proposed Amendment to the Criminal Code to Include Insurance Costs in the Calculation of Interest

Market Conduct & Licensing Chair Brad Kuiper and CAFII's Executive Director Keith Martin informed the EOC that, since the last EOC meeting, the Federal Department of Finance has not met with CAFII but did meet with the CLHIA to discuss the proposed amendments to the criminal code. At this meeting, the Department asked for data on how many credit protection insurance (CPI) sales are made after the loan instrument, like a mortgage, is offered. K. Martin expressed his concern with this request because it implies the regulator is possibly thinking about a deferred sales model, which does not work for CPI.

K. Martin is not certain this is why the Department is requesting this data, but he would prefer to be cautious and monitor this carefully. He has also raised this concern with the CLHIA. The CBA also inquired if any meetings have been held because they have yet to hear from the Department.

EOC Chair Karyn Kasperski commented that she believes the Department is asking this question because statements were made in the CBA responses, and possibly the CLHIA, that creditor insurance can be added at any point in time. The federal regulators may, therefore, be looking to determine how much of the business will be implicated by their amendments if this is the case. CLHIA is meeting on October 30/24 to discuss the data they have been asked to collect for the Department. K. Kasperski encouraged all EOC members to reach out to their CLHIA representatives to understand how the CLHIA is thinking about positioning this data. K. Martin added that the CLHIA was appreciative that he shared his concerns with them.

After a lengthy discussion, it was agreed that CAFII would contact the Department to ask for the status of the file and if they have any questions regarding CAFII's submission. K. Martin will reiterate that CAFII is happy to meet with the Department. K. Martin will also reach out to the CLHIA to see where they stand, what their perspective is, and what they hope to achieve.

[Action Item: K. Martin to contact the Department of Finance to inquire after the status of the file and reiterate CAFII's willingness to meet with the Department; K. Martin, 2024].

[Action Item: K. Martin to contact the CLHIA to inquire after the regulator's perspective, priorities, and goals regarding the Department of Finance's data request; K. Martin, 2024].

Item 4 (b): Quebec Committee

i. Debrief on the October 8, 2024, Industry Issues Dialogue with AMF Executives, as well as earlier Breakfast with Valerie Gillis, Keith Martin, Hugo Lacroix, and Mario Beaudoin

Quebec Committee Chair Jennifer Russell and CAFII's Executive Director Keith Martin updated the EOC on the October 8/24 Industry Issues Dialogue with AMF executives in Montreal, QC. This also included a breakfast beforehand with CAFII Board Chair Valerie Gillis, Keith Martin, Hugo Lacroix, and Mario Beaudoin. K. Martin explained that both meetings were successful. The breakfast was amicable, and both AMF representatives said they were eager to keep the lines of communication open. H. Lacroix did tell K. Martin that he does not anticipate any major policy developments from the AMF in the next three or four years with respect to insurance or CPI specifically.

At the Industry Issues Dialogue meeting, M. Beaudoin made a presentation, which he distributed to CAFII. The day after this EOC meeting (October 30/24), the Quebec Committee will review his presentation and take notes to capture each company's planned response to the information presented. EOC Chair Karyn Kasperski said she would like the Quebec Committee to determine a general response to the information presented, including whether an industry response should be made to the approach the AMF is taking.

[Action Item: K. Martin and the Quebec Committee to establish a position for CAFII regarding the information presented by Mario Beaudoin (AMF) on October 8/24; K. Martin, 2024].

Item 4 (c): Media Advocacy Committee

i. Proposal to Merge the Research & Education Committee and the Media Advocacy Committee

On behalf of the Chair of the Media Advocacy Committee, Jacqyln Marcus, CAFII's Executive Director, Keith Martin, updated the EOC on the Media Advocacy Committee's recent developments. Progress has been made on the implementation of the media strategy; in particular, CAFII has now signed contracts with website vendors, and work has begun on the development of two new website videos, on search engine optimization, and on the rebuild of the CAFII backend.

Research & Education Chair Andrea Stuska and K. Martin informed the EOC of the proposal to merge the Research & Education Committee and the Media Advocacy Committee. A. Stuska explained that this proposal derives from the shared priorities and close ties between the two committees. K. Martin explained that, with the strategic plan and the media strategy both now in place, this amalgamation allows for a more efficient implementation of an approved and well-developed strategy. It will not incur any additional costs.

The EOC approved the merging of the Research & Education Committee and the Media Advocacy Committee into an amalgamated Research, Media, Education, and Communication (RMEC) Committee, with Andrea Stuska as Chair and Stephanie Kotani as Vice Chair.

ii. Update on Board-Approved Media Plan

CAFII Executive Director Keith Martin updated the EOC on the Board-approved Media Plan and the next steps in the implementation of the media plan, including an article submission to the National Post. The Board was supportive of the direction CAFII's Media Consultant, Wendy Bairos, has suggested. The primary focus is content creation, especially controlled content like LinkedIn, videos and webinars, and blog posts. Another important part of the media plan is getting more exposure to mainstream media, hence the intention to submit an article to the National Post. The Board did recommend an additional step, which was to have one of CAFII's members' legal department look over any articles produced for mainstream media. Because of this extra step, the proposed article itself was not approved at the last Board meeting, and instead, an email approval of the updated article will be sought from the Board.

K. Martin then explained that CAFII is moving forward with the front and backend website enhancements and that the proposed videos will also be shared with the EOC when they are ready.

[Action Item: CAFII to seek email approval of the updated National Post Article; K. Martin, 2024].

iii. Next Steps in Media Plan-Update on Article for Submission to National Post

This item was included and discussed in the update for agenda Item 4(c)ii.

iv. Update on Front and Backend Website Investments

This item was included and discussed in the update for agenda Item 4(c)ii.

Item 4 (d): Research & Education**i. Update on Deloitte Research on Technology Trends and Artificial Intelligence**

Research & Education Chair Andrea Stuska updated the EOC on the Deloitte research on technology and artificial intelligence (AI). Deloitte has already completed most of their interviews with CAFII members. The next phase will be to release a survey to CAFII members for completion. A draft of this survey has already been circulated to the Research & Education Committee for feedback, which has been provided. There is a meeting the week following this meeting (first week of November 2024) to discuss the changes requested to the survey. Afterwards, the survey will be sent via email to one representative from each of CAFII's member companies. It is up to each CAFII member to determine who they want to complete the survey. Though the document will be sent to one representative, internal coordination and collaborative completion are encouraged. Once completed, Deloitte will summarize the findings for discussion with the Research & Education Committee before circulating it within the EOC.

Item 4 (e): Diversity, Equity, and Inclusion Working Group**i. DEI Working Group Next Steps**

On behalf of Tejal Harri-Morar, Chair of the Diversity, Equity, and Inclusion Working Group, CAFII Executive Director Keith Martin gave an update on the DEI Working Group's next steps, which include finalizing a DEI survey of CAFII's member companies conducted over the summer. The findings indicate that all members are engaged in DEI and have well-advanced policies and procedures in place. CAFII's Research Analyst, Robyn Jennings, is the lead on this item, with support and help from K. Martin and T. Harri-Morar.

In terms of the next step, the Working Group will discuss the group's future at its next meeting. It is felt that the group's mandate has been largely achieved, and the intention is to recommend to the EOC at the November 19, 2024, meeting endorsement of a recommendation to wind down the Working Group as it has achieved the objectives for which it was created.

Item 4 (f): Networking & Events**i. Fall 2024 Webinars**

Member of the Networking and Events Committee Janet Pacini-Thibodeau informed the EOC that the Committee has started the process of identifying webinar topics and speakers for CAFII's 2025 webinars and luncheons. By November, more concrete information about confirmed presenters will be available. CAFII Executive Director Keith Martin mentioned that one more webinar on travel insurance will be held in November 2024.

Item 5: Strategic and Regulatory Initiatives**Item 5(a): Update on Expansion of the RSM Canada Quarterly Benchmarking Study**

CAFII Executive Director Keith Martin informed the EOC that CAFII is interested in expanding its Quarterly Benchmarking Study with RSM Canada to include HELOCs. RSM Canada has now indicated the cost of the enhancement, which is higher than expected. K. Martin is in conversation with RSM Canada to try and lower the cost of implementing the enhancement.

Item 6: Governance Matters

Item 6 (a): Proposal to Bill Canadian Western Bank Quarterly in 2025, Pending Merger with National Bank

CAFII Executive Director Keith Martin updated the EOC on the proposal to bill Canadian Western Bank (CWB) quarterly in 2025, pending the merger with National Bank. CWB has indicated that it may have difficulty paying a full year's due early in 2025, when it may not remain a member of CAFII for the full year, depending on when the merger is closed.

In discussion, there was a desire to support CWB but also a concern that CAFII has an annual billing policy. It was suggested that a better approach would be to bill CWB for the full 2025 year. If the close happens before the end of 2025 and CWB does not remain a member of CAFII for some period in 2025, CAFII will be open to discussing the possibility of a partial rebate.

[Action Item: K. Martin to speak with Elizabeth Gandolfi (CWB) to suggest that CAFII bills CWB in 2025 for the full year but will be open to further discussions about a partial rebate if CWB does not remain a member for the full year; K. Martin, 2024].

Item 6 (b): CAFII Proposed Policy Around Who Can Join CAFII Committees

EOC Chair Karyn Kasperski updated the EOC on the proposed policy around who is permitted to join CAFII committees. K. Kasperski explained that, in the April 2024 Board meeting, CAFII's Executive Director, Keith Martin, the then-EOC Chair, Rob Dobbins, the then-Vice-Chair, Karyn Kasperski, and the Board were discussing how the EOC has grown. The Board made a request to document governance policies around who can join the EOC, committees, working groups, and sub-committees. An approach outlining principles associated with membership has been provided. The most important component is that joining a CAFII Committee or Working Group requires that the person in question be an employee of a CAFII member.

The EOC endorsed the Proposed Policy around who can join CAFII Committees for presentation to the Board for approval at the December 3/24 Board meeting.

Item 6 (c): DISCUSS: Do Members of the EOC or Other Committee Circulate CAFII Documents Internally for Feedback Prior to Commenting on Them?

EOC Chair Karyn Kasperski explained to the EOC that, after a discussion on the National Post article and the process for offering input on it, CAFII's leadership wanted to see if its members were, indeed, circulating CAFII documents internally for feedback prior to commenting on them and returning them to CAFII. Research & Education Chair Andrea Stuska commented that TD Canada does circulate documents internally, including legal documents. EOC member Michelle Costello also said that CUMIS/Co-Operators circulate the documents internally.

Item 6 (d): Update on Hiring Operations Manager

CAFII Executive Director Keith Martin informed the EOC that he had no updates regarding hiring an Operations Manager, and he is still working with Managing Matters to move this file forward.

Item 6 (e): Update on Board Decisions at the October 8, 2024, Board Meeting: Rescinding the Policy Around Reimbursement of Regulatory Tours and Reception Expenses; Approval of the CAFII 3-5 Year Strategic Plan; Approval of the CAFII Media Plan

CAFII Executive Director Keith Martin informed the EOC that at the October 8/24 Board meeting, the Board rescinded the policy around reimbursement of Regulatory Tours and Reception Expenses and approved CAFII's 3-5 Year Strategic Plan.

Item 6 (f): Feedback from Robyn Jennings 1-on-1 EOC Meetings

CAFII's Research Analyst, Robyn Jennings, updated the EOC on her 1-on-1 meetings with EOC members. Since the summer, the frequency of the meetings has slowed significantly. R. Jennings encouraged any EOC members who have not set up meetings with her to do so.

Item 6 (g): Draft Minutes of September 19/24 EOC Meeting.

The EOC approved the minutes of the September 19/24 EOC Meeting.

Item 6 (h): Draft Minutes of October 8/24 BOD Meeting

The EOC endorsed the minutes of the October 8/24 BOD Meeting.

Briefing Note

CAFII EOC Meeting November 19, 2024—Agenda Item 7(a-c) Read Only Items

Purpose of this Agenda Item – *Informational*

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

Background Information

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

- a. Mario Beaudoin Quarterly Meeting
- b. AMF – Regulation Respecting the Management and Reporting of Information Security Incidents, Published October 23, 2024, Taking Effect April 23, 2025
- c. FSRA Presentation Deck to the Sectoral Advisory Committee (SAC) on Life and Health Insurance Meeting on November 6, 2024

Recommendation / Direction Sought – *Informational*


This is a read-only item.

Attachments Included with this Agenda Item

Three (3) attachments.

Summary of Conversation Between Mario Beaudoin and Keith Martin, November 5, 2024

- CAFII Executive Director Keith Martin met with AMF's Mario Beaudoin virtually on November 5, 2024 as part of a regular quarterly meeting.
- Mario Beaudoin commented on how much the AMF team enjoyed the session on October 8, 2024 and how impressed he was by the new National Bank facilities.
- Mario Beaudoin shared an internal announcement that Nathalie Sirois, who Mario Beaudoin reports into in Patrick Déry's department, would be retiring in June, 2025. There is an active recruitment for her replacement, with a recruitment firm hired. It very much sounded like the preference is to hire an external candidate, and Mario said that this would be complicated by a hiring freeze recently imposed on the civil service by the Government of Quebec. It is possible to get exempted from the restriction, but it adds time and complexity to the search, Mario said.
- This announcement is producing a cascade effect on Nathalie Sirois' department, the current structure of which I am sharing here.

**Patrick Déry**
Superintendent, Financial Institutions
[Read the biography →](#)

- **Julien Reid**
Senior Director, Policy and Resolution
 - ↳ **Alain Angora**
Director, Licensing and Resolution
 - ↳ **Luc Naud**
Director, Capital and Liquidity Policy
 - ↳ **Hélène Samson**
Director, Prudential Policy and Simulations
- **Paulin Roy**
Senior Director, Solvency and Data Value Creation
 - ↳ **Isabelle Berthiaume**
Director, Supervision – Financial Condition
 - ↳ **Vadim Cebotari**
Director, Supervision – Models
 - ↳ **Ibrahima Khaya**
Director, Business Intelligence and Analytics
- **Nathalie Sirois**
Senior Director, Prudential Supervision
 - ↳ **Mario Beaudoin**
Director, Alternative Insurance Distribution Practices
 - ↳ **Hicham Djab**
Director, Supervision – Emerging Risks
 - ↳ **Véronique Martel**
Director, Supervision – Commercial Practices
 - ↳ **Nathalie Sirois**
Director, Supervision – Governance and Management Practices (interim)

- The exact implications of Nathalie Sirois' retirement are not entirely clear yet. However, Mario said he would in future quarterly meetings bring individuals who might be more focused on Distribution Without a Representative, which Mario may be exiting from. It appears that Véronique Martel is obtaining new responsibilities, something she also shared with me at the October 8, 2024 lunch and dialogue with the AMF in Montreal, and that a new person, **Hicham Jab**, would be taking over the Commercial Practices role, and that Distribution Without a Representative might fit into that department, meaning that the critical role played by Mario may now migrate to Hicham Jab. I will be monitoring this carefully.
- Mario Beaudoin is expected to take on a new role as **Director, Emerging Risk**, where he will be monitoring and providing plans for emerging risks including climate change, quantum computing, artificial intelligence, and cyber risk.
- Mario also said that while Hugo Lacroix and Patrick Déry had teams which would be relevant to CAFII, at a leadership level Patrick was stepping back from active engagement with Associations and Hugo would be the leader at the AMF we would likely have more need to interact with.
- Mario then spoke about some the objectives of the statistics his team has gathered around claims denial rates, and return of premium to customers. His comments are consistent with themes he has shared in the past, including in his presentation on October 8.
- **Mario emphasized that the performance of industry for credit protection insurance for mortgages and loans was good, and he was satisfied with the numbers he saw, especially for life insurance for these loan instruments.**
- However, he was puzzled that the performance was less impressive when critical illness insurance was added into the product plan, and that this would continue to be something the AMF looks into. It would be helpful if the performance of the critical illness product could improve, Mario added.
- Mario said that the claims denial rate and the return of premium to customers was completely different, and much less impressive, for credit card products.
- With reference to travel insurance, he said that travel insurance products for which a premium was paid were performing well and providing an important service, but that was not the case for embedded credit card products, which "are like a totally different product in terms of performance." He said there was a prolific number of these products, and that some members said that they could not calculate the statistics requested because there were so few claims made. Mario said he was concerned that if a product have few claims, it might be of limited value in the marketplace, and that industry might want to simplify these offers including by not having such products if no one claims on them.
- Specifically, he said that the AMF had a threshold for a product to have "significant claims" of 10 claims in a year, or \$10,000 in claims in a year, and that for embedded products few met this threshold. In contrast, travel insurance for medical emergencies insurance for which a premium was paid saw \$40 million paid in claims.
- Mario said that for now this was an internal discussion with industry and the AMF and there was time to address these issues, but at some point there may be a requirement to share these numbers publicly and he is concerned about the reaction publicly if that happened. **He said he felt he could say that credit protection insurance products like mortgage life insurance "are**

good products” that add value to customers, but that he would not be able to say that for credit card embedded insurance products. If industry can address some of these credit card issues, he said, that would be helpful around avoiding any negative perception of these products.

- Throughout the discussion I shared with him that there were subtleties around the reporting of statistics that had to be taken into account, and he said he appreciated that and it was why he felt it was important to continue to have conversations and his team wants to understand the full picture.
- Mario concluded by saying that if industry could address the critical illness insurance product’s performance, as well as the metrics for embedded credit card travel insurance, that would alleviate many of the concerns the AMF has.
- Mario asked me to set up four more virtual meetings in 2025, but said that as roles change he may bring additional people to those meetings.

REGULATION RESPECTING THE MANAGEMENT AND REPORTING OF INFORMATION SECURITY INCIDENTS BY CERTAIN FINANCIAL INSTITUTIONS AND BY CREDIT ASSESSMENT AGENTS

Credit Assessment Agents Act
(chapter A-8.2, ss. 66 and 73)

Insurers Act
(chapter A-32.1, ss. 485 and 496)

Act respecting financial services cooperatives
(chapter C-67.3, ss. 601.1 and 601.9)

Deposit Institutions and Deposit Protection Act
(chapter I-13.2.2, s. 43, par. *u* and s. 45.9)

Trust Companies and Savings Companies Act
(chapter S-29.02, ss. 277 and 286)

CHAPTER I SCOPE AND INTERPRETATION

1. This Regulation applies to the following financial institutions:

(1) insurers authorized under the Insurers Act (chapter A-32.1) and federations of mutual companies that are subject thereto;

(2) federations and credit unions not members of a federation that are subject to the Act respecting financial services cooperatives (chapter C-67.3);

(3) deposit institutions authorized under the Deposit Institutions and Deposit Protection Act (chapter I-13.2.2); and

(4) trust companies authorized under the Trust Companies and Savings Companies Act (chapter S-29.02).

This Regulation also applies to credit assessment agents designated under the Credit Assessment Agents Act (chapter A-8.2).

2. For purposes of this Regulation, “information security incident” means an attack on the availability, integrity or confidentiality of information systems or the information they contain.

CHAPTER II MANAGEMENT OF INFORMATION SECURITY INCIDENTS

DIVISION I INFORMATION SECURITY INCIDENT MANAGEMENT POLICY

3. A financial institution or a credit assessment agent must develop and implement an information security incident management policy that includes, without limitation, procedures and mechanisms for detecting, assessing and responding to information security incidents where such incidents occur within the institution, a credit union that is a member of a federation, the agent or a third party to which the institution, the credit union or the agent has entrusted the performance of any part of an activity.

The information security incident management policy must also contain a procedure for the reporting of information security incidents to the officers or, as the case may be, to the managers of the financial institution or the credit assessment agent, including a procedure

for the reporting of such incidents thereto when they occur within a credit union that is a member of a federation or a third party contemplated in paragraph 1.

Furthermore, the policy must include a procedure for the reporting of incidents to any other stakeholders, including clients, third parties to which the institution or agent has entrusted the performance of any part of an activity, consumers, the Autorité des marchés financiers and any other regulatory bodies.

4. A financial institution or a credit assessment must assign, in writing, responsibility for monitoring the management and reporting of information security incidents to one of its officers or, in the case of a financial services cooperative, to one of its managers.

DIVISION II

REPORTING TO THE AUTORITÉ DES MARCHÉS FINANCIERS

5. A financial institution or a credit assessment agent must, if an incident with potentially adverse impacts is reported to its officers or, as the case may be, to its managers, report the incident to the Authority no later than 24 hours after the incident.

The financial institution or the credit assessment agent must, within that same period, also report to the Authority any information security incident that has been reported to a regulatory body, a person or a body responsible under law for the prevention, detection or repression of crime or statutory offences or contractually responsible for providing compensation for injury that may have been caused by the incident.

6. When a financial institution or a credit assessment agent notifies the Commission d'accès à l'information, established under section 103 of the Act respecting Access to documents held by public bodies and the Protection of personal information (chapter A-2.1), of a confidentiality incident referred to in paragraph 2 of section 3.5 of the Act respecting the protection of personal information in the private sector (chapter P-39.1), it must report the incident to the Authority at the same time.

7. A financial institution or a credit assessment agent must report an information security incident to the Authority by completing the form available on the Authority's website.

8. A financial institution or a credit assessment agent must notify the Authority of developments in the situation no later than three days following the notice referred to in section 5 and no later than every three days thereafter, until the close of the incident.

9. Within three days from the close of the incident, a financial institution or a credit assessment agent must send to the Authority a notice confirming that the incident is under control and that operations have returned to normal.

10. A financial institution or a credit assessment agent must send the Authority a report within 30 days from the close of the information security incident. The report must, among other things:

- (1) identify the source and type of the incident;
- (2) provide an assessment by the financial institution or the credit assessment agent regarding a potential recurrence of the incident; and
- (3) describe the actions taken to reduce the possibility of new incidents of the same nature occurring.

DIVISION III

INFORMATION SECURITY INCIDENT REGISTER

11. A financial institution or a credit assessment agent must maintain a current information security incident register that includes, for each incident:

- (1) the date and time of the incident;
- (2) the location of the incident;
- (3) the nature of the incident;
- (4) a detailed description of the incident, including the information specified in subparagraph 2 of section 10;
- (5) any injury caused by the incident;
- (6) the third parties involved in the incident;
- (7) the actions taken;
- (8) acceptance or non-acceptance of the residual risk and the reasons for such acceptance or non-acceptance;
- (9) planned actions; and
- (10) the incident close date.

12. A financial institution or a credit assessment agent must keep the information recorded in the register in a secure and confidential manner so as to maintain the information's integrity for a minimum period of seven years from the date of the report referred to in section 10.

CHAPTER III

MONETARY ADMINISTRATIVE PENALTIES

13. A monetary administrative penalty of \$250, in the case of a natural person, and \$1,000, in any other case, may be imposed on a financial institution or a credit assessment agent contemplated in section 1 that:

- (1) in contravention of section 4, has not assigned, in writing, responsibility for monitoring the management and reporting of information security incidents to one of its officers or, as the case may be, to one of its managers;
- (2) in contravention of section 5, fails to report an incident to the Authority no later than 24 hours after the incident;
- (3) in contravention of section 6, fails, when notifying the Commission d'accès à l'information of an incident, to report the incident to the Authority at the same time;
- (4) in contravention of section 8, fails to notify the Authority of developments in the situation no later than three days following the notice referred to in section 7 and no later than every three days thereafter, until the close of the incident; or
- (5) in contravention of section 9, fails to send to the Authority, within three days from the close of an information security incident, a notice consistent with this section;

14. A monetary administrative penalty of \$500, in the case of a natural person, and \$2,500, in any other case, may be imposed on a financial institution or a credit assessment agent referred to in section 1 that:

- (1) in contravention of section 3, fails to develop or implement an information security incident management policy;

(2) in contravention of section 11, fails to maintain a current information security incident register; or

(3) in contravention of section 12, fails to keep the information in the information security incident register for a minimum period of seven years from the date of the report contemplated in section 10.

CHAPTER IV

FINAL PROVISION

15. This Regulation comes into force on (*indiquer ici la date d'entrée en vigueur du présent règlement*).

Life & Health Stakeholder Advisory Committee Meeting

***Proposed FY2025-26 Life & Health Priorities
and Financial Plan***

Date: November 6, 2024

FSRA

Financial Services Regulatory
Authority of Ontario



Agenda

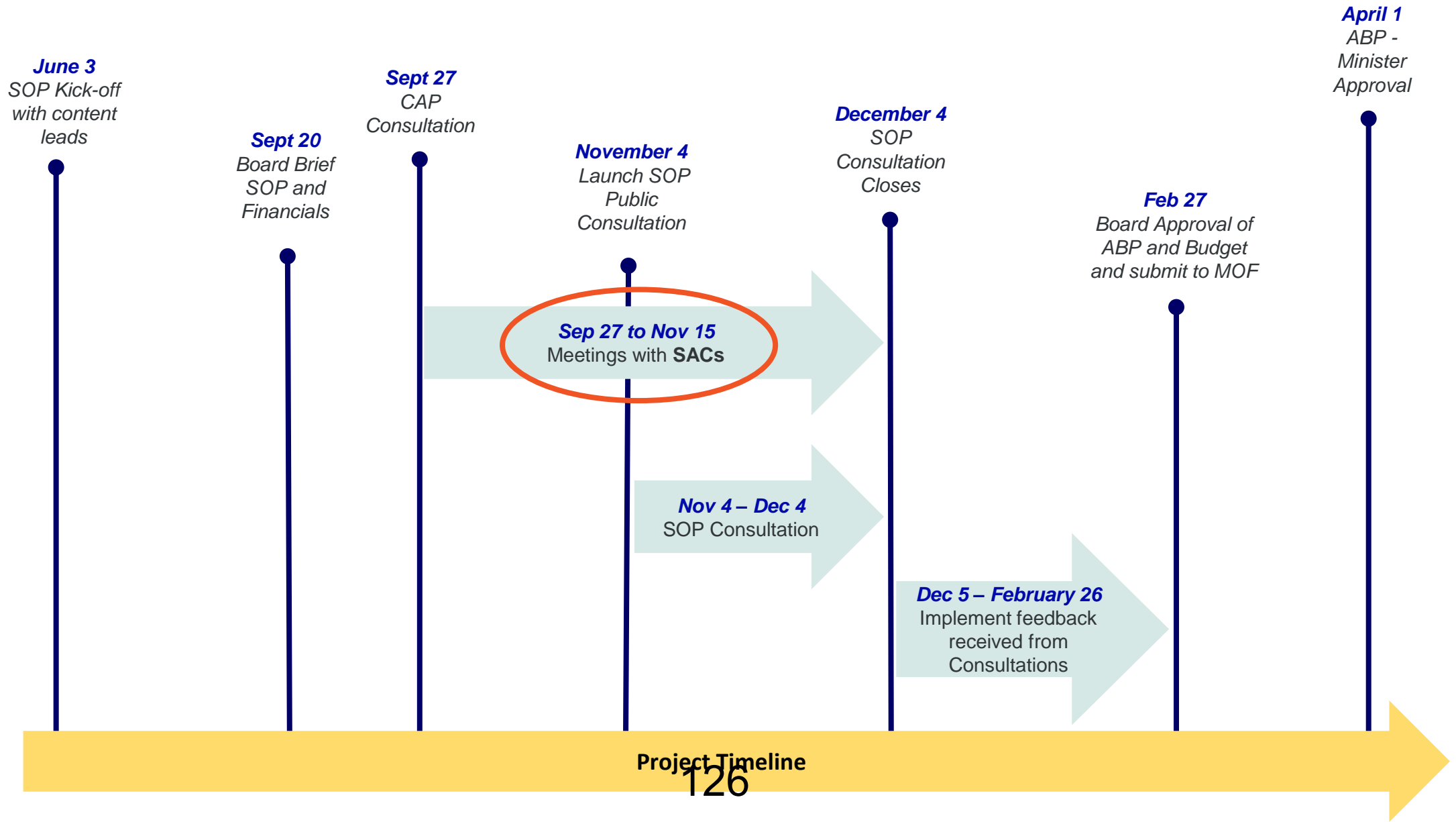
1. Process Overview
2. FSRA 2025-26+ Priorities
3. FY2025-26 Life & Health Priorities
 - Environmental Scan
 - L&H Priorities from 2025-26 SOP
 - L&H Insurance Supervision Updates
4. Financial Plan
5. Appendix
 - A: Strategic Framework
 - B: FY2024-25 FSRA Priorities
 - C: FY2025-26 Cross-Sectoral Priorities



Financial Services Regulatory
Authority of Ontario



Process Overview





Cross-Sectoral

- 1. Strengthen stakeholder relations and improve consumer-focused outcomes
- 2. Enhance licensing efficiency and effectiveness
- 3. Modernize systems and processes



4. Property & Casualty and Auto Insurance

- 4.1 Implement key reforms for the regulation of auto insurance rates and underwriting
- 4.2 Support reforms of the auto insurance system
- 4.3 Support the fair treatment of property and casualty insurance consumers



5. Ontario-incorporated Insurance Companies and Reciprocals (Insurers)

- 5.1 Increase resilience, stability and public confidence
- 5.2 Enhance FSRA's Regulatory Framework



6. Credit Unions

- 6.1 Increase resilience, stability, and promote confidence
- 6.2 Enhance FSRA's Regulatory Framework
- 6.3 Enhance financial stability structures



7. Life & Health Insurance

- 7.1 Strengthen the market conduct regulation and supervision of intermediaries, including Managing General Agents ("MGAs")
- 7.2 Strengthen protection of consumers who invest in segregated fund contracts



8. Mortgage Brokering

- 8.1 Modernize sector requirements to protect mortgage brokering consumers



9. Pensions

- 9.1 Enhance prudential supervision of the pension sector
- 9.2 Advance regulatory excellence and improve plan member outcomes



10. Financial Planners & Advisors

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

FY2025-26 Life & Health Priorities

Identified Trends

- Insurance Intermediaries – Third parties supporting the distribution and administration of policies have grown in number and size, often due to consolidations.
 - Ministry of Finance consultation on proposed licensing framework for L&H MGAs
- Consumer / investor education and exposure is an ongoing issue
 - Segregated Funds Total Cost Reporting reforms in progress, targeted for 2027 implementation
- Consumer sentiment – FSRA consumer research indicates consumer vulnerability is increasing due to financial literacy and significant life events. But consumer confidence and satisfaction in the sector is improving, and the gap between vulnerable consumers, compared to other consumers, on these matters appears to be shrinking
 - Report targeted for publication in early 2025

2. Enhance licensing efficiency and effectiveness

Outcomes We Are Seeking

- Elevated professionalism within the regulated sectors.
- Greater trust by consumers when dealing with a licensed individual or entity.
- Risks posed to consumers when dealing with a licensed individual or entity are further mitigated.
- Improved service delivery for all licensing transactions while maintaining protection for consumers.

Key Activities to Achieve Outcomes

- a) Explore additional tools to support FSRA's assessment of licensing suitability.
- b) Enhance licensing suitability reviews by incorporating new risk-based searches to assess suitability for a licence.
- c) Implement recommendations from the internal licensing process review.

- Providing strong licensing services to stakeholders is a FSRA priority
- FSRA is committed to improving licensing service levels
- FSRA has developed an action plan to address service issues



Improve Application Processing Times



Reduce Overall Volume of Pending Applications

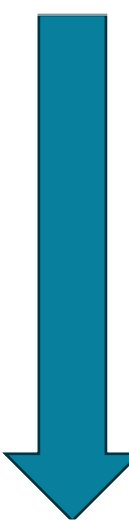


Increase Transparency in Communication with Applicants & Licensees



Inform stakeholders of our progress

Licence applications & renewals are evaluated for Completeness, Eligibility and Suitability

<p>Complexity and Level of Judgement Required</p>  <p>Low</p> <p>High</p>	Evaluation Elements	Description / Examples
	Completeness	Has the applicant provided all required documents and answered all questions?
	Eligibility	<i>Binary minimum licensing requirements</i> such as: <ul style="list-style-type: none">- Does the applicant satisfy the education requirement?- Does the applicant hold the appropriate E&O?
	Suitability	<i>Judgement-based concerns</i> regarding applicant behaviours, such as: <ul style="list-style-type: none">- History of bankruptcy, fraud, or other legal concerns- Failure to fully disclose circumstances in answers to suitability questions- Potential conflict of interest related to other business activities

Taking a Principles-Based approach: Focus on suitability concerns and minimize the effort to confirm Completeness and Eligibility.

	Monthly Average of new & renewal applications	Service Standard
Insurance Agent	800-1000 new applications; 2,900 renewals	75% issued within 20 business days
Corp. Insurance Agent	40 new applications; 300 renewal applications	75% issued within 20 business days

7.1 Strengthen the market conduct regulation and supervision of intermediaries, including Managing General Agents (“MGAs”)

Outcomes We Are Seeking

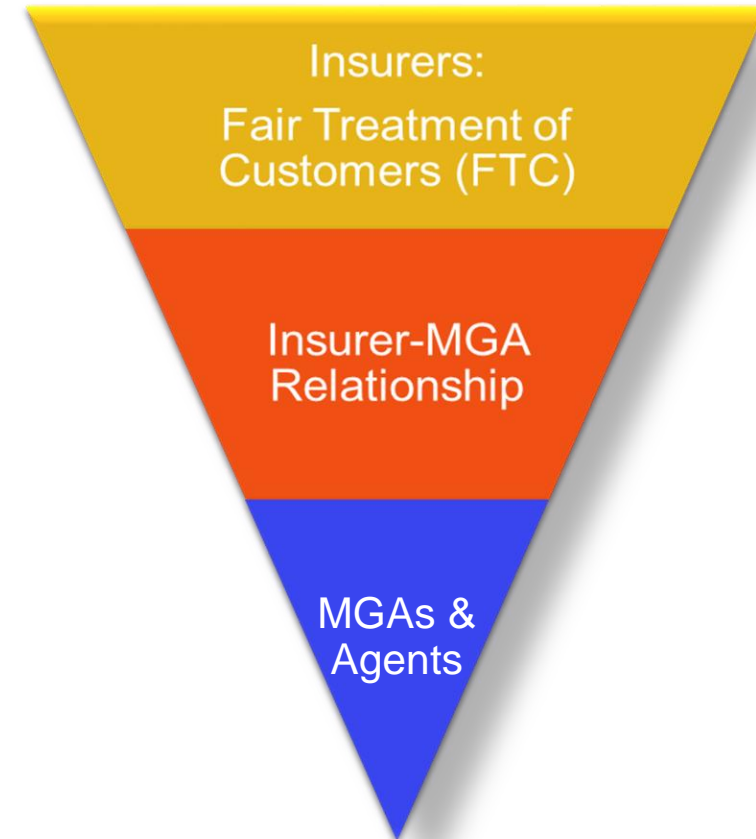
- Consumers receive the same protections whether they acquire insurance from agents who work directly for an insurer, or from agents who are contracted by an MGA.
- Consumers are protected through efficient and effective supervision of the L&H insurance sector.

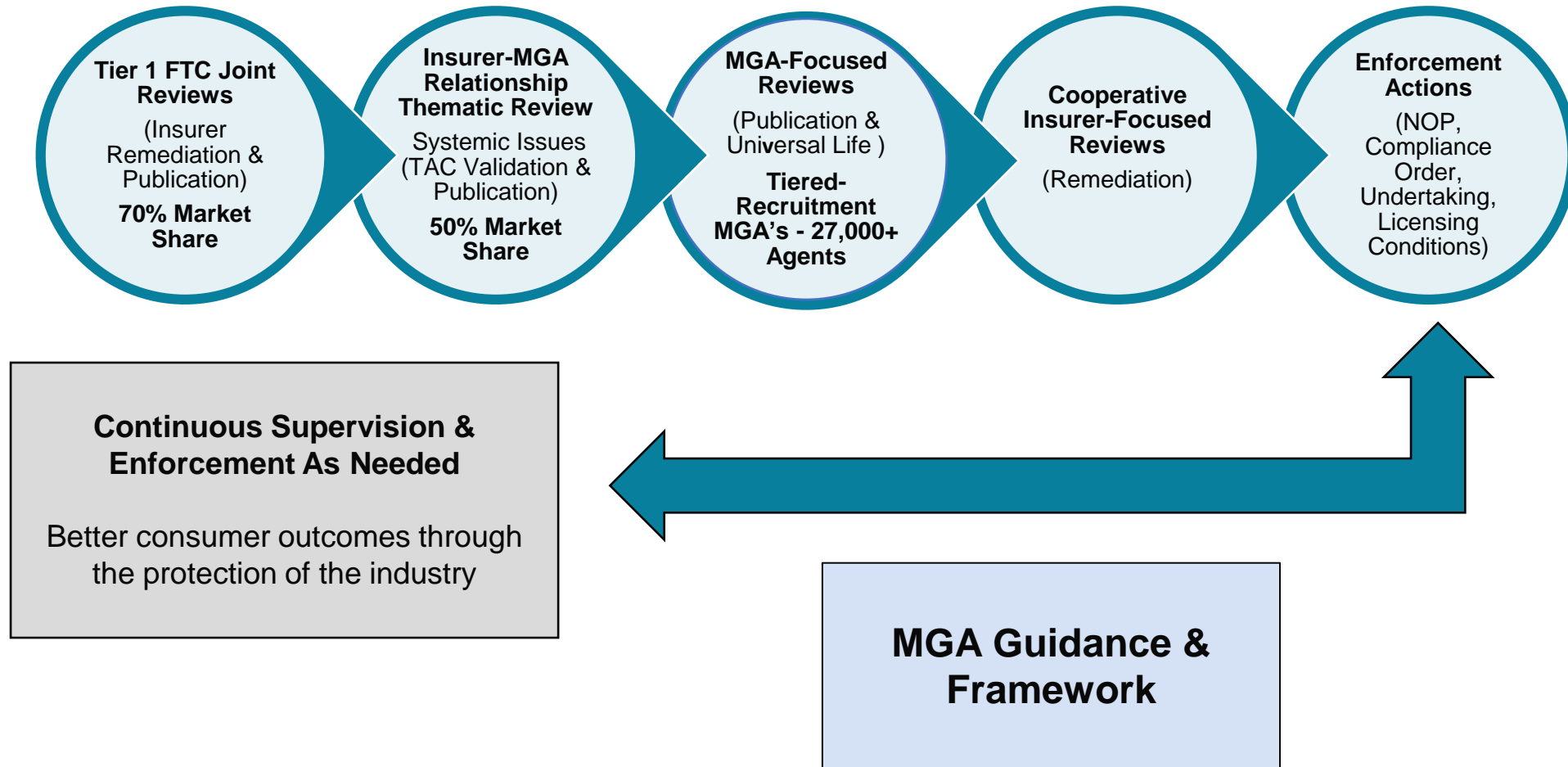
Key Activities to Achieve Outcomes

- a) Publish for consultation a rule framework corresponding to the regulatory framework, dependent on legislation being approved, which aims to address regulatory gaps for Life and Health Insurance MGAs.

A Methodical, Evidence & Risk-Based Approach to Market Conduct Supervision

1. **Insurers:** National Cooperative Fair Treatment of Customers (FTC) Review
2. **Insurer - Intermediary:** Thematic review of insurers in relation to the largest L&H insurance distribution channel – MGAs
3. **Intermediaries:** Direct review of MGAs and insurance agents





Key Strategic Supervision Pillars for FY 2024-25 – Insurers and MGAs

C Corrective Actions & Proactive Supervision

Supervisory Remediations & Enforcement Actions

- Insurer Projects: 4 L&H Insurers
- MGA Projects: 2 L&H MGAs

CCIR Cooperative Reviews (FSRA and AMF)

- Distribution Channel Review: 4 L&H Insurers
- Complaint Handling Review: 1 L&H Insurer

Expected Outcome:

- Strengthening the insurance intermediary chain
- Enhanced compliance with the regulatory requirements

C Conduct Indicators

- Annual Statement of Market Conduct (ASMC) National Reporting for 2024
- Build out of the L&H Insurer Risk Profiling Model

Expected Outcome:

- Insurer risk modeling and industry trend analysis at the national level

I Intelligence

- Life Insurer Intelligence Questionnaire on MGA Distribution and Business Practices (Launch Date TBD)
 - Will feed into Risk Assessment of L&H Insurers and MGAs
- MGA Supervision Program Design

Expected Outcome:

- Gain a detailed understanding to identify and tailor supervisory strategies for high-risk entities and issues

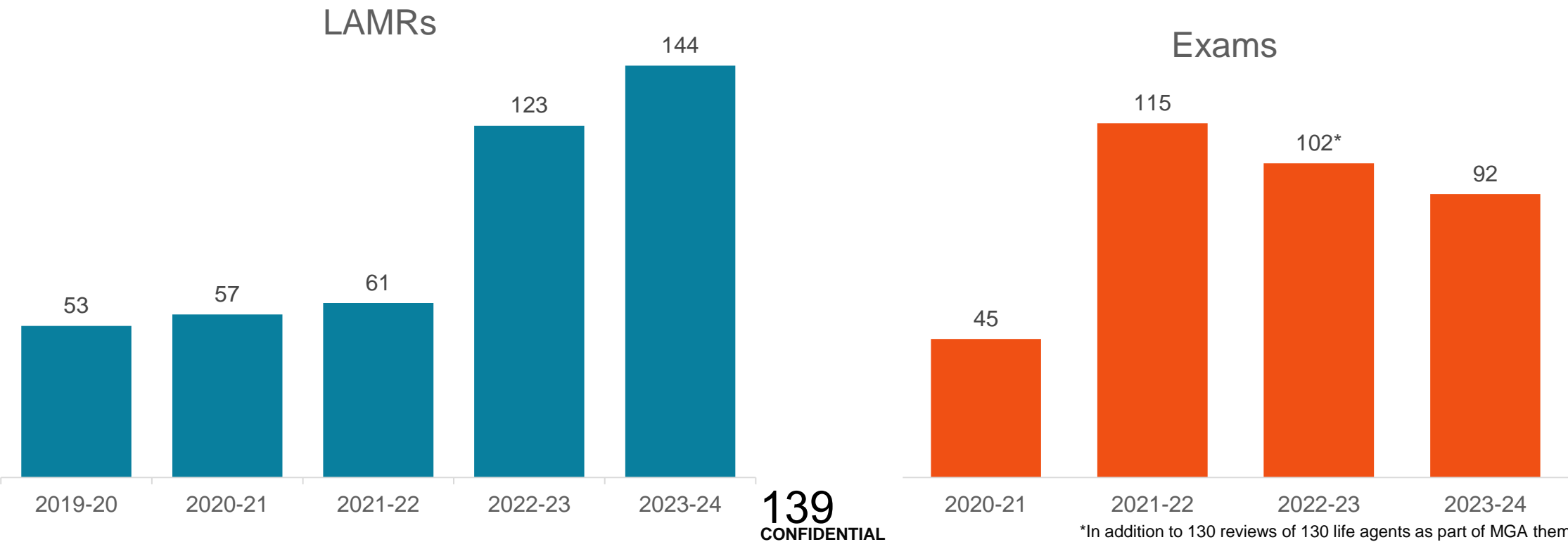
I IAIS

- Application Paper to apply IAIS's Insurance Core Principles to achieve fair treatment for vulnerable consumers
- Work with CSOC for implementation in Canada post-launch
- Guidance on the use of conduct indicators in insurance supervision for IAIS members

Expected Outcome:

- Better outcomes for vulnerable consumers through the recommended application of the concepts highlighted in the DEI Application Paper

- **Snapshot of year-over-year volumes of LAMRs and examinations. Dispositions from reviews and enforcement actions taken are relatively consistent / stable over last two years**
 - LAMR program was focus in 2023-24, with FSRA managing a fake policyholder trend as of 2024
 - Supervision results from 2022-23 and 2023-24 are targeted for publication in December



- **Priorities for 2025-26**

- Working with industry to improve the quality of LAMR submissions received and sharing trends from supervision.
- Continue supervising agent compliance with regulatory requirements and FTC expectations (e.g., needs-based sales practices).
- Developing & sharing a risk-based proactive supervision plan and issue Business Practice Compliance Questionnaire (launch date TBD).

7.2 Strengthen protection of consumers who invest in segregated fund contracts

Outcomes We Are Seeking

- Customers with segregated fund contracts have the information they need to make suitable choices about their investments.
- Consumers receive advice that is suitable based on their needs and circumstances from agents who are appropriately grained and monitored.
- Harmonize, to the extent possible, with other Canadian jurisdictions to ensure insurers and agents put customers' interests first and manage conflicts of interest appropriately when they design, sell and administer segregated fund contracts.

Key Activities to Achieve Outcomes

- a) Finalize the Total Cost Reporting Rule for individual segregated fund contracts.

Financial Plan

Proposed FY2025-2026 Business Plan (Sector View)

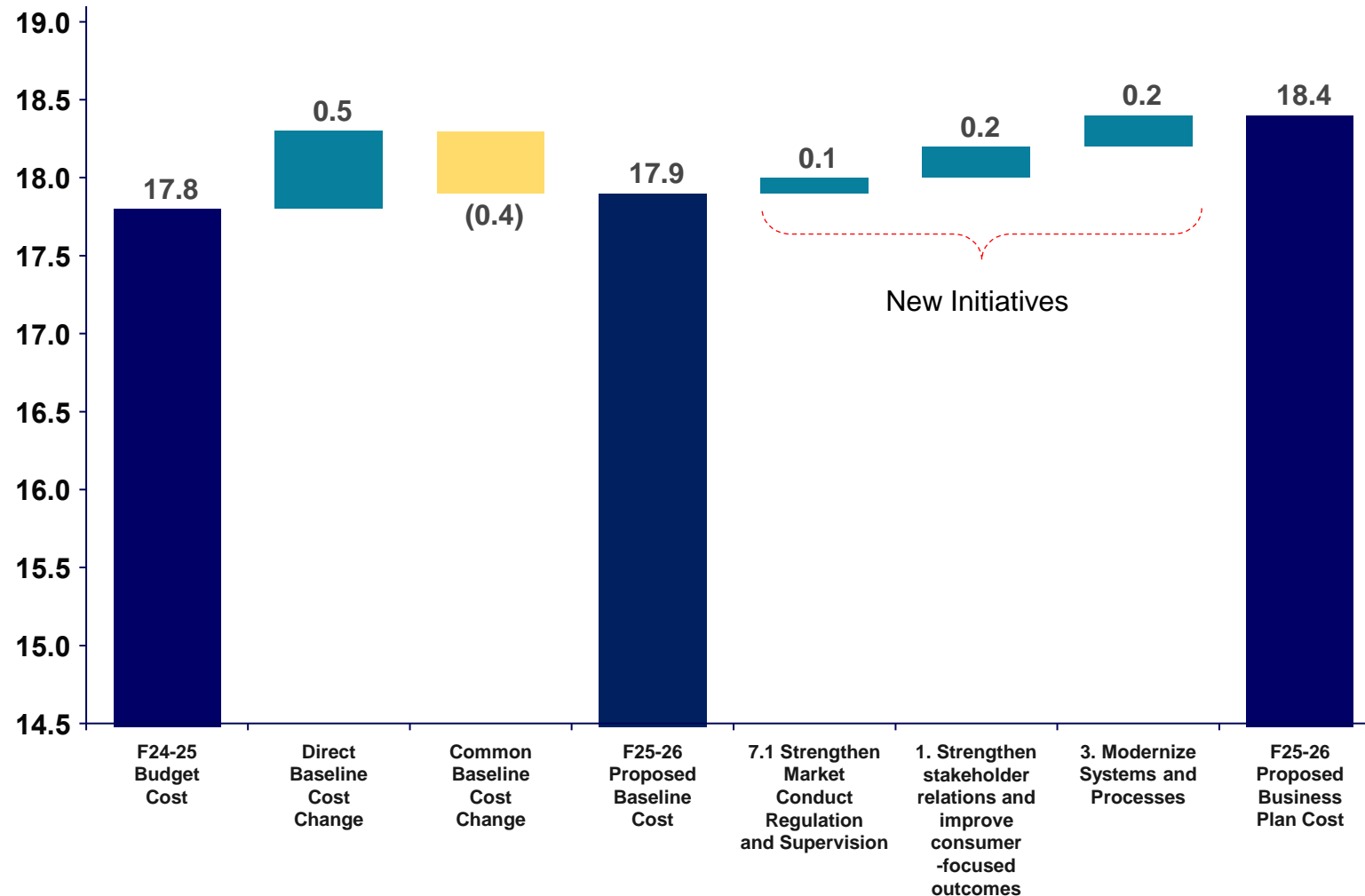
Sector (\$M)	Insurance						Pensions	Credit Unions	Mortgage Brokers	Loans & Trusts	Financial Planners & Financial Advisors	Total
	Auto Products*	Health Service Providers	P&C Conduct	P&C Prudential	Life & Health Conduct	Life & Health (MGA)						
FY2025-2026 Proposed Revenue												
Activity and Licensing Fees	-	3.5	1.2	-	7.0	-	-	-	18.2	-	0.1	30.0
Fee Assessment	16.4	-	9.8	3.7	9.5	1.5	24.8	19.3	-	0.8	0.8	86.6
FY2025-2026 Proposed Revenue	16.4	3.5	11.1	3.7	16.5	1.5	24.8	19.3	18.2	0.8	0.9	116.6
Direct Cost	11.4	2.4	8.0	2.7	11.7	1.0	18.0	14.0	13.2	0.6	0.6	83.5
Common Cost	5.9	1.1	3.7	1.2	5.4	0.4	8.3	6.4	6.1	0.3	0.3	39.1
FY2025-2026 Proposed Cost	17.3	3.5	11.7	3.9	17.0	1.4	26.2	20.4	19.3	0.8	0.9	122.6
Expected Fixed Fee Under Contribution to Common Costs	0.2	-	0.1	0.0	0.1	0.0	0.3	0.2	(1.1)	0.0	0.0	-
Funding from Cumulative Surplus	1.1	-	0.8	0.3	0.7	-	1.7	1.4	-	0.1	0.1	6.0
FY2024-2025 Revenue												
Activity and Licensing Fees	-	3.5	1.3	-	7.3	-	-	-	18.1	-	0.1	30.4
Fee Assessment	15.9	-	9.3	3.7	9.3	-	25.1	19.0	-	0.8	0.7	83.7
FY2024-2025 Revenue	15.9	3.5	10.6	3.7	16.6	-	25.1	19.0	18.1	0.8	0.9	114.1
Fee Assessment Variance Increase/(Decrease)	0.6	-	0.5	0.0	0.2	1.5	(0.3)	0.3	-	0.0	0.0	2.9
	3.5%		5.0%	0.6%	2.4%		-1.0%	1.8%		2.5%	3.2%	3.5%
Total Revenue Variance Increase/(Decrease)	0.6	(0.0)	0.4	0.0	(0.1)	1.5	(0.3)	0.3	0.0	0.0	0.0	2.5
	3.5%	-1.2%	4.0%	0.6%	-0.6%		-1.0%	1.8%	0.2%	2.5%	2.8%	2.2%
FY2024-2025 Cost	17.9	3.5	12.0	4.1	17.8	-	28.3	21.4	19.1	0.9	1.0	126.1
Cost Variance Increase/(Decrease)	(0.6)	(0.0)	(0.3)	(0.2)	(0.8)	1.4	(2.1)	(1.0)	0.2	(0.0)	(0.0)	(3.5)
	-3.4%	-1.2%	-2.7%	-5.9%	-4.6%		-7.4%	-4.7%	1.2%	-4.1%	-3.8%	-2.8%

* Includes HSP under/(over) recovery

Note: In the view above, net interest income is included as a reduction to the common cost across all sectors. It will be depicted as a revenue item in the FSRA's annual financial statement. The amounts are rounded to the nearest \$0.1M. Consequently, some variances and totals may not precisely align

FY2025-2026 Plan: Total Life and Health Conduct

Key Changes (\$M)



FY2025-2026 Proposed Business Plan Cost: \$18.4M

- The FY2025-2026 Proposed Baseline Cost is expected to be **\$17.9M**, an increase of **\$0.1M** or **0.6%** compared to the FY2024-2025 Budget Cost, due to a Direct Baseline Cost Change of **\$0.5M** and a Common Baseline Cost Change of **(\$0.4M)**
- New initiatives for FY2025-2026 are budgeted at **\$0.5M**, with the investments focused on promoting the following priorities:
 - 7.1 Strengthen the market conduct regulation and supervision of intermediaries, including Managing General Agents (“MGAs”)
 - 1. Strengthen stakeholder relations and improve consumer-focused outcomes
 - 3. Modernize Systems and Processes

Proposed FY2025-2026 Business Plan (Sector View)

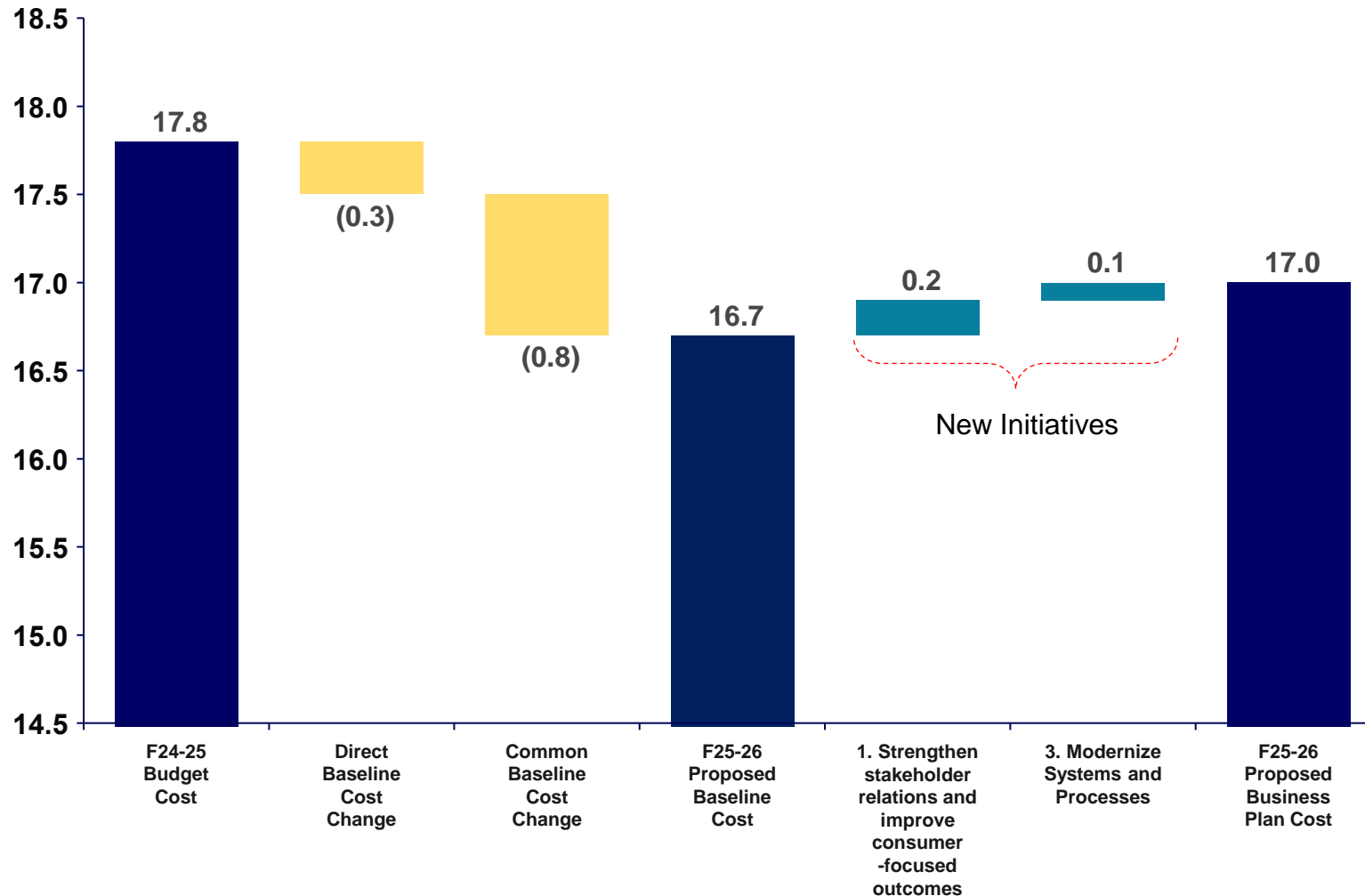
Sector (\$M)	Insurance						Pensions	Credit Unions	Mortgage Brokers	Loans & Trusts	Financial Planners & Financial Advisors	Total
	Auto Products*	Health Service Providers	P&C Conduct	P&C Prudential	Life & Health Conduct	Life & Health (MGA)						
FY2025-2026 Proposed Revenue												
Activity and Licensing Fees	-	3.5	1.2	-	7.0	-	-	-	18.2	-	0.1	30.0
Fee Assessment	16.4	-	9.8	3.7	9.5	1.5	24.8	19.3	-	0.8	0.8	86.6
FY2025-2026 Proposed Revenue	16.4	3.5	11.1	3.7	16.5	1.5	24.8	19.3	18.2	0.8	0.9	116.6
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Common Cost	5.9	1.1	3.7	1.2	5.4	0.4	8.3	6.4	6.1	0.3	0.3	39.1
FY2025-2026 Proposed Cost	17.3	3.5	11.7	3.9	17.0	1.4	26.2	20.4	19.3	0.8	0.9	122.6
Expected Fixed Fee Under Contribution to Common Costs	0.2	-	0.1	0.0	0.1	0.0	0.3	0.2	(1.1)	0.0	0.0	-
Funding from Cumulative Surplus	1.1	-	0.8	0.3	0.7	-	1.7	1.4	-	0.1	0.1	6.0
FY2024-2025 Revenue												
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Total Revenue Variance Increase/(Decrease)	0.6	(0.0)	0.4	0.0	(0.1)	1.5	(0.3)	0.3	0.0	0.0	0.0	2.5
	3.5%	-1.2%	4.0%	0.6%	-0.6%		-1.0%	1.8%	0.2%	2.5%	2.8%	2.2%
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Cost Variance Increase/(Decrease)	(0.6)	(0.0)	(0.3)	(0.2)	(0.8)	1.4	(2.1)	(1.0)	0.2	(0.0)	(0.0)	(3.5)
	-3.4%	-1.2%	-2.7%	-5.9%	-4.6%		-7.4%	-4.7%	1.2%	-4.1%	-3.8%	-2.8%

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FY2025-2026 Plan: Life and Health Conduct – excluding MGA

Key Changes (\$M)



FY2025-2026 Proposed Business Plan Cost: \$17.0M

- The FY2025-2026 Proposed Baseline Cost is expected to be **\$16.7M**, a decrease of **\$1.1M** or **6.2%** compared to the FY2024-2025 Budget Cost, due to a Direct Baseline Cost Change of **(\$0.3M)** and a Common Baseline Cost Change of **(\$0.8M)**
- New initiatives for FY2025-2026 are budgeted at **\$0.3M**, with the investments focused on promoting the following priorities:
 - 1. Strengthen stakeholder relations and improve consumer-focused outcomes
 - 3. Modernize Systems and Processes

Proposed FY2025-2026 Business Plan (Sector View)

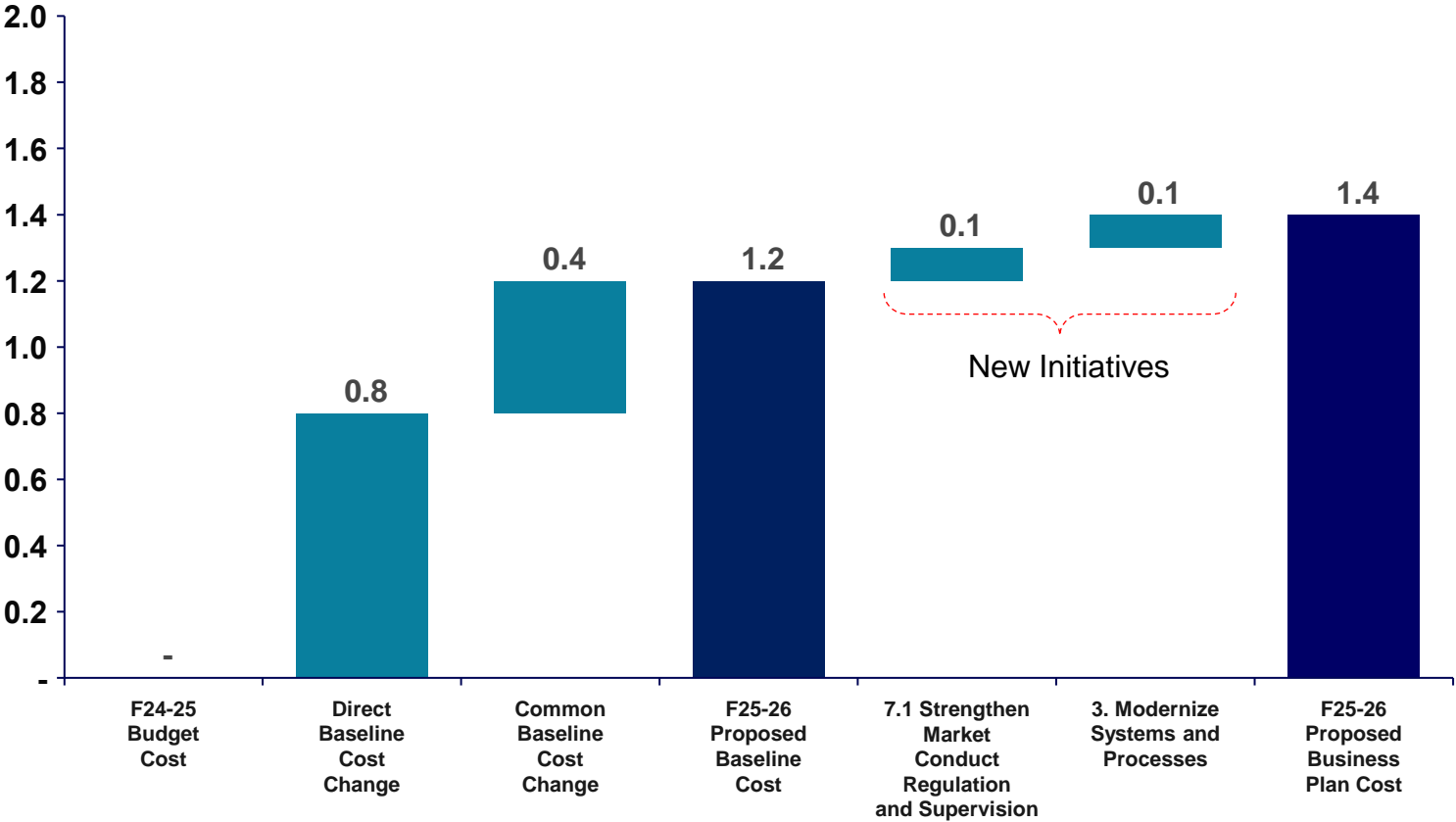
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Cost Variance Increase/(Decrease)	(0.6)	(0.0)	(0.3)	(0.2)	(0.8)	1.4	(2.1)	(1.0)	0.2	(0.0)	(0.0)	(3.5)
	-3.4%	-1.2%	-2.7%	-5.9%	-4.6%		-7.4%	-4.7%	1.2%	-4.1%	-3.8%	-2.8%

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FY2025-2026 Plan: Life and Health Conduct (MGA)

Key Changes (\$M)



FY2025-2026 Proposed Business Plan Cost: \$1.4M

- The FY2025-2026 Proposed Baseline Cost is expected to be **\$1.2M**, which consists of a Direct Baseline Cost of **\$0.8M** and a Common Baseline Cost of **\$0.4M**
- New initiatives for FY2025-2026 are budgeted at **\$0.2M**, with the investments focused on promoting the following priorities:
 - 7.1 Strengthen the market conduct regulation and supervision of intermediaries, including Managing General Agents (“MGAs”)
 - 3. Modernize Systems and Processes
- The Managing General Agent (“MGA”) will be treated as a sub-sector under the Life & Health sector. Its costs will be recovered from this sector once regulation commences, and an appropriate fee rule is established. Costs are currently being accrued and deferred until the launch to ensure that other sectors do not bear the financial burden of the MGA during the establishment of the regime.

Q&A

Appendix A: Strategic Framework

Operate effectively to be a high-performing regulator

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

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

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










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

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

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

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

Appendix B: FY2024-25 FSRA Priorities

 <h3>Cross-sectoral</h3> <ul style="list-style-type: none">1. Advance the consumer interest2. Enable innovation3. Modernize systems and processes	 <h3>4. Property & Casualty and Auto Insurance</h3> <ul style="list-style-type: none">4.1 Execute strategy for reforming the regulation of auto insurance rates and underwriting4.2 Support reforms of the auto insurance system4.3 Ensure the fair treatment of customers of property and casualty insurance4.4 Promote resilience, stability, and public confidence in the Ontario-incorporated insurance companies and reciprocals sector	 <h3>5. Credit Unions</h3> <ul style="list-style-type: none">5.1 Promote resilience, stability, and public confidence in Ontario's credit union sector5.2 Enhance FSRA's regulatory framework5.3 Enhance financial stability structures	 <h3>6. Life & Health Insurance</h3> <ul style="list-style-type: none">6.1 Strengthen Managing General Agents (MGA) regulatory framework6.2 Protect consumers who invest in segregated fund contracts	 <h3>7. Mortgage Brokering</h3> <ul style="list-style-type: none">7.1 Promote strong conduct culture7.2 Enhance professional competence of licensed individuals	 <h3>8. Pensions</h3> <ul style="list-style-type: none">8.1 Assess systemic and high priority risks in Ontario's pension sector8.2 Support the development of target benefit regulation	 <h3>9. Financial Planners & Advisors</h3> <ul style="list-style-type: none">9.1 Ensure the effectiveness of the title protection framework for financial planners/ financial advisors
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Appendix C: FY2025-26 Cross-Sectoral Priorities

1. Strengthen stakeholder relations and improve consumer-focused outcomes

Outcomes We Are Seeking

- A consumer-centric culture that informs FSRA's strategic direction and supervisory activities.
- A regulatory environment that supports and enables innovation.
- Enforcement that is effective, timely, proportionate and considers the impact of non-compliance on consumers.

Key Activities to Achieve Outcomes

- a) Provide excellent consumer service to stakeholders, and measure and report on results and opportunities for improvement through a comprehensive stakeholder survey.
- b) Use consumer experience data from stakeholders and other sources, such as FSRA research, to inform FSRA's supervisory activities.
- c) Enhance innovation-focused stakeholder engagement efforts to continue to strengthen brand recognition and identify new collaboration opportunities.
- d) Leverage a transparent approach and available technologies to develop FSRA's investigation and enforcement framework across the regulated sectors to reinforce consumer-centric supervisory processes and to deter misconduct.

3. Modernize Systems and Processes

Outcomes We Are Seeking

- Enhanced operational efficiency across FSRA.
- Increased regulatory and supervisory ability through the use of artificial intelligence (“AI”) and machine learning (“ML”).
- Successful delivery of projects on-time and within capital allocations.
- Improved cyber security and operational resiliency.

Key Activities to Achieve Outcomes

- a) Enhance FSRA’s AI and machine learning capabilities through continued implementation of projects using FSRA’s AI/ML tools, employing FSRA’s AI governance model, and continued implementation of FSRA’s AI/ML training program.
- b) Implement an enterprise-wide data strategy.
- c) Enhance cyber security measures through Extended Detection and Response (“XDR”).
- d) Improve data security measures to protect sensitive data by enhancing monitoring of data transfers and enhancing cryptographic control.
- e) Develop and implement an updated strategy to address the delays for FSRAForward to replace legacy systems and increase efficiencies.