

CAFII Executive Operations Committee Meeting Agenda

Date: Tuesday, March 25, 2025

Chair: K. Kasperski

Location: [Virtual Teams Meeting](#)

Time: 2:00 – 3:30 p.m. EST

Dial-In: 437-703-4263

Phone Conference ID: 281 625 283#

1. Call to Order, Welcome, and Priority Matters	2:00 p.m.	Presenter	Action	Document
a. Call to Order	2:00 p.m.	K. Kasperski	Call to Order	
b. Welcome to new EOC Member Kiran Thakkar, Canada Life	2:01 p.m.	K. Kasperski/ Kiran Thakkar	Update/ Introduction	✓
c. Draft Minutes of February 25/25 EOC Meeting	2:03 p.m.	R. Jennings	Approval	✓






2. Consent Items	2:04 p.m.	Presenter	Action	Document
a. Consultations/Submissions Timetable				🔗
b. Regulator and Policy-Maker Visit and Communication Recap				🔗
c. Summary of Board and EOC Action Items				🔗
d. Schedule of CAFII 2025 Meetings and Events				🔗
e. List of CAFII Member Company Primary Contacts for Specifying Invitees to May 22 nd , 2025 CAFII Annual Members and Associates Luncheon				🔗 (2)

3. Financial Management	2:04 p.m.	Presenter	Action	Document
a. CAFII Financial Statements as at February 28/25	2:04 p.m.	D. Hinnecke	Update	✓
b. CAFII FY 2024 Audited Financial Statements and Independent Auditor's Report Thereon	2:07 p.m.	D. Hinnecke/ L. Doig	Update/ Endorsement	✓
c. Operating Budget 2026: Options for Dues Increases	2:12 p.m.	K. Martin	Update/ Discussion	✓ (2)
d. CAFII 2025 Members and Associates Dues Invoices	2:17 p.m.	L. Doig	Update	

4. Committees and Working Groups	2:19 p.m.	Presenter	Action	Document
a. Research and Media Committee	2:19 p.m.	A. Stuska	Introduction	
i. Plans to Proceed with EOC Approved Research with Pollara	2:20 p.m.	R. Jennings	Update	
ii. Implementation of the Media Strategy	2:25 p.m.	W. Bairos	Update	
b. Market Conduct & Licensing	2:30 p.m.	B. Kuiper	Introduction	
i. Intention of the Insurance Council of BC to have an Accreditation of Courses and Training for Performance Indicators	2:31 p.m.	K. Martin	Update/ Discussion	✓ (3)

5. Strategic and Regulatory Initiatives	2:36 p.m.	Presenter	Action	Document
a. Feedback on March 17, 2025 Meetings in Ottawa with FCAC and the Federal Department of Finance	2:36 p.m.	K. Kasperski/ J. Burns/ K. Martin	Update/ Discussion	✓ (2)
b. Plans for Visits to Atlantic Canada and Western Canada – Call out for Volunteers	2:41 p.m.	L. Doig	Update	✓ (2)

6. Governance	2:46 p.m.	Presenter	Action	Document
a. Reminder of Competition Law Obligation for CAFII Members	2:46 p.m.	K. Martin	Update/ Discussion	✓
b. Feedback from Robyn Jennings 1-on-1 EOC Meetings	2:51 p.m.	R. Jennings	Update	

7. Read Only Items	2:54 p.m.	Presenter	Action	Document
a. Launch of the New CAFII Intranet				
b. Publication of New CAFII Video on LIMRA Research and CPI				
c. Final Public-Release Report from Deloitte on Exploring Emerging Technology Trends in CPI				
d. Final Internal-Only Word Report from Deloitte on Exploring Emerging Technology Trends in CPI—NOT FOR EXTERNAL RELEASE				
e. Summary of a Consultation Feedback Document on Information Security Incident Reporting from BCFSA				

8. In-Camera Session	2:54 p.m.	Presenter	Action	Document

Next EOC Meeting: Thursday, April 24/25, 2:00 to 4:00 p.m. EST (In-Person/Virtual), Hosted by BMO Insurance, 250 Yonge Street, 12th Floor, Meeting Room David Suzuki, Toronto, ON

Next Board Meeting: Tuesday, April 8/25, 3:00 to 5:00 p.m. EST (In-Person/Hybrid), Hosted by TD Insurance, TD Terrace Conference Centre, 160 Front Street West - 4th Floor, Toronto, ON

Briefing Note

CAFII EOC Meeting March 25, 2025—Agenda Item 1(a)
Call to Order, Welcome, and Priority Matters—Call to Order

Purpose of this Agenda Item—Call to Order

Start of meeting.

Background Information

The meeting will be called to order and chaired by EOC Vice Chair John Burns.

Recommendation / Direction Sought—Call to Order

No action required.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting March 25, 2025—Agenda Item 1(b)

Call to Order, Welcome, and Priority Matters—Welcome to new EOC Member Kiran Thakkar, Canada Life

Purpose of this Agenda Item – Update/Introduction

Welcome and introduce CAFII's new EOC member, Kiran Thakker (Canada Life).

Background Information

EOC Vice Chair John Burns will welcome and introduce Kiran Thakkar (Canada Life), who will then introduce herself.

Recommendation / Direction Sought – Update/Introduction

This is an introduction item.

Attachments Included with this Agenda Item

One (1) attachment.

Welcome to New EOC Member Kiran Thakkar, Canada Life



Kiran Thakkar

**Assistant Vice President, Risk and Compliance Business Partner | Workplace Solutions
Canada Life**

Kiran Thakkar (She/Her) is an International CPA. Kiran has built a career leading Regulatory Compliance, Operational Risk Management and Corporate Governance across Insurance, Securities and Consulting Industries in Canada, The Middle East and India. Kiran has established and matured compliance and risk frameworks for organizations operating in complex, multijurisdictional markets including Canada, UK, Isle of Man and UAE. A strategic leader, Kiran has collaborated with regulators, Industry associations and senior executives to navigate regulatory landscapes, drive change management initiatives and promote a robust risk and compliance culture.

Briefing Note

CAFII EOC Meeting March 25, 2025—Agenda Item 1(c)

Call to Order, Welcome, and Priority Matters—Draft Minutes of February 25/25 EOC Meeting

Purpose of this Agenda Item – Approval

To request approval from the EOC for the February 25/24 EOC Meeting draft minutes.

Background Information

CAFII Research Analyst Robyn Jennings will request approval from the EOC for the draft minutes of the February 25/24 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**

February 25, 2025, 2:00-3:30pm

Minutes

Virtually:

Karyn Kasperski	RBC Insurance and Chair
Rob Dobbins	Assurant Canada
Jennifer Russell	Assurant Canada
Rebecca Saburi	BMO Insurance
Jason Beauchamp	Canada Life Assurance Company
Kevin Szwera	CIBC Insurance
Deidre Kennedy	CUMIS/The Co-operators
Michelle Costello	CUMIS/The Co-operators
Isabelle Choquette	Desjardins Insurance
Suzie Blanchard	Manulife Financial
Carmelina Manno	Manulife Financial
Sharon Murrell-Foster	Manulife Financial
Janet Pacini-Thibodeau	Manulife Financial
Archie Sachdeva	Manulife Financial
Gael Jasaron	National Bank Insurance
Shannon Dowe	RBC Insurance
Charles MacLean	RBC Insurance
Sushil Masih	RBC Insurance
Bradley Kuiper	Scotia Insurance
Marco DeiCont	Securian Canada
Fay Coleman	TD Insurance
Shahnoor Khimjee	TD Insurance
Peter Thorn	TD Insurance
Andrea Stuska	TD Insurance

Regrets:

John Burns	Securian Canada and Vice-Chair
Donald Hinnecke	RBC Insurance and Treasurer
Martin Boyle	BMO Insurance
Tejal Harri-Morar	BMO Insurance
William Oyetakin	BMO Insurance
Dallas Ewen	Canada Life Assurance Company
Cynthia Golubic	Canadian Tire Bank
Catherine Latulippe	Canadian Tire Bank
David Parkatti	Canadian Western Bank
Afzal Baig	Chubb Life Insurance Company of Canada
John Juba	Chubb Life Insurance Company of Canada
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

Katia Umutoniwase	Manulife Financial
Jonathan Poulin	National Bank Insurance
Fernando Heleno	RBC Insurance
Mais El-Magraby	Scotia Insurance
Stephanie Kotani	Scotia Insurance
Sean Kradjian	Scotia Insurance
Alfonso Movilla	Scotia Insurance
Prithipal Rajasekaran	Scotia Insurance
Asma Desai	Securian Canada

Also Present:

Lesli Martin, *Pollara*
Keith Martin, *Executive Director*
Robyn Jennings, *Research Analyst*
Lara Doig, *Senior Manager, Operations*
Wendy Bairos, *Media Consultant*
Troy Woodland, *Association Coordinator*

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 1 (b): Draft Minutes of January 21/25 EOC Meeting

The EOC approved the draft minutes of the January 21/25 EOC Meeting.

Item 2: Consent Items

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

- Consultations/Submissions Timetable
- January Regulatory Update
- Regulator and Policy-Maker Visit and Communication Recap
- Summary of Board and EOC Action Items
- Schedule of CAFII 2025 Meetings and Events

Item 3: Financial Management Matters

Item 3 (a): CAFII Financial Statements as at January 31/24

On behalf of CAFII's Treasurer, Donald Hinnecke, CAFII's Executive Director, Keith Martin, provided an update to the EOC on CAFII's financial statements as at January 31/24. Since it is the beginning of the year, there has not been significant activity or incurred expenses, therefore, there is little deviation from the expected budget. CAFII is tracking its expenses and revenues; membership dues have recently been sent out. One uncertainty that is being monitored is the acquisition of Canada Western Bank by National Bank, which will impact CAFII's revenue (loss of \$23K). The acquisition closed more quickly than anticipated, so CAFII is assessing what this means for revenue. K. Martin is in discussion with National

Bank Board member Peter Thompson for input on how this will play out. Mr. Thompson has asked for 4-6 weeks before he can provide a definitive response and, in the interim, if CAFII can set aside the invoice for now.

Otherwise, CAFII's finances are looking healthy; revenues are tracking as expected with no unexpected expenses that are material.

Item 3 (b): CAFII Audit for FY 2024

CAFII's Senior Operations Manager, Lara Doig, updated the EOC on the CAFII Audit for the fiscal year 2024. She explained that CAFII has already engaged KPMG to begin the 2024 audit of the financial statements. The financial statements will be circulated to the EOC for review before the next EOC meeting on March 25/25. On April 8//25, the Board will be able to review the final draft of the audited financial statements. On June 3/25, the CAFII team will present the final draft of the audit for approval at the Annual Meeting of Members.

Item 3 (c): CAFII 2025 Members and Associates Dues Invoices

CAFII's Senior Operations Manager, Lara Doig, updated the EOC on CAFII's 2025 members and associate dues invoices. She explained that CAFII is still waiting on a few payments; at this time, six members and three associates have paid. A follow up will be sent to all outstanding members and associates.

Item 3 (d): Operating Budget 2026: Options for Dues Increases

CAFII Executive Director, Keith Martin, informed the EOC of CAFII's 2026 operating budget and the option for dues increase. He gave his projections for 2026 based on current understanding of revenues and expenses; as it stands, CAFII will be running a structural deficit every year (not due to a one-time expense, rather the existing revenue will be insufficient for the level of expenditure that the Board is asking for to meet the strategic plan). This year, the anticipated deficit is \$67K. K. Martin did an analysis based on different dues increases (5%, 10%, and 15%), which has been shared in the consolidated package. Out of all three options, only the 15% increase took CAFII into a surplus. The bottom line, however, is that, if there are no dues increases, CAFII is projecting a deficit of \$120K in 2026. This would still see CAFII operating within the 25-50% operating ratio guideline. Alternatively, CAFII can increase the dues to reduce or eliminate the deficit. CAFII has not had a dues increase in six years, even though it has only continued to grow (expanded employee structure, increased research projects, etc.).

EOC Chair Karyn Kasperski opened the floor for discussion. EOC member Peter Thorn asked if there is a risk for CAFII to keep its operating ratio float too high in terms of maintaining non-profit status. K. Martin explained that he spoke with the Association's auditors and accountant about this and all agreed that this is not a significant risk; CAFII is nowhere close enough to large surpluses to incur questioning from tax authorities around CAFII's surplus or its NFP status. In fact, CAFII had much higher ratios right after COVID, which have only continued to drop. P. Thorn went on to say that, with this in mind, he does not feel CAFII should increase its dues by 15%, suggesting instead the other options of 5-10%. EOC member Rob Dobbins commented that he agrees with P. Thorn that 5-10% is the better option for an increase, adding that CAFII cannot run these deficits indefinitely. He feels that CAFII should wait before going for a large increase so the Association can get a better understanding of the deficit landscape.

K. Kasperski agreed; she explained that this is a good time to socialize what CAFII is seeing in terms of expenses. She feels this is an item that is not ready to be an approval item, but hopes that this will change by the end of the summer, once everyone has a better idea of expenses and budget projects. She added that a smaller increase now may lead to a larger increase in 2027. On the issue of timing, K. Martin proposed socializing this item on the April 8/25 Board meeting, not for approval but for awareness. K. Kasperski that the sooner this conversation starts, the better because it allows for budgeting around the increase. R. Dobbins agreed with the proposed timeline to review the increase at the end of the summer once CAFII has a better idea of expenses. An EOC member suggested putting together a three-year forecast of CAFII's revenues and expenses to better understand where the Association will be in the coming years.

K. Kasperski asked all EOC members to begin socializing this issue within their organizations to get a sense of Board views around a possible increase in member dues.

[Action Item: Keith Martin to draft a three-year forecast of CAFII's revenues and expenses to project the Association's future financial positions further into the future; K. Martin, 2025].

Item 4: Committee Updates

Item 4 (a): Research, Media, Education & Communication Committee

i. Change to the name of the Committee

Chair of the Research, Media, Education & Communication Committee, Andrea Stuska, informed the EOC that the Committee has voted to change its name to the simplified Research & Media Committee (R&M Committee). Additionally, a presentation was made by the Deloitte team on CAFII's 2024 research on Artificial Intelligence and CPI.

ii. Recommendation to Publicly Release the Deloitte Research on Artificial Intelligence and CPI

CAFII's Research Analyst, Robyn Jennings, updated the EOC on the recommendation to publicly release the Deloitte research on artificial intelligence and CPI. She explained that CAFII engaged Deloitte to conduct research on AI and CPI, which has now been completed and presented to the Research & Media Committee. The committee strongly supports the release of the research publicly. An internal webinar was held on February 19/25 to circulate the findings within CAFII's member organizations. During this presentation, the EOC and the Board were encouraged to share any concerns about the public release of the research; no one in attendance articulated any concerns. A copy of this webinar has been made available to the EOC and the Board for review. R. Jennings explained that a public release would entail a public webinar, which regulators could attend, a press release, possibly the creation of videos for CAFII's website, and the material would be included in CAFII's future presentations during regulatory tours. Deloitte will also be producing a detailed Word report for internal review by the EOC and Board only; this will not be circulated publicly.

EOC Chair Karyn Kasperski asked R. Jennings, if CAFII decides to release the research publicly, what will the positioning be for it? How can CAFII differentiate itself from all the other AI articles? CAFII Executive Director replied that CAFII will be asking its media consultant how to position and title the research so that it appeals to a broad audience. CAFII hasn't discussed this issue because it was waiting for the EOC's approval of the public release.

EOC member Rob Dobbins asked if there was any thought about doing a more summarized webinar presentation to protect members' identities? K. Martin explained that Deloitte has structured its presentation with this in mind, and everything is aggregated. There was a specific concern expressed over the benchmarking statistics, if there is a sense that this degree of detail is inappropriate, K. Martin can talk to Deloitte and ask for a more amalgamated version. R. Dobbins' concern is if, with this release, CAFII is setting expectations of its member organizations for their AI use that may not be met down the road. Chair of the R&M Committee Andrea Stuska commented that, having seen the presentation twice, the webinar and research is generic enough, from an industry perspective, that CAFII is not creating expectations but it's specific enough for CPI to allow for regulators and policymakers to understand what's going on in that space. She felt comfortable with how Deloitte has presented the research findings. Furthermore, CAFII can lean on its Media Consultant to position the research in a positive light. EOC Member Kevin Szweras expressed concerns around how all CAFII's members answered the research questions in terms of technology and AI implementation; he is worried regulators may pick on this and question how CAFII's members are trying to catch up to AI adoption in relation to industry levels. He asked if some of those questions could be redacted from the public release but remain within the internal one.

It was agreed that more work needs to be done in terms of what will be released publicly versus internally. The R&M Committee and the CAFII team will review the presentation again to identify possible areas of concern and removal (K. Martin to review first then circulate to Chair and Vice-Chair of the R&M Committee). K. Martin will distribute a revised version via email to get EOC approval.

[Action Item: Research & Media Committee, Keith Martin, and Robyn Jennings to review the presentation to identify areas for Deloitte to remove thereby making the presentation ready for public release pending EOC approval (received via email); Research & Media Committee, K. Martin, R. Jennings, March 2025].

iii. 2025 R&M Committee Recommendation to Proceed with Research with Pollara on Canadian Homeowners' CPI Coverage

CAFII's Research Analyst, Robyn Jennings, updated the EOC on the recommendation to proceed with research from Pollara on the Canadian Homeowners' CPI Coverage. She explained that, at the meeting in 2024, CAFII heard three research proposals: one from Deloitte, which it felt it should proceed with immediately; one from LIMRA, which was felt should be revisited in the coming years; and the last one from Pollara, which was about underinsured and uninsured Canadians and why they do not use CPI. CAFII selected Pollara's research plan for 2025. R. Jennings then asked Pollara's representation, Lesli Martin, to provide a brief overview of the research plan.

L. Martin explained that Pollara looked at its previous studies around insurance, all of which found that Canadians find insurance important and feel it is needed to support themselves and their families. However, Canadians tend to be under- or uninsured. Income can be a factor, but it is not the only factor. Even those with higher incomes are underinsured. CPI is valuable and effective; people think it is worthwhile and are satisfied when they've made a claim. However, almost half of the people who have mortgages do not have CPI. What Pollara wants to know is why this is the case.

Therefore, Pollara is recommending conducting a segmentation study to analyze a large swath of Canadians. This sort of study looks at a big group, then finds smaller, homogenous groups within

that large group. This will give Pollara and CAFII a clear understanding of the people that get CPI, the people that don't, and why. Pollara will try to figure out what has influenced people away from or towards CPI and why. The areas that Pollara is thinking about delving into will go beyond the obvious demographic categories like age, gender, income, debt, education, etc., to include financial attitudes and perspectives, financial literacy levels, including tools, and insurance behaviours, and financial information sources. Pollara can also do a concept test; they will show Canadians different statements around CPI to see what influences them away or towards CPI.

What this research will provide is a detailed breakdown of these different groups and an understanding of what has and will influence Canadians. L. Martin concluded her presentation by explaining that, to accomplish this, Pollara will conduct an online survey of 3,500 Canadians from various socio-economic spheres.

EOC Chair Karyn Kasperski asked how much the survey will cost. R. Jennings replied that, the proposal is \$54K with, which is below budget. EOC member Archie Sachdeva asked about the timeline. CAFII's Executive Director explained that CAFII is trying to have the final version presented to CAFII in the Fall. R. Jennings explained that the survey will take about three months to complete before presentation.

The EOC approved the recommendation to proceed with the research plan from Pollara on Canadian Homeowners' CPI Coverage.

iv. Two LIMRA Research CAFII Videos

CAFII's Research Analyst, Robyn Jennings, updated the EOC on the two LIMRA videos being produced for CAFII. She explained that CAFII received a lot of feedback on these videos, which has been incorporated. The videos are nearly complete. Before the videos are publicly released, they will be shared with the EOC and Board for final input and approval. She explained that, at this time, CAFII cannot make any significant edits or changes to the first video without incurring additional costs. CAFII still feels it is important to have the EOC and Board review that video before it goes public.

v. Rebuilding of the Intranet

This item was not discussed due to time constraints.

vi. Implementation of the Media Strategy

CAFII's Media Consultant, Wendy Bairos, updated the EOC on the implementation of the media strategy. She explained that the LIMRA videos have taken this long due to the significant feedback provided. The Op-Ed article has now been translated into French and has been posted to CAFII's website. It will be posted on CAFII's LinkedIn profile soon. There are two articles currently in edit to then be translated for live release to create content. W. Bairos is currently working on a brief for CAFII's next Op-Ed. CAFII will continue exploring alternative areas for release of its first Op-Ed, including the Globe News Financial section and some parts of the CBC, both of which accept contributed content. Finally, regarding the Pollara research, there will be a provincial segmentation, which will help with spotlighting the research across Canada. If the research can be launched in the fall, it may be able to capitalize on Financial Literacy Month.

CAFII's Executive Director Keith Martin asked W. Bairos how she would position the public release of the Deloitte research on AI and technology's impact on CPI, including how would she position the media release? She said it depends on what is agreed upon in terms of public versus internal release. She did explain that it is almost always a good idea to approach these subjects from a consumer-centric perspective. When it comes to AI, there is a lot of generalized content; CAFII should take a more specific and explanatory approach, especially in its definition of AI versus generative AI.

Item 4 (b): Networking & Events Committee

i. Speakers and Webinars for 2025

CAFII's Research Analyst, Robyn Jennings, updated the EOC on the speakers and webinars for 2025. She explained that the April 8, 2025, the post-Board meeting reception will be hosted by TD Insurance. CAFII has confirmed the keynote speaker will be Tolga Yalkin, new Chief Executive Officer and Chief Statutory Officer of the British Columbia Financial Services Agency (BCFSA). RBC Insurance will host the post-board reception on June 3, 2025. While the keynote speaker has not been confirmed for this event, Dexter John, the new Chief Executive Officer of FSRA, has been invited to speak. CAFII has not received a response at this time. CIBC Insurance will host the post-board meeting reception on December 4, 2025. CAFII is considering inviting Mary Carmichael as the keynote speaker. Lastly, CAFII was planning on hosting a webinar on the Deloitte research on March 18, 2025, pending approval of public release of the research by the EOC. Because there is still some work that needs to be done on the Deloitte research, the webinar will likely be postponed. Though the date is now uncertain, the webinar will include Melissa Carruthers, Partner, and Marc Lewis, Senior Manager, Deloitte, speaking on the Deloitte Research on "Exploring Emerging Technology Trends in CPI."

Item 5: Strategic and Regulatory Initiatives

Item 5 (a): CAFII Plans to Meet with FCAC and Federal Department of Finance in Ottawa on March 17, 2025

CAFII's Executive Director, Keith Martin, updated the EOC on CAFII's plans to meet with the FCAC and the Federal Department of Finance in Ottawa on March 17, 2025. He explained that CAFII is well advanced in this plan, and both organizations have agreed to meet with CAFII and its delegates. Shereen Miller, the new commissioner of the FCAC, is bringing her senior team (about 6 people). Mark Radley from the Department of Finance has also been in talks with K. Martin about who he will bring from his team. In attendance from CAFII is K. Martin and CAFII's Research Analyst, Robyn Jennings, as well as five volunteer members including EOC Chair Karyn Kasperski, EOC Vice-Chair John Burns, Chair of the Research & Media Committee Andrea Stuska, and EOC members Michelle Costello and Rob Dobbins. This will be a good opportunity to socialize CAFII's key priorities with two important federal regulators.

Item 5 (b): Draft of Presentation Deck for Regulatory Tours

CAFII's Executive Director, Keith Martin, informed the EOC that he is currently working on the draft presentation deck for the FCAC and Federal Department of Finance meetings in Ottawa as well as the decks for the general regulatory tours. All will be circulated to the EOC well in advance of the meetings. He added that the decks specific to the federal regulators who are less familiar with CAFII cover more basic CPI information and would, therefore, not be useful for provincial regulatory presentations.

Item 5 (c): Plans for Visits to Atlantic Canada and Western Canada

CAFII's Senior Operations Manager, Lara Doig, updated the EOC on CAFII's plans to visit Atlantic Canada and Western Canada. She explained that CAFII has established dates for its Atlantic Canada portion of the regulatory tours. The first stop will be New Brunswick and Prince Edward Island from May 11-16, 2025, which will incorporate the CLHIA conference. A high-level itinerary will be circulated to EOC members who would like to join. There will also be the option to attend the meetings virtually. The next leg of the Tours will be Halifax (Nova Scotia) and St. John's (Newfoundland and Labrador) from June 11-13, 2025. The Western Canada tour will begin with Victoria, Vancouver, and Edmonton from September 22-26, 2025. Saskatchewan and Manitoba will conclude the Western Canada tour, taking place from October 22-24, 2025. To accommodate flying to Saskatchewan, the October EOC meeting may need to be moved.

Item 6: Governance Matters

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

CAFII's Research Analyst, Robyn Jennings, updated the EOC on her one-on-one meetings. She explained that meeting frequency had significantly slowed by the end of 2024, even though she has repeatedly encouraged all outstanding EOC members to meet with her. Because of this, she has started setting up meetings herself with all outstanding EOC members. The meetings that have happened have been successful; she has received positive feedback, specifically regarding CAFII's relationships with regulators. Overall, the meetings are going well now that they are back on track.

Item 6 (b): Application from Jennings Consulting to Join CAFII as an Associate

CAFII's Executive Director, Keith Martin, informed the EOC about Jennings Consulting's application to join CAFII as an associate and requested approval. Jennings Consulting is an insurance and financial services consulting firm. Many CAFII members have worked with Jennings Consulting. The firm has also done a lot of work on CPI and insurance in general. This firm was recommended to CAFII by a Board member

The EOC approved the application from Jennings Consulting to join CAFII as an Associate.

Item 6 (c): Application from Global Excel Management to Join CAFII as an Associate

CAFII's Executive Director, Keith Martin, informed the EOC about the application from Global Excel Management to join CAFII as an associate and requested approval. Global Excel Management's current Vice-President of Product Innovation and Marketing, Will McAleer, was the former president of The Travel and Health Insurance Agency of Canada (THiA) so is well-versed in insurance and familiar with CAFII. Global Excel Management provides services for travel, like air ambulance, finding beds for repatriation, claims support, etc.

The EOC approved the application from Global Excel Management to join CAFII as an Associate.

Briefing Note

CAFII EOC Meeting March 25, 2025—Agenda Item 2(a-e) Consent Items

Purpose of this Agenda Item—Information Only

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

Background Information

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

- a. Consultations/Submissions Timetable
- b. Regulator and Policy-Maker Visit and Communication Recap
- c. Summary of Board and EOC Action Items
- d. Schedule of CAFII 2025 Meetings and Events
- e. List of CAFII Member Company Primary Contacts for Specifying Invitees to May 22nd, 2025 CAFII Annual Members and Associates Luncheon

Recommendation / Direction Sought—Information Only

No action required.

Attachments Included with this Agenda Item

No attachments.

For convenience, all items have been linked here:

- [Consultations/Submissions Timetable](#)
- [Regulator and Policy-Maker Visit and Communication Recap](#)
- [Summary of Board and EOC Action Items](#)
- [Schedule of CAFII 2025 Meetings and Events](#)
- [2025 CAFII Annual Members and Associates Luncheon Background Information](#)
- [List of CAFII Member Company Primary Contacts for Specifying Invitees to May 22nd, 2025 CAFII Annual Members and Associates Luncheon](#)

Briefing Note

CAFII EOC Meeting March 25, 2025—Agenda Item 3(a)
Financial Management – CAFII Financial Statements as at February 28, 2025

Purpose of this Agenda Item – Update

To update the EOC on CAFII's financial statements as at February 28, 2025.

Background Information

CAFII Treasurer Donald Hinnecke will provide an update on CAFII's financial statement as at February 28/25.

Recommendation / Direction Sought – Update

This is an update item.

Attachments Included with this Agenda Item

One (1) attachment.

CAFI I

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

Statement of Operations As at Feb 28th, 2025

	Current Month	Budget Feb-25	Variance to Monthly Budget	Current YTD	Budget '25 YTD	Variance Budget to YTD	Budget 2025
Revenue							
Member and Associate Dues	\$81,659	\$79,992	\$1,667	\$161,650	\$159,983	\$1,667	\$959,900
Interest Revenue							
Interest Revenue - Saving Account	\$752	\$0	\$752	\$1,383	\$0	\$1,383	\$0
Interest-Savings, Short-term CD	\$639	\$0	\$639	\$1,586	\$0	\$1,586	\$0
Total Interest Revenue	\$1,391	\$1,250	\$141	\$2,969	\$2,500	\$469	\$15,000
Miscellaneous (One time event fees)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUE	\$83,050	\$81,242	\$1,808	\$164,619	\$162,483	\$2,136	\$974,900
Expenses							
Association operating							
CAFI Staff Salaries and Benefits	\$42,110	\$39,208	(\$2,901)	\$82,750	\$78,417	(\$4,333)	\$470,500
Managing Matters Contractual Fees	\$12,219	\$12,250	\$31	\$24,437	\$24,500	\$63	\$147,000
Recruitment fees	\$0	#N/A	#N/A	\$0	\$0	\$0	#REF!
Legal Counsel and Consultant Support Associated with Regulatory Submissions and Related Communications/Advocacy	\$0		\$2,500	\$0		\$5,000	
Initiatives		\$2,500			\$5,000		\$30,000
Audit Fees	\$1,300	\$1,300	\$0	\$2,600	\$2,600	\$0	\$15,600
Insurance	\$733	\$767	\$34	\$1,465	\$1,533	\$68	\$9,200
Website SEO and Enhancements	\$0	\$1,827	\$1,827	\$0	\$3,654	\$3,654	\$46,700
Member Communication and Technology Tools	\$705	\$1,217	\$512	\$1,831	\$2,433	\$602	\$14,600
Telephone/Fax/Internet	\$719	\$575	(\$144)	\$776	\$1,150	\$374	\$6,900
Postage/Courier	\$44	\$17	(\$27)	\$44	\$33	(\$11)	\$200
Office Expenses	\$653	\$267	(\$386)	\$834	\$533	(\$300)	\$3,200
Bank Charges	\$25	\$108	\$83	\$50	\$217	\$167	\$1,300
Depreciation Computer/Office Equipment	\$215	\$217	\$2	\$429	\$433	\$4	\$2,600
Managing Matters Webinar Fees	\$0	\$0	\$0	\$2,113	\$2,117	\$4	\$12,700
Speaker fees & travel	\$0	\$0	\$0	\$0	\$0	\$0	\$2,500
New Office Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Professional Development/Continuing Education	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000
Miscellaneous Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Association operating Expenses	\$58,721	\$60,252	\$1,530	\$117,330	\$122,620	\$5,291	\$773,000
Research and education committee							
Research/Studies	\$0	\$0	\$0	\$0	\$0	\$0	\$68,900
CAFI Benchmarking Study/RSM Canada	\$0	\$17,000	\$17,000	\$0	\$17,000	\$17,000	\$68,000
Total Research and education committee Expenses	\$0	\$17,000	\$17,000	\$0	\$17,000	\$17,000	\$136,900
Market conduct committee							
Provincial Regulatory Visits and Relationship-Building	\$0	\$0	\$0	\$0	\$0	\$0	\$28,000
Federal Regulatory Visits and Relationship-Building	\$0	\$0	\$0	\$0	\$0	\$0	\$2,500
Total Market conduct committee	\$0	\$0	\$0	\$0	\$0	\$0	\$30,500
Networking and events committee							
Annual Members and Associates Luncheon	\$0	\$2,500	\$2,500	\$0	\$2,500	\$2,500	\$21,500
Board Hosting (External)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board/EOC Meeting Expenses	\$0	\$1,455	\$1,455	\$0	\$1,455	\$1,455	\$16,000
Industry Conferences and Events	\$0	\$1,267	\$1,267	\$0	\$2,533	\$2,533	\$15,200
EOC Annual Appreciation Dinner	\$0	\$0	\$0	\$0	\$0	\$0	\$6,500
Gifts	\$0	\$167	\$167	\$0	\$333	\$333	\$2,000
CAFI Staff/Board Relationship-Building	\$0	\$167	\$167	\$0	\$333	\$333	\$2,000
Networking Events	\$0	\$167	\$167	\$0	\$333	\$333	\$2,000
CAFI 25th Anniversary Celebration	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Networking and events committee	\$0	\$5,721	\$5,721	\$0	\$7,488	\$7,488	\$65,200
Media and advocacy strategy committee							
Media Outreach	\$1,262	\$542	(\$720)	\$2,076	\$1,083	(\$992)	\$6,500
Media Consultant Retainer	\$2,543	\$2,542	(\$1)	\$5,085	\$5,083	(\$2)	\$30,500
Marketing Collateral	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Media and advocacy strategy committee	\$3,804	\$3,083	(\$721)	\$7,161	\$6,167	(\$994)	\$37,000
TOTAL EXPENSE	\$62,526	\$86,056	\$23,531	\$124,490	\$153,275	\$28,785	\$1,042,600
NET INCOME	\$20,524	(\$4,815)	25,338	\$40,129	\$9,208	\$	(\$67,700)
proof	-	-	-	-	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 Feb 28th, 2025

	CAFII Operations		
	28-Feb 2025	31-Jan 2025	31-Dec 2024
ASSETS			
Current Assets			
Bank Balance	\$233,316	\$80,271	\$102,910
Savings Account	\$470,437	\$255,716	\$325,085
TD Investment in GIC- 1104 8045480 01	\$303,113	\$303,113	\$300,000
PLCLCAD Plooto Clearing	\$0	\$0	\$0
TD Canada Trust ****054	\$0	\$0	\$0
Undeposited Funds	\$0	\$0	\$0
Accounts Receivable	\$525,793	\$959,898	\$0
Interest Receivable	\$754	\$114	\$2,281
Prepaid Expenses	\$10,445	\$6,733	\$7,232
Computer/Office Equipment	\$10,303	\$10,303	\$10,303
Accumulated Depreciation -Comp/Equip	(\$5,228)	(\$5,014)	(\$4,799)
Total Current Assets	\$1,548,932	\$1,611,135	\$743,011
TOTAL ASSETS	\$1,548,932	\$1,611,135	\$743,011
	-	-	
LIABILITIES			
Current Liabilities			
Accrued Liabilities	\$60,009	\$73,175	\$88,843
Credit Card	\$538	\$541	\$540
Account Payable	\$10,415	\$8,314	\$24,033
Deferred Revenue	\$808,248	\$879,907	\$0
Suspense	\$0	\$0	\$0
Total Current liabilities	\$879,210	\$961,936	\$113,417
TOTAL LIABILITIES	\$879,210	\$961,936	\$113,417
	-	-	
UNRESTRICTED NET ASSETS			
Unrestricted Net Assets, beginning of year	\$629,594	\$629,594	\$601,117
Excess of revenue over expenses	\$40,129	\$19,605	\$28,477
Total Unrestricted Net Assets	\$669,722	\$649,199	\$629,594
Total Unrestricted Net Assets	\$669,722	\$649,199	\$629,594
TOTAL LIABILITIES AND UNRESTRICTED NET ASSETS	\$1,548,932	\$1,611,135	\$743,011
	-	-	
Financial Reserves Targets as per 2024 Budget:			
Minimum 3 months (25%) of Annual Operating Expenses=		\$	260,650
Maximum 6 months (50%) of Annual Operating Expenses=		\$	521,300
Current Level of Financial Reserves (total unrestricted net assets):			\$669,722

C A F I I

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

Membership Fees

		<u>Jan-25</u> <u>Billed</u>	<u>Received</u>	<u>Invoice sent</u>	<u>Method of Payment</u>	<u>Received Date</u>
TD Insurance	2025 Upper Tier Member	\$ 77,110		03-Feb-25		
BMO Bank of Montreal	2025 Upper Tier Member	\$ 77,110		03-Feb-25		
CIBC Insurance	2025 Upper Tier Member	\$ 77,110		03-Feb-25		
RBC Insurance	2025 Upper Tier Member	\$ 77,110	\$ 77,110	03-Feb-25	Direct Payment - EFT	25-Feb-25
Scotia Insurance	2025 Upper Tier Member	\$ 77,110	\$ 77,110	03-Feb-25	Direct Payment - EFT	05-Feb-25
Desjardins Financial Security Life Assura	2025 Upper Tier Member	\$ 77,110		03-Feb-25		
National Bank Insurance	2025 Upper Tier Member	\$ 77,110	\$ 77,110	03-Feb-25	Direct Payment - EFT	07-Feb-25
Manulife Financial	2025 Upper Tier Member	\$ 77,110	\$ 77,110	03-Feb-25	Direct Payment - EFT	06-Feb-25
The Canada Life Assurance Company	2025 Upper Tier Member	\$ 77,110		03-Feb-25		
Securian Canada	2025 Lower Tier Member	\$ 38,555		03-Feb-25		
Assurant	2025 Lower Tier Member	\$ 38,555	\$ 38,555	03-Feb-25	Direct Payment - EFT	05-Feb-25
CUMIS Group Ltd	2025 Lower Tier Member	\$ 38,555	\$ 38,555	03-Feb-25	Cheque Deposit - 21-Feb	20-Feb-25
Canadian Tire Bank	2025 Lower Tier Member	\$ 38,555	\$ 38,555	03-Feb-25	Direct Payment - EFT	27-Feb-25
Chubb Life Insurance Company of Canada	2025 Lower Tier Member	\$ 38,555		03-Feb-25		
RSM Canada	Associate	\$ 5,000		03-Feb-25		
Willis Towers Watson	Associate	\$ 5,000	\$ 5,000	03-Feb-25	Direct Payment - EFT	07-Mar-25
KPMG LLP	Associate	\$ 5,000		03-Feb-25		
Optima Communications	Associate	\$ 5,000	\$ 5,000	03-Feb-25	Direct Payment - EFT	12-Feb-25
RGA Life Reinsurance Company of Canada	Associate	\$ 5,000	\$ 5,000	03-Feb-25	Direct Payment - EFT	26-Feb-25
Torlys LLP	Associate	\$ 5,000	\$ 5,000	03-Feb-25	Direct Payment - EFT	07-Feb-25
Stikeman Elliott	Associate	\$ 5,000		03-Feb-25		
Royal & Sun Alliance Insurance Company	Associate	\$ 5,000	\$ 5,000	03-Feb-25	Cheque Deposit -6-Mar	06-Mar-25
PWC	Associate	\$ 5,000		03-Feb-25		
Fasken	Associate	\$ 5,000	\$ 5,000	03-Feb-25	Direct Payment - EFT	07-Feb-25
Canadian Western Bank(Hold until given new name)	2025 Initiation Members (Lower Tier)	\$ 23,133		hold		
Total of Renewing Members		\$959,898	\$454,105			
New Members						
Jennings Consulting	Associate	\$ 5,000				
Global Excel Management	Associate	\$ 5,000				
Total of New Members		\$10,000	\$0			
Total Membership Fees		\$969,898	\$454,105			
Total amount to realocate monthly Jan-Dec. 2025		\$80,824.83				

Briefing Note

CAFII EOC Meeting March 25, 2025—Agenda Item 3(b)

Financial Management – CAFII FY 2024 Audited Financial Statement and Independent Auditor's Report Thereon

Purpose of this Agenda Item – Update/Endorsement

To update and request endorsement from the EOC on CAFII's audit for the fiscal year 2024.

Background Information

CAFII's Treasurer, Donald Hinneke, and CAFII's Senior Operations Manager, Lara Doig, will provide an update on the Association's audit for FY 2024. Afterwards, they will request endorsement from the EOC to present the audit to the Board for approval at the April 8, 2025, Board meeting.

Recommendation / Direction Sought – Update/Endorsement

This is an update item, with a request for endorsement.

Attachments Included with this Agenda Item

One (1) attachment.

Financial Statements of

**CANADIAN ASSOCIATION OF
FINANCIAL INSTITUTIONS IN
INSURANCE**

And Independent Auditor's Report thereon

Year ended December 31, 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of the Canadian Association of Financial Institutions in Insurance

Opinion

We have audited the financial statements of the Canadian Association of Financial Institutions in Insurance (the Entity), which comprise:

- the statement of financial position as at December 31, 2024
- the statement of operations and changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DRAFT

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada

CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE

DRAFT Statement of Financial Position

December 31, 2024, with comparative information for 2023

	2024	2023
Assets		
Current assets:		
Cash	\$ 427,994	\$ 243,378
Short-term investments	300,000	404,603
Accounts receivable	—	1,594
Other receivables	2,281	709
Prepaid expense	7,232	5,780
	737,507	656,064
Capital assets (note 4)	5,504	7,643
	\$ 743,011	\$ 663,707

Liabilities and Fund Balances

Current liabilities:		
Accounts payable and accrued liabilities	\$ 113,417	\$ 62,590
Fund balances (note 2)	629,594	601,117
	\$ 743,011	\$ 663,707

The accompanying notes are an integral part of the financial statements.

On behalf of the Board:

_____ Director

_____ Director

CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE

DRAFT Statement of Operations and Changes in Fund Balances

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
	General Fund	General Fund
Revenue:		
Membership dues	\$ 944,476	\$ 953,098
Interest	30,317	23,278
Miscellaneous	270	380
	975,063	976,756
Expenses:		
Association operating	703,883	761,961
Research and education committee	140,904	152,427
Market conduct committee	5,855	36,385
Networking and events committee	57,282	56,062
Media and advocacy strategy committee	38,662	38,079
	946,586	1,044,914
Excess (deficiency) of revenue over expenses	28,477	(68,158)
Fund balances, beginning of year (note 2)	601,117	669,275
Fund balances, end of year	\$ 629,594	\$ 601,117

The accompanying notes are an integral part of the financial statements.

CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE

DRAFT Statement of Cash Flows

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
	General Fund	General Fund
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenses	\$ 28,477	\$ (68,158)
Amortization of capital assets	2,576	1,507
Change in non-cash operating working capital	49,397	(19,718)
Cash provided by (used in) operating activities	80,450	(86,369)
Investing activities:		
Purchase of capital assets	(437)	(7,002)
Short-term investments, net	104,603	(404,603)
Cash used in investing activities	104,166	(411,605)
Increase (decrease) in cash	184,616	(497,974)
Cash, beginning of year	243,378	741,352
Cash, end of year	\$ 427,994	\$ 243,378

The accompanying notes are an integral part of the financial statements.

CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE

DRAFT Notes to Financial Statements

Year ended December 31, 2024

The Canadian Association of Financial Institutions in Insurance ("CAFII") is a not-for-profit association incorporated under the Canada Not-for-profit Corporations Act on August 25, 2014. CAFII was originally incorporated under the Canada Corporations Act on October 29, 1997 and commenced operations on January 1, 1998. CAFII was established to provide an industry-based forum to represent a range of financial institutions in insurance in Canada and to work in partnership with regulators to create an efficient and effective regulatory framework that provides consumer choice in the purchase of insurance products and services. CAFII's members provide life, property and casualty, travel and credit insurance, reinsurance and other products and services through a wide variety of distribution systems. CAFII is exempt from income taxes under paragraph 149(1)(l) of the Income Tax Act (Canada).

1. Significant accounting policies:

(a) General:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the Chartered Professional Accountants of Canada Handbook.

(b) Revenue recognition:

CAFII derives its revenue primarily through membership dues. Dues are recognized as revenue in the membership period (January 1, 2024 to December 31, 2024) to which they relate.

(c) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and deposits which are highly liquid with original maturities of less than three months.

(d) Short-term investments:

Short-term investments represent interest-bearing guaranteed investment certificates issued and guaranteed by a Canadian bank, with a duration of 12 months or less.

CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(e) Capital assets:

Tangible capital assets are recorded at cost. When a tangible capital asset no longer contributes to CAFII's ability to provide services, its carrying amount is written down to its residual value.

Tangible capital assets consist of computer equipment and are amortized on a straight-line basis over four years.

(f) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. CAFII has not elected to carry any such financial instruments at fair value.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, CAFII determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount CAFII expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(g) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amount of capital assets. Actual results could differ from those estimates.

CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2024

2. Fund balances - General Fund:

The General Fund reports unrestricted resources. If resources are to be used for special purpose, these would be reported in the restricted fund.

CAFIL's Board of Directors aims to maintain unrestricted net assets (financial reserves) within a range of between 25% of total annual operating expenses and 50% of total annual operating expenses. Management intends to utilize unrestricted net assets on CAFIL-mandated projects, as determined by the Board of Directors.

3. Financial instruments:

The carrying amounts of financial assets and liabilities approximate their fair values due to the short-term nature of these financial instruments.

4. Capital assets:

2024	Cost	Accumulated amortization	Net book value
Computer equipment	\$ 10,303	\$ (4,799)	\$ 5,504

2023	Cost	Accumulated amortization	Net book value
Computer equipment	\$ 9,866	\$ (2,223)	\$ 7,643

CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE

DRAFT Notes to Financial Statements (continued)

Year ended December 31, 2024

5. Financial risks:

(a) Liquidity risk:

Liquidity risk is the risk that CAFII will be unable to fulfill its obligations on a timely basis or at a reasonable cost. CAFII manages its liquidity risk by monitoring its operating requirements. CAFII prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures from 2023.

(b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations, resulting in a financial loss. CAFII is exposed to credit risk in relation to its cash, short-term investments, accounts receivable and other receivables.

The maximum exposure to credit risk is the carrying value of these financial assets on the statement of financial position.

(c) Interest risk:

Interest rate risk arises from the possibility that changes in interest rates will affect the value of financial instruments or investment income at maturity.

CAFII's exposure to interest rate risk arises from its interest-bearing short-term investments. The weighted-average yield of the CAFII's short-term investments is 3.75% (2023 - 4%). A 10% increase or decrease in investment yields would affect excess (deficiency) of revenue over expenses and Fund balances by \$1,125 (2023 -\$1,618).

Briefing Note

CAFII EOC Meeting March 25, 2025—Agenda Item 3(c) Financial Management – Operating Budget 2026: Options for Dues Increase

Purpose of this Agenda Item – Update/Discussion

To update the EOC on CAFII's operating budget for 2026, with the option for a dues increase. Afterwards, the EOC will be asked to discuss and provide input on the option for an increase.

Background Information

CAFII Executive Director Keith Martin will provide an update on the Association's operating budget for 2026, which includes the option of increasing members' dues. Afterwards, he will open the floor for EOC members to provide feedback and input on the options presented.

Recommendation / Direction Sought – Update/Discussion

This is an update item, with the opportunity for discussion.

Attachments Included with this Agenda Item

Two (2) attachments.

Assumptions

Option 1--Baseline

2026 0% revenue increase
2027 0% revenue increase
2028 0% revenue increase

Expenses increase by 3% each year End
of year reserves 2025 \$554,000

<u>Year</u>	<u>Revenue</u>	<u>Expense</u>	<u>Surplus/Deficit</u>	<u>End of Year Cash</u>	<u>End of Year Operating Ratio</u>
2026	\$962000	\$1073600	(\$116600)	\$442400	41%
2027	\$962000	\$1105808	(\$143808)	\$295600	27%
2028	\$962000	\$1139000	(\$176000)	\$118800	11%

Option 2

2026 0% revenue increase
2027 5% revenue increase
2028 5% revenue increase

Expenses increase by 3% each year
End of year reserves 2025 \$554,000

<u>Year</u>	<u>Revenue</u>	<u>Expense</u>	<u>Surplus/Deficit</u>	<u>End of Year Cash</u>	<u>End of Year Operating Ratio</u>
2026	\$962000	\$1073600	(\$116600)	\$442400	41%
2027	\$1010100	\$1105800	(\$95700)	\$346700	31%
2028	\$1060600	\$1139000	(\$78400)	\$268500	25%

Option 3

2026 5% revenue increase

2027 5% revenue increase

2028 5% revenue increase

Expenses increase by 3% each year

End of year reserves 2025 \$554,000

<u>Year</u>	<u>Revenue</u>	<u>Expense</u>	<u>Surplus/Deficit</u>	<u>End of Year Cash</u>	<u>End of Year Operating Ratio</u>
2026	\$1010100	\$1073600	(\$63500)	\$490500	45%
2027	\$1060600	\$1105800	(\$45200)	\$445300	40%
2028	\$1113600	\$1139000	(\$25400)	\$420000	37%

Options for CAFII Dues Increase 2026

Observation: CWB revenue of \$23K will be lost in 2026
Observation: 2026 projected member revenue based on current financials: \$937K
Observation: 2025 projected investment income: \$15000
Observation: 2025 projected expenses (total): \$1042600
Observation: 2025 projected financial reserves at the end of the year: \$554000

Note: A spreadsheet with all the detailed calculations for the analysis below will be circulated to members separately

Member Dues Increase

Revenue

This analysis will look at the impact of dues increases to members and Associates of 0%, 5%, 10%, and 15%.

Let's start with the revenue side—for now, \$15K investment is not included in the calculations.

Revenue

Dues Increase	Original 2026 Member Revenue	Revenue Increase from Member Dues Increase	New Total Revenue with \$15000 investment income added back in
0%	\$937000	\$0	\$952000
5%	\$937000	\$46850	\$998850
10%	\$937000	\$93700	\$1045700
15%	\$937000	\$140550	\$1092550

Expenses

Now let's look at expenses.

The analysis needs to assume the increase in costs for 2026. For purposes of this exercise, we will assume a 3% increase in costs. That is \$31K in additional 2026 costs.

This means that in 2026 projected expenses will be \$1073600.

Surplus/Deficit

Now let's look at the impact of different member dues increases on our financial position. The revenue line includes the projected \$15K investment revenue.

Dues Increase	Revenue with Investment Income	Expenses with 3% Increase	End of Year Surplus/Deficit
0%	\$952000	\$1073600	(121600)
5%	\$998850	\$1073600	(74750)

10%	\$1045700	\$1073600	(27900)
15%	\$1092550	\$1073600	18950

Financial Reserves and Operating Ratio

Now let's look at the impact of revenue increases on end-of-year financial reserves and operating ratios. The operating ratio is calculated by taking our end of year reserves and dividing it into our expenses. CAFII strives to be in a ratio range of 25-50%. Our operating budget projects a 2025 deficit of \$67.7K, reducing our 2024 end of year reserves of \$621.5K to \$554K. The \$554K is the starting number for the calculations below. So for example, if we have a 0% increase in dues, our deficit will be \$121.6K; end of year 2024 reserves of \$554K will be reduced by \$121.6K, leaving an end of year 2025 reserves of \$432.3K.

<u>Dues Increase</u>	<u>End of Year Reserves</u>	<u>Operating Ratio</u>
0%	\$432400	40%
5%	\$479250	45%
10%	\$526100	49%
15%	\$572950	53%

Briefing Note

CAFII EOC Meeting March 25, 2025—Agenda Item 3(d) Financial Management – CAFII 2025 Members and Associate Dues Invoice

Purpose of this Agenda Item – Update

To update the EOC on CAFII's 2025 members' and associates' dues invoices.

Background Information

CAFII Senior Operations Manager Lara Doig will provide an update on CAFII's 2025 members' and associates' dues invoices.

Recommendation / Direction Sought – Update

This is an update item.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting March 25, 2025—Agenda Item 4(a) Committees and Working Groups – Research and Media Committee

Purpose of this Agenda Item – Introduction

To introduce and inform the EOC of the Research & Media 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

No attachments.

Briefing Note

CAFII EOC Meeting March 25, 2025—Agenda Item 4(a)i

Committees and Working Groups – Research & Media Committee – *Plans to Proceed with EOC Approved Research with Pollara*

Purpose of this Agenda Item – Update

To update the EOC on CAFII's plan to proceed with the EOC-approved research project with Pollara.

Background Information

CAFII's Research Analyst, Robyn Jennings, will update the EOC on CAFII's plans to proceed with the EOC-approved research project with Pollara. After a detailed presentation from Lesli Martin (Pollara) at the February 25/25 EOC meeting, the EOC was asked for input and, optionally, approval of the research plan. They unanimously approved the plan. Afterwards, R. Jennings contacted L. Martin to confirm that CAFII would be going ahead with Pollara's research, and CAFII's Executive Director, Keith Martin, signed the contract.

R. Jennings will lead this project and will work closely with L. Martin over the coming months.

Recommendation / Direction Sought – Update

This is an update item.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting March 25, 2025—Agenda Item 4(a)ii

Committees and Working Groups – Research and Media Committee – *Implementation of the Media Strategy*

Purpose of this Agenda Item – Update

To update the EOC on CAFII's implementation of its media strategy.

Background Information

CAFII's Media Consultant, Wendy Bairos, will update the EOC on CAFII's implementation of the media strategy.

Recommendation / Direction Sought – Update

This is an update item.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting March 25, 2025—Agenda Item 4(b) Committees and Working Groups – Market Conduct & Licensing Committee

Purpose of this Agenda Item – Introduction

To introduce and inform the EOC of the Networking & Events Committee's recent activities.

Background Information

Chair of the Market Conduct & Licensing Committee, Brad Kuiper, will introduce and inform the EOC about 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 March 25, 2025—Agenda Item 4(b)i

Committees and Working Groups – Market Conduct & Licensing Committee – *Intention of the Insurance Council of BC to have an Accreditation of Courses and Training for Performance Indicators*

Purpose of this Agenda Item – Update/Discussion

To update the EOC on the intention of the Insurance Council of BC to have accreditation of courses and training for performance indicators.

Background Information

CAFII's Executive Director, Keith Martin, will update the EOC on the Insurance Council of BC's intention to have accreditation of courses and training for performance indicators.

Recommendation / Direction Sought – Update/Discussion

This is an update item.

Attachments Included with this Agenda Item

Three (3) attachments.

Original April 16 2024 Wording Performance Indicators		Updated November 12 2024 Wording Performance Indicators	
1.11 Demonstrate knowledge of the function of insurance and the structure of the insurance sector.		1.11 Demonstrate knowledge of the function of insurance and the organization of the insurance sector.	
1.2.1	Representatives maintain current knowledge of products and services available to clients.	1.2.1	Representatives maintain knowledge of products and services available to clients.
1.2.1 Demonstrate knowledge of applicable insurance coverage and assist clients in forming an informed decision.		1.2.1 Demonstrate knowledge of applicable insurance coverage to support clients in forming an informed decision.	
2.1.2 [CREDIT LIFE / CREDIT PROTECTION] Demonstrate basic knowledge of applicable options for death benefits, and supplementary policy benefits if applicable.		2.1.2 [CREDIT LIFE] Demonstrate basic knowledge of applicable options for death benefits, and supplementary policy benefits if applicable.	
2.1.7 Demonstrate the ability to report a claim.		2.1.7 Demonstrate the knowledge of how to report a claim.	
3.1.1 Demonstrate knowledge of the basis and limitations of Agency licence.		3.1.1 Demonstrate knowledge of the basis and limitations of Agency licence.	
3.2.1 Representatives demonstrate the ability to identify potential errors and omissions.		3.2.1 Designated Representatives demonstrate the ability to identify potential errors and omissions.	
Representatives demonstrate the ability to avoid common errors and omissions.		Designated Representatives demonstrate the ability to avoid common errors and omissions.	

The Restricted Agency Performance Requirements Framework		
	Performance Requirement (Competency)	
SECTION 1. KNOWLEDGE OF INSURANCE		
The Agency ensures that:		
1.1	Knowledge of basic insurance concepts and terminology	
1.1.1	Representatives apply knowledge of basic insurance concepts and terminology applicable to available products.	Demonstrate knowledge of basic insurance concepts and terminology applicable to available products.
		Demonstrate knowledge of terminology used in an insurance policy to applicable insurance products and services.
		Demonstrate knowledge of the function of insurance and the organization of the insurance sector.
		Demonstrate awareness of relevant general classes of insurance.
		Demonstrate awareness of licensee restrictions in the sale of insurance products.
1.2	Insurance products and services	
1.2.1	Representatives maintain knowledge of current products and services available to clients.	Demonstrate awareness of available products and services offered to clients.
		Demonstrate knowledge of applicable insurance coverage to support clients in forming an informed decision.
		Demonstrate knowledge of applicable insurance legislation.
SECTION 2. TECHNICAL ABILITIES		
The Agency ensures that:		
2.1	Product sales, processing and servicing	
2.1.1	Representatives offer insurance coverage that may meet client needs and expectations.	Demonstrate ability to evaluate the client's needs and recommend the best available insurance product, if applicable.
		Demonstrate knowledge of effective communication techniques in discussing insurance coverage.
		Demonstrate knowledge of general eligibility guidelines for the insurance product.

2.1.2	Representatives provide clients with an explanation of the benefits and limitations of the product(s) under consideration.	Demonstrate knowledge of available insurance products and the coverage purpose, including the benefits, limitations, and additional features.
		[CREDIT LIFE] Demonstrate basic knowledge of applicable options for death benefits, and supplementary policy benefits if applicable.
		[CREDIT PROTECTION] Demonstrate basic awareness of potential tax implications.
		[CREDIT PROTECTION] Demonstrate basic knowledge of applicable options for death benefits, and supplementary policy benefits if applicable.
		[TRAVEL] Demonstrate knowledge of travel insurance coverages, including the difference between individual and group products when applicable.
		[GENERAL INS] Demonstrate knowledge of various types of insurance available in the appropriate subgroup, if applicable.
		Demonstrate knowledge of the available length of coverage, if applicable.
		[GAP] Demonstrate knowledge of loan value, depreciation, and basis of settlement if applicable.
		[RENTED VEHICLE] Demonstrate knowledge of the impact of relevant provincial highway traffic acts and regulations, if applicable.
		[RENTED VEHICLE] Demonstrate knowledge of automobile coverages or applicable coverage(s) that may exist elsewhere.
2.1.3	Representatives support clients in making informed decisions.	Demonstrate the ability to respond to the client's concerns and expectations about insurance products and services
2.1.4	Representatives support clients in understanding the terms of coverage and conditions.	Demonstrate knowledge of applicable policy obligations that can alter, void, or terminate the coverage.
		Demonstrate the ability to summarize the terms of coverage, including policy limitations, exclusions, and restrictions.
2.1.5	Representatives comply with specific requirements established by insurers or third parties (if applicable)	Demonstrate knowledge of the purpose of an intermediary in an insurance transaction.

		Demonstrate knowledge of the relationship of intermediaries, insurers, and if applicable, third-party administrators.
2.1.6	Representatives ensure completion of documentation to initiate and confirm coverage.	Demonstrate awareness of usual document-handling procedures and requirements.
		Demonstrate awareness of requirements to complete an insurance transaction and documents produced to confirm coverage is in place.
		Demonstrate knowledge of proof of insurance in British Columbia, if applicable.
2.1.7	Representatives support clients in claim reporting.	Demonstrate the knowledge of how to report a claim.
		Demonstrate awareness of any required documentation from the consumer in the event of a claim, if applicable.
		Demonstrate knowledge of roles in a claims handling process.
2.2	Legal and regulatory requirements affecting sales and processing	
2.2.1	The Agency and representatives protect the privacy and confidentiality rights of clients.	Demonstrate knowledge of relevant privacy laws.
		Demonstrate knowledge of the purpose of applicable associations and regulatory bodies.
2.2.2	The Agency and representatives comply with disclosure requirements as established by the Insurance Council of British Columbia and governing legislation.	Demonstrate understanding of applicable disclosure requirements in the sale of insurance products and services.
		Demonstrate knowledge of other sources of potential coverage duplication to the insurance products and services the Agency is offering, if applicable.
		Demonstrate knowledge of the term of amortization period in relation to the amount of coverage in applicable insurance products.
SECTION 3. BUSINESS SKILLS		
The Agency ensures that:		
3.1	Professional conduct and ethics	
3.1.1	The Agency and representatives comply with policies and directives as provided by the Insurance Council of British Columbia.	Demonstrate knowledge of their obligations set out by the Insurance Council of BC, including but not limited to applicable Council Rules and the Code of Conduct.
		Demonstrate awareness of any policies under the Financial Institution Act, directed through the Insurance Council of BC.

		Demonstrate knowledge of the basis and limitations of the Agency licence.
		Demonstrate knowledge of potential consequences of non-compliance with the requirements of a Representative.
		Demonstrate knowledge of the role of the Insurance Council of British Columbia.
3.1.2	Representatives receive sufficient training, coaching, and evaluation.	Designated Representative demonstrate knowledge of existing training and development program for representatives.
		Designated Representative demonstrates the awareness to assess competence and coach representatives in the sales of applicable insurance products and services.
3.2	Errors and omissions	
3.2.1	The Agency develops an awareness of situations where errors and omissions may occur.	Designated Representatives demonstrate the ability to identify potential errors and omissions.
		Designated Representatives demonstrate the ability to avoid common errors and omissions.
3.2.2	The Agency recognizes and takes appropriate steps to address potential errors and omissions.	Designated Representatives demonstrate knowledge to identify and assess errors and omissions.
		Designated Representatives demonstrate the ability to address errors and omissions.
3.3	Information management	
3.3.1	The Agency maintains complete, timely and accurate records of insurance transactions.	Demonstrate knowledge of obligations in collecting, securing, and maintaining documentation.
		Demonstrate knowledge of appropriate document and data management techniques.
		Demonstrate knowledge of accurate and complete records for all insurance transactions.
3.3.2	Representatives provide clients with evidence of insurance products purchased, and information on how to submit a claim.	Demonstrate knowledge of available resources to provide clients with accurate information or available resources consumers can access.
		Demonstrate knowledge of information outlined within documents generated in the sale of insurance products or services.

Insurance Council

BRITISH COLUMBIA

Restricted Insurance Licence Accreditation

February 2025

Jerlyne Nathan, Manager Licensing

Galen Aker, Stakeholder Engagement Specialist



Agenda

- Status update
- Process overview
 - Application
 - Fees
 - Evaluation
 - Assessment
 - Decision
- Next steps



Current Status

- Accreditation outreach
 - Education resources available prior to accepting licence applications.
- Industry outreach pending





Education Program Accreditation Process

Four Stages of the Accreditation Process:

1. Application
2. Evaluation
3. Decision
4. Reassessment

Accreditation Process: Application

- Open to third-party course providers, insurers, and agencies.
- Will collect information about course providers, course materials, and course facilitators/instructors.
- Supplemented with a guidebook.



Accreditation Process: Application Fee

- Fee based on costs to evaluate (staff/committee review time)
- Final amount to be determined



Accreditation Process: Evaluation

Course Content Assessment

- Knowledge of basic insurance concepts and terminology
- Insurance products and services
- Product sales, processing, and servicing
- Legal and regulatory requirements affecting sales and processing
- Professional conduct and ethics
- Errors and omissions
- Information management

Course Provider Assessment

- Program management, resources, and delivery
- Education planning, learning strategies, interests, and rights
- Quality improvement and innovation
- Certification – learner's attainment of competence
- Educational course components

Accreditation Process: Evaluation

- Completion of required documents.
 - Staff will advise and coordinate to ensure completion of application package.
- Evaluation of course content based on Restricted Insurance Agency Performance Requirements.
 - Most recent version incorporates industry feedback.
 - Forms the basis for curriculum design.
 - Will be used as framework to evaluate and accredit course material.



Accreditation Process: Decision

- Decision provided by Accreditation Committee.
- Approval and receive accreditation.
- Decline:
 - Will advise areas of improvement to meet program standards.
 - Reapplication required.

Accreditation Process: Reassessment

- Course materials will be reassessed after four years.
- Ensure course material remains current and relevant.



Next steps

- Have not been provided official date when regulations will be published.
- Goal is to be prepared to start receiving accreditation applications four (4) months after regulation.
- We want training available to businesses prior to accepting licence applications.
- Continued communications when information is available.

Thank you

Insurance Council
BRITISH COLUMBIA



12

Briefing Note

CAFII EOC Meeting March 25, 2025—Agenda Item 5(a)

Strategic and Regulatory Initiatives – Feedback on the March 17, 2025, Meeting in Ottawa with FCAC and the Federal Department of Finance

Purpose of this Agenda Item – Update/Discussion

To update the EOC on CAFII's meetings with the FCAC and the Federal Department of Finance, which took place in Ottawa on March 17th, 2025. Afterwards, the EOC will be asked to provide input.

Background Information

EOC Chair Karyn Kasperski, Vice Chair John Burns, and CAFII Executive Director Keith Martin will update the EOC on CAFII's meetings with the FCAC and the federal Department of Finance, which took place in Ottawa on March 17th, 2025. Afterwards, K. Martin will open the floor for discussion and feedback from the EOC.

In attendance from CAFII at these meetings were:

Karyn Kasperski, EOC Chair (RBC Insurance)
John Burns, EOC Vice Chair (Securian Canada)
Andrea Stuska, Research and Media Committee Chair (TD Insurance)
Michelle Costello, former Research and Media Vice Chair (CUMIS/the Co-Operators)
Rob Dobbins, former EOC Chair (Assurant)
Keith Martin, Executive Director, CAFII
Robyn Jennings, Research Analyst, CAFII

Recommendation / Direction Sought – Update/Discussion

This is an update item with the opportunity for discussion.

Attachments Included with this Agenda Item

Two (2) attachments.

Contents

Briefing Note	3
Schedule for March 17, 2025	3
FCAC Organizational Structure and Attendees – Bios and Personal Information	4
Shereen Miller, FCAC Commissioner	5
Frank Lofranco, Deputy Commissioner, Supervision and Enforcement Branch	6
Supriya Syal, Deputy Commissioner, Research, Policy and Education Branch	6
Rana Abu Naameh, Director, General of Supervision	7
Stephanie Duhaime, Director, Program and Policy Innovation	7
Marilyn Leblanc, Director, Secretariat and Office of the Commissioner	8
Anne Gorman, Chief of Staff	9
The Federal Department of Finance Attendees – Bios and Personal Information	10
Judith Hamel, Director General of Financial Services Division	10
Mark Radley, Director of Consumer Affairs	10
Anne Loosen, Economist	11
Michael Chan, Senior Advisor	11
Nathalie Chevassu, Economist	11
Submissions, Responses, and Regulatory Documents	13
The Financial Consumer Agency of Canada	13
<i>January 30, 2025—The FCAC Published an Article Covering a Conversation with Its New Commissioner on Industry in 2025.</i>	13
<i>November 25, 2024—The FCAC Published Commissioner Shereen Miller's Opening Statement to the Standing Committee on Industry and Technology (INDU).</i>	14
<i>November 1, 2024 – The FCAC Announced that the Ombudsman For Banking Services and Investments Became the Sole External Complaints Body for Federally Regulated Banks.</i>	17
<i>September 24, 2024 – OSFI-FCAC Risk Report – AI Uses and Risks at Federally Regulated Financial Institutions</i>	20
<i>August 2024 – The FCAC Informed CAFII It Has Deprioritized (Withdrawn) Its Proposed Guidelines on Complaint-Handling Procedures for Trust and Loan Companies and Insurance Companies.</i>	21
<i>July 4, 2024 – The FCAC Welcomes Expanded Mandate Giving Oversight Into Open Banking.</i>	22
<i>February 5, 2024 - CAFII Comments on FCAC Consultation on Complaints Handling Processes for Insurance Companies FINAL.</i>	23
The Department of Finance	25

<i>January 20, 2025 – Email Exchange Between The Department of Finance and CAFII To Set Up a Meeting in 2025</i>	<i>25</i>
<i>December 20, 2024 – Email From The Department of Finance To CAFII Regarding FES 2024 and OIC Updates</i>	<i>30</i>
<i>December 16, 2024 – The Department of Finance Released Its Fall Economic Statement, which Made Explicit Mention of Insurance.....</i>	<i>32</i>
<i>October 11, 2024 – CAFII’s Executive Director Provided an Email Update on the Ongoing Interactions with the Department of Finance Regarding the Proposed Amendments to the Calculation of Interest Rates.</i>	<i>34</i>
<i>September 11, 2024 - CAFII Submission to the Department of Finance on Proposed Amendments to the Criminal Code FINAL.....</i>	<i>35</i>
<i>August 27, 2024 – Email Exchange Between CAFII and the Department of Finance About a Request From CAFII Regarding the Criminal Code.</i>	<i>44</i>
<i>July 2024 – The Federal Department of Finance Indicated Its Intention to Include Insurance Premiums in the Determination of Interest.</i>	<i>48</i>

Briefing Note

CAFII Regulatory Meeting March 17, 2025

Introductory and Informational — *Information about the Attending Members, Organizational Insights, and Summaries of CAFII's Previous Interactions with Both Organizations*

Purpose of this Item – Summarize

To introduce the attending members from the FCAC and the Federal Department of Finance, as well as to outline each organization's recent regulatory activities and CAFII's connections to both, including regulatory submissions.

Background Information

On March 17, 2025, CAFII will meet with representatives from the Financial Consumer Agency of Canada (FCAC) and the Federal Department of Finance respectively.

In attendance from CAFII:

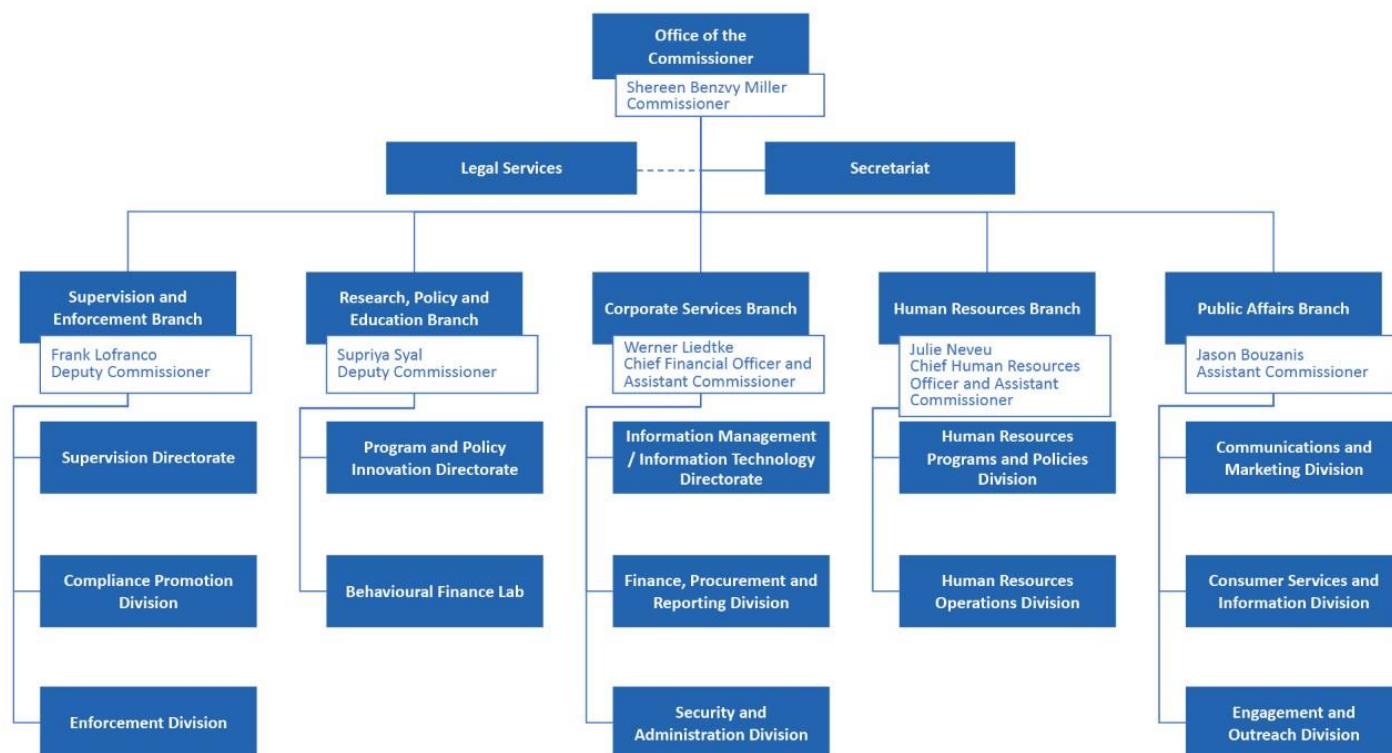
- Karyn Kasperski, EOC Chair
- John Burns, EOC Vice Chair
- Rob Dobbins, past EOC Chair
- Andrea Stuska, Chair, Research & Media Committee
- Michelle Costello, former Vice Chair, Research & Education Committee
- Keith Martin, CAFII Executive Director
- Robyn Jennings, CAFII Research Analyst
-

Schedule for March 17, 2025

1. **Preparatory Meeting:** Go to **Bridgehead at 9:15 a.m. (344 Slater St.)**. The entrance is on the other side of the building where the FCAC is located. You can access Bridgehead by walking across the mall from the entrance on Laurier Avenue.
2. **FCAC Meeting:** FCAC offices are located at **427 Laurier Ave W, 5th Floor, Ottawa**. We plan to meet in the lobby at 9:50 a.m., take the elevator to the 5th floor, and ring the doorbell. **The meeting is from 10 to 11.30 a.m.**
3. **Lunch Following FCAC Meeting:** CAFII will host a lunch following the FCAC meeting at Brown's Socialhouse, 160 Elgin Street, #1 (613.695.3030). Reservation is under "Keith Martin."
 - a. This is a 14-minute walk from the FCAC building, so depending on the weather, we may take cabs.
4. **Meeting with the Department of Finance:** After lunch, we will walk four minutes to the Department of Finance building, located at **90 Elgin Street, 13th floor**. We will assemble in the lobby, and someone will come fetch us to get us through security. **The meeting is from 2 to 3.30 p.m.**

- a. Mark Radley, Director of Consumer Affairs, will attend the meeting, but the members of his delegation have not been confirmed.

FCAC Organizational Structure and Attendees – Bios and Personal Information



Reporting to the Commissioner

- Deputy Commissioner, Supervision and Enforcement Branch (Frank Lofranco)
 - Director General, Supervision Directorate (Rana Abu Naameh)
 - Compliance Promotion Division
 - Enforcement Division
- Deputy Commissioner, Research, Policy and Education Branch (Supriya Syal)
 - Research, Policy and Education Branch
 - Director General, Program and Policy Innovation Directorate (Kyle Burns)
 - Behavioural Finance Lab
- Chief Financial Officer and Assistant Commissioner, Corporate Services Branch (Werner Liedtke)
 - Chief Information Officer, Information Management / Information Technology Directorate (Pirth Singh)
 - Finance, Procurement and Reporting Division

- Security and Administration Division
- Chief Human Resources Officer and Assistant Commissioner, Human Resources Branch (Julie Neveu)
 - Human Resources Programs and Policies Division
 - Human Resources Operations Division
- Assistant Commissioner, Public Affairs Branch (Jason Bouzanis)
 - Communications and Marketing Division
 - Consumer Services and Information Division
 - Engagement and Outreach Division

Shereen Miller, FCAC Commissioner



Ms. Shereen Benzvy Miller is a human rights lawyer by training, with more than 20 years of experience in various executive roles with the Government of Canada. Prior to her appointment as Commissioner of the Financial Consumer Agency of Canada, she served as Senior Assistant Deputy Minister of Service Innovation at Shared Services Canada.

From 2019 to 2023, she was Senior Assistant Deputy Minister of Next Generation Human Resources and Pay at Shared Services Canada. From 2017 to 2019, Ms. Benzvy Miller was Immigration and Refugee Board of Canada's Deputy Chair of Refugee Protection. From 2013 to 2017, she was Innovation, Science and Economic Development Canada's Assistant Deputy Minister of Small Business, Tourism and Market Place Services. She led the creation of the Build in Canada Innovation Program and the Innovative Solutions Canada Program. In addition, Ms. Benzvy Miller led the creation and launch of the Canadian Innovation Centre for Mental Health in the Workplace. Her leadership experience includes process and organizational change, digital transformation, executive team management, and strategic partnership building.

Read more about Sherren Benzvy Miller [here](#).

Frank Lofranco, Deputy Commissioner, Supervision and Enforcement Branch



Before joining FCAC, Frank Lofranco was the Deputy Superintendent, Operations and Corporate Services, at the Office of the Superintendent of Bankruptcy, and prior to that he was Vice President of Scotiabank's Global Anti-Money Laundering Operations. Mr. Lofranco also has held executive positions at the Treasury Board Secretariat, Human Resource and Skills Development Canada, FedDev Ontario, and the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC). During his 10 years with FINTRAC, he served in multiple roles including Deputy Chief Compliance Officer.

Mr. Lofranco holds a Master of Public Administration (MPA) from the University of Guelph, and a Bachelor of Public Policy and Administration (PPA) from York University.

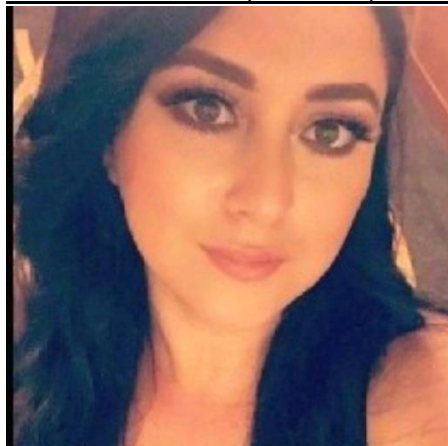
Supriya Syal, Deputy Commissioner, Research, Policy and Education Branch



Dr. Supriya Syal is the former Chief Science Advisor to the Treasury Board Secretariat Talent Cloud, and the former Chief Behavioural Scientist of the Privy Council Office Innovation Hub. Prior to joining the

public sector, Dr. Syal was VP Research and Innovation at BEworks Inc. She is also the founder and former President of Dulcimer Labs, a purpose-driven company that creates social impact through evidence-based decision making. Dr. Syal holds a PhD in psychology from Cornell University, as well as a master's degree in neuroscience and a bachelor's degree in biochemistry.

Rana Abu Naameh, Director, General of Supervision



Rana Abu Naameh has worked for the FCAC since 2021. She was promoted to Director General of Supervision in April 2024. Before working at the FAC, Ms. Naameh worked at Innovation, Science and Economic Development Canada in various roles, including Regional Director. She has worked in government since 2009. Ms. Naameh has a B.A. from Dalhousie University in International Development and Spanish (double major). She then went on to receive an MBA from HEC Montreal. She speaks Arabic, English, and Spanish.

Stephanie Duhaime, Director, Program and Policy Innovation



Stephanie Duhaime has worked for the FCAC since August 2022 as the Director of Program and Policy Innovation. Before this, she spent two years as Director of Policy, Planning, and

Coordination at the Federal Economic Development Agency of Northern Ontario. Ms. Duhaime has worked in government since 2005, including Global Affairs Canada.

Ms. Duhaime has a Bachelor of Science in Biochemical Engineering and a Bachelor of Arts in Economics from Western University. She speaks English, French, and Arabic.

Marilyn Leblanc, Director, Secretariat and Office of the Commissioner



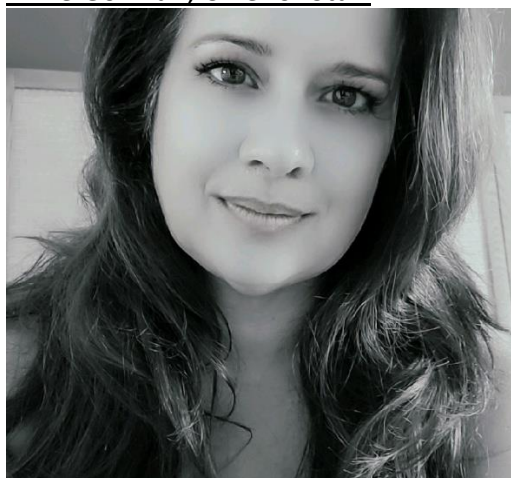
Marilyn Leblanc has worked for the FCAC since 2016, where she was originally hired as a Senior Advisor to the Commissioner. In 2023, she was promoted to Director, Secretariat and Office of the Commissioner. She has an LL.B in Civil and International Law from the Université Laval, and spent two years working as an articling student for Fasken Martineau DuMoulin. Ms. Leblanc worked for Justice Canada as Counsel from 2007 to 2009. Ms. Leblanc speaks English and French.

Eric Dagenais, FCAC title not clear, formerly Senior Assistant Deputy Minister, Innovation, Science and Economic Development Canada



Eric Dagenais has worked at Innovation, Science and Economic Development Canada for over 14 years. For five years, he held the position of Senior Assistant Deputy Minister, Spectrum and Telecommunications Sector. Currently, his LinkedIn states his title as Senior Executive, however, this is unclear. Mr. Dagenais has a BCom in Finance and Public Administration and a BA in Business/Commerce from the University of Ottawa and an MA in Economics from Carleton University. He speaks both English and French.

Anne Gorman, Chief of Staff



Anne Gorman has been the FCAC's Chief of Staff since November 2024. Before this, she was the Chief of Staff to ADM at Shared Services Canada.

There was very little information available on Ms. Gorman.

The Federal Department of Finance Attendees – Bios and Personal Information

Below are the expected attending members from the Federal Department of Finance; the list has not been confirmed by the Department, but all individuals were invited to the meeting.

Judith Hamel, Director General of Financial Services Division



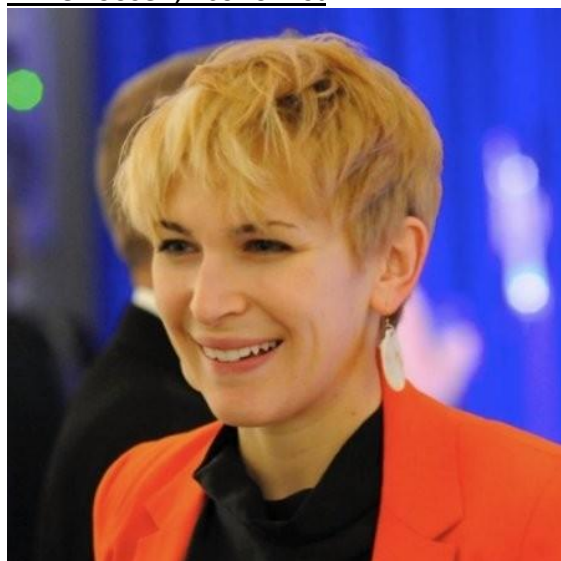
Judith Hamel has worked at Finance Canada for over four years, with two of those years as the Director General of Financial Services Division. Before this, she worked at the Association des économistes québécois, Environment and Climate Change Canada, Environment Canada, and the Privy Council Office. She has a bachelor's degree in Economics and Political Science and an MA in Economics from the Université de Montréal. Ms. Hamel speaks both English and French.

Mark Radley, Director of Consumer Affairs



Mark Radley has worked for the Federal Department of Finance (Finance Canada) since January 2023 as the Director of Consumer Affairs, Financial Sector Policy. Before this, he worked at the Privy Council Office as a Senior Policy Officer. He spent, in total, nearly eight years working at Environment and Climate Change Canada. Mr. Radley has a BA in Economics and an MA in Economics from Simon Fraser University. He can speak both English and French.

Anne Loosen, Economist



Anne Loosen has worked as an economist for the Department of Finance Canada since 2010. Prior to this, she worked at McGill University as a teaching assistant (2009-2010) and at Indigenous and Northern Affairs Canada as a Junior Analyst (2007-2008). She has a B.Sc. in Mathematics from Dalhousie University and an MA in Economics from McGill University.

Ms. Loosen speaks English and French.

Michael Chan, Senior Advisor

There was no information available online on Nathalie Chevassu. She does not seem to have a LinkedIn account.

[Here](#) is a link to Mr. Chan's Government of Canada Personal Information page.

Nathalie Chevassu, Economist

There was no information available online on Nathalie Chevassu. She does not seem to have a LinkedIn account.

[Here](#) is a link to Ms. Chevassu's Government Employee Directory page.

Recommendation / Direction Sought – Summarize

No action required.

Attachments Included with this Agenda Item

13 attachments.

The following items have been linked:

- [January 6, 2022 - CAFII FCAC Appropriateness Guideline Submission](#)
- [December 11, 2021 - CAFII Response to FCAC Consultation on Complaints Procedures FINAL](#)

Submissions, Responses, and Regulatory Documents

The Financial Consumer Agency of Canada

January 30, 2025—The FCAC Published an Article Covering a Conversation with Its New Commissioner on Industry in 2025.

On January 30, 2025, the Financial Consumer Agency of Canada (FCAC) published an article covering an introductory conversation with Shereen Miller, its new Commissioner. The article has been summarized below.

At the beginning of January 2025, the FCAC announced S. Miller as the regulator's new Commissioner. With over 20 years of experience in various executive roles within the Government of Canada, S. Miller is a human rights lawyer by training. Prior to her appointment, she served as Senior Assistant Deputy Minister of Service Innovation at Shared Services Canada.

Over the course of her career, S. Miller has been dedicated to serving vulnerable communities. For this reason, she found FCAC's mandate of consumer protection and financial education particularly compelling. She emphasizes the importance of user-centric design in financial services, advocating for consumer protection as an essential aspect of building trust in the financial system.

Reflecting on her previous roles, S. Miller highlights three key positions that have shaped her approach:

1. *Human Rights Advocate for Federally Sentenced Offenders at Correctional Service Canada:* This role underscored the importance of listening to the communities served and understanding the challenges within their environments.
2. *Deputy Chair of the Immigration and Refugee Board of Canada:* Leading the largest administrative tribunal in Canada, she gained insights into maintaining independence in decision-making while engaging with Parliament and central agencies.
3. *Leadership in the Next Generation HR-to-Pay Initiative:* Addressing significant trust deficits due to technological failures, she learned to balance human and technological elements, dissecting complex problems into manageable components.

As Commissioner, S. Miller is committed to ensuring that financial service providers prioritize consumers, especially the vulnerable, to enhance trust and effectiveness in Canada's financial systems.

Read the FCAC's full article [here](#).

November 25, 2024—The FCAC Published Commissioner Shereen Miller's Opening Statement to the Standing Committee on Industry and Technology (INDU).

On November 25, 2024, the FCAC published Commissioner Shereen Miller's opening statement to the Standing Committee on industry and technology (INDU). The speech has been included below.

Thank you, Mr. Chair, for the introduction, and to the Committee for inviting us to appear before you today.

My name is Shereen Benzvy Miller. I am delighted to have been recently appointed as the Commissioner of the Financial Consumer Agency of Canada, or FCAC. I have been Commissioner for 12 days, and I am honoured to lead an Agency with such an important mandate. I joined during Financial Literacy Month, which takes place every November, and is now wrapping up.

The focus of this year's campaign is to encourage Canadians to talk about money and take steps to build their financial knowledge and confidence. FCAC's research shows that money conversations can lead to better financial outcomes. FCAC welcomes this opportunity to contribute to the Committee's study of Canada's e-Transfer ecosystem, and the broader electronic payments industry.

Joining me today are 3 members of my executive committee. We have Dr. Supriya Syal, Deputy Commissioner of Research, Policy and Education. We also have Frank Lofranco, Deputy Commissioner of Supervision and Enforcement. And finally, we have Jason Bouzanis, Assistant Commissioner of Public Affairs.

Each of these three functions works together to advance the Agency's mandate, and support and protect Canadians. It is my hope that their knowledge and insights will aid the Committee and inform our meeting today.

In my opening statement, I will begin by outlining FCAC's mandate. Then I will turn to FCAC's role as it relates to the payment ecosystem. I will also explain the regulatory requirements related to electronic payments that FCAC oversees. Finally, I will address interchange fees and e-Transfers before concluding.

FCAC mandate

FCAC is an independent federal agency that protects the rights and interests of consumers of financial products and services. This includes the rights of merchants who process payment cards. The Agency's mandate includes many important elements. First, as a strong and effective regulator, we supervise the compliance of federally regulated financial entities with consumer protection measures set out in legislation, public commitments, and codes of conduct.

That short summary of the regulatory side of our mandate carries great significance.

Compliance with market conduct obligations leads to consumer protection and, ultimately, more positive financial outcomes for Canadians. Protected consumers leads to trust and consumer confidence in financial institutions. Consumer confidence contributes to the safety and soundness of the financial system.

The financial literacy side of our mandate is equally important. Through FCAC's National Financial Literacy Strategy, we work with stakeholders from across the country to build the

financial resilience of Canadians. FCAC also conducts research and evidence-based analysis on trends and issues that impact financial consumers. This is particularly important as an avenue through which we inform and support the Department of Finance's role in developing financial sector policy and legislation. As we look forward, FCAC's mandate is expanding to include responsibility for overseeing, administering, and enforcing Canada's Consumer-Driven Banking Framework. As a leader and innovator in financial consumer protection, FCAC is well-placed to take on this responsibility.

FCAC's mandate as it relates to the payment ecosystem

Given that the Committee is furthering its study with a more specific area of focus, I will concentrate my remarks on FCAC's mandate as it relates to the payment ecosystem. As discussed at our previous appearance before this committee, FCAC oversees the market conduct obligations of payment card networks operators—also known as PCNOs—under the Code of Conduct for the Payment Card Industry. Examples of payment card network operators in Canada include VISA Canada, Mastercard Canada, American Express, Discover, Union Pay, and Interac for its debit card product. Payment card network operators must incorporate the Code—in its entirety—into their contracts, business practices, and governing rules. Payment card network operators are responsible for ensuring that the payment processing companies using their network comply with the obligations under the Code. That means that payment processing companies must understand and work proactively to meet the market conduct obligations in the Code.

Revised Code of Conduct for the Payment Card Industry

Recently, the Government announced a revised Code of Conduct for the Payment Card Industry. Most elements came into effect on October 30th, and the remaining – more technical – elements will follow on April 30th, 2025. Merchants in Canada who process payment cards now benefit from protections designed to ensure transparency, flexibility and choice. Disclosure and complaint handling are critical components of protection, whether that be for consumers in retail banking or merchants. And enhanced disclosure and improved complaint-handling are key elements of the new Code. For example, merchants will receive more information on card processing fees at the time of quote, when they sign their agreement with their service provider, and in their monthly statement. Importantly, merchants also now have access to a complaint handling process that is clear, simple, transparent, and that requires that their complaint be handled in a timely manner. In addition, merchants have a longer period to cancel agreements and may do so if certain fee reductions are not passed on in full. FCAC expects payment card network operators to implement the revised Code, and it is our role to supervise their compliance with their market conduct obligations. While FCAC does not comment publicly on its ongoing supervisory activities, the Agency's conclusions on the compliance of federally regulated financial entities are described in our Annual Report. I should also mention that FCAC provides unbiased and authoritative information to help merchants understand their rights under the Code.

Interchange fees

I believe it would also be valuable to take this opportunity to briefly touch on FCAC's oversight of interchange and other core payment card processing fees. Regarding payment card fees,

payment card networks and their participants are expected to meet their commitments related to fees under the Code. The commitments related to interchange fees are:

- to disclose fees in language that is clear, simple and not misleading;*
- to notify merchants of fee changes within a minimum of 90 days of the effective date;
and*
- to respect merchants' right to cancel agreements.*

It is important to note that the market sets interchange fees.

E-Transfers

We also recognize the Committee's interest in e-Transfers, a service provided by the Interac Corporation. Data from Payments Canada continues to suggest that Canadians primarily use online transfer services such as Interac e-transfer for peer-to-peer money transfers, rather than for purchasing good or services. Interac is one of the payment card network operators that has signed on to the Code of Conduct for the Payment Card Industry. FCAC protects both consumers and merchants with regard to services offered by Interac. For consumers, e-transfers are a service provided by banks. Banks must disclose the fees they charge for Interac e-Transfers to their customers. There are very specific and stringent rules around the disclosure of fees charged by banks to their customers. These are one of many obligations overseen by FCAC under the Financial Consumer Protection Framework. For merchants, Interac must ensure that payment processing companies that enable merchants to accept debit cards at the point-of-sale disclose the fees charged for this service. This is one of many requirements under the Code of Conduct for the Payment Card Industry that is overseen by FCAC. In both these cases, for consumers and merchants, disclosure of fee information enables consumers and merchants to make informed decisions about the products and services available to them. Interac fees are commercial decisions.

Conclusion – FCAC role in financial system safety and consumer confidence

To conclude, I briefly outlined FCAC's mandate and how we protect financial consumers and merchants. I have described FCAC's role in the payments ecosystem. And, I have addressed FCAC's oversight as it relates to interchange fees and e-Transfers. FCAC's role is an important one. We safeguard consumers and merchants, and equip them with the knowledge to make informed decisions. FCAC's regulatory, research, and financial education resources all work together, and contribute to supporting a strong, safe and stable financial system for the benefit of Canadians. Through effective consumer protection and a commitment to strengthening financial literacy, FCAC fosters trust. A trust that enables Canadians to navigate their financial journeys with confidence and peace of mind.

Mr. Chair, that concludes my opening remarks. I look forward to the Committee's questions.

Read Ms. Miller's full speech [here](#).

November 1, 2024 – The FCAC Announced that the Ombudsman For Banking Services and Investments Became the Sole External Complaints Body for Federally Regulated Banks.

On November 1, 2024, the Financial Consumer Agency of Canada (FCAC) announced that Canadians now have a single external complaints body for all federally regulated banks – OBSI, or the Ombudsman for Banking Services and Investments. Read the FCAC's entire announcement below.

As part of its mandate, the Financial Consumer Agency of Canada (FCAC) protects consumers of financial products and services by supervising the compliance of federally regulated banks and the ECB with their legal obligations, including the right of consumers to a fair, timely and accessible complaint-handling process.

The Honourable Chrystia Freeland, Deputy Prime Minister and Minister of Finance, designated OBSI as Canada's single ECB in October 2023. The Minister made this designation based on the recommendation of FCAC.

All federally regulated banks must now be members of OBSI. Previously, Canadian banks could choose between one of two ECBs: the Ombudsman for Banking Services and Investments (OBSI) or the ADR Chambers Banking Ombuds Office (ADRBO). The six Canadian banks that previously used ADRBO (Royal Bank of Canada, TD Bank, Scotiabank, National Bank of Canada, Tangerine Bank, and Digital Commerce Bank) have now transferred to OBSI. ADRBO will complete the investigation and resolution of complaints that it received and that remain open as of November 1. FCAC recognizes the important role played by ADRBO while acting as an ECB for several years.

The move to a single ECB addresses findings from FCAC's 2020 report on the Operations of External Complaints Bodies, which concluded that consumers face delays and complications when escalating their banking complaints.

Effective complaint handling is a cornerstone of consumer protection. The move to a single ECB is good news for consumers and further strengthens complaint handling in Canada. When combined with the complaint-handling requirements introduced under Canada's Financial Consumer Protection Framework, this change will provide Canadians with a more effective complaint-handling system in banking.

OBSI is a national, independent and not-for-profit organization that has been assisting Canadian banking consumers in resolving disputes for over 25 years. As the single ECB, OBSI is responsible for providing a fair and impartial process for consumers whose complaints have not been resolved to their satisfaction or dealt with in a timely manner by banks.

One of FCAC's key roles is to supervise the complaints-handling system within banks, as banks have a legislative responsibility to handle consumer complaints. Consumers can report their complaints to FCAC, but the Agency does not resolve individual disputes. FCAC uses information from consumer complaints to inform its supervisory activities and monitor trends and issues that may impact financial consumers.

Read the FCAC's announcement [here](#).

OBSI's official website was launched on November 1, 2024. It can be accessed [here](#). The following is the official statement as provided on the website's homepage.

Starting today, the Ombudsman for Banking Services and Investments (OBSI) will serve as Canada's sole designated External Complaints Body (ECB) for banking. From today, OBSI will be accepting complaints from consumers of all federally regulated banks. This decision, made by the Honourable Chrystia Freeland, Deputy Prime Minister and Minister of Finance, streamlines the complaint resolution process for consumers across the country.

The selection of OBSI followed a fair, transparent and competitive application process in 2023. By establishing a single ECB, the government replaces the previous multiple-ECB model, which was considered less efficient, confusing for consumers and inconsistent with international best practices. This change addresses inefficiencies and complexities faced by consumers when escalating banking complaints, as highlighted in the Financial Consumer Agency of Canada (FCAC)'s 2020 Industry Review: Operations of External Complaints Bodies.

"We are pleased to welcome National Bank of Canada, Royal Bank of Canada, Scotiabank, Tangerine Bank, and TD Bank as participating firms," said Sarah Bradley, Ombudsman and CEO of OBSI. "This transition will reduce consumer confusion and enhance the effectiveness of complaint handling for transitioning banks and their customers."

OBSI has proactively prepared for this transition by collaborating with transitioning banks and the FCAC. Since its designation last year, OBSI has engaged in a comprehensive process of planning and preparation. In advance of the transition, we have undertaken significant internal improvements, including:

- Workforce growth
- Operational efficiencies development
- System and process improvements

As a result, OBSI is fully and well prepared to meet the needs of all consumers and Canadian banks starting today.

With the consolidation of banking complaint handling under OBSI, the organization will be responsible for providing ombuds services to all federally regulated Canadian banks. OBSI currently has more than 1,500 participating firms, including banks, trust companies, and credit unions, as well as virtually all investment firms across Canada.

-30-

Canada's Ombudsman for Banking Services and Investments (OBSI) is a national, independent, not-for-profit organization that helps resolve and reduce disputes between consumers and

financial services firms in both official languages. OBSI is responsive to consumer inquiries, conducts fair and accessible investigations of unresolved disputes, and shares its knowledge and expertise with all stakeholders and the public. If a consumer has a complaint against an OBSI-participating bank or investment firm that they are not able to resolve with the bank or firm, OBSI will investigate at no cost to the consumer. Where a complaint has merit, OBSI may recommend compensation up to a maximum of \$350,000.

Read Investment Executive's coverage of OBSI's launch [here](#).

September 24, 2024 – OSFI-FCAC Risk Report – AI Uses and Risks at Federally Regulated Financial Institutions

On September 24, 2024, the FCAC and the Office of the Superintendent of Financial Institutions (OSFI) published a joint report reviewing federally regulated financial institutions' use of AI, including the associated risks, and the practices that have been put in place to mitigate these risks. The report identifies potential benefits of AI for financial consumers, such as enhanced customer engagement, as well as potential risks, such as fraud, improper use of consumer data and discriminatory bias. While the report has been out since September 2024, a brief summary of the report has been included below to refresh memories regarding its contents.

The joint report, *OSFI-FCAC Risk Report—AI Uses and Risks at Federally Regulated Financial Institutions*, examines the rapid integration of artificial intelligence (AI) within Canada's financial sector, highlighting its potential benefits and associated risks.

Key Findings:

- **Increased AI Adoption:** The report notes a significant rise in AI usage among financial institutions, with approximately 50% implementing AI solutions by 2023, and projections indicating this will reach 70% by 2026.
- **Primary AI Applications:** Financial institutions are leveraging AI for various purposes, including operational efficiency, customer engagement, document creation, and fraud detection.
- **Emerging Risks:** The adoption of AI introduces several challenges, such as data privacy and security concerns, model risks, legal implications, and business-related risks.

Mitigation Strategies:

To address these challenges, the report suggests implementing practices aligned with the EDGE principles—Explainability, Data, Governance, and Ethics. These principles were previously outlined in the 2023 report "A Canadian Perspective on Responsible AI," a collaboration between OSFI and the Global Risk Institute (GRI).

The report emphasizes that while AI offers numerous advantages, it also amplifies existing risks and introduces new vulnerabilities. Financial institutions are encouraged to adopt robust risk management frameworks to navigate the evolving AI landscape responsibly.

Read FCAC and OSFI's report [here](#).

August 2024 – The FCAC Informed CAFII It Has Deprioritized (Withdrawn) Its Proposed Guidelines on Complaint-Handling Procedures for Trust and Loan Companies and Insurance Companies.

CAFII Executive Director Keith Martin informed the CAFII Board, EOC, and Market Conduct & Licensing Committee members that, after submitting a letter to the FCAC stipulating CAFII's concerns around its proposed guidelines on complaint handling procedures, the FCAC has agreed to deprioritize its work on the guideline. Therefore, the guideline will remain "on hold" for the foreseeable future. K. Martin's email is included below.

Hello CAFII Board, EOC, and Market Conduct & Licensing Committee Member,

CAFII made a submission earlier this year to the FCAC on its "Guideline on Complaint-Handling Procedures for Trust and Loan Companies and Insurance Companies." The submission, sent to the FCAC in February 2024, suggested that the Guideline was outside of the FCAC's jurisdiction and that existing regulations and guidelines around complaints already achieved what the FCAC was intending.

The FCAC has just reached out to CAFII to provide an update on the Guideline. Shanay Smith and I met virtually today with Diana Iaconi, Manager, Regulatory Guidance and Insights, Supervision and Enforcement Branch, and Tammy Maheral, Senior Compliance Officer, FCAC.

Ms. Iaconi said that the FCAC has decided to "deprioritize" the work on the Guideline, and as such, the Guideline is "on hold for the foreseeable future," and no final version will be produced at this time. If that decision changes, the industry will be advised, and a new round of consultations will begin.

While stated diplomatically by the FCAC, I believe this essentially means that the Guideline has been withdrawn.

This will be on the Agenda for the September 17, 2024, EOC meeting for discussion.

Thank you,

--Keith

Keith Martin

Executive Director / Directeur general

Canadian Association of Financial Institutions in Insurance

L'association canadienne des institutions financières en assurance

keith.martin@cafii.com

T: 647.460.7725

July 4, 2024 – The FCAC Welcomes Expanded Mandate Giving Oversight Into Open Banking.

In an article published by *Wealth Professional* on July 4, 2024, it was announced that, thanks to the federal budget, the Financial Consumer Agency of Canada (FCAC) has acquired the right to oversee the potential implementation of open banking in Canada. Due to the passing of the Budget Implementation Act 2024, FCAC expanded its mandate to officially assume the responsibility of “overseeing, administering, and enforcing Canada’s consumer-driven Banking Framework.” Further legislation will be announced in the Fall, addressing issues around liability, consent, and technical standards.

This does not mean Canada will suddenly adopt open banking; many Canadians have expressed hesitation in sharing their financial information with fintechs and businesses.

The new federal budget has allocated \$1 million to fund an informational campaign on the new framework for opening banking. The framework will require “robust and secure sharing of data relating to financial products.” However, the first legislative step will only “allow partial access to Canadians’ financial management with ‘read-only’ capabilities.”

Read the full article on [the Wealth Professional website](#).

February 5, 2024 - CAFII Comments on FCAC Consultation on Complaints Handling Processes for Insurance Companies FINAL.

5 February, 2024

Judith Robertson, Commissioner, Financial Consumer Agency of Canada (FCAC)
Financial Consumer Agency of Canada
Supervision and Enforcement Branch
427 Laurier Avenue West, 5th floor
Ottawa, ON K1R 1B9
compliance@fcac.gc.ca

Dear Ms. Robertson,

Re: Public Consultation—FCAC's Proposed Guideline on Complaint-Handling Procedures for Trust and Loan Companies and Insurance Companies

CAFII would like to thank the Financial Consumer Agency of Canada (FCAC) for the opportunity to comment on your ***FCAC's Proposed Guideline on Complaint-Handling Procedures for Trust and Loan Companies and Insurance Companies***, and we would also like to thank the Agency for providing us with an extension to the deadline for comments to 5 February, 2024.

The FCAC proposes to extend the existing *Guideline on Complaint-Handling Procedures for Banks and Authorized Foreign Banks*, which was published on January 27, 2022 and came into force on June 30, 2022, to other financial services entities including federally chartered insurance companies.

It is the view of CAFII that the proposed application of the Guideline to the insurance sector is outside the jurisdiction of the FCAC and might be viewed as unconstitutional, and therefore subject to challenge. As such, we are requesting that if the FCAC is able to demonstrate that the proposed Guideline is within its jurisdiction, a new round of consultations begin at which time we would be prepared to offer more detailed comments.

If the FCAC is able to demonstrate that requiring insurers to comply with this Guideline falls within its jurisdiction, the primary comment we would make is to remind the FCAC that the Canadian Council of Insurance Regulators (CCIR) and the Canadian Insurance Services Regulatory Organizations (CISRO) have a mechanism in place for reporting on complaints, which insurance companies adhere to, the Guidance, Conduct of Insurance Business and Fair Treatment of Customers. If the FCAC has identified deficiencies in the framework from CCIR and CISRO for complaint handling and positive consumer protection outcomes, sharing those with industry in an evidence-based discussion would be productive to advance our shared goals. Furthermore, we would encourage FCAC to engage with CCIR and CISRO to harmonize the approach to complaint reporting, to avoid creating onerous new requirements and as a

consequence, a non-harmonized and disjointed approach. As insurance is provincially regulated we seek as harmonized an approach as possible, and the introduction of a new more onerous federal requirement moves the industry in the opposite direction.

Federally-regulated insurance companies currently report to the FCAC under the provisions of the *Insurance Companies Act*. The proposed Guideline with new expectations around reporting would significantly increase the regulatory burden on insurance companies. The Guideline would change the definition of complaints to capture any dissatisfaction and creates a requirement around reporting on level 1 complaints. We have concerns about this broadened definition and expanded reporting requirements that could also result in duplicate reporting.

There are unique requirements to the FCAC complaints procedures including around timelines that are different from what our members comply with in respect to CCIR and CISRO complaints-handling expectations. If this Guideline were introduced, it would result in insurance companies needing to make significant investments in processes and technology to allow for this expanded reporting. Additionally, there are pending regulatory changes facing the industry associated with complaint handling and reporting. We would draw attention to the fact that the Autorité des marchés financiers (AMF) is due to release new regulations around the approach to complaints and dispute resolution in Quebec, and CCIR is currently in discussions with industry around a new definition of complaints and additional reporting requirements. Adhering to potentially three different complaint handling and reporting regimes increases operational complexities for industry.

In the absence of evidence-based deficiencies in the current CCIR and CISRO framework and given the potential operational complexities outlined, we would respectfully recommend FCAC consider withdrawing this Guideline.

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

Sincerely,
Rob Dobbins
Board Secretary and Chair, Executive Operations Committee

The Department of Finance

January 20, 2025 – Email Exchange Between The Department of Finance and CAFII To Set Up a Meeting in 2025

To: Keith Martin

Sent: Mon 2025-01-20 1:51 PM

To: Radley, Mark <Mark.Radley@fin.gc.ca>

Cc: Robyn Jennings; Lara Doig

Subject: CAFII Request to Meet

Hello Mark,

I hope it's not too late to wish you a happy new year!

We have exchanged emails in the past regarding the Department of Finance amendments to the criminal interest rate, and we made a formal written presentation to the Department on this matter.

That specific file is not the reason for my reach out, however. CAFII regularly seeks to exchange information with regulators and policy-makers as part of our efforts to have an open and transparent dialogue on matters of mutual interest.

In that vein, I am organizing a 90-minute meeting with the FCAC in March, 2025 in Ottawa, 45 minutes for me to present some of our key priorities as well as research findings—and the remainder of the time to engage in dialogue, hear about its priorities, and share information on issues of mutual interest. I would be accompanied by volunteers from CAFII's membership, probably 5-6.

Mark, I'd like to ask you if I could have a similar 90-minute meeting with you and your colleagues from the Department of Finance.

The preferred date for the FCAC is March 17, at 10am; so I would like to request to meet you and your colleagues **March 17 from 2-3.30pm.**

If that does not work, other options for us to meet would be March 4 (2-3.30pm); or March 6 (10-11.30am).

I do hope that this is possible, and I would like to thank you in advance for considering this request.

Personal regards,

--Keith

Keith Martin

Executive Director / Directeur général

Canadian Association of Financial Institutions in Insurance

L'association canadienne des institutions financières en assurance

keith.martin@cafii.com

T: 647.460.7725

www.cafii.com

[Visit the CAFII LinkedIn Page](#)

Making Insurance Simple and Accessible for Canadians
Rendre l'assurance simple et accessible pour les Canadiens

From: Radley, Mark Mark.Radley@fin.gc.ca

Sent: Mon 2025-01-20 4:38 PM

To: Keith Martin

Cc: Robyn Jennings; Lara Doig

Hi Keith,

No, not yet – happy new year to you too!

Sounds great – we would be happy to meet. Your preferred time of March 17 2-3:30pm would work well.

Mark

From: Keith Martin

Sent: Fri 2025-02-21 10:09 AM

To: Radley, Mark <Mark.Radley@fin.gc.ca>

Cc: Robyn Jennings; Lara Doig

Hello Mark,

I am following up on CAFII's meeting with you and colleagues on March 17, 2025.

Can you give me the exact address/floor we should go to?

A favour to ask of you:

- Is there a restaurant you can recommend near your offices, which my delegation from CAFII would have lunch at prior to our meeting?

As an update, I will be accompanied by 6 people:

CAFII Attendees, federal Department of Finance Meeting in Ottawa, March 17, 2025

Karyn Kasperski, RBC Insurance and CAFII Executive Operations (EOC) Committee Chair;

John Burns, Securion Canada and EOC Vice Chair;

Rob Dobbins, Assurant, and former EOC Chair;

Andrea Stuska, TD Insurance and Chair of the Research and Media Committee;

Michelle Costello, CUMIS/The Co-Operators and former Vice Chair of the Research & Education Committee;

Keith Martin, CAFII Executive Director;

Robyn Jennings, CAFII Research Analyst.

Thank you!

--Keith

Keith Martin

Executive Director / Directeur général

Canadian Association of Financial Institutions in Insurance

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[Visit the CAFII LinkedIn Page](#)

Making Insurance Simple and Accessible for Canadians
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From: Radley, Mark Mark.Radley@fin.gc.ca

Sent: Mon 2025-02-24 5:31 PM

To: Keith Martin

Cc: Robyn Jennings; Lara Doig

Hi Keith,

Sorry for the slow response.

The exact address is 90 Elgin Street, 13th floor. That said, we will have someone meet your group in the lobby to get you through security.

For restaurants, here are three recommendations so you can make a choice depending on your group's preferences:

[Cocotte Bistro](#) (3 minute walk) – an upscale French bistro

[Brown's Socialhouse](#) (4 minute walk) – relaxed environment, good selection of food

[Thali](#) (7 minute walk) – excellent Indian food

Also – could you provide me some topics that you wish to discuss? I can make sure we have the right people around the table on our side.

Mark

From: Keith Martin

Sent: Thu 2025-02-27 11:14 AM

To: Radley, Mark <Mark.Radley@fin.gc.ca>

Cc: Robyn Jennings; Lara Doig

Hello Mark,

Thank you for this information below.

Regarding topics for our meeting, I will be sharing a 45 minute presentation that touches on independent research we have done at CAFII with research firms (Pollara, LIMRA, Deloitte) on topics like the views of consumers of credit protection insurance (CPI); technological developments and trends around CPI; and research from LIMRA that shows that Canadian homeowners are vastly underinsured and uninsured, with some interesting nuggets around themes around demographics for this group.

I will also share some of our priorities, including around regulation, such as principles-based regulation, harmonization, and the fair treatment of customers (FTC).

My members focus on credit protection insurance, which are optional products (like life, disability, critical illness, and job loss insurance) offered in conjunction with a loan instrument like a mortgage, HELOC, or loan. In general, these are unwritten by insurers and offered by distributors like banks or credit unions.

We also want to hear about your priorities, and engage in a dialogue and relationship-building meeting that is a first step in producing a line of communication between CAFII and the Department of Finance. We are principally regulated by provinces and Territories, but we have had interactions with your Department recently and we thought it was important to develop this line of communication.

While in Ottawa we are also meeting with the FCAC. We will be meeting with:

Shereen Miller, FCAC Commissioner

Frank Lofranco, Deputy Commissioner, Supervision and Enforcement Branch

Supriya Syal, Deputy Commissioner, Research, Policy and Education Branch

Rana Abu Naameth, Director, Regulatory Guidance and Coordination

Stephanie Duhaime, Director, Program and Policy Innovation
Marilyn Leblanc, Director, Secretariat and Office of the Commissioner
Eric Dagenais, FCAC title not clear, formerly Senior Assistant Deputy Minister, Innovation, Science and Economic Development Canada
Anne Gorman, Chief of Staff

I hope this is helpful, Mark. Please don't hesitate to reach out to me if you have any questions or would like to add anything to the meeting topics.

Thanks,

--Keith

Keith Martin

Executive Director / Directeur général
Canadian Association of Financial Institutions in Insurance
L'association canadienne des institutions financières en assurance
keith.martin@cafii.com
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[Visit the CAFII LinkedIn Page](#)

Making Insurance Simple and Accessible for Canadians
Rendre l'assurance simple et accessible pour les Canadiens

December 20, 2024 – Email From The Department of Finance To CAFII Regarding FES 2024 and OIC Updates

From: Radley, Mark <Mark.Radley@fin.gc.ca>

Sent: December 20, 2024 9:39 AM

To: Radley, Mark <Mark.Radley@fin.gc.ca>

Cc: Loosen, Anne <Anne.Loosen@fin.gc.ca>; Islam, Tanjana <Tanjana.Islam@fin.gc.ca>; Chevassu, Nathalie <Nathalie.Chevassu@fin.gc.ca>

Subject: FES 2024 and OIC Updates / Mises à jour sur l'Énoncé économique de l'automne de 2024 et le décret

Hello all,

I'm writing today regarding two updates on predatory lending.

First, Budget 2024 announced the Government's intent to prohibit offering credit at a criminal rate of interest. This measure received Royal Assent on June 20, 2024, and an Order in Council was recently made to bring this amendment into force. This Order in Council will be published in the *Canada Gazette Part II* on January 1, 2025 and will come into force on that same date.

Second, as you may already be aware, the [2024 Fall Economic Statement](#) announced:

- the government's intent to amend the payday lending exemption in the *Criminal Code* to prohibit the sale of credit insurance products in connection with a payday loan.
- the government's intent to make amendments to the payday lending exemption within the *Criminal Code* requiring a minimum term on payday loans of 42 days and for lenders to accept payment in installments. The government will provide 12 months for industry to transition to the new conditions.

Please let me know if you have any questions or would like to meet with myself and my team to discuss.

Bonjour à tous,

Je vous écris aujourd'hui pour vous faire part de quelques mises à jour sur les prêts à conditions abusives.

D'abord, le budget 2024 a annoncé l'intention du gouvernement d'interdire l'offre de crédit à un taux d'intérêt criminel. Cette mesure a reçu la sanction royale le 20 juin 2024, et un décret a récemment été pris pour faire entrer en vigueur cette modification. Ce décret sera publié dans *la partie II de la Gazette* du Canada le 1er janvier 2025 et entrera en vigueur à cette même date.

Deuxième, comme vous pourriez déjà le savoir, l'[Énoncé économique de l'automne de 2024](#) a annoncé :

- l'intention du gouvernement de modifier l'exemption du *Code criminel* relative aux prêts sur salaire de façon à interdire la vente de produits d'assurance-crédit en lien avec un prêt sur salaire;
- l'intention du gouvernement d'apporter des modifications à l'exemption du *Code criminel* relative aux prêts sur salaire de façon à exiger un terme minimal de 42 jours sur les prêts sur salaire et que les prêteurs acceptent les paiements échelonnés. Le gouvernement accordera 12 mois à l'industrie pour faire la transition vers les nouvelles conditions.

Faites-le moi savoir si vous avez des questions ou souhaiteriez me rencontrer, moi et mon équipe, pour discuter.

Merci,

Mark Radley, CFA

Director | Directeur

Consumer Affairs | Consommation en matière financière

Financial Services Division | Division des services financiers

Financial Sector Policy Branch | Direction de la politique du secteur financier

Department of Finance Canada | Ministère des Finances Canada

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Department of Finance
Canada

Ministère des Finances
Canada

Canada

December 16, 2024 – The Department of Finance Released Its Fall Economic Statement, which Made Explicit Mention of Insurance

On December 16, 2024, CAFII's Executive Director, Keith Martin, emailed the EOC Committee a copy of the Department of Finance Canada's Fall Economic Statement. He specifically highlighted the 48 references to insurance within the document, including three mentions of credit protection insurance. K. Martin's email has been included below.

From: Keith Martin (CAFII) keith.martin@cafii.com

Sent: December 16, 2024 5:20 PM

Subject: CAFII: Federal Government Fall Economic Statement Does Not Mention Including Insurance in the Calculation of Interest

Hello, CAFII and EOC members,

I have attached the federal government's Fall Economic Statement.

There are 48 references to insurance, including flood insurance and mortgage insurance, and three are on credit protection insurance. All indicate the government seeks to prohibit the sale of credit insurance for payday loans; there is no reference I could find to including insurance in the calculation of interest. A search of the document also finds no reference to "calculation of interest."

The three references to credit protection insurance are as follows:

Pages 63-64

The government furthered its crack down on predatory lending in Budget 2024 by enhancing enforcement of the criminal rate of interest through amendments to the Criminal Code. Budget 2024 also announced the launch of the federal government's work with provinces and territories to harmonize and enhance consumer protections across Canada. 64 Chapter 1 Credit insurance, when offered in connection with a payday loan, can add to the already high costs of the loan, often with little benefit to the consumer. Some provinces already prohibit the sale of credit insurance in connection with a payday loan and have identified this as a best practice. In August 2024, the government held consultations on several proposed amendments to the Criminal Code, including on prohibiting the sale of credit insurance in connection with a payday loan, and on requiring a minimum repayment term on payday loans of 42 days and for lenders to accept payment in installments. To protect vulnerable Canadians, the 2024 Fall Economic Statement announces the government's intent to amend the payday lending exemption in the Criminal Code to prohibit the sale of credit insurance products in connection with a payday loan. To make repayment schedules more manageable and lower default risks, the 2024 Fall Economic Statement also announces the government's intent to make amendments to the payday lending exemption within the Criminal Code requiring a minimum term on payday loans of 42 days and for lenders to accept payment in installments. The government will provide 12 months for industry to transition to the new conditions.

Page 227

Cracking Down on Predatory Lending In FES 2024, the government proposes to amend the Criminal Code's payday lending exemption (section 347.1) under the criminal interest rate provision to i) require a minimum term of 42 days and repayment in installments, and ii) prohibit credit insurance charges, on payday loans.

Page 235

The government is also Cracking Down on Predatory Lending by prohibiting the sale of insurance on payday loans, adding a minimum term to payday loans of 42 days, and requiring that repayment of these loans be done in installments. This will help vulnerable Canadians, as payday loans are disproportionately taken up by people who experience financial insecurity. According to a 2022 survey on high-cost loan borrowers during the pandemic, around 26 percent of respondents stated that their annual individual income was less than \$15,000, 42 percent of the respondents reported their income between \$15,001 to \$25,000, and 24 percent of respondents indicated their income range was between \$25,001 to \$40,000. The reliance on predatory lending during the pandemic is concerning as lower-income Canadians faced disproportionately higher costs. These products are often aggressively marketed, costly, and provide little benefit to consumers, and the government is ensuring such debt traps don't become routine again.

Read the Department of Finance Canada's Fall Economic Statement [here](#).

October 11, 2024 – CAFII's Executive Director Provided an Email Update on the Ongoing Interactions with the Department of Finance Regarding the Proposed Amendments to the Calculation of Interest Rates.

On October 11, 2024, CAFII's Executive Director, Keith Martin, contacted the EOC and Board to update them on the ongoing conversation he is having with the Department of Finance regarding its proposed amendments to the criminal code to include insurance in the calculation of interest rates. K. Martin's email has been included below.

Update re: Department of Finance Calculation of Interest Rates

Hello Board, EOC, and Market Conduct & Licensing Committee Member,

This is an update on the interactions with the Department of Finance on its proposed amendments to the Criminal Code to include insurance in the calculation of the criminal interest rate.

CLHIA had a follow up meeting with the Department of Finance on Wednesday, October 9. I have had a discussion with Luke O'Conner to get further details. The finance department officials acknowledged that the consultation period was short, and that said that they received more feedback than they expected. They also said that they were considering a second consultation.

They asked CLHIA for information on how many customers request creditor insurance after a loan or credit is issued (days or weeks after, as opposed to at time of sale). Luke O'Connor tells me that they are in no rush for this and said that receiving it in December was fine.

I shared with Luke my concern around why the Department was asking for this information. Insurance is sold not bought, and the moment to share information about this optional product is at the time of sale. I am concerned that the Department may be thinking about a deferred sales model. Australian regulators introduced a deferred sales model there some years ago, and it decimated the industry. A deferred sales model would result in underinsured and uninsured Canadians who would otherwise obtain the insurance not gaining coverage. I believe we may need to share some of these points with the Department.

We asked for a meeting with the Department in our written submission on September 11, and if they do not respond in a week or so I will follow up.

Thank you,

--Keith

Keith Martin

Executive Director / Directeur général

Canadian Association of Financial Institutions in Insurance

L'association canadienne des institutions financières en assurance

September 11, 2024 - CAFII Submission to the Department of Finance on Proposed Amendments to the Criminal Code FINAL.

September 11, 2024

Mr. Mark Radley
Director, Consumer Affairs, Financial Sector Policy
Department of Finance
14th Floor, 90 Elgin Street
Ottawa, Ontario K1A 0G5

Copy to:

Ms. Anne Loosen, Economist, Department of Finance
Ms. Tanjana Islam, Analyst, Department of Finance
Mr. Connor Ward, Economist, Department of Finance

Dear Mr. Radley,

Re: Department of Finance Draft Amendments to the Criminal Code

The Canadian Association of Financial Institutions in Insurance (**CAFII**) would first like to thank you for the opportunity to provide feedback to proposed amendments to the Criminal Code, specifically with respect to provisions to include all insurance costs in the calculation of interest.

Amendments do not Align with Policy Intent

CAFII understands that the amendments to the Criminal Code intend to better regulate predatory lending and payday loans; however, the department's proposed approach has the unintentional potential to make insurance less accessible to Canadians. The proposed amendments take a broad approach to including all insurance premiums in the calculation of interest. As a result, the amendments risk capturing products like optional credit protection insurance (**CPI**) and optional balance protection insurance (**BPI**)¹ offered by Federally Regulated Financial Institutions (FRFIs). These insurance protections, as discussed in more detail later in this letter, offer critically important insurance protections to Canadians, a majority of which are underinsured or uninsured.

The proposed amendments could capture optional CPI and optional BPI because they are "related to" the lending product in the sense that if the insured borrower incurs a life or health related event and makes a claim under the policy, a claims payout will be applied against their lending obligation.

¹ Credit Protection Insurance and Balance Protection Insurance are included in the class of insurance named Creditor's Group Insurance within provincial insurance acts.

Although our comments focus on CPI and BPI, CAFII notes that the current definition of “insurance charge” in the amendments could be interpreted to include many forms of insurance beyond CPI and BPI, such as mortgage default insurance, property insurance, and auto insurance distributed by either the lender or other third parties to the borrower where a lender is named as loss payee.

CAFII does not believe that CPI or BPI offered by FRFIs, or the other aforementioned insurance products were the products or lenders that the Department of Finance intended to target in this effort. These FRFIs are already well-regulated, tied-selling is prohibited, and they have robust consumer protections in place. As drafted, the proposed amendments could have a number of unintended consequences on consumers, lenders, and insurers.

For group policies such as CPI, insurance policy pricing is also not based on interest calculations or credit risk but instead is based on actuarial modeling tied to such factors as longevity and morbidity risks. These proposed amendments could make accessing insurance more difficult for Canadians who may need it the most. For example, less healthy, older clients who require credit will face greater challenges getting insurance if these amendments are passed since their insurance premiums may be higher given their insurance health risks being covered, which could bring the cumulative “interest” into the criminal range.

The core issue here is that the definition appears to include any optional insurance product offered in conjunction with (but separate from) a credit instrument like a mortgage, loan, Home Equity Line of Credit (HELOC), or credit card from any insurance provider. There seems to be no consideration that optional insurance fills an important consumer need to provide life, health, or job loss protection that is unrelated to the extension of credit. In summary, the scope of this definition seems much broader than necessary to adequately address predatory lending and payday loans.

Further, if CPI/BPI insurance is no longer available to certain consumers, they will have lost access to the benefit of insurance payments that could have kept their credit obligation in good standing during difficult times, which could, in turn, negatively impact their credit rating and ultimately push them towards the predatory lending market. This would actually be contrary to the policy objective of protecting consumers from predatory lending.

Therefore, any adjustment to the definition of “credit charge” or “interest” needs to be narrowed to ensure that it does not capture more than intended to avoid any negative consequences for consumers.

It is also unclear whether the amendments are intended to capture personal products only or include business credit cards, loans, operating lines of credit, or mortgages as well.

CPI and BPI Premiums Should Not be Included in the Determination of Interest Rate Levels

CPI and BPI is a category of optional group insurance products that provides coverage if a consumer passes away, becomes critically ill or disabled, or in some instances, loses their job. Enrolling in creditor

insurance does not impact the credit decision or the extension of credit or borrowing rate from the lender, and it is completely optional. The choice to enrol for CPI or BPI is based on whether the consumer believes it is appropriate based on their financial circumstances. It is often chosen by consumers for peace of mind and its ease of execution since no medical assessment is required. The premium charged can fluctuate on a monthly basis based on outstanding balance of the debt and the consumer's age along with other actuarially determined health risk factors. This product can be cancelled at any time by the consumer with a refund of pro-rated premiums.

At a policy level and as a matter of principle, CAFII is of the view that insurance premiums charged by FRFIs in association with loan instruments offered by them do not constitute interest either conceptually or practically, and that it is inaccurate to include those premiums in the calculation of interest rate. These products are not tied to the extension of credit, nor do they protect against credit risk, but rather they provide optional insurance risk protection against a borrower's life, health, and employment-related risks. These insurance coverages stand separate from the credit instrument and are transacted under separate contracts for customers who choose to purchase this protection.

The calculation of the cost of borrowing in the *Financial Consumer Protection Framework Regulations* aligns with this approach by excluding charges for optional insurance (and costs for other types of insurance) from the cost of borrowing calculation. On the other hand, including interest charges in the calculation of criminal rates of interest does not align with the cost of borrowing calculations currently disclosed to customers under federal law.

More specifically, the Financial Consumer Agency of Canada (FCAC) has specified which charges are and are not associated with the cost of borrowing:

Section 48 (2) Charges not included in the cost of borrowing:

The cost of borrowing for a loan does not include any of the following fees or charges:

- a) *Charges for insurance on the loan if*
 - i) *The insurance is optional*
 - ii) *The borrower is its beneficiary, and the amount insured reflects the value of an asset that is security for the loan*

Similarly, s.70 of the Quebec CPA also specifically excludes optional insurance when defining "credit charges":

Section 70. ...Despite any provision to the contrary, the following do not constitute credit charge components: (a) the premium for insurance of persons if the merchant does not subject the entering into of the credit contract to subscribing to or participating in the insurance...

Optional CPI and BPI fill an important need of providing Canadian consumers with life, health, disability and job loss protection based on consumer personal circumstances. The amendments could limit access to insurance for consumers who might not be able to afford or qualify for more traditional individual insurance products. Some customers might not receive an offer of CPI or BPI from the lender based on where the interest rate calculation falls for their credit product following calculation with insurance included, to avoid the risk of breaching the criminal rate of interest provisions. This could result in

unintended negative consequences for consumers, leading to increased complaints associated with unfair treatment and limited access to insurance that they desire, and could result in underserved or unserved consumers not having access to these protections and coverages.

For example, one use case which may result in undue consumer harm would be a client in their mid-50s who is seeking an unsecured debt consolidation loan. These loans are often used to combine multiple repayment obligations, which helps improve cash flow and credit history for consumers. Clients seeking debt consolidation help may not have access to traditional insurance coverage. As a result of these proposed changes, these same clients may no longer be in a position to benefit from the protection offered by CPI. This could leave consumers unreasonably exposed should job loss, critical illness, or death occur.

The calculation of interest would be very difficult to administer on a month-to-month basis as a calculation would need to consider the fluctuation of insurance charges based on outstanding debt amount and changes in the customer's age to ensure that the interest charge does not exceed the criminal interest rate threshold. Furthermore, it is possible that a customer could obtain optional CPI and BPI through a channel other than a lender, and thus, the lender may not know about the existence or cost of the coverage, leading to the risk of inadvertent non-compliance. The possibility also exists that a one-month fluctuation would result in the threshold being met, and then unmet in a subsequent month. Is the FRFI required to reinstate the insurance in those months where the threshold is not met?

The lending institution's lack of visibility regarding insurance premiums requires emphasizing. Lending institutions do not determine the premiums, rates, or conditions for insurance offered in conjunction with a loan instrument. More specifically, lending institutions are not "charging" the premium; they are treating it as a bill payment. The money does not go to the lending institution; it goes to the insurance company.

In some situations, it is not possible to monitor charges from third-party insurers so they can be added to other charges. Lending institutions do not directly control what insurers will charge for optional insurance and sometimes have no visibility in terms of the premiums being charged to customers obtaining insurance against their loan. For example, if a mortgage is sold through a broker to be held by a bank who then arranges for the credit to be optionally insured by an insurance company not affiliated with that bank, it would not be able to monitor the 35% threshold as the lending institution would have no visibility on the existence of optional Insurance being in place and even less information about the specific rate.

For these reasons, the proposed amendments would only increase the costs of providing loans, which may, in turn, restrict access to credit.

We also note that insurers can amend premiums on notice to customers from time to time. In addition, if the legislation is broad enough to capture other insurance where the lender is named as a loss payee

(like property insurance or auto insurance), then compliance with the legislation becomes even more challenging. Lenders would not know the premiums consumers pay for such insurance.

Lenders should not face the risk of criminal sanctions because of changes to the cost of insurance determined by the actions of the consumer or the insurer.

If interest does exceed the threshold as a result of premiums for CPI or BPI, it is unclear what the consequences would be. If the Department of Finance believes insurance should be cancelled, we note that CPI and BPI are normally set up as a group insurance policy with individual insurance certificates issued to customers. The lender or insurer normally cannot unilaterally cancel the coverage unless the group policy is terminated, which would impact all customers who have enrolled in the insurance product.

It is an important principle of insurance that, once obtained, the provider cannot cancel the coverage unless premiums have not been paid or some other termination event specified in the terms of the insurance has occurred. Forcing the cancellation of CPI or BPI would be harmful to consumers as they would lose the insurance coverage they believed they needed. If the expectation is that the insurance should stay in place, then would the Department of Finance expect lenders to reduce interest rates on the underlying credit product, all while the insurer providing CPI or BPI retains the full premium? It should also be noted that financial reporting and taxation requirements have different definitions of interest than what is being proposed. With an expanded definition of interest, multiple calculations of interest would be required to demonstrate compliance with these amendments, which could potentially impact financial statements or tax return filings.

Life, Health, and Job Loss Products Provide Critical Protection for Underinsured and Uninsured Canadians

By incorporating the costs of CPI and BPI into the criminal insurance rates, the Department of Finance risks both deterring and preventing Canadians' optional purchase of insurance even though these products serve an important role in the marketplace. The credit instruments that CPI and BPI are associated with are not at all similar to payday loans and any implication that they should be viewed similarly is misleading and inaccurate.

CAFII believes that restricting access to these optional insurance products for these loan instruments will have an undesirable and harmful impact on Canadian consumers. We believe it could result in consumers who would otherwise benefit from these coverages not having the opportunity to obtain these protections, which could very well compound an existing underinsurance problem.

A March 2024 survey of Canadians commissioned by CAFII and conducted by independent research organization LIMRA found that Canadians are underinsured and uninsured against their lives and

health.² The study found a concerning trend among Canadian homeowners: a significant 80% lack sufficient insurance coverage, being either uninsured or underinsured with CPI or traditional life insurance³. This shortfall in coverage leaves many families inadequately protected against unforeseen life events. Low-income homeowners are significantly more likely to be uninsured compared to those in higher income brackets. Of those who are insured, 75% of low-income homeowners are underinsured, meaning they lack sufficient coverage to protect their financial well-being.

Despite the alarming rate of underinsurance, only 55% of all homeowners with credit own some form of CPI. This discrepancy is even more pronounced among low-income homeowners, who have notably less CPI coverage compared to their high-income counterparts. This suggests a gap in understanding of and access to CPI, highlighting the need for increased awareness and education about this form of insurance and its benefits.

While 80% of Canadian homeowners are underinsured or uninsured, among low-income homeowners with credit, 24% have no life or health insurance and another 10% rely solely on CPI for their insurance needs. This is significantly more than other income groups and highlights the importance of this form of protection for financially vulnerable households.

Finally, a significant portion of Canadian homeowners, 38%, fall into the category of “at risk.” These are homeowners with credit, who are uninsured or underinsured, and have survivors such as partners or dependents. This group is particularly vulnerable to financial hardship in the event of unexpected life events. Taken together, these findings demonstrate the importance of not impeding access to these insurance protections, and not unfairly tarnishing the reputation of this industry or the access to these products by underinsured and uninsured Canadians.

These products offered by banks and credit unions provide critical protections in the marketplace and treat consumers fairly. The insurance is optional; full disclosure of premiums, exclusions, and limitations are made; and the industry has a strong record around claims payout. For example, separate research commissioned by CAFII and conducted by polling company Pollara Insights found that 95% of mortgage life insurance claims were paid out.

Life and Health Insurance Is Regulated by Provinces and Territories, and Bank Distributors are Regulated by the Bank Act and the FCAC

Credit protection insurance and balance protection insurance are a class of life, health, and job loss insurance products that are regulated across the country under the jurisdiction of provincial and territorial regulators and policy-makers. While we recognize the authority of the federal government

² The full study can be found on the CAFII website here: <https://www.cafii.com/cafii-limra-insurance-among-canadian-homeowners/>

³ Underinsured is defined as Canadians with insurance coverage of less than 7-10 times their income, which is the definition used by the Financial Consumer Agency of Canada (FCAC).

with respect to the Criminal Code, the outcome of these amendments will have an impact on the perception and possible availability of products that are squarely within the jurisdiction of provinces and territories.

CAFII understands that the Department of Finance may be intending to address practices by parties not regulated by the Bank Act, federal regulation, and provincial and territorial regulators. If that is the case, we believe that the approach to take is to explicitly exempt those regulated parties and associated optional CPI and BPI products that do meet the Department's regulatory expectations and to make clear in your definitions of key terms what the legislation is intending to achieve and what parties are subject to it. The definitions should make clear that your focus is on issues related to the extension of credit by non-regulated lenders.

For greater clarity, Charter I and Charter II banks are subject to all the applicable federal regulatory requirements, including the Bank Act and oversight by the FCAC, and all CAFII members offering CPI and BPI are subject to provincial regulations and oversight. Tied-selling is prohibited, and CAFII members are committed to fair disclosure, rigorous oversight of products offered, and the fair treatment of customers.

Consultation Period is Short

While in principle, we are very concerned if optional credit protection insurance and balance protection insurance are intended to be captured by the proposed amendments, in practice, we are also concerned about such a short consultation period for a change of this magnitude. CAFII has fifteen members that represent large, complex financial institutions and there are many other industry stakeholders who would be impacted by this change. We believe that better regulatory outcomes and protections occur when there is dialogue and detailed consultation with industry; the compressed timeline for this consultation has compromised the ability to achieve this important outcome. As a result, we feel that the amendments should not be moved forward until there has been an opportunity for a fulsome engagement between the Department of Finance and industry.

Final Comments and Recommendations

If the policy intent of the proposed amendments is to address concerns around optional insurance offered in conjunction with predatory lending and payday loans, we are concerned that many other legitimate loan instruments offered by FRFIs have associated optional insurance like CPI and BPI that are being inadvertently captured by these amendments, which could lead to negative consequences for consumers. CAFII respectfully suggests that criminal provisions are not the appropriate mechanism to address concerns that the government might have relating to the cost of insurance or sales practices by non-regulated lenders. This unfairly casts a shadow of criminality over what are legitimate forms of insurance that benefit consumers. It can also have the consequence of limiting access to insurance to consumers who may benefit from it, particularly those who may be underinsured. We strongly believe that insurance premiums should continue to be excluded from the calculation of interest, as was the

approach prior to the introduction of these draft amendments and as is the current approach for calculating the cost of borrowing.

To the extent the Department of Finance is not open to removing insurance charges from the calculation of interest, the amendments should explicitly define the specific products offered that are targeted by this change as opposed to a broad, all-encompassing definition of insurance. The definition should make it clear that optional CPI and BPI insurance offered by regulated entities is not intended to be captured by the amendments and should consider an exemption for parties offering this optional insurance that are not the intended subjects of these amendments. As it stands, the broad definition could produce unintended consequences on consumers and is a disservice to many Canadian consumers who need these products and whose access to them should not be limited. At a practical level, it would be extremely difficult for industry to operationalize these proposed changes.

We encourage the Department of Finance, if it has not already done so, to engage in consultations with the provinces' and territories' insurance regulators on the amendments as insurance regulation falls under the jurisdiction of provinces and territories.

Thank you again for the opportunity to provide input and feedback on the Department of Finance's consultation on amendments to the Criminal Code. Should you require further information from CAFII or wish to meet with representatives from our Association at any time, please contact Keith Martin, CAFII Executive Director, at keith.martin@cafii.com or 647.460.7725.

Sincerely,



Karyn Kasperski
Board Secretary and EOC Chair

About CAFII

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

CAFII believes consumers are best served when they have meaningful choice in the purchase of insurance products and services. Our members offer credit protection, travel, life, health, and property and casualty

insurance across Canada. In particular, credit protection insurance and travel insurance are the product lines of primary focus for CAFII as our members' common ground.

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

CAFII's 15 members include the insurance arms of Canada's major financial institutions--BMO Insurance, CIBC Insurance, Desjardins Insurance, National Bank Insurance, RBC Insurance, Scotia Insurance, and TD Insurance, along with major industry players Assurant Canada, The Canada Life Assurance Company, Canadian Tire Bank, Canadian Western Bank, Chubb Life Insurance Company of Canada, CUMIS Services Incorporated, Manulife (The Manufacturers Life Insurance Company), and Securian Canada.

August 27, 2024 – Email Exchange Between CAFII and the Department of Finance About a Request From CAFII Regarding the Criminal Code.

From: Keith Martin

Sent: Tue 2024-08-27 12:03 PM

To: Mark.radley@fin.gc.ca; Anne.Loosen@fin.gc.ca

Cc: 'valerie.gillis@td.com'; 'paul.cosgrove@assurant.com'; 'Karyn Kasperski' <karyn.kasperski@rbc.com>; +4 others

Subject: Request from the Canadian Association of Financial Institutions in Insurance (CAFII)

Hello Mr. Radley and Ms. Loosen,

My name is Keith Martin and I am the Executive Director of the Canadian Association of Financial Institutions in Insurance (CAFII), whose members include Canadian banks, credit unions, and insurers. CAFII focuses on optional insurance products including life insurance offered with loan instruments like mortgages, HELOCs, and loans, as well as credit card balance protection insurance.

I am writing you about the consultation the Department of Finance is engaged in around the draft legislative amendments to the *Criminal Code*, which includes provisions to include insurance costs in the calculation of interest. We are very concerned about whether this provision intends to capture optional credit protection and balance protection insurance. These optional products provide critical protection to Canadians, and as worded it is not clear to us what the provisions you are consulting on apply to, and specifically whether optional credit protection and balance protection insurance is captured by these provisions. It should be noted that these products are not tied to the extension of credit nor do they protect against credit risk, but rather provide optional insurance risk protection against a borrowers' life and health related risks as well as in some instances, job loss, and are transacted under separate contracts for customers who wish to purchase this protection.

There are many important implications to these provisions for our members depending on their scope, and these insurance products are also under the jurisdiction of provincial and territorial regulators and policy-makers.

While in principle we are very concerned if optional credit protection insurance and balance protection insurance is intended to be captured by the proposed amendment, in practice it is also extremely problematic to announce a draft change that is intended to be implemented in four months or less (January 1, 2025). We typically request that any change that requires system changes and policy modifications have an implementation window of at minimum 12-18 months.

The consultation period is also extremely short. CAFII has fifteen members that represent large, complex financial institutions. We need time to internally formulate our feedback on any new regulatory or legislative approach, and to prepare our response.

We would be pleased to share our thoughts with you in a detailed written submission, and would like to request an extension beyond the September 11, 2024 deadline for responding to your consultation, if possible by a month. In the meantime, any clarification you can provide about the scope of the provisions with respect to the inclusion of insurance products in the calculation of interest rates would be helpful as we formulate our response.

Thank you in advance for considering this request.

--Keith Martin, CAFII Executive Director

About CAFII: The [Canadian Association of Financial Institutions in Insurance](#) is a not-for-profit industry association dedicated to the development of an open and flexible insurance marketplace. CAFII believes that consumers are best served when they have meaningful choice in the purchase of insurance products and services. CAFII's 15 members include the insurance arms of Canada's major financial institutions--BMO Insurance, CIBC Insurance, Desjardins Insurance, National Bank Insurance, RBC Insurance, Scotia Insurance, and TD Insurance, along with major industry players Assurant Canada, The Canada Life Assurance Company, Canadian Tire Bank, Canadian Western Bank, Chubb Life Insurance Company of Canada, CUMIS Services Incorporated, Manulife (The Manufacturers Life Insurance Company), and Securian Canada.

Keith Martin

Executive Director / Directeur général

Canadian Association of Financial Institutions in Insurance

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[Visit the CAFII LinkedIn Page](#)

Making Insurance Simple and Accessible for Canadians
Rendre l'assurance simple et accessible pour les Canadiens

From: Radley, Mark Mark.radley@fin.gc.ca

Sent: Fri 2024-08-30 4:54 PM

To: Keith Martin

Cc: valerie.gillis@td.com;paul.cosgrove@assurant.com;karyn.kasperski@rbc.com;
John.Burns@securiancanada.ca; +6 others.

Hi Keith,

Sorry for the delay in responding. Thank you for your email regarding your concerns around the consultation on potential *Criminal Code* amendments. I would note that the draft legislation is for consultative purposes

only. As such, on timelines, we have not determined or finalized any dates for next steps with regards to this draft legislation. We are awaiting all stakeholder comments to help inform next steps, including potential final legislation, and we appreciate your comments written below and look forward to receiving a formal submission on the issue.

We have noted your request for an extension on the submission deadline, which we will return to you on. If you have any interest in meeting with us so we may answer any questions you may have or to discuss your initial thoughts, please let us know and we can set something up for next week, if you are amenable.

Thank you,
Mark

From: Keith Martin

Sent: Wed 2024-09-04 5:11 PM

To: Radley, Mark <Mark.radley@fin.gc.ca>

Cc: valerie.gillis@td.com;paul.cosgrove@assurant.com;karyn.kasperski@rbc.com;

John.Burns@securiancanada.ca;+6 others

Hello Mark,

I first of all would sincerely like to thank you for your response below, which was much appreciated.

I also want to thank you for the offer of a meeting. It will be difficult to us to get this organized prior to the current deadline of September 11, 2024, but if an extension is offered I will definitely follow up with you and would welcome a meeting after that date for us to engage in a dialogue.

CAFII will be making a preliminary submission to the Department of Finance by your current deadline of September 11, but if an extension is offered we could expand on that submission with more detailed comments and as noted above, we would welcome the opportunity to participate in a meeting with you and your colleagues after that date. With additional time, I believe we can better prepare and make the meeting more robust and beneficial for you and your colleagues.

Please do not hesitate to reach out to me on this or any related matters, and thank you again for your consideration.

Regards,

--Keith

Keith Martin

Executive Director / Directeur général

Canadian Association of Financial Institutions in Insurance

L'association canadienne des institutions financières en assurance

keith.martin@cafii.com

T: 647.460.7725

www.cafii.com

[Visit the CAFII LinkedIn Page](#)

Making Insurance Simple and Accessible for Canadians

Rendre l'assurance simple et accessible pour les Canadiens

July 2024 – The Federal Department of Finance Indicated Its Intention to Include Insurance Premiums in the Determination of Interest.

The Federal Department of Finance has indicated that it intends to include insurance premiums in the determination of interest, and has provided a very short period for industry to provide written feedback. CAFII has requested an extension of the deadline, but will also be making a written submission to the Department by the October 11, 2024 deadline. CAFII has also been coordinating its approach closely with CBA and CLHIA.

Following is the correspondence between CAFII and the Department of Finance.

From: Keith Martin

Sent: September 4, 2024 5:12 PM

To: Radley, Mark <Mark.Radley@fin.gc.ca>

Cc: valerie.gillis@td.com; paul.cosgrove@assurant.com; karyn.kasperski@rbc.com;

John.Burns@securiancanada.ca; bradley.kuiper@scotiabank.com; fay.coleman@td.com; Robyn Jennings <Robyn.Jennings@cafii.com>; Loosen, Anne <Anne.Loosen@fin.gc.ca>; Islam, Tanjana

<Tanjana.Islam@fin.gc.ca>; Ward, Connor <Connor.Ward@fin.gc.ca>

Subject: RE: Request from the Canadian Association of Financial Institutions in Insurance (CAFII)

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I first of all would sincerely like to thank you for your response below, which was much appreciated. I also want to thank you for the offer of a meeting. It will be difficult to us to get this organized prior to the current deadline of September 11, 2024, but if an extension is offered I will definitely follow up with you and would welcome a meeting after that date for us to engage in a dialogue.

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Regards,

--Keith

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keith.martin@cafii.com

T: 647.460.7725

www.cafii.com

[Visit the CAFII LinkedIn Page](#)



Making Insurance Simple and Accessible for Canadians

Rendre l'assurance simple et accessible pour les Canadiens

From: Radley, Mark <Mark.Radley@fin.gc.ca>

Sent: August 30, 2024 4:54 PM

To: Keith Martin <Keith.Martin@cafii.com>

Cc: valerie.gillis@td.com; paul.cosgrove@assurant.com; karyn.kasperski@rbc.com; John.Burns@securiancanada.ca; bradley.kuiper@scotiabank.com; fay.coleman@td.com; Robyn Jennings <Robyn.Jennings@cafii.com>; Loosen, Anne <Anne.Loosen@fin.gc.ca>; Islam, Tanjana <Tanjana.Islam@fin.gc.ca>; Ward, Connor <Connor.Ward@fin.gc.ca>

Subject: RE: Request from the Canadian Association of Financial Institutions in Insurance (CAFII)

Hi Keith,

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We have noted your request for an extension on the submission deadline, which we will return to you on. If you have any interest in meeting with us so we may answer any questions you may have or to discuss your initial thoughts, please let us know and we can set something up for next week, if you are amenable.

Thank you,

Mark

From: Keith Martin <Keith.Martin@cafii.com>

Sent: Tuesday, August 27, 2024 12:03 PM

To: Radley, Mark <Mark.Radley@fin.gc.ca>; Loosen, Anne <Anne.Loosen@fin.gc.ca>

Cc: 'valerie.gillis@td.com' <valerie.gillis@td.com>; 'paul.cosgrove@assurant.com' <paul.cosgrove@assurant.com>; 'Karyn Kasperski' <karyn.kasperski@rbc.com>; Burns, John

<John.Burns@securiancanada.ca>; Bradley Kuiper <bradley.kuiper@scotiabank.com>; 'Coleman, Fay' <fay.coleman@td.com>; Robyn Jennings <Robyn.Jennings@cafii.com>

Subject: Request from the Canadian Association of Financial Institutions in Insurance (CAFII)

Hello Mr. Radley and Ms. Loosen,

My name is Keith Martin and I am the Executive Director of the Canadian Association of Financial Institutions in Insurance (CAFII), whose members include Canadian banks, credit unions, and insurers. CAFII focuses on optional insurance products including life insurance offered with loan instruments like mortgages, HELOCS, and loans, as well as credit card balance protection insurance.

I am writing you about the consultation the Department of Finance is engaged in around the draft legislative amendments to the Criminal Code, which includes provisions to include insurance costs in the calculation of interest. We are very concerned about whether this provision intends to capture optional credit protection and balance protection insurance. These optional products provide critical protection to Canadians, and as worded it is not clear to us what the provisions you are consulting on apply to, and specifically whether optional credit protection and balance protection insurance is captured by these provisions. It should be noted that these products are not tied to the extension of credit nor do they protect against credit risk, but rather provide optional insurance risk protection against a borrowers' life and health related risks as well as in some instances, job loss, and are transacted under separate contracts for customers who wish to purchase this protection.

There are many important implications to these provisions for our members depending on their scope, and these insurance products are also under the jurisdiction of provincial and territorial regulators and policy-makers.

While in principle we are very concerned if optional credit protection insurance and balance protection insurance is intended to be captured by the proposed amendment, in practice it is also extremely problematic to announce a draft change that is intended to be implemented in four months or less (January 1, 2025). We typically request that any change that requires system changes and policy modifications have an implementation window of at minimum 12-18 months.

The consultation period is also extremely short. CAFII has fifteen members that represent large, complex financial institutions. We need time to internally formulate our feedback on any new regulatory or legislative approach, and to prepare our response.

We would be pleased to share our thoughts with you in a detailed written submission, and would like to request an extension beyond the September 11, 2024 deadline for responding to your consultation, if possible by a month. In the meantime, any clarification you can provide about the scope of the provisions with respect to the inclusion of insurance products in the calculation of interest rates would be helpful as we formulate our response.

Thank you in advance for considering this request.

--Keith Martin, CAFII Executive Director

About CAFII: The [Canadian Association of Financial Institutions in Insurance](#) is a not-for-profit industry association dedicated to the development of an open and flexible insurance marketplace. CAFII believes that consumers are best served when they have meaningful choice in the purchase of insurance products and services. CAFII's 15 members include the insurance arms of Canada's major financial institutions-- BMO Insurance, CIBC Insurance, Desjardins Insurance, National Bank Insurance, RBC Insurance, Scotia Insurance, and TD Insurance, along with major industry players Assurant Canada, The Canada Life Assurance Company, Canadian Tire Bank, Canadian Western Bank, Chubb Life Insurance Company of Canada, CUMIS Services Incorporated, Manulife (The Manufacturers Life Insurance Company), and Securian Canada.

Keith Martin

Executive Director / Directeur général

Canadian Association of Financial Institutions in Insurance

L'association canadienne des institutions financières en assurance

keith.martin@cafii.com

T: 647.460.7725

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Making Insurance Simple and Accessible for Canadians

Rendre l'assurance simple et accessible pour les Canadiens

This message, including any attachments, is intended only for the use of the individual(s) to which it is addressed and may contain information that is privileged, proprietary, or confidential. Any other distribution, copying, or disclosure is strictly prohibited. If you have received this communication in error, please notify us immediately by reply e-mail and permanently delete this message, including any attachments, without reading or making a copy. Thank you.

Credit Protection Insurance

Offered by CAFII Members

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



Credit Protection Insurance Overview

Credit Protection Insurance (CPI)

Optional group insurance for specific debts, including:



Mortgages



Line of credit
(secured/unsecured)



Credit cards



Loans

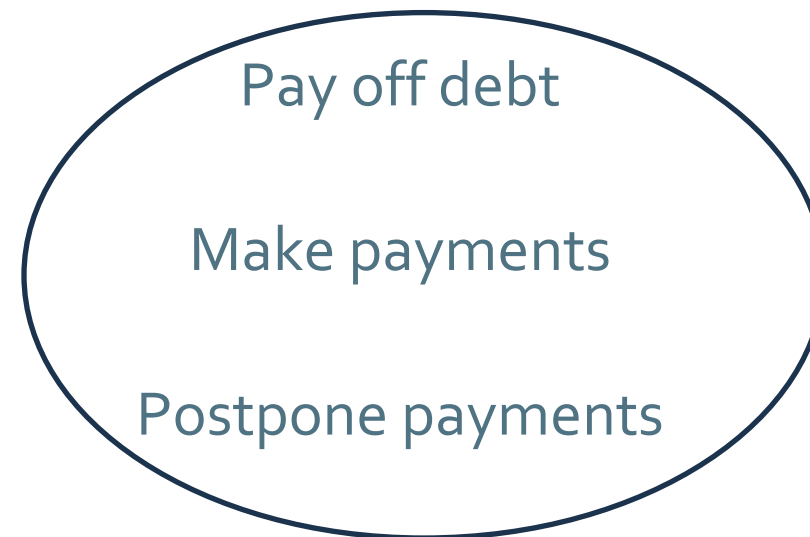
Credit Protection Insurance (CPI)

Protects consumers' debt obligations against a variety of risks

In the case of:



CPI can help to either:



Simple, accessible and affordable

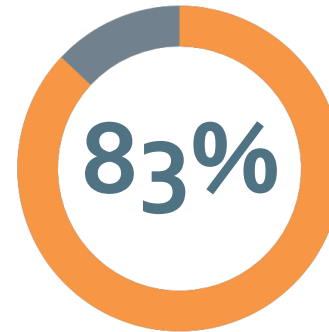


87%

87% of Canadians with CPI on their mortgages and Home Equity Lines of Credit (HELOCs) say it is a convenient way to protect themselves and/or their families.*



69% of Canadians with CPI say CPI is an affordable insurance option*



83% of Canadians with CPI coverage say it is an effective way to protect themselves and their families.*

*Source: CAFII commissioned national online survey of 1,003 adult Canadians who have Credit Protection Insurance on a mortgage and/or home equity line of credit. The survey was conducted in October 2022 by Pollara Strategic Insights.

Coast-to-coast-coast access

Financial institutions



Insurers





Sobering statistics

Inadequate coverage

38% of Canadian homeowners are “at risk” due to being underinsured or uninsured



These are Canadian homeowners who have credit, have dependents, and are underinsured or uninsured*

.....
*Source: LIMRA “Insurance Among Canadian Homeowners” Study for CAFII, February 2024.

Rising debt levels

At the same time, Canadians are more indebted than ever

As of January 2025, **50%** of Canadians feel they're within **\$200** of not being able to cover their monthly bills and debt obligations¹

In 2024, the average consumer non-mortgage debt was over **\$25,500**²

In 2023, the average Canadian consumer had over **\$110,000** in debt, including mortgage³

In 2023, the median mortgage debt was **\$205,000**⁴

In 2023, an average of **337** Canadians filed for insolvency **per day**⁵

As of 2023, Canadians have over **\$122bn** in outstanding credit card balances⁶

Sources:

¹ Global News <https://globalnews.ca/news/Canadian-mnp-debt-index-new-low-2025>

² TransUnion Report <https://www.transunion.ca/Quarterly-Overview-of-Consumer-Credit-Trends-2024>

³ Statistics Canada <https://www150.statcan.gc.ca/n1/Survey-of-Financial-Security,2023>

⁴ Statistics Canada <https://www150.statcan.gc.ca/assets-and-debts-held-by-economic-family-type,by-age-group,Canada,provinces-and-selected-census-metropolitan-areas,Survey-of-Financial-Security>

⁵ Canadian Association of Insolvency and Restructuring Professionals <https://www.CAIRP:2023Annual&Q4CanadianInsolvencyStatistics.com>

⁶ Equifax <https://www.Equifax.ca/about-Equifax/press-release/-/Economic-Pressures-Could-Impact-Credit-Performance-of-Consumers,Especially-Young-Adults>

Unforeseen life events happen

Critical illness, disability or job loss a reality many Canadians will face

In 2024, an estimated **675,000** Canadians were diagnosed with Cancer¹

As of December 2024, the Canadian unemployment rate was **6.7%**, with concerns among economists it could increase due to recessionary pressures²

In November 2024, the number of unemployed Canadians increased by **87,000**³

As of 2023, strokes remain the **leading cause of adult disability** in Canada⁴

As of 2022, the annual stroke rate was approx. **108,707** or **1** stroke every **5** minutes⁵

Sources:

¹Canadian Cancer Society <https://cancer.ca/en/research/cancer-statistics/cancer-statistics-at-a-glance>

²Statista <http://www.statista.com/statistics/unemployment-rate-in-canada-from-2019-2029>

³Statistics Canada <https://www150.statcan.gc.ca/n1/Labour-Force-Survey/November-2024>

⁴Provincial Health Service Authority <http://www.phsa.ca/about/news-stories/stories/world-stroke-day-2023>

⁵Heart & Stroke Foundation <https://www.heartandstroke.ca/what-we-do/media-centre/news-releases/stroke-in-canada-is-on-the-rise>



Closing the gap

Having the “what if?” conversation

If it isn't offered, most people won't seek it out



As of 2023, only **8%** of Canadians have Critical Illness Insurance*

Having the insurance conversation opens a difficult but critical dialogue to help people understand their risks – and what's available to them

*Sources: Advisor Talks, *Critical Illness Insurance – Do We Position Its True Value or Baulk at the Cost?* (October 2023).
Canadian Life & Health Insurance Association, *Got questions about critical illness insurance? CLHIA's latest consumer guide has answers to help you* (February 2024).

Meet Marie

37 years old,
married

2 kids, one in
daycare, one
in school

Primary
income
earner



~\$300,000
remaining on a
\$500,000
mortgage

20-year
amortization

Owens life
insurance through
her employer's
group benefits plan

Debts have a way of piling up

Takes out \$50,000
HELOC for home
renovations

Takes out an
unsecured loan for
private school



Puts new furnace
on credit card

What if something happens?

Cannot afford
daycare, affecting
employability

Misses
credit card
payments

Family's lifestyle
dramatically
altered

Loses family
home



No coverage for
job loss, disability
or critical illness

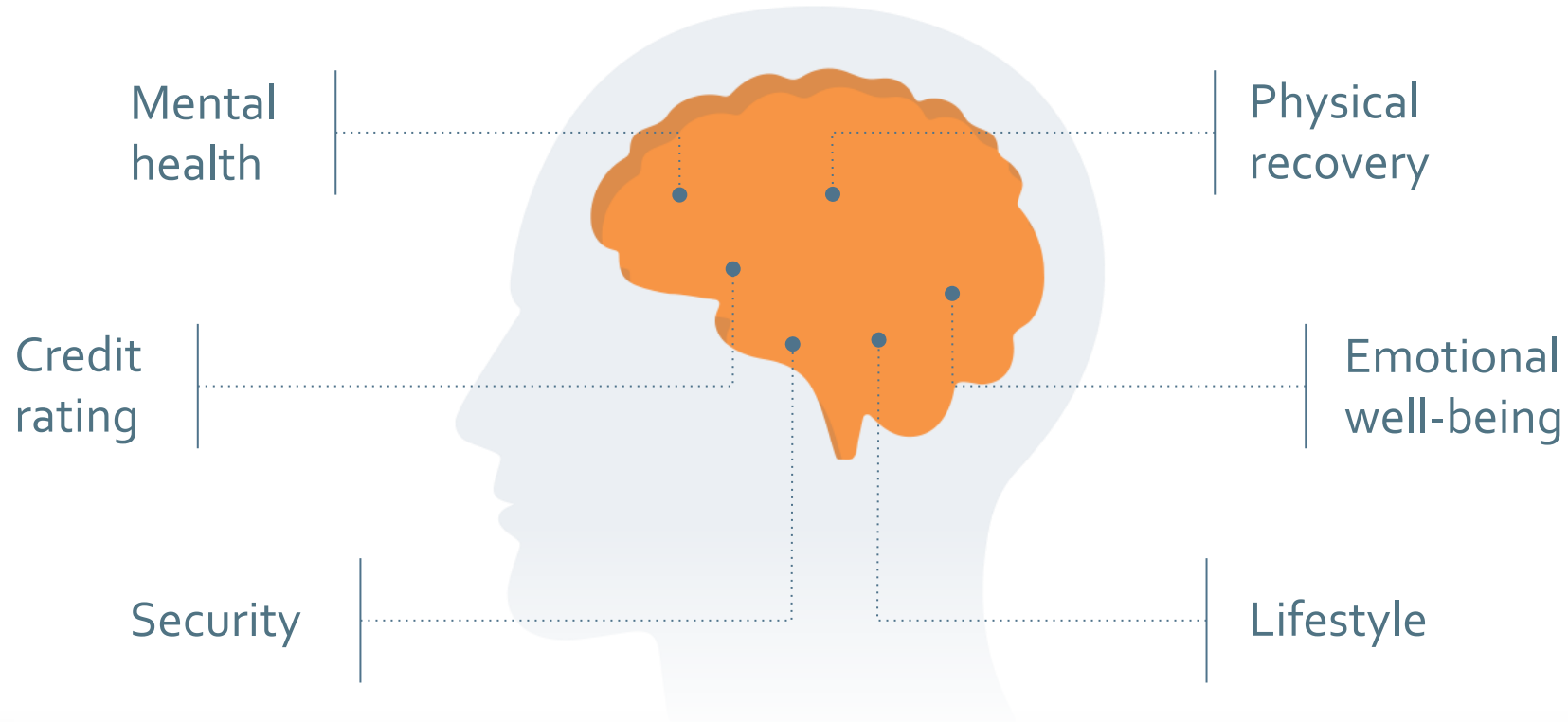
Credit rating
plummets

Experiences
depression

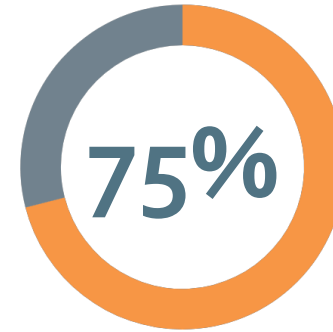
Group benefits life
insurance insufficient to
cover mortgage

What if she had the conversation?

Opening a dialogue at the point of sale



Marie's not alone



75% said that without CPI, they do not know how they and/or their family would be able to cope, should an unexpected life occurrence negatively impact them financially.

*Source: CAFII commissioned national online survey of 1,001 adult Canadians who have Credit Protection Insurance on a mortgage and/or home equity line of credit. The survey was released in November 2022 by Pollara Strategic Insights.



Sales practices built on fair
treatment of customers

Coverage is optional

Multiple accountabilities and product features reinforce optional nature of coverage

Bank client service representatives are **trained to communicate that CPI is optional**, in keeping with CBA Code of Conduct for Authorized Insurance Activities

Coverage can be **cancelled at any time**

Customers have an initial **period of 10 to 30 days**, within which they may cancel coverage and receive a full premium refund

Tied selling is strictly prohibited in legislation for banks



Accurate information

Comprehensive and recurring training to ensure consumers receive accurate and reliable information

Staff adheres to carefully developed scripts and protocols during the customer conversation to:

- ✓ Ensure that customers are provided full disclosure prior to purchasing
- ✓ Ensure that the financial institution obtains express consent (verbal or written) from the customer

CAFII member FIs educate those offering CPI through:

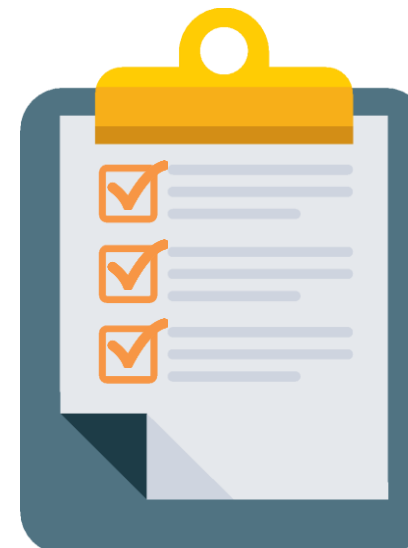
- ✓ Individual coaching
- ✓ Formal CPI training programs
- ✓ Team huddles

Prioritizing consumer protection

Oversight doesn't end once the consumer has enrolled in CPI coverage

Post sale practices are designed to ensure the fair treatment of customers:

- ✓ Calls are routinely recorded and monitored
- ✓ Post-sale reviews ensure customers understood and gave express consent
- ✓ Complaints are monitored for any emerging trends
- ✓ CPI insurers monitor spikes of cancellations



Consumer-friendly documentation

Post Sale Disclosure reinforces informed purchase decisions

Certificates of insurance

- ✓ Eligibility conditions
- ✓ Features and benefits
- ✓ Limitations
- ✓ Exclusions
- ✓ Statement that the coverage is optional and voluntary

Transparency

- ✓ Cost outlined in “plain language”
- ✓ Optionality reinforced

Clear & simple processes for making a claim

- ✓ How to submit a claim
- ✓ Insurer’s name and contact information
- ✓ Premium charges
- ✓ Review period within which coverage may be cancelled for a full premium refund

Straightforward complaint handling

Significant back-end work to ensure fair front-end sales practices

Robust internal complaint handling process

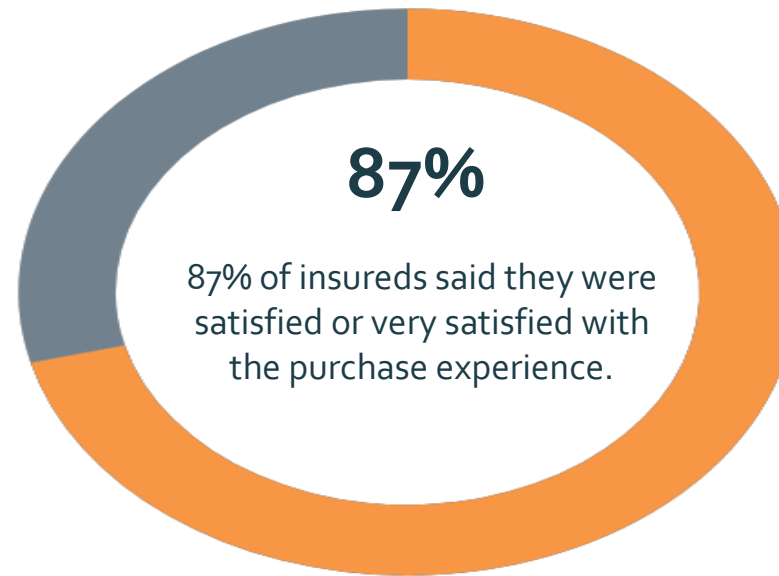
- ✓ Complaints are handled with an emphasis on the **fair treatment of customers**
- ✓ CPI insurers track and report complaints to the new national database rooted in the **CCIR Annual Statement on Market Conduct**

We take Complaint Handling seriously and our members—adhere to FCAC's Financial Consumer Protection Framework

Consumer satisfaction a priority

Making sure consumers understand their coverage

At the time of signing up
for their CPI coverage:



*Source: CAFII commissioned national online survey of 1,001 adult Canadians who have Credit Protection Insurance on a mortgage and/or home equity line of credit. The survey was conducted in October 2022 by Pollara Strategic Insights.



Strict industry self-regulation and
robust provincial/federal regulation

Industry self-regulation

Mandatory participation in and compliance with industry guidelines and codes of conduct



CAFII Insurance company members that are members of the CLHIA are **required to adhere to CLHIA Industry Guidelines** for CPI product design and distribution, in particular, *G7 Creditor's Group Insurance* and *G9, Direct Marketing**.

CBA Code of Conduct for Authorized Insurance Activities outlines obligations and best practice standards expected of bank representatives who offer Authorized Insurance Products

- CLHIA is a voluntary trade association that represents the collective interests of its member life and health insurers, which account for 99 per cent of the life and health insurance business in Canada. Source: [CLHIA - Membership Information](#)

CAFII's Regulators and Authorities we Deal With...



Robust provincial regulation network

Established conduit for communication among member jurisdictions



Provincially regulated

Fair treatment of customers integral to provincial regulators



CCIR / CISRO Fair Treatment
of Customers Guidance a top priority



CAFII Members are Committed to the Fair Treatment of Customers



GUIDANCE: CONDUCT OF INSURANCE BUSINESS AND FAIR TREATMENT OF CUSTOMERS

CAFII shares regulators' objective of ensuring consumers are well-protected while also having the ability to purchase products through their channel of choice.

In an insurance industry context, it's important to note that part of the overall objective of FTC is to ensure insurers can provide support and meet consumers' expectations throughout the user experience.

Federal oversight

Robust legislative/regulatory framework, monitoring & oversight to ensure fair treatment and protection of consumers

Financial Consumer Agency of Canada (FCAC)

Monitors and enforces compliance with federal consumer protection measures

Federal legislation and regulations

The Bank Act and the related Insurance Business (Banks and Bank Holding Companies) Regulations control key market conduct issues such as tied selling and privacy





Looking forward

CAFII Posts Research Results, Summaries of In-Person Speeches, and Webinars on www.cafii.com

We Post our Research Findings at www.cafii.com



Exploring Emerging Technology Trends in CPI
February 2025 | Executive Presentation



Summaries of In-Person Events are Posted at www.cafii.com



Justeena Zaki-Azat, Senior Research Analyst of Applied Research Solutions, LIMRA and LOMA, on "Insurance Among Canadian Homeowners" March 19, 2024

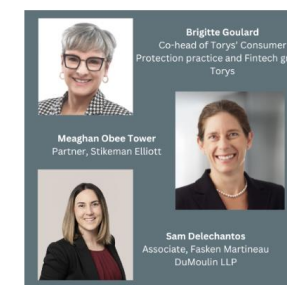


Keegan Iles, PwC, speaks at CAFII's December 3, 2023 Reception

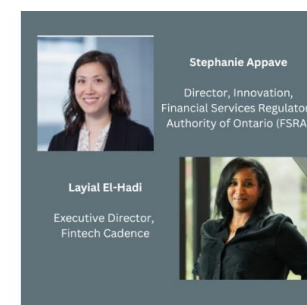


Dominic Hains, President and Chief Executive, RGA Life Reinsurance Company of Canada, at CAFII's Annual Members' and Associates' Luncheon, May 28, 2024

Webinars are Recorded and Posted at www.cafii.com



October 17, 2024
Summary of CAFII's Webinar: A Conversation on Open Banking



January 30, 2025
Summary of CAFII's Webinar: Insurance Innovation in Ontario



September 11, 2024
CAFII Fireside Chat with Jennifer Sutherland Green, Jennifer Crummy, Lauren Keefe-Hogan, and Rahul Deshmukh



April 25, 2024
CAFII Webinar Mental Health Issues in the Workplace: A CAFII Virtual Fireside Chat with Jeff Scott, Jennifer Heaslip, and Paula Allen

Questions

Keeping the conversation and dialogue going

Briefing Note

CAFII EOC Meeting February 25, 2025—Agenda Item 5(b)

Strategic and Regulatory Initiatives – Plans for Visits to Atlantic Canada and Western Canada- Call out for Volunteers

Purpose of this Agenda Item – Update

To update the EOC on CAFII's plans to visit Atlantic Canada and Western Canada in 2025 and ask EOC members to consider volunteering for the trip.

Background Information

CAFII Senior Operations Manager Lara Doig will update the EOC on CAFII's plans to visit Atlantic Canada and Western Canada in 2025. She will then ask EOC members to consider volunteering for the trip.

Recommendation / Direction Sought – Update

This is an update item.

Attachments Included with this Agenda Item

One (1) attachment.

Itinerary and Meetings Schedule for CAFII Spring 2025 Atlantic Canada Insurance Regulators and Policy-Makers Tour: Phase 1 – New Brunswick and Prince Edward Island

CAFII will be engaging in 2025 Regulatory Tours, starting with a visit to regulators in New Brunswick (FCBN) and PEI, in conjunction with the CLHIA Compliance and Consumer Complaints Conference to be held in Charlottetown, PEI from Wednesday, May 14 to Friday, May 16.

https://www.clhia.ca/web/CLHIA_LP4W_LND_Webstation.nsf/page/AD9B1618FBC1C2E5852584EA006C7099

Current participants:

From CAFII:

Keith Martin, Executive Director

Robyn Jennings, Research Analyst

CAFII has asked for confirmation of member volunteers who wish to join

Our plan is as follows:

Sunday, May 11: fly to Fredericton, NB and stay overnight.

Monday, May 12: Meet with FCNB in 90-minute meeting from 10:00am -11.30am.

Monday, May 12: CAFII entourage lunch 12:00 pm

Monday, May 12: Drive from Fredericton, NB to Charlottetown, PEI (3.5-hour drive) and spend the night. A dinner will be arranged.

Tuesday, May 13: Meet with PEI regulators from 10:00-11.30am. A lunch and dinner will be arranged.

Wednesday, May 14-16: CLHIA conference.

Travel:

FLIGHTS: Toronto, ON to Fredericton, NB				
Air Line	Airport	Date	Departure	Arrival
Air Canada (non-stop)	Toronto Pearson YYZ	05-11-2025	8:15 am EST	11:05 am AST
Air Canada (non-stop)	Toronto Pearson YYZ	05-11-2025	2:45 pm EST	5:36 pm AST
Air Canada (1 stop)	Toronto Pearson YYZ	05-11-2025	9:00 am EST	3:07 pm AST
Porter (non-stop)	Toronto City Airport YTZ	05-11-2025	5:45 pm EST	8:42 pm AST

Air Canada Discount Code for CHLIA Conference: T3YHFW41

FLIGHTS: Charlottetown, PEI to Toronto, ON				
Departure dates <i>not attending</i> CLHIA Complaints and Compliance Conference				
Air Line	Airport	Date	Departure	Arrival
Air Canada (non-stop)	Charlottetown (YYG)	05-13-2025	12:25 pm AST	13:48 pm EST
Air Canada (one stop)	Charlottetown (YYG)	05-13-2025	4:25 pm AST	7:48 pm EST
Porter (1 stop)	Charlottetown (YYG)	05-14-2025	6:40 am AST	9:38 am EST

FLIGHTS: Charlottetown, PEI to Toronto, ON				
Departure dates <i>attending</i> CLHIA Complaints and Compliance Conference				
Air Line	Airport	Date	Departure	Arrival
Air Canada (non-stop)	Charlottetown (YYG)	05-16-2025	12:25 pm AST	1:48 pm EST
Air Canada (1 stop)	Charlottetown (YYG)	05-16-2025	4:25 pm AST	7:48 pm EST
Porter (1 stop)	Charlottetown (YYG)	05-16-2025	1:20 pm AST	4:28 pm EST

Addresses to Note:

Fredericton Regulatory Meeting:

225 King Street Unit 200, Fredericton, NB

Charlottetown Regulatory Meeting:

Location TBD

Accommodation Fredericton, NB:

Hotels Fredericton, NB

Hotel Name	Link
Hilton Garden Inn Fredericton (Recommended)	https://www.hilton.com/en/hotels/yfcnwgi-hilton-garden-inn-fredericton/?SEO_id=GMB-AMER-GI-YFCNWGI&y_source=1_OTk00TYwMy03MTUtbG9jYXRpb24ud2Vic2l0ZQ%3D%3D
Crowne Plaza Fredericton – (Recommended)	https://www.ihg.com/crowneplaza/hotels/us/en/fredericton/yfcqs/hoteldetail?cm_mmc=GoogleMaps- -CP- -CA- -YFCQS
Delta Hotels Fredericton	https://www.marriott.com/en-us/hotels/yfcdf-delta-hotels-fredericton/overview/?scid=f2ae0541-1279-4f24-b197-a979c79310b0

Accommodation Charlottetown, PEI:

Hotels Charlottetown, PEI	
Hotel Name	Link
Delta Hotel Prince Edward (Discounted rates for those attending the CLHIA Conference)	https://www.marriott.com/en-us/hotels/yygdp-delta-hotels-prince-edward/overview/

Dining:

Restaurants Fredericton, NB	
Name	Link
Rustico Gastropub Fredericton	https://rusticofredericton.com/
540 Kitchen and Bar	https://www.540kitchenandbar.com/about

Restaurants Charlottetown, PEI	
Name	Link
Cocotte Bistro	https://cocottebistro.com/
Browns Social House	https://www.brownsocialhouse.com/centretown
Thali	https://thaliottawa.ca/
Clahddagh Oyster House	https://claddaghoysterhouse.com/
John Brown Grille	https://johnbrowngrille.com/
Piatto Pizzeria Enoteca	https://www.piattopizzeria.com/featured-locations/charlottetown
Merchant Man Seafood House	https://merchantman.ca/

Leonhard's Cafe and Restaurant	https://leonhards.ca/
Slaymaker	https://slaymaker.ca/

If you are interested in attending the regulatory tour, please let Lara Doig know as soon as possible. The two meetings will include a virtual meeting component. These meetings will be put in all EOC members' calendars for that reason, but if you do not plan to attend in-person or virtually please delete the invite.

CAFII Regulatory Tours 2025 – Halifax, Nova Scotia and St. John's, Newfoundland and Labrador

Tour Schedule:

- Fly to Halifax evening of Wednesday June 11th
- Meeting with regulators Thursday June 12th 10:00 – 11:30 am AST
- CAFII lunch Thursday June 12th 12:00 – 1:30 pm AST
- Fly to St. John's Newfoundland and Labrador afternoon/evening Thursday June 12th
- Meet with Regulators Friday June 13th 10:00 – 11:30 am AST
- CAFII lunch Friday June 13th 12:00 – 1:30 pm AST
- Fly to Toronto afternoon/evening of Friday June 13th

Briefing Note

CAFII EOC Meeting March 25, 2025—Agenda Item 6(a) Governance – Reminder of Competition Law Obligation for CAFII Members

Purpose of this Agenda Item – Update/Discussion

To update and discuss with the EOC CAFII Members' obligations within competition law.

Background Information

CAFII's Executive Director, Keith Martin, will update the EOC on the competition law obligations for CAFII members and then open the floor for discussion and input.

Recommendation / Direction Sought – Update/Discussion

This is an update item with the opportunity for discussion.

Attachments Included with this Agenda Item

One (1) attachment.

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

DEFINITION:

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

COMPETITION LAW POLICY

1. Competition Law Policy Statement

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

2. Guidelines for Competition Act Compliance

At each Annual and Special Meeting of members of the Corporation, members shall be furnished with the Corporation's Guidelines for Competition Act Compliance ("Competition Law Policy") and a summary of the policy shall be read into the record at the beginning of the meeting as a reminder of members' undertakings with respect to Competition Act compliance. At meetings of the Board of Directors of the Corporation and of its Executive Operations Committee, this policy shall be referenced and acknowledged at the beginning of each meeting.

3. Consequences for Failure to Comply with Policy and Guidelines

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

4. Annual Review of Guidelines

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

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

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

CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE
GUIDELINES FOR
PETITION ACT COMPLIANCE

COM

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

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

1. Prohibited Activities²

(a) Anti-Competitive Agreements or Understandings

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

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

(b) Sharing Information Posing Anti-Competitive Risk

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

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

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

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

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

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

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

(d) Published Papers

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

(e) No Attempt at Product Standardization

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

(f) Independent Dealings with Suppliers

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

(g) No Exclusion from CAFII Activities

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

2. **Permissible Activities**

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

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

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

3. **Efforts to Influence Governmental Action**

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

Briefing Note

CAFII EOC Meeting March 25, 2025—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 the feedback received from CAFII's Research Analyst Robyn Jennings' 1-on-1 EOC meetings.

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 March 25, 2025—Agenda Item 7(a-d) 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. Launch of the New CAFII Intranet
- b. Publication of New CAFII Video on LIMRA Research and CPI
- c. Final Public-Release Report from Deloitte on Exploring Emerging Technology Trends in CPI
- d. Final Internal-Only Word Report from Deloitte on Exploring Emerging Technology Trends in CPI—NOT FOR EXTERNAL RELEASE
- e. Summary of a Consultation Feedback Document on Information Security Incident Reporting from BCFSa

Recommendation / Direction Sought – Informational

This is a read-only item.

Attachments Included with this Agenda Item

No attachments.

For convenience, all items have been linked below:

- [Launch of the New CAFII Intranet](#)
- [Publication of New CAFII Video on LIMRA Research and CPI](#)
- [Final Public-Release Report from Deloitte on Exploring Emerging Technology Trends in CPI](#)
- [Final Internal-Only Word Report from Deloitte on Exploring Emerging Technology Trends in CPI—NOT FOR EXTERNAL RELEASE](#)
- [Summary of a Consultation Feedback Document on Information Security Incident Reporting from BCFSa](#)