

CAFII Strategic Options Proposal to the Board of Directors

November 2017

Objective of Today's Strategic Plan Presentation

- First, to share the process and output of the effort made by the EOC on the Strategic Plan
- Second, to give the Board the opportunity to reflect on the proposed priorities, and to offer feedback and areas for adjustment
- Third, to identify the key recommendations that will be the subject of an eventual request for approval



EOC Recommendation: Full Review and Discussion at 28 Nov. Board Meeting; Approval Deferred to Subsequent Board Meeting

28 November 2017
Board Meeting

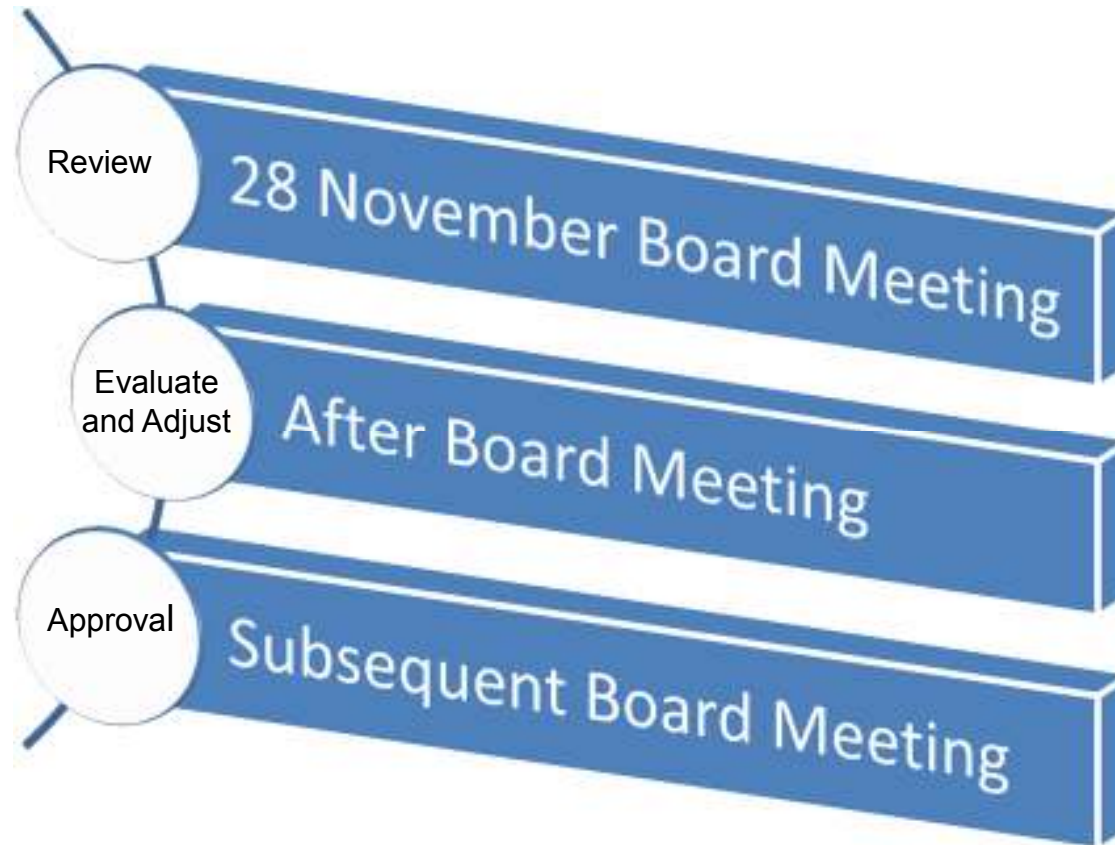
Review process

Highlight key documents

Summarize Recommendations

Leave time for Discussion and Feedback

Possible Process for Board Approval of the Strategy

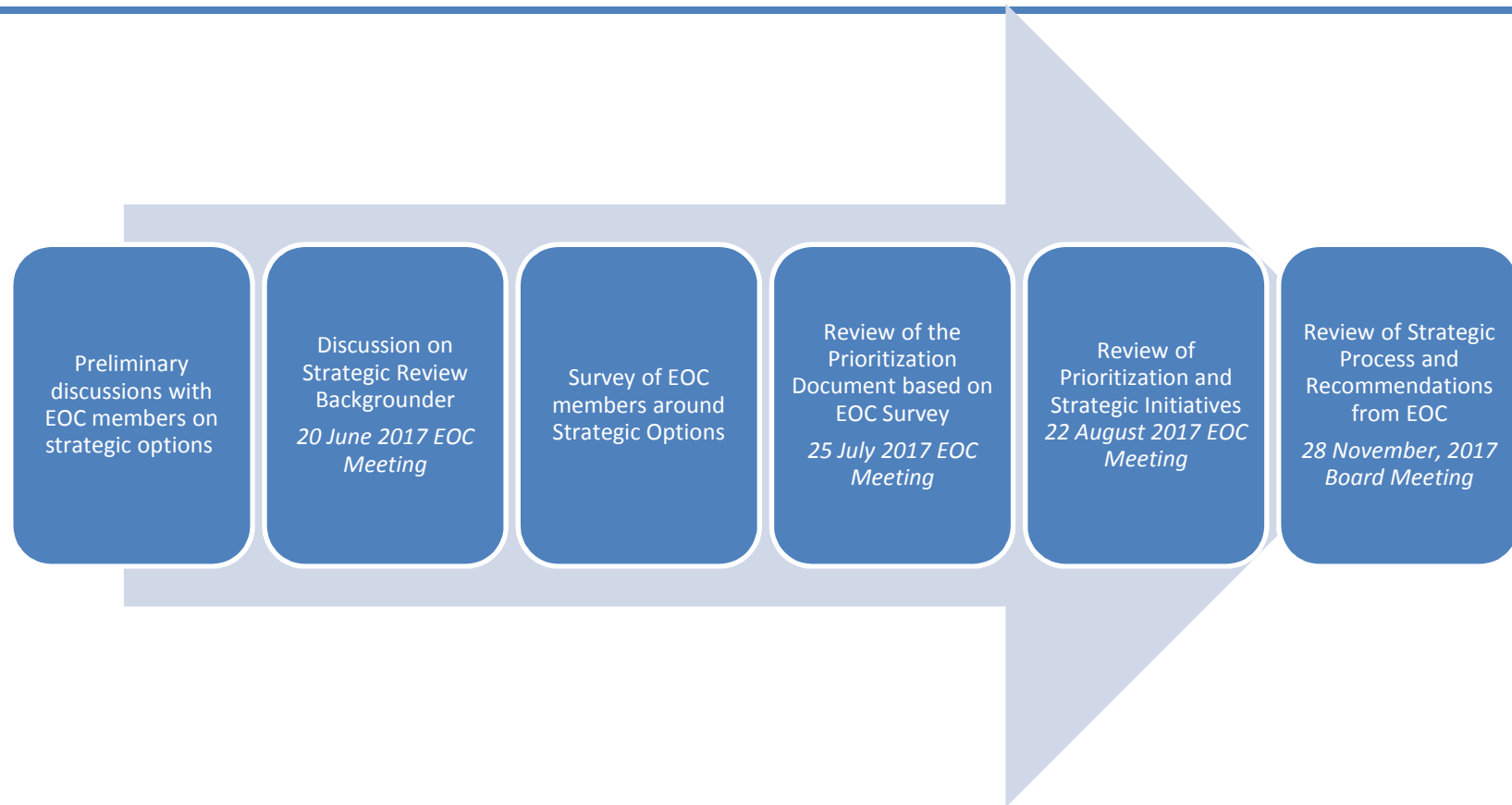


High Level CAFII Strategic Plan Recap

- Three documents have been developed—the **Strategic Plan Backgrounder**, the **Strategic Prioritization Exercise**, and the **Strategic Options and Prioritization** document
- We have reviewed and discussed these documents at three EOC meetings—*20 June 2017, 25 July 2017, and 22 August 2017*



CAFII Strategic Plan Timeline to Date



CAFII Strategic Plan Process and Analysis

First, We Explored “Where Are We?” as an Association?

Focus on Regulator and
Policy-Maker
Relationship-Building,
Communications, and
Advocacy



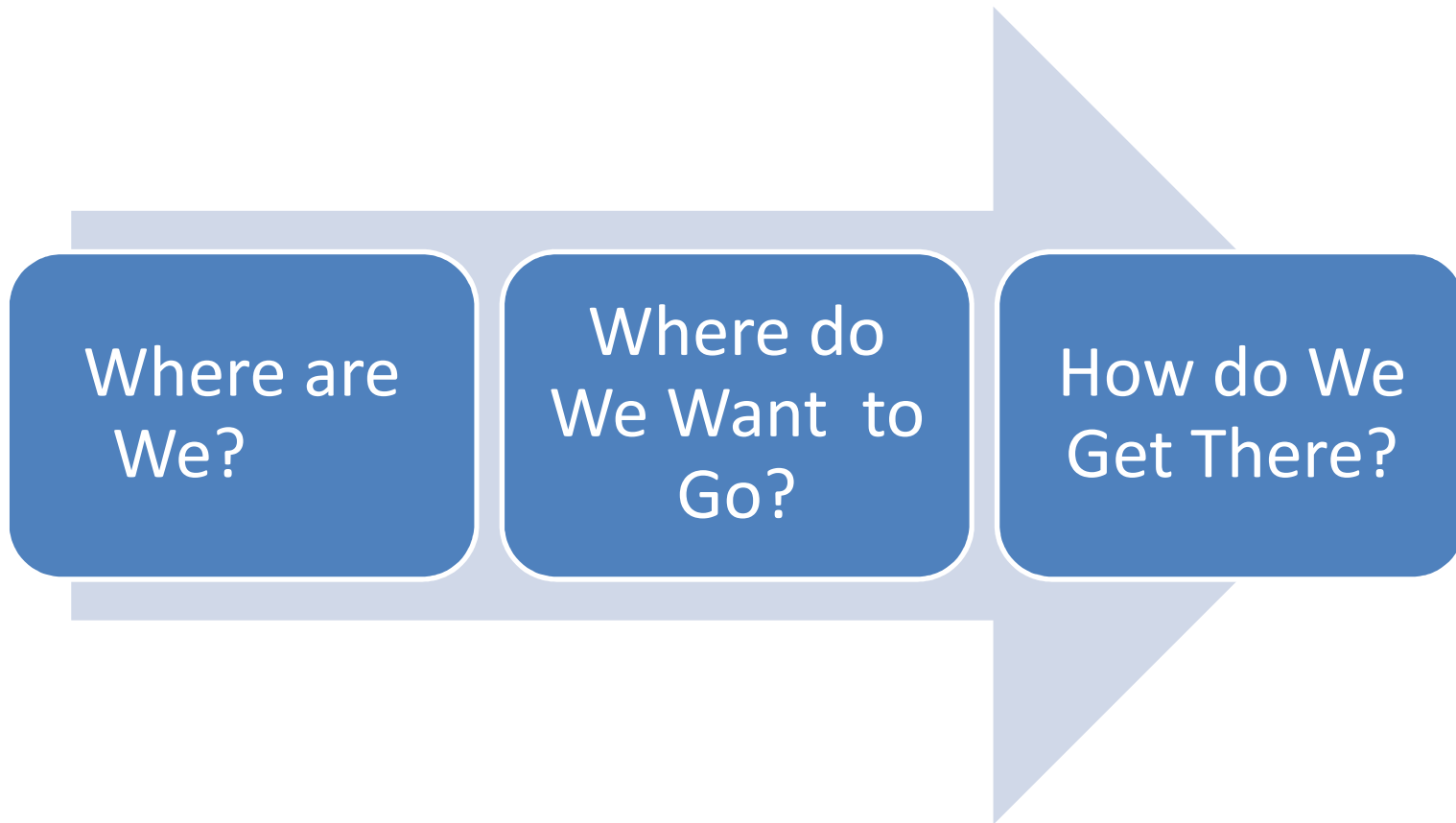
Limited Research and
Public Relations

Then we Asked “Where Do We Want to Go?”

To Explore this Question, We Reviewed Possible Strategic Options

<input type="checkbox"/>	Maintain strength in regulatory affairs	<input type="checkbox"/>
<input type="checkbox"/>	Develop new products and services in the regulatory sphere	<input type="checkbox"/>
<input type="checkbox"/>	Develop a significant new research stream	<input type="checkbox"/>
<input type="checkbox"/>	Hold more meetings, symposia, workshops to showcase our research	<input type="checkbox"/>
<input type="checkbox"/>	Develop a proactive media relations program	<input type="checkbox"/>
<input type="checkbox"/>	Develop our capacity in understanding Insurtech by partnering with organizations in this space	<input type="checkbox"/>
<input type="checkbox"/>	Continue to invest in our website	<input type="checkbox"/>
<input type="checkbox"/>	Enhance the Value Proposition for Associates	<input type="checkbox"/>
<input type="checkbox"/>	Develop a Certification Program	<input type="checkbox"/>

We Utilized a Methodology around Current State and Future State



Where Do We Want to Go?

We Identified Specific Initiatives we could Pursue—related to our existing regulatory focus



Where Do We Want to Go?

We Identified Specific Initiatives we could Pursue—based on new initiatives



We explored and discussed each in detail

Maintain regulatory expertise →

Maintaining our strength in regulator and policy-maker monitoring and submissions

- We have this expertise already
- Developing a relationship strategy where we have an in-person touchpoint with every key regulator and policy-maker at least once every 18 months
- Could supplement our regulatory strategy on avoiding or deflecting undesired regulatory developments, by having a stronger and more proactive focus on achieving our key long-term regulatory objectives



Build on regulatory competency →

Leverage our knowledge of the changing environment with new products, services

Meet the leaders of Human Resources of our members and the leaders of their learning institutes, to identify ways CAFII can develop internal learning modules to increase the strategic, regulatory, and external environment expertise of the staffs of our members...



Enhanced Networking and Communications program →

An assertive communications program that broadens CAFII's sphere of influence beyond regulators and policy-makers ...

Build on existing contacts to have ongoing set of meetings to promote CAFII members and their businesses



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We explored and discussed each in detail

Significant Research Program →

A significant research program that both generates and synthesizes / interprets third party data and research reports, thereby producing insights and actionable intelligence which allows CAFII to tell its story both externally and internally (within our FI parent banks)



More Meetings and Events →

An assertive thought leadership program that builds upon our research program, with seminars, symposia, and workshops



Thought Leadership in Technology and Innovation →

Develop a demonstrated commitment to innovation by partnering with and supporting Insurtech initiatives and sharing leading potential new technology opportunities both internally and externally with key stakeholders



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Website Best in Breed →

Building on a revamped website that is ever-more consumer / media-focused, easy to navigate, and visually pleasing – over time, explore building on this with a social media presence

- Phase 1: We are revamping our publicly facing website and changing our look and feel to make it more consumer friendly, with a target date for internal review of June 2017 and a public release in the Fall of 2017
- Phase 2: We could make a series of ongoing enhancements in the new more-friendly WordPress environment, over time, including videos and tools



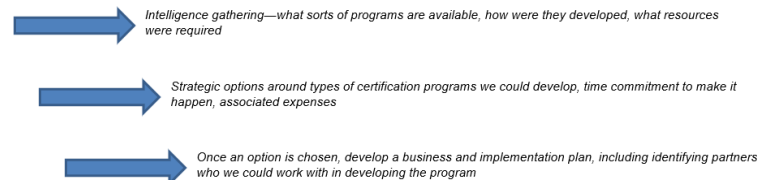
Attract More Associates →

Sell the benefits of this new Value Proposition to drive an increase in the number of Associates joining CAFII



Develop a Certification Program →

Development of a certification program for member staff who sell creditors group / incidental insurance products and services, with the potential for a new revenue stream for CAFII



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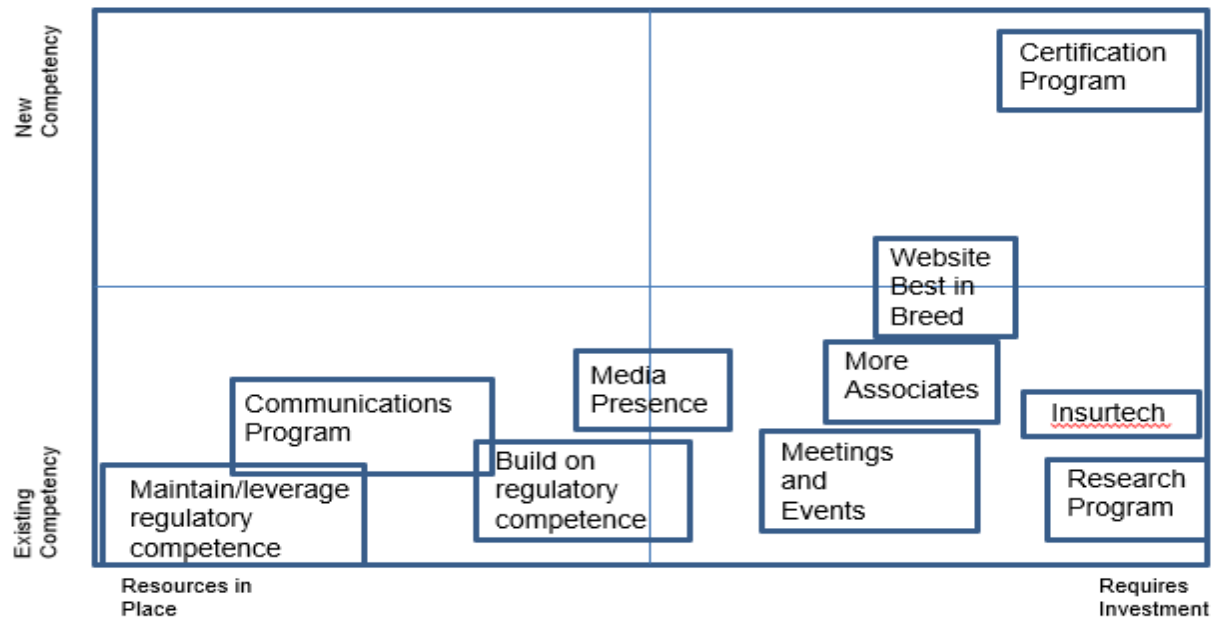
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We Also Asked “How Do We Get There?”

To Understand “How Do We Get There?” We Reviewed the Implications of the Strategic Options by Reviewing a Matrix of Development Challenges for Competencies and Resources



Prioritization Exercise

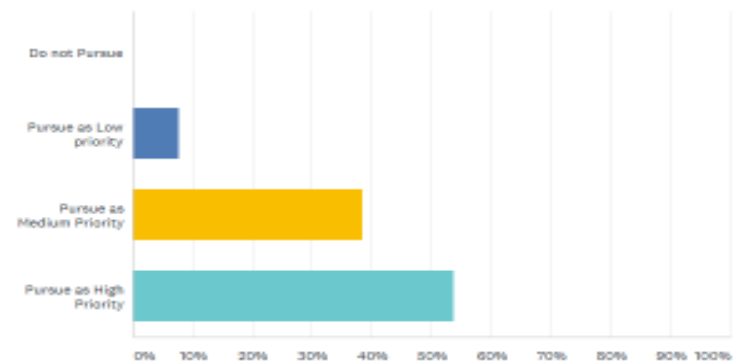
We Surveyed EOC Members to Prioritize the Initiatives

We asked EOC Members to Respond to the Strategic Options with a Choice—"Do not Pursue" "Pursue as a Low Priority" "Pursue as a Medium Priority" "Pursue as a High Priority"

Q4

Complement our response to current regulatory developments with proactive, long-term regulatory objectives that align with our long-term goals as an Association. (An example of a long-term goal could be increased regulatory standardization across different jurisdictions.)

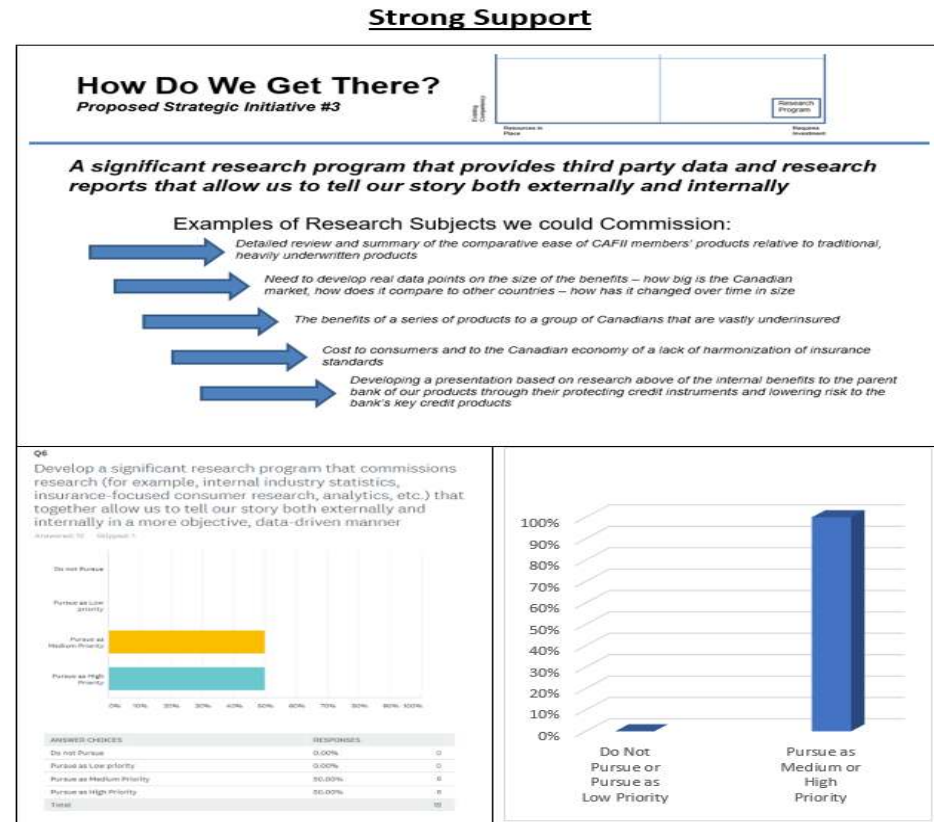
Answered: 13 Skipped: 0



ANSWER CHOICES	RESPONSES
Do not Pursue	0.00% 0
Pursue as Low priority	7.69% 1
Pursue as Medium Priority	38.46% 5
Pursue as High Priority	53.85% 7
TOTAL	13

We Surveyed EOC Members to Prioritize the Initiatives

We Discussed the Results at a portion of our July 2017 EOC Meeting, reviewing the Results in a Strategic Prioritization Exercise document



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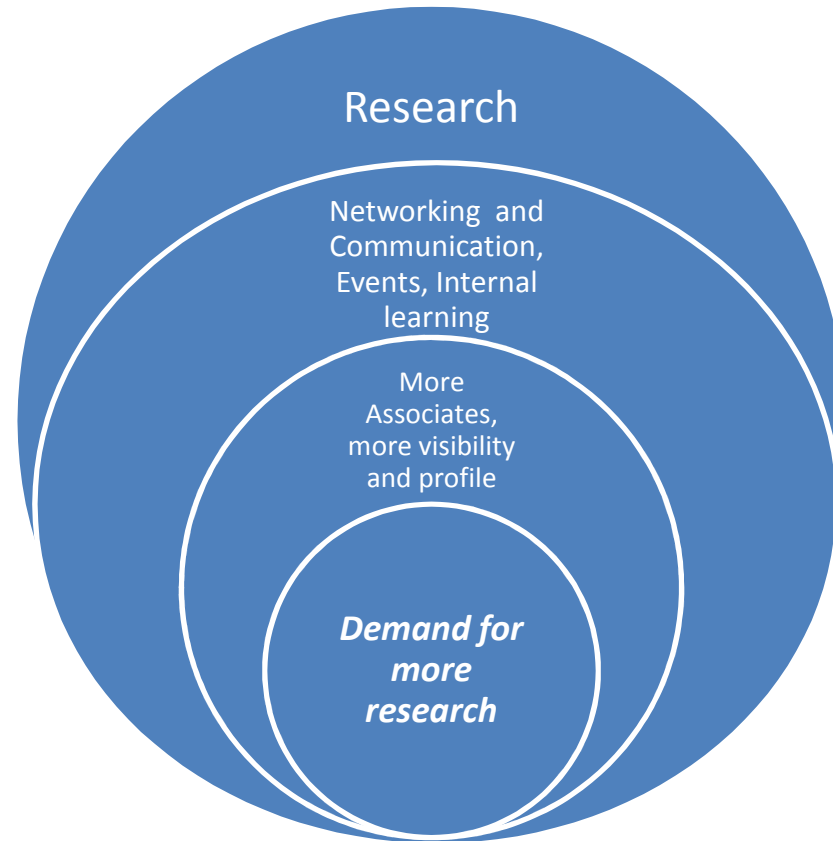
We Applied Strategic Methodologies to our Analysis

We Noted the Sequencing Traditionally Associated with a Matrix for Competencies and Resources

New Competency	#2 Do Second	#4 Do Last... or not at all
Existing Competency	#1 Do First	#2 Do Second
	Resources in Place	Requires Investment

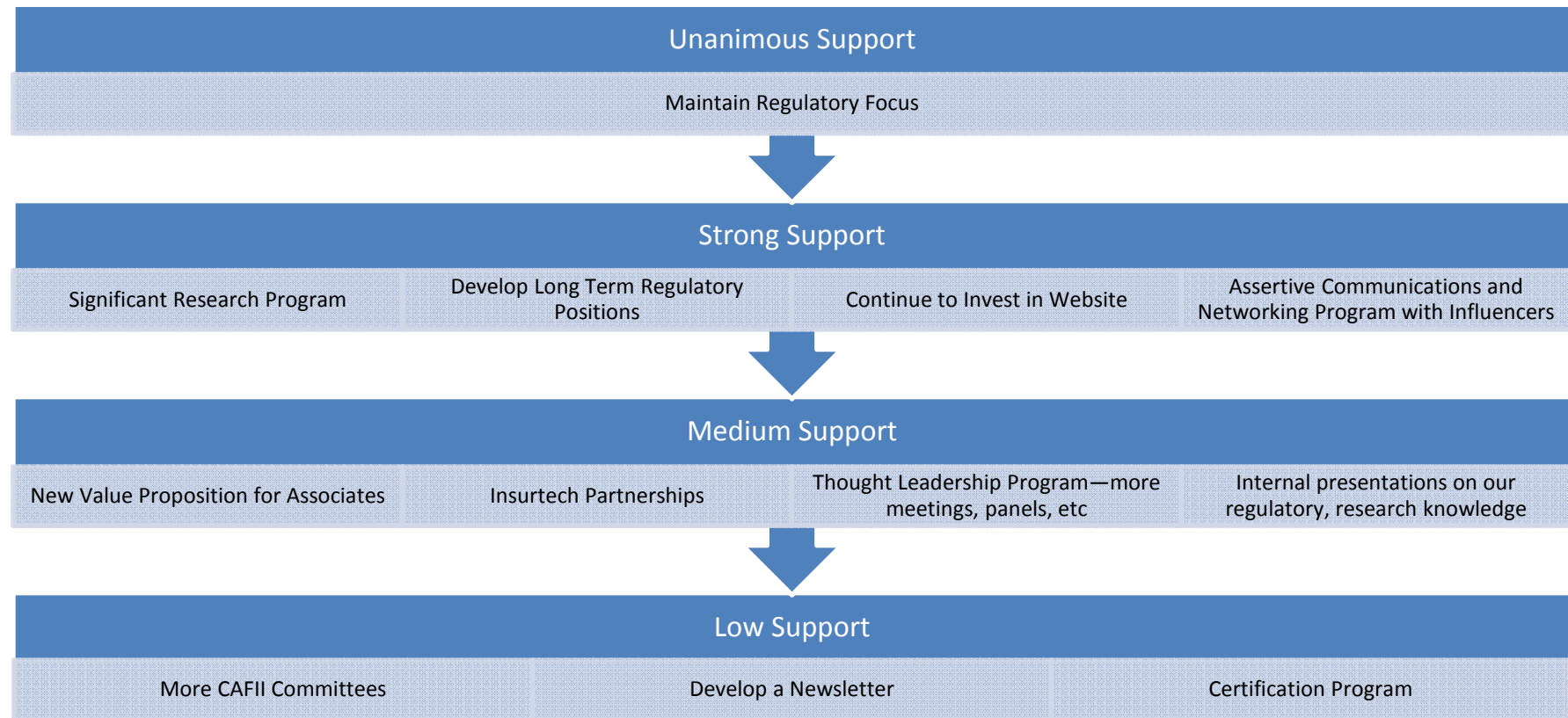
We Were Not Mechanical in our Ordering of Priorities

We noted that prioritizing between options in the second and third quadrants is not mechanical—for example, expensive research is higher priority because it is a catalyst for other strategic initiatives like meetings, communication, more events, a better website, and an enhanced value proposition...



Bundling and Prioritizing the Strategic Options

Summary of the Survey Results



Where there Was Clarity—Areas of Unanimous or High Support

Board Approval Requested

Maintain and Build on Regulatory Strength

Develop a Significant Research Program

Assertive Communication and Networking Program with Influencers

Continue to Invest in Website

Develop Long Term, Proactive Regulatory Positions

Where there Was Clarity—Areas of No Support

Board Approval Requested

More CAFII Committees

Develop a Newsletter

Develop a Certification Program

Where there Was Less Clarity—Areas of Medium Support

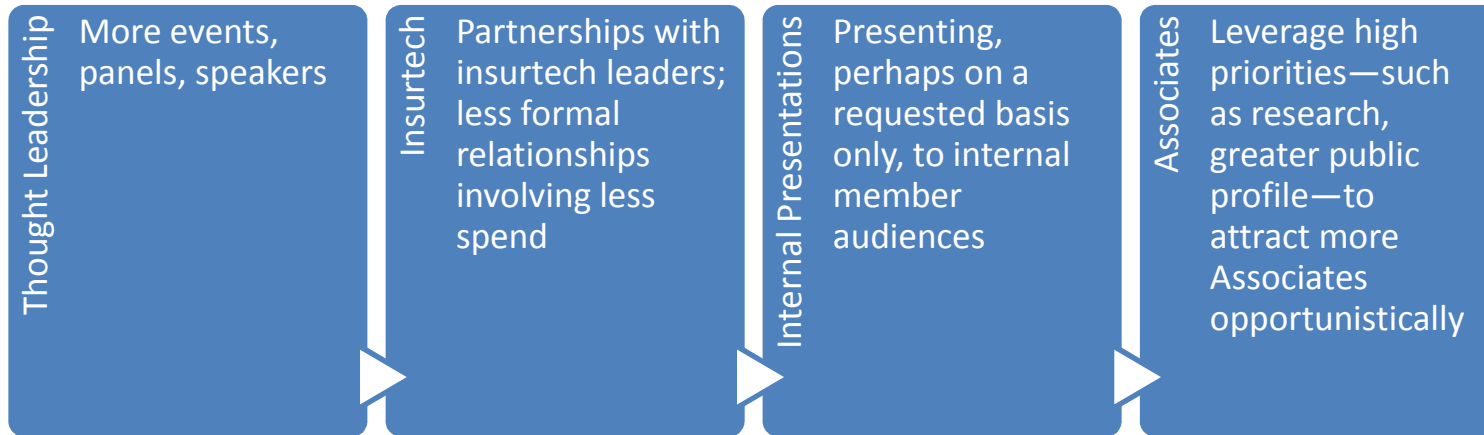
New Value Proposition for Associates

Insurtech Programs via Partners

Thought Leadership Program—more meetings, panels, etc.

Internal Presentations to Members (executives, call centre employees)
on our regulatory and research knowledge

We Needed to Determine an Approach to Medium Priorities



Strategically remove them



Keep them but don't allocate budget to them



Keep them on a "watching brief" for later review, re-evaluation



Keep them and prioritize them, but behind high priorities



Sequence them to do later



Keep them only if they don't incur money, resources, time

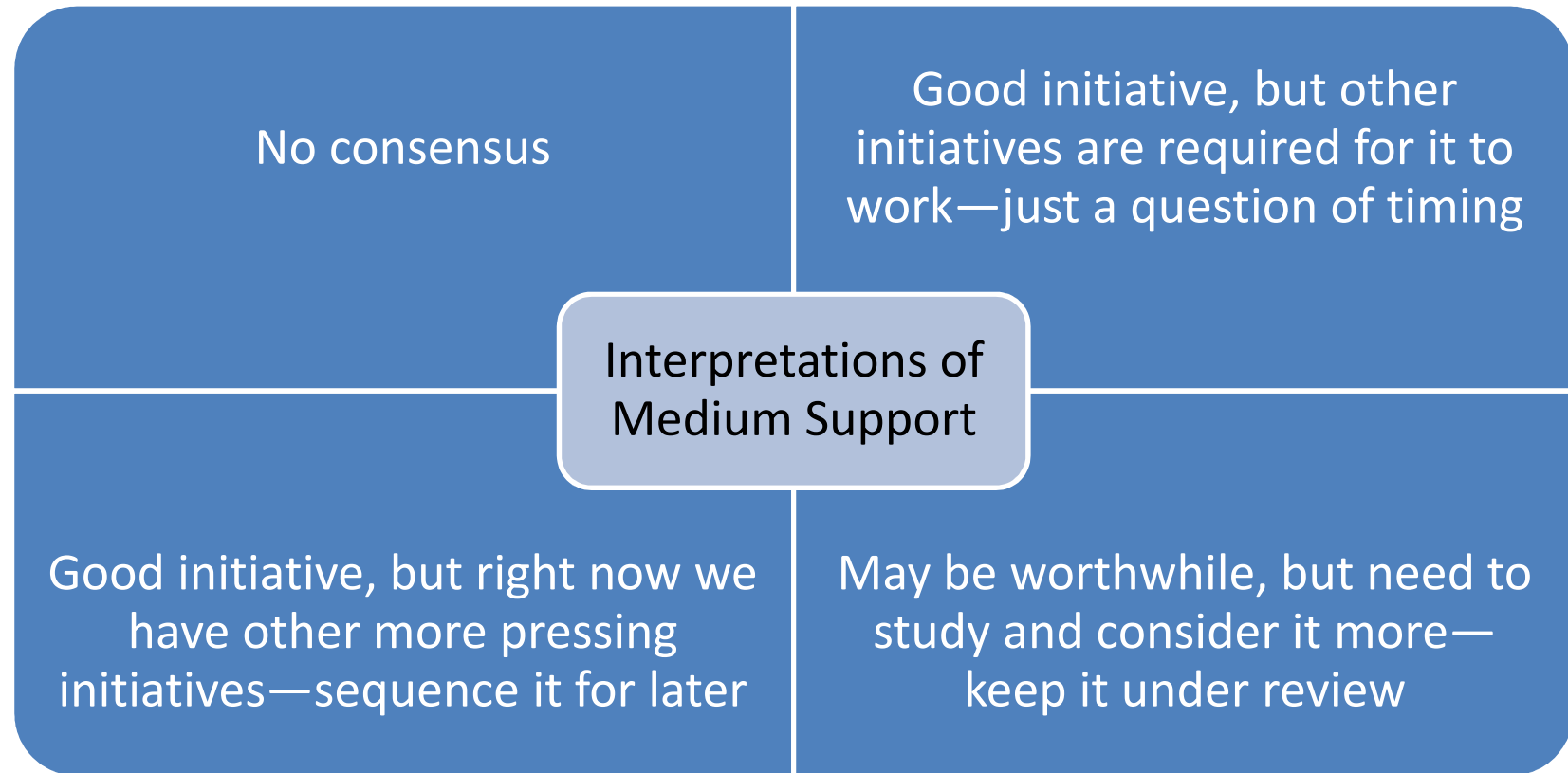
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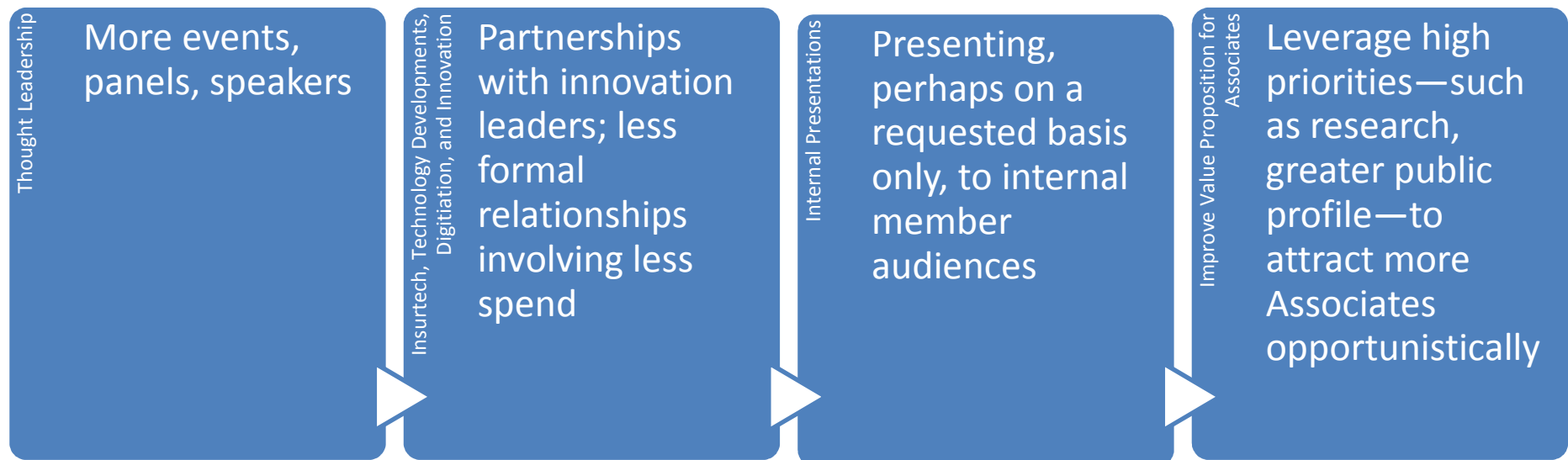
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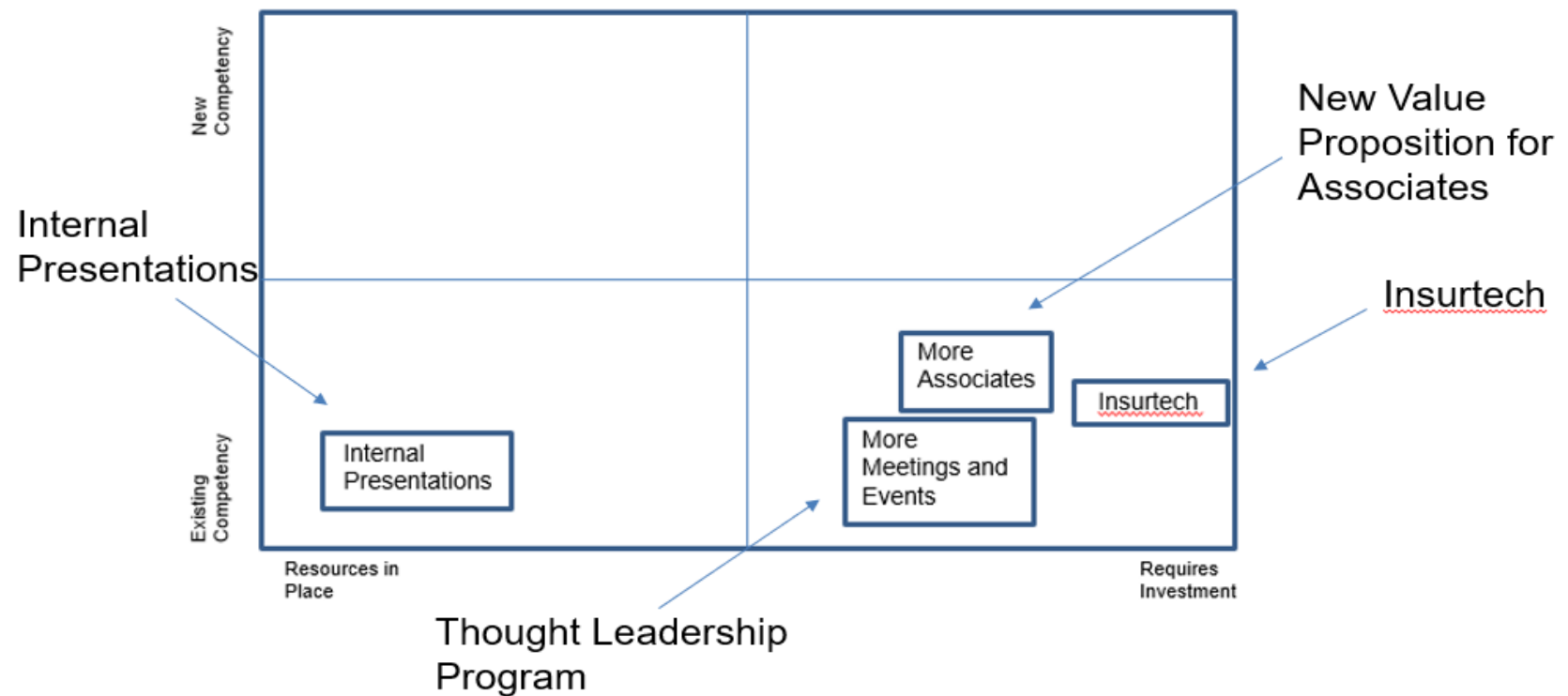
There are Many Ways to Interpret Medium Support



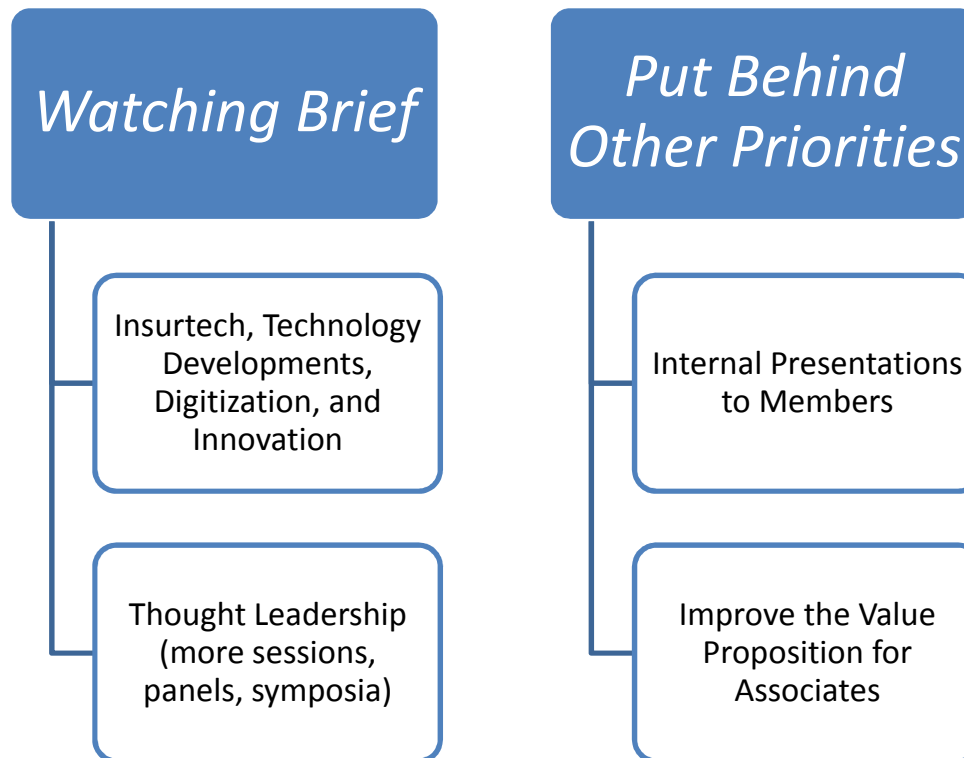
We Discussed our Approach to Medium Priorities



Medium Support Initiatives Were Reviewed in the Matrix of Competencies and Resources



We Agreed to Retain these Medium Priorities, but to Focus on Top Priorities



Board Approval Requested

The EOC Developed a Proposed Core Strategic Prioritization Statement

Core Statement

Board Approval Requested

CAFII's **mission** remains the same:

CAFII will represent, promote and advance the interests of financial institutions in insurance and affiliated organizations. Its express goal is fostering an open and flexible marketplace that is efficient and effective and allows consumers an expanded choice in the purchase of insurance products and services. CAFII will work with other industry associations, where appropriate, to ensure public policy supports a legislative and regulatory environment that is healthy for future growth.

In support of this mission, CAFII's fundamental strategic priority will be to develop outstanding relationships and communications with insurance regulators and policy-makers across Canada. To promote this objective, we will meet in-person with representatives of these groups at least once every 18 months.

We will deepen these relationships by embarking on a significant research program that will provide us with interesting and relevant content to share, and which can gain us public profile. Our research program will dovetail with a proactive element to our regulatory focus through which we will seek to educate and influence key constituents about our long-term objectives.

Our research findings and our regulatory expertise will also serve as the foundation for an assertive communications and networking strategy through which we will meet on an ongoing basis with key influencers including policy-makers, senior bureaucrats, politicians, thought leaders, Association leaders, academics and others with whom we will share our research insights and key messages. As part of our efforts to increase our focus on and relevance to consumers and to heighten our public profile, we will continue to invest in the CAFII website and explore expanding and enhancing our media profile.

In addition to these strategic priorities there are other initiatives that CAFII will continue to promote, but as lower priorities. We will keep a watching brief on Insurtech, Technology Developments, Digitization, and Innovation, and on increasing our thought leadership through additional meetings and presentations in our areas of expertise. We will leverage our regulatory expertise and research with presentations to internal audiences within our membership; and we will explore ways to enhance the value proposition of being an Associate, with the objective of attracting more to join CAFII.

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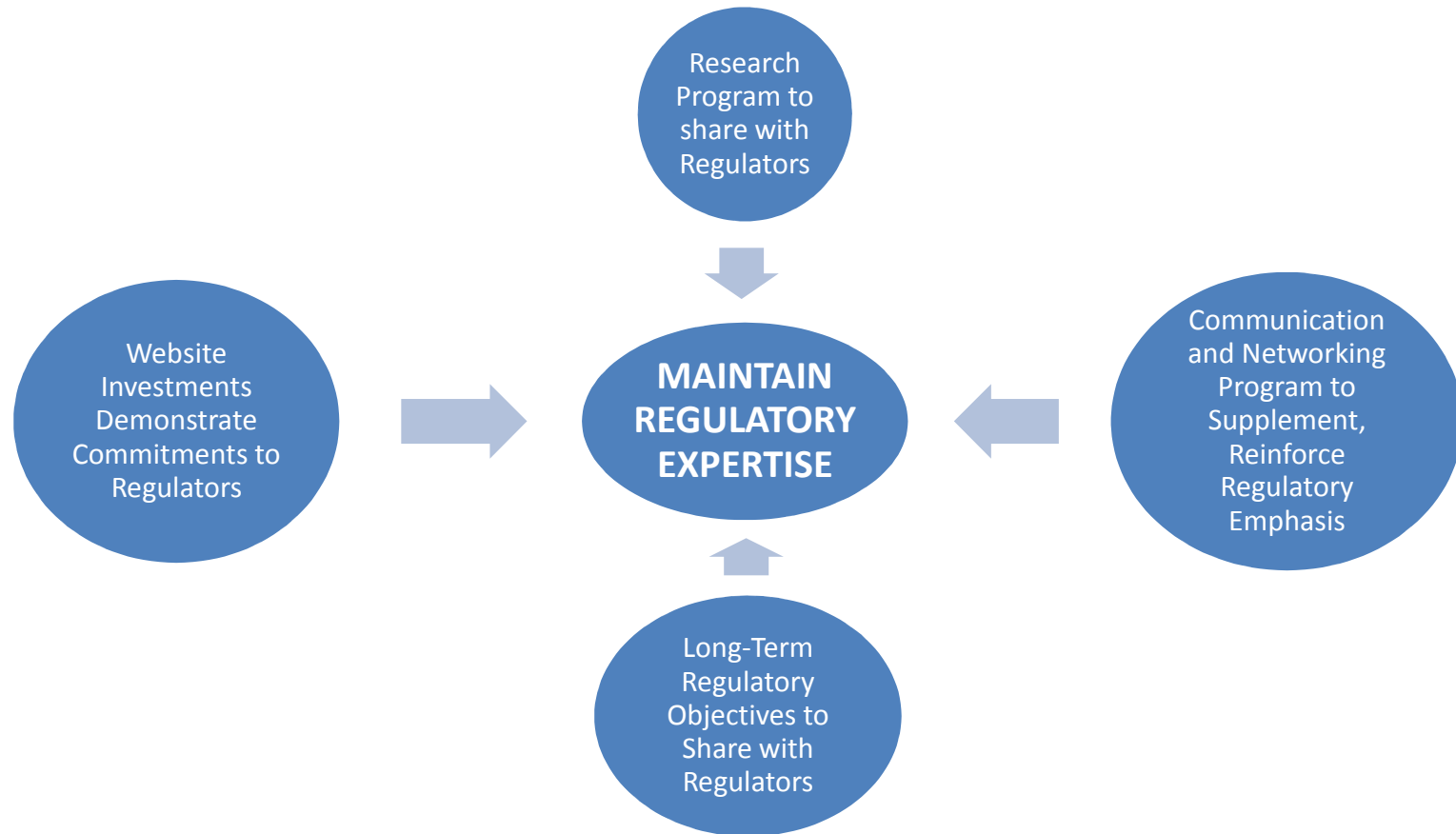
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Where Things Stand

A Key Observation: Research is a Foundation for the Success of the Strategy



We Noted that Areas of Strong Support Reinforce each Other



The Largest Proposed Investment in the Strategic Plan is for Research

Partnered Research with other organizations can lower costs



We Explored Options to Find Additional Funds for Research

Prioritize

Try to reallocate funds from other priorities; find savings and apply to research

Increase Membership Fees--General

Increase membership dues generally with the intention of using the additional resources for research

Increase Membership Fees--Dedicated

Increase Membership dues one-time, under special assessment for dedicated research fund

Request Funds for Specific Research

"Pass the Hat" for dedicated research—models may include some members, more interested in a particular topic, giving more for that research effort

Sponsors

Secure sponsors / partners for CAFII research (would take time to build out this approach)

What Comes Next?

After Approval, a Business and Implementation Plan is Next

A successful strategy requires exquisite execution



Establish timelines for the Strategic Objectives

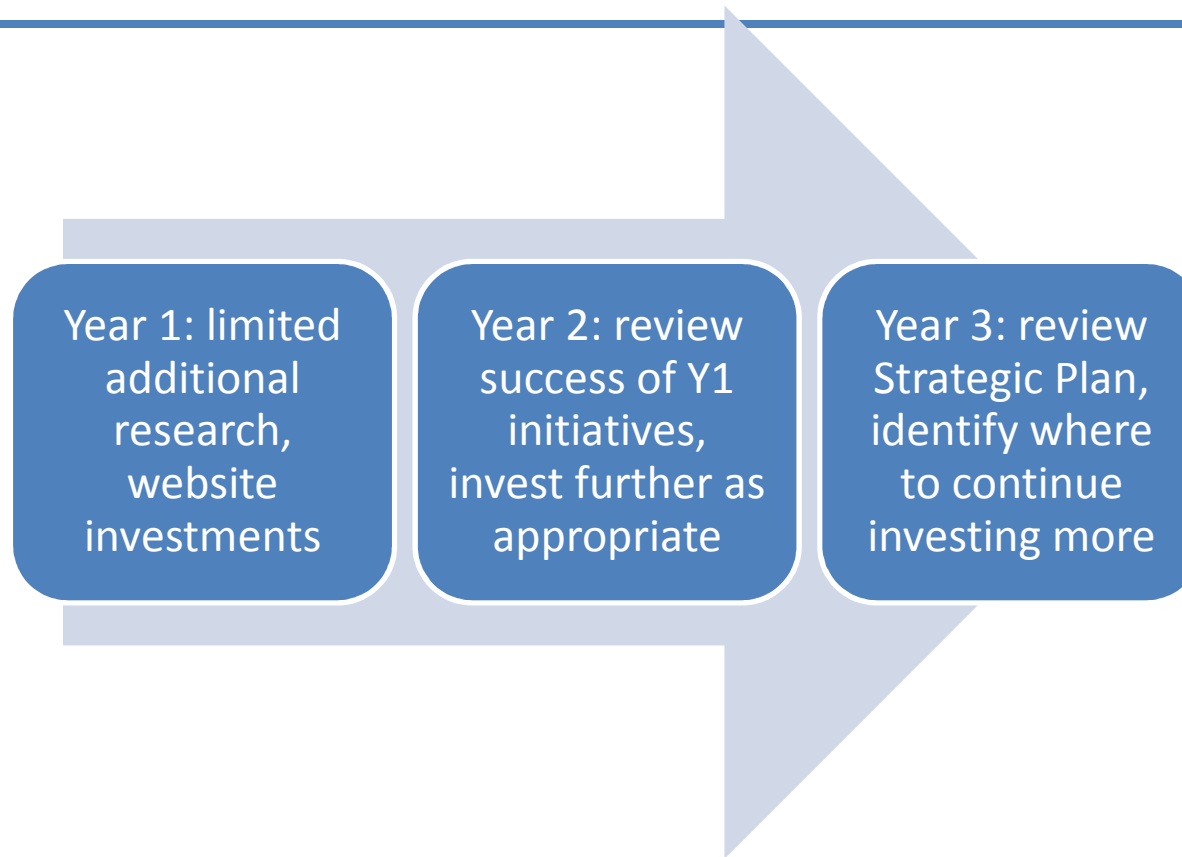


Develop a Budget and Implementation Plan

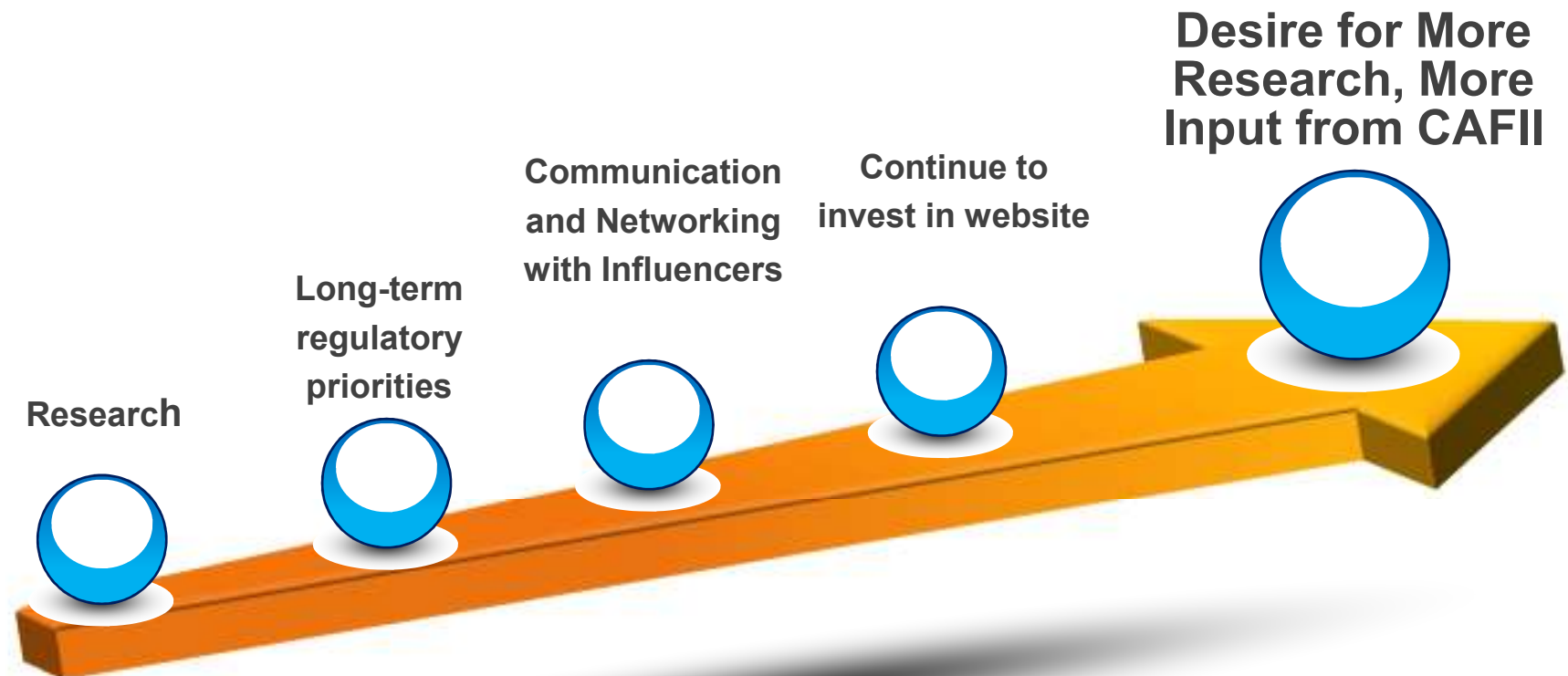


Establish Metrics to Measure Success

Budgetary Constraints Mean that Implementing the Strategic Plan will Need to be Done in Phases



We will Develop Detailed Timelines and Goals with Measures



Key CAFII Committees will be Critical to the Successful Implementation of the Strategy

Research & Education Committee – Chaired by Diane Quigley, CUMIS / Co-operators Group	Media Advocacy Committee— Chaired by Charles Blaquiere, Valeyo	Licensing Efficiency Issues Committee – Chaired by Moira Gill, TD Insurance	Market Conduct Committee – Chaired by Rose Beckford, ScotiaLife Financial
Will be critical to recommending research priorities	Will be focused on our media strategy, website enhancements, and identifying key influencers to share our message with	Will play a key role in our long-term regulatory objectives and will input into research priorities	Our regulatory priority means a continued key role for this Committee, including input into research topics
<i>This Committee focuses on:</i> <i>CAFII Value Proposition</i> <i>IAIS Core Principles</i> <i>Complaint Statistics</i> <i>Underserved Market</i> <i>Research</i>	<i>This Committee focuses on:</i> <i>Media Relations</i> <i>Public Advocacy</i> <i>Website</i>	<i>This Committee focuses on:</i> <i>LLQP Modernization</i> <i>Representation on Provincial Councils</i> <i>ISI Regime / Restricted Licensing</i>	<i>This Committee focuses on:</i> <i>Regulatory Submissions</i> <i>Distribution Guide</i> <i>E-Commerce</i> <i>Insurance Act & Related Legislative / Regulatory Reviews</i>



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How do we Measure Success after 6/12/18 Months?...did we choose the Right Initiatives?

A successful execution requires measures



Possible Measures of Success

- Retention of Members
- New Members, Associates
- Surveys of Members, Associates, Participants at Events
- Return on investment
- Speaking opportunities
- Media presence
- What is perception of CAFII among key stakeholders/audiences?
- Research results (number of studies, how often quoted)

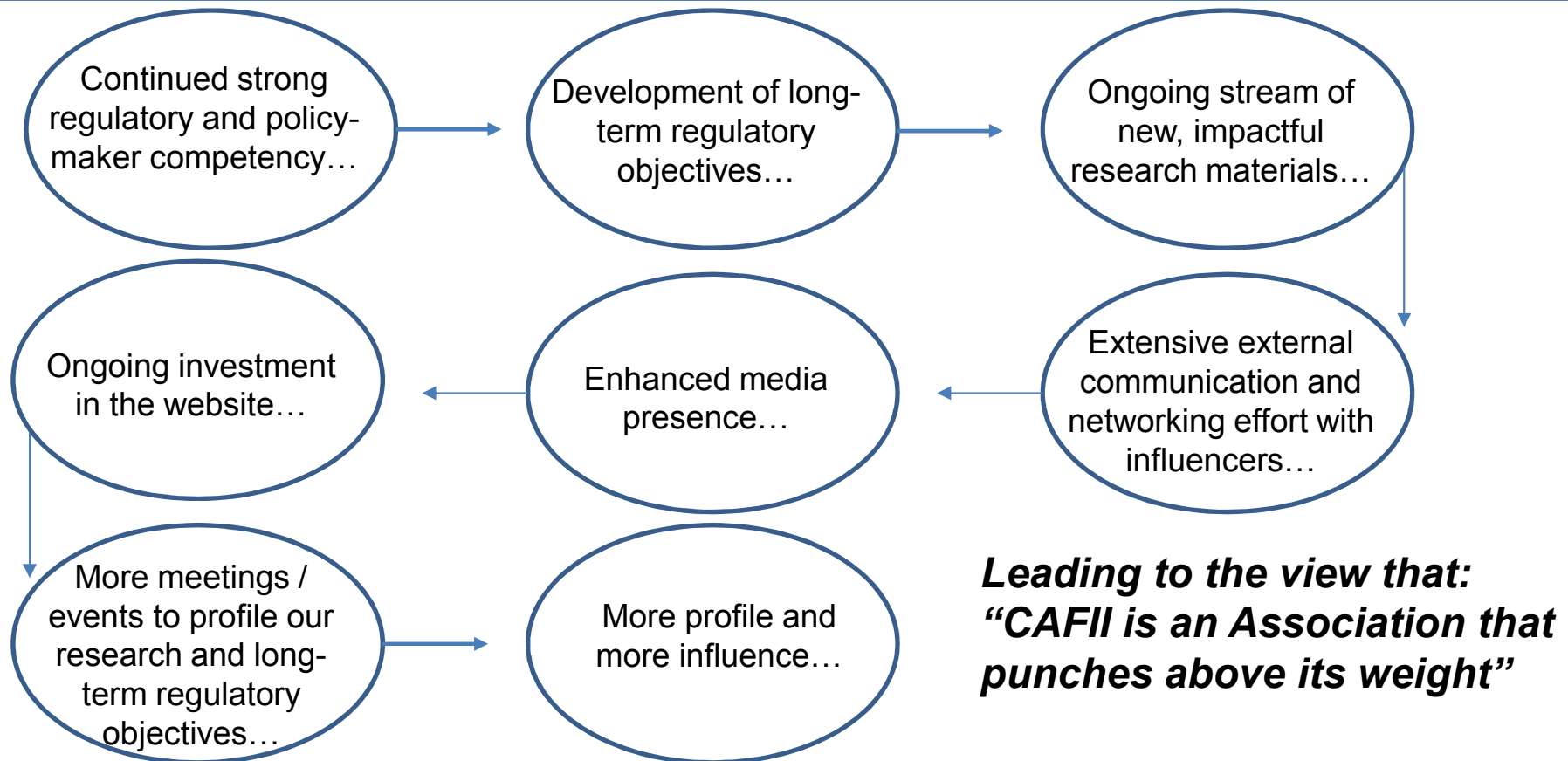
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If this Strategic Plan is Successful...What Might CAFII Look Like...in 2021?



Thank You