

CAFII Executive Director Succession Plan

March 2024

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Background

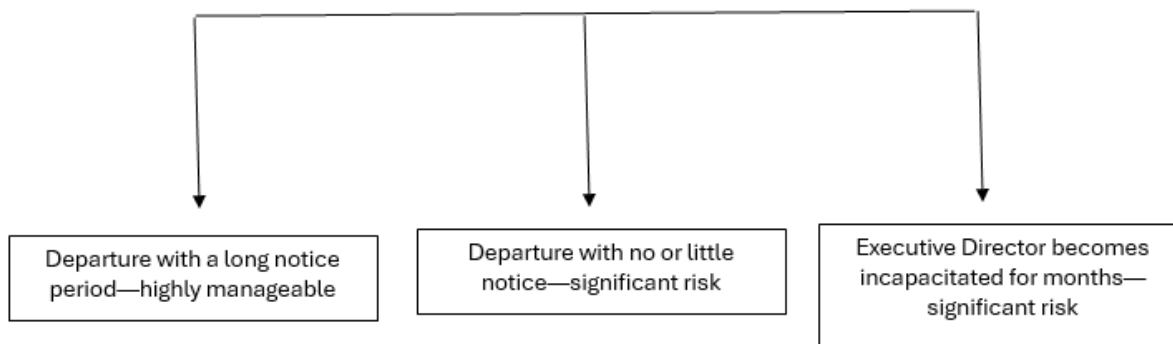
In 2023 CAFII received approval from the Board of Directors to move from a Co-Executive Director model to a model with one Executive Director, with two new hires reporting into the Executive Director.

As part of the process of moving to this new model, there was a request for the development of a succession plan that would outline options should the Executive Director depart.

In large companies, such as organizations that comprise the membership of CAFII, there can be complex and elaborate succession planning that includes a variety of options around filling key positions. Individuals can be tested in different roles to see what skills they could transfer to a new position, and which skills they would need to further develop. Such options are much more limited in an Association with only three full-time staff members.

Succession Options Depend on the Nature of the Departure

The options around succession planning for the Executive Director position at CAFII are very different depending on the nature of the departure. If the Executive Director's departure is announced well in advance of its occurrence, this allows for a relatively straightforward approach to succession planning. An unexpected or sudden departure is a more complex and risky situation. An additional scenario is if the Executive Director becomes incapacitated for months.



Scenario One: Long Term Announcement of Executive Director Departure

If the Executive Director departure is one announced well in advance of the date of departure, say six months to one year before the event, then the approach to succession is relatively simple. The Board of Directors, with the advice of the Executive Operations Committee, first needs to determine if there is a candidate internally that is ready to take on the position. If not, then the Association needs to go to market to find a new Executive Director. Managing Matters' Chief Operating Officer Lyn Wallington is very familiar with CAFII and would be a good candidate to assist the Board in the hiring process, and if not Managing Matters some form of assistance would be necessary from an external human resources expert.

With a long period before departure the Association can continue under its existing leadership structure until a new Executive Director is found and appointed, and the current Executive Director can assist in the recruitment of a new Executive Director, and in that person's training along with the transition to a new leader. This is the optimal model and is one that offers minimal risk, although any transition to a new leader is a major change and not all risk can be eliminated.

Next Steps:

1. Develop a Succession Plan Working Group that consists of the CAFII Executive Director, EOC Chair, EOC Vice Chair, with invitations to interested EOC members to join with an emphasis on former EOC Chairs, that will make recommendations around succession to the Board.
2. Succession Plan Working Group to make a recommendation to the Board on the preferred approach to hiring a new Executive Director where there is a lengthy transition period (recruitment model versus posting on job Boards).
3. If the preference is a recruitment model, request some budgets from a selection of recruitment firms so the Board can be aware of the costs.
4. If the preference is a direct hiring model, request a budget from Managing Matters including timelines, resources to be deployed, and key milestones.

Scenario Two: Sudden Departure or Short Notice

In the event that the notice of departure, for whatever reason, is short, the situation is more complex and the risk is higher. The same situation exists as in Scenario One, where a decision has to be made whether a person can be promoted internally or there is a need to go to market. However, going to market would likely require a minimum six-months timeframe from posting the position to finalizing the hiring of a new person. During that time, there might need to be temporary measures taken to ensure that the Association continues to function effectively.

It is recommended that human resources assistance would need to be procured in either scenario for the recruitment of a new Executive Director, but especially so for Scenario Two. A critical first step would be to identify such a resource and negotiate a contract for such support. In 2023 CAFII was very effectively supported by the head of Human Resources at its Association Management Company Managing Matters, and that type of support would be an appropriate model for this situation. The contract that was developed could be used as a template. The requirements would include developing a job description, determining the strategy for posting, determining if the Board wishes to incur the costs of a recruitment firm, and securing the time from the external consultant to review applications, develop a short list, and assist the Board in the interview, hiring, compensation, and onboarding efforts.

However, while there could be a period of diminished activity during a transition where there was short notice of the departure of the Executive Director, there are two mitigating circumstances related to the new CAFII Management Model that should reduce the risk for the Association. The first is that the two individuals in the position of Research Analyst and Operations Manager would be from an operational perspective capable of keeping the Association running. The departure of the Executive Director would reduce the capacity around certain functions like strategic presentations to regulators and policy-makers, interpretative briefings to the EOC and Board, and other leadership activities. However, keeping the meetings on schedule, developing briefing notes and minutes, and moving forward on existing initiatives already sponsored by the volunteer leaders could continue to move forward. The

majority of the written outputs (like Regulatory Updates, briefing notes, the weekly digest, meeting minutes) and the operational outputs (like EOC and Board meetings, Committee and Working Group meetings, receptions) could continue to happen.

To further mitigate the risk of the departure of the Executive Director, talent development goals are in place for the two new hires and will be reviewed annually. An annual assessment can be provided by the Executive Director to the Board of the preparedness of the two recruits to manage the Association's affairs temporarily.

The second mitigating feature is the development in 2023 of a "Policies and Procedures" manual that captures all the outputs, processes, procedures, and deliverables of the Association in a highly detailed, thorough and organized fashion. This allows the two remaining staff members to be able to rely on this comprehensive document to identify how to continue to meet the obligations of the Association. It also lowers the risks associated with a new Executive Director not receiving training from the previous Executive Director, as much of that training information would be contained in the Policies and Procedures manual.

Another option would be to identify and keep up-to-date a list of potential external candidates who could step into the role quickly if the Executive Director departed. The sources for such a list could include other Associations that are in the same overall space as CAFII, or which require people with a skill set that is similar to what the CAFII ED requires. This approach could for example entail developing a list, and updating it each 12-24 months, of potential people who could step into the ED role at CAFI from CLHIA, THIA, CBA, IBC etc. Another option is to see if former Executive Director Brendan Wycks is available and interested in a temporary appointment in the event of the sudden departure of the Executive Director.

Next Steps

5. Executive Director to report annually to the Board on the preparedness of the Operations Manager and the Research Analyst to manage the Association's affairs temporarily.
6. The Succession Plan Working Group to identify a short list of potential external candidates who could be applicants for the position of Executive Director, and to present this list to the Board.
7. Managing Matters to be asked for a plan and a budget in the event of a need to rapidly hire a new Executive Director.

Scenario 3—Executive Director Incapacitated

In the event of a temporary incapacitation of the Executive Director, the requirement is to find a temporary solution. A solution for this scenario that would apply to Scenario 2 as well is to hire an interim executive through firms that offer that service, such as Odgers Berndtson. A conversation with Salvatore Badali at Odgers Berndtson could be beneficial and could be shared with the Board in terms of how this would work and what the costs would be.

<https://www.linkedin.com/in/sal-badali-74b2a710/?originalSubdomain=ca>
<https://www.odgersberndtson.com/en-ca/consultants/sal-badali/>

Next Steps

8. The Succession Plan Working Group to invite Odgers Berndtson (Salvatore Badali) to present options around budget and timelines for finding a temporary Executive Director.
9. The Succession Plan Working Group to consider inviting Salvatore Badali to make a short presentation to the Board on the process, timelines, and costs of finding a temporary Executive Director.

CAFII Executive Director Job Description

Overview

The Canadian Association of Financial Institutions in Insurance (CAFII), established in 1997, is a member-based not-for profit association, dedicated to advocating on behalf of its members. CAFII members are involved in all major lines of personal insurance, offering life, health, travel and credit protection insurance. Its members principally offer insurance through direct-to-consumer channels, like bank or credit union branches, or call centres. The key areas of advocacy for CAFII are focused on credit protection insurance (life, disability, critical illness and job loss insurance) in conjunction with a loan instrument (mortgage, HELOC, loan, credit card); travel insurance; and the direct-to-consumer channel. More information can be found at www.cafii.com.

The Executive Director is the management leader of the Association and is expected to provide leadership, vision, and creative energy to deliver on the mission and mandate of CAFII.

Position Objective

The Executive Director reports to the CAFII Board of Directors, and supports Board members, the leadership of the Executive Operations Committee and its members, and the active CAFII Committees and Working Groups.

The Executive Director has accountability for:

- Advancing and supporting CAFII's strategic objectives;
- Review no less than once every three years the CAFII 3-5 year Strategic Plan, and updating it accordingly;
- Implementing the CAFII Strategic Plan;
- Developing and fostering strong, open, and impactful relationships with CAFII's provincial and federal regulators and policy-makers;
- Maintaining the public image of CAFII and its members as credible and influential thought-leaders who are dedicated to fostering an open and flexible marketplace that is efficient, effective, fair, and which utilizes a variety of distribution methods;
- Representing, promoting and advancing the interests of financial institutions in insurance and affiliated organizations;
- Managing CAFII's communications plan, and acting as media spokesperson when required;
- Accountability for the development of meeting agendas, content, supporting documentation, and briefings in a timely manner for Board, EOC, and Committee and Working Group meetings;
- Leading the development of reactive and proactive regulatory submissions, presentations, meetings, and other interaction with regulators and policy-makers;
- Managing the CAFII employees who report into the Executive Director;
- Overseeing the development of and the management of the CAFII operating budget with the CAFII volunteer Treasurer and CAFII's paid external comptroller and accountant.

Key Accountabilities

Strategic Plan

- Ensure that the CAFII 3-5 year strategic plan is reviewed at any time the Board so requests, but no less than every three years, is updated as needed, and executed against;
- Specifically, no less than every three years the Executive Director would:
 - Present to the Board the current strategic plan;
 - Leads a Board discussion around the Executive Director's recommendations about modifications if any to the Strategic Plan;
 - Recommend what further action is needed if any in relation to the Strategic Plan and its implementation;
 - Driving the achievement of consensus from the Board to facilitate approval of the strategic plan;
 - Implementing the approved strategic plan including operational and budgetary adjustments that are required.

Research & Education

- Working with the Research & Education Committee, identifying annual research priorities that provides insights into CPI or travel insurance customers, into the products and services offered by CAFII members, and other relevant research findings;
- Actively participate in the interpretation of research findings and lead the development and deployment of communications and advocacy resulting from this work;
- Actively develop different ways of communicating the findings from research including presentations to regulators and policy-makers, as well as sharing results with media as appropriate.

Media Relations, Communications, Regulatory and Policy-Maker Interactions

- Communicate CAFII's objectives, and maintain a positive public image for its membership, including developing media communications on key issues;
- Define and execute the CAFII media strategy in conjunction with the Media Advocacy Committee;
- Act as CAFII's public spokesperson, and respond to media issues as appropriate;
- Ensure that the CAFII website is invested in and enhanced, so that it can be a key communications tool;
- Moderate CAFII's webinars;
- Represent CAFII at speaking opportunities as appropriate;
- Present key messages to regulators and policy-makers in presentations, including in regulator and policy-maker tours;
- Regularly meet with regulators and policy-makers to share key CAFII communications messages and to deepen the relationship with regulators and policy-makers;
- Develop, in collaboration with the Market Conduct & Licensing Committee and the EOC, CAFII's response to regulatory and policy-maker consultations and submissions, and be responsible for spearheading the final written submissions;
- Identify and invite speakers and thought-leaders for receptions following Board meetings, and for the Annual Meeting of Members and Associates;

- With the Research Analyst, develop summaries of meetings and key insights on regulatory developments, including through the Weekly Digest, the monthly Regulatory Update, and through summaries of key regulator and policy-maker meetings;
- Identify and Utilize various channels of communication such as social media to advance CAFII's communication strategy.

Oversight and Management

- On behalf of the Board, and in consultation with the Executive Operations Committee, ensure that CAFII's governance structure is respected, proactively maintained and updated as necessary;
- Develop a robust, actionable succession plan for review by the CAFII Board; assessed annually and updated as needed;
- Develop new Committees and Working Groups in response to emerging issues;
- Lead the development and management of the CAFII operating budget, with support from the Board, the EOC Chair and Vice Chair, and the Treasurer;
- Act as an active participant and lead as required for CAFII Board, EOC, and Committee and Working Group meetings;
- Support the Board Chair and Vice Chair, and the EOC Chair and Vice Chair, in the determination of key priorities for CAFII;
- Manage, support, and develop CAFII employees, at this time an Operations Manager and a Research Analyst, including coaching and mentoring staff; delivering written annual performance reviews to employees; recommending annual compensation increases for CAFII employees to the EOC Chair, Vice Chair, and Treasurer; delivering approved annual compensation increases to employees;
- Engage and oversee key suppliers to execute on CAFII strategic priorities and day to day operational requirements (for example, association management company, CPI quarterly benchmarking study, research projects, website suppliers, media consultant, legal advice as required);
- Accountable for the annual review and updates as required to CAFII's Policy and Procedure manual.

Key Attributes, Experience, and Competencies

- Minimum of 10 years experience in leadership positions in industry associations, public affairs, government, or business;
- Credible and politically astute with the ability to earn the respect and trust of stakeholders through a trustworthy and transparent style (CAFII and its members, regulators and policy-makers, media, other industry associations, government officials);
- Thought leader with strong analytical, strategic, and policy skills and a deep understanding of government processes and influencers;
- Exceptional communication (written and verbal) skills, excellent presenter, strong interpersonal skills with a strong ability to negotiate, and with the ability to present ideas effectively to internal and external stakeholders;
- Strong consensus building with a highly collaborative leadership style, excellent diplomatic skills, and the ability to recognize and navigate ambiguity successfully;
- Strong networking skills with a motivated and productive approach to partnering and working with stakeholders;

- Media relations skills and experience;
- Proven ability in aligning communications, advocacy, media, and government relations to a business mission, ensuring timely implementation of initiatives and activities;
- Results oriented with strong project management skills, and excellent business and financial acumen;
- Understanding of governance principles, and experience engaging with a dedicated Board of Directors along with other senior executive level volunteer leaders;
- Post graduate degree preferable.

Last updated February 2024