

Agenda Item 4(a)(i)(1)
September 14/21 EOC Meeting

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

Sent: August-23-21 2:15 PM

To: CAFII Board Members (c.c. EOC Members and Other CAFII Committee Members)

Subject: Update on CAFII 2021 Research Initiative

Hello CAFII Board Member (copy to EOC, and Committee members):

I hope you are having an enjoyable summer—hard to believe it is quickly rolling over into the fall.

I am writing this note to the Board with respect to the **CAFII 2021 research budget**.

We released earlier this summer the Pollara study on the digitization preferences of Canadians, and I think it demonstrated again the wisdom of the Board's focus on original research every year. We got positive feedback on the research, were able to share it through a webinar and through our website with regulators, and had a series of positive media hits including two interviews with me that are published on our website. <https://www.cafii.com/news/>

However, although we released the study this summer, it was actually funded from our 2020 research budget, and so we are now working on the 2021 research initiative, for which the Board has allocated \$60,000.

Andrea Stuska, Research & Education Committee chair (TDI); Michelle Costello, R&E Committee Vice Chair (Cumis/The Co-Operators); and Brendan and I have had multiple discussions and communications on what we thought was most impactful as a 2021 research initiative. We have concluded that a suggestion at a Board meeting from a CAFII Board member was very interesting—*<<although CAFII members all conduct research on how best to serve customers digitally, an Association-level effort on this could be very interesting>>* (paraphrase).

We held a meeting with the full R&E Committee on this, and there was broad support for investigating this idea. We suggested going first to Deloitte and Melissa Carruthers, because we know they have an expertise in this area, we have a good relationship with Melissa, and the AMF has told us that they have successfully commissioned Deloitte to explore the digital competency of Quebec FIs, so there is a level of credibility around Deloitte from a key regulator.

We held a good virtual session with Melissa, who has recently been promoted to a Partner at Deloitte, and asked her to send us a proposal. In reviewing the proposal (which is attached here), we found it very impressive and the four of us—Andrea, Michelle, Brendan, and me—felt it was worthy of recommending moving forward with it.

We held another virtual session with the R&E Committee about the proposal, and the Committee supported recommending proceeding with the proposal. However, the Committee did want the consultant Deloitte, if we did proceed with the proposal, to be given the following additional feedback:

- *Consultants can produce high-level, boilerplate outputs that are not easily implemented—it is critical that this material be concrete and actionable;*
- *While international comparisons are interesting, Canada has a unique regulatory and marketplace structure, and the report should principally be focused on the Canadian experience;*
- *It is important that outreach be made to CAFII members to understand their approach to the digital preferences of Canadians, and to ensure that the report outputs are relevant to CAFII CPI industry members;*
- *The report should address how to fully comply with regulatory expectations and requirements in a digital environment.*

I then sent the proposal to the full EOC with a recommendation for approval. The deadline for feedback was Tuesday 17 August, and while we only received three responses (all positive), it is my experience at CAFII that often people do not respond if they are fine with what is being proposed, and only respond if they are not—and we did not receive any negative responses or concerns.

As a next step, we communicated this process to CAFII's Executive Officer—CAFII Board Chair Chris Lobbezoo (RBC Insurance); Vice Chair Peter Thompson (National Bank Insurance); EOC Chair Rob Dobbins (Assurant); and EOC Vice Chair Karyn Kasperski (RBC Insurance)—asking them if they agreed with the recommendation to proceed, and with the proposed process, and all four responded in the affirmative. Chris Lobbezoo also indicated that it may be interesting to compare the performance between Canada and international jurisdictions around debt cancellation/creditor enrollment tools, and we will raise this with the consultant if we proceed with this proposal.

Therefore, we are writing to the full Board now as the final step in this approval process. Typically, we look to the Board for strategic direction, which was provided through the approval for the \$60,000 budget allocation for the research budget, and work with the EOC and the relevant CAFII Committee(s) for the more detailed responses around specifics around initiatives. However, given the significant size of the research budget, and the Board's interest in the past in CAFII's research initiatives, we wanted to share this initiative with the Board in some detail, along with the process we have used.

We are recommending that this proposal be approved and that we move forward with this initiative, based on the support from the Research & Education Committee; the EOC; and CAFII's Executive Officers. **Please let Brendan and me know if you have any concerns with this recommendation or the process taken by EOD Monday, 30 August, 2021,** failing which we will proceed with this proposal.

Thank you,

--Keith

Keith Martin

Co-Executive Director / Co-Directeur général