

2013 Budget Draft - Canadian Association of Financial Institutions in Insurance

	2010 Budget	2011 Budget	2012 Budget	CAGR 2010-2012	2013 Budget Recco.	Change 2012-2013	Comments
<b>Revenues</b>							
Membership Fees	\$ 378,000	\$419,100	419700	3.5%	\$ 410,100	-2%	
Interest	\$ 925	\$100	750	-6.8%	\$ 750	650%	
<b>TOTAL REVENUE</b>	<b>\$ 378,925</b>	<b>\$ 419,200</b>	<b>\$ 420,450</b>	<b>3.5%</b>	<b>\$ 410,850</b>	<b>-2%</b>	
<b>EXPENSE</b>							
<b>ASSOCIATION OPERATING EXPENSES</b>							
Management Fees	\$61,387	\$69,167	\$70,617	4.8%	\$ 209,150	196%	Increase management fees + E.D. Compensation
Lawrie Savage Fees	\$167,990	\$167,990	\$171,289	0.7%	\$ -	-100%	Contract terminated
CAFII Legal Fees/Corporate Governance	\$10,467	\$10,467	\$10,467	0.0%	\$ 10,467	0%	
Audit Fees	\$9,420	\$9,813	\$11,594	7.2%	\$ 13,108	13%	Extra time estimated to prepare new standards for not-for-profit organizations
Insurance	\$4,320	\$4,320	\$4,320	0.0%	\$ 4,750	10%	Increase D&O coverage \$5MM-\$10MM, Increase in Office coverage \$2MM-\$5MM
Website	\$540	\$540	\$540	0.0%	\$ 540	0%	
Telephone/Fax/Internet	\$2,160	\$2,160	\$1,000	-22.6%	\$ 1,000	0%	
Postage/Courier	\$1,080	\$1,080	\$500	-22.6%	\$ 500	0%	Additional fees for ADP
Office Expenses	\$2,700	\$2,700	\$2,700	0.0%	\$ 4,500	67%	Office hardware for E.D.
Bank Charges	\$0	\$0	\$0		\$ -		
Miscellaneous Expenses	\$0	\$0	\$0		\$ -		
Amortization Expense <sup>1</sup>	\$0	\$0	\$0		-\$ 640		CAFII office equipment Depreciation
<b>SUB-COMMITTEE EXPENSES</b>							
<b>Distribution &amp; Market Conduct Committee</b>							
Provincial Regulation Review	\$54,000	\$54,000	\$54,000	0.0%	\$ 54,000	0%	
Research/Studies	\$59,000	\$42,000	\$42,000	-10.7%	\$ 45,000	7%	Updated Avalon study
<b>Licensing Efficiency Issues Committee</b>							
Regulatory Model(s)	\$5,940	\$2,940	\$2,940	-20.9%	\$ 2,940	0%	
Federal Financial Reform	\$2,160	\$2,160	\$2,160	0.0%	\$ 2,160	0%	
<b>Media &amp; Advocacy Strategy Committee</b>							
Tactical Communications Strategy	\$27,000	\$28,250	\$22,250	-6.2%	\$ 22,250	0%	
<b>Networking and Events Committee</b>	\$26,000	\$21,000	\$21,000	-6.9%		69%	Increase due to 15th Anniversary Event
Board/EOC/AGM Expense <sup>2</sup>					\$ 16,000		
Networking Events					\$ 3,500		
15th Anniversary Event					\$ 16,000		
Media Relations, CAFII Consultant	\$0	\$12,000	12000	0.0%	\$ -	-100%	
<b>TOTAL EXPENSE</b>	<b>\$ 434,164</b>	<b>\$ 430,587</b>	<b>\$ 429,377</b>	<b>-0.4%</b>	<b>\$ 405,225</b>	<b>-6%</b>	
<b>Balance</b>	<b>-\$ 55,239</b>	<b>-\$ 51,662</b>	<b>-\$ 10,177</b>		<b>\$ 5,625</b>		
Estimated Cash Balance			\$ 125,000		\$ 130,625		

**Explanatory Notes:**

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

(2) Board meetings and receptions, special Board or EOC lunch meetings, speaker expenses

**2013 Reserve (based on 6 month Reserve):**

**Operating Expenses**

	<b>2013</b>	<b>Est. Monthly</b>
Management Fees	\$ 209,150	\$17,429
Audit Fees	\$ 13,108	\$1,092
Board/EOC/AGM Expense	\$ 16,000	\$1,333
Insurance	\$ 4,750	\$396
Telephone/Fax/Internet	\$ 1,000	\$83
Postage/Courier	\$ 500	\$42
Office Expenses	\$ 4,500	\$375
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	\$ 251,021	\$ 20,751

**Minimum Reserve = Greater of:**

Reserve at 25% of Annual Operating Expense =	\$ 62,755
Reserve at 6 months of Operating Expense =	<b>\$ 124,504</b>

**2013 Reserve (based on 3 month Reserve):**

**Operating Expenses**

	<b>2013</b>	<b>Est. Monthly</b>
Management Fees	\$ 209,150	\$17,429
Audit Fees	\$ 13,108	\$1,092
Board/EOC/AGM Expense	\$ 16,000	\$1,333
Insurance	\$ 4,750	\$396
Telephone/Fax/Internet	\$ 1,000	\$83
Postage/Courier	\$ 500	\$42
Office Expenses	\$ 4,500	\$375
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	\$ 251,021	\$ 20,751

**Minimum Reserve = Greater of:**

Reserve at 25% of Annual Operating Expense =	<b>\$ 62,755</b>
Reserve at 3 months of Operating Expense =	\$ 62,252

	2000	2001-2002	2006-2010	2011	2012
<b>Founding Members</b>	\$ 44,000	\$ 47,000	\$ 42,300	\$ 47,000	\$ 47,000
TD Life Insurance					
BMO Life Insurance Company					
CIBC Insurance					
RBC Insurance Services					
Scotia Life Insurance Company					
<b>Voting Members</b>	\$ 22,000	\$ 24,000	\$ 21,600	\$ 23,500	\$ 23,500
Assurant Solutions					
Canadian Premier Life Insurance Company					
National Bank of Canada					
Desjardins Financial Security Life					
American Express					
<b>Associate Members</b>	\$ 5,000	\$ 5,000	\$ 4,500	\$ 4,800	\$ 4,800
Avalon Actuarial Consulting Inc					
CSI Brokers Inc.					
Dion, Durrell & Associates Inc.					
KPMG					
Laurentian Bank of Canada					
Oliver Wyman Consulting Limited					
Optima Communications					
RGA Life Reinsurance Company of Canada					
Swiss Re Life & Health Canada					
Munich Re					
Aima					
The Canadian Life Assurance Company					
<b>Total Membership Fees</b>	\$ 395,000	\$ 420,000	\$ 378,000	\$ 419,100	\$ 410,100
% Increase/(Decrease) from previous term		6.3%	-10.0%	10.9%	-2.1%