

Agenda Item 4(g)
October 29/19 EOC Meeting

**CAFII Opportunity To Take Over CBA's Quarterly CGI Benchmarking Study:
RFP To Actuarial Firms On An Enhanced Benchmarking Study**

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

Sent: October-16-19 10:41 AM

To: CAFII Board Members and Surrogates

Subject: Follow up on CAFII Taking Over CBA Benchmarking Study on Credit Protection Insurance

Dear Member of the CAFII Board (and Surrogates),

We have been advised that during the 1 October, 2019 Board meeting's *in camera* session, it was agreed that our Association should only proceed with an RFP on CAFII taking over the CBA's Creditor's Group Insurance (CGI) Benchmarking Study if we include a number of consumer-oriented data points, which would also be part of the study alongside sales and penetration measures. This would ensure that the study aligns with members' focus on consumer outcomes and the fair treatment of customers.

It was suggested that the EOC strike a working group to identify such consumer-oriented data points.

However, in their responses to the benchmarking RFP originally produced for the contemplated CCBPI Special Project, the actuarial firms asked to bid identified a number of useful data points, including some consumer-oriented ones, in addition to the ones set out in the RFP. As a result, we believe that the actuarial firms participating in the RFP may represent a good alternative to a potential EOC working group for the identification of consumer-oriented metrics.

In a follow-up conversation last week between EOC Chair/Board Secretary Martin Boyle, and CAFII Management Brendan Wycks and Keith Martin, it was determined that we could modify the draft RFP for the CBA/CAFII CGI Benchmarking Study to factor in the requirement to have consumer-oriented data points included in it. The bidding firms (RSM Canada; Towers Watson) would be asked to identify such consumer data points as part of their RFP response.

More specifically, we would point out some consumer-oriented data points in the RFP such as consumer complaints, and claims payouts (claims % paid out, not loss ratio)—as examples, and ask the bidding actuarial firms to identify additional such measures for CAFII's consideration.

Please indicate by noon on Friday, 18 October, 2019 whether you are comfortable with CAFII's proceeding with a modified/updated RFP on this basis, rather than striking an EOC Working Group tasked with identifying consumer-oriented metrics.

Thank you,

Keith Martin

Co-Executive Director / Co-Directeur général

Canadian Association of Financial Institutions in Insurance