

Exploring Emerging Technology & Gen AI Trends in CPI

2024 Research Project | Status Meeting

September 5th, 2024

cafii
The Canadian Association of
Financial Institutions in Insurance

Deloitte.

Status Report

OVERALL STATUS:

ON TRACK

KEY ACTIVITIES COMPLETED

- ✓ Drafted interview questions for discussion and circulated to all CAFII members for feedback
- ✓ Contacted all CAFII members to gather stakeholders to engage in the interview and research process

KEY ACTIVITIES IN-FLIGHT

1. Collecting and incorporating interview questions feedback
2. Gathering names of stakeholders from 15 CAFII member organizations (only 3 responses received to date)
3. Building secondary research based on table of content shared during the official kick-off meeting
4. Drafting quantitative survey

UPCOMING ACTIVITIES

1. Circulate draft of quantitative survey to CAFII members for feedback
2. Engage Global Deloitte SMEs and Insurance Leaders
3. Schedule and lead CAFII stakeholder interviews
4. Consolidate secondary research findings

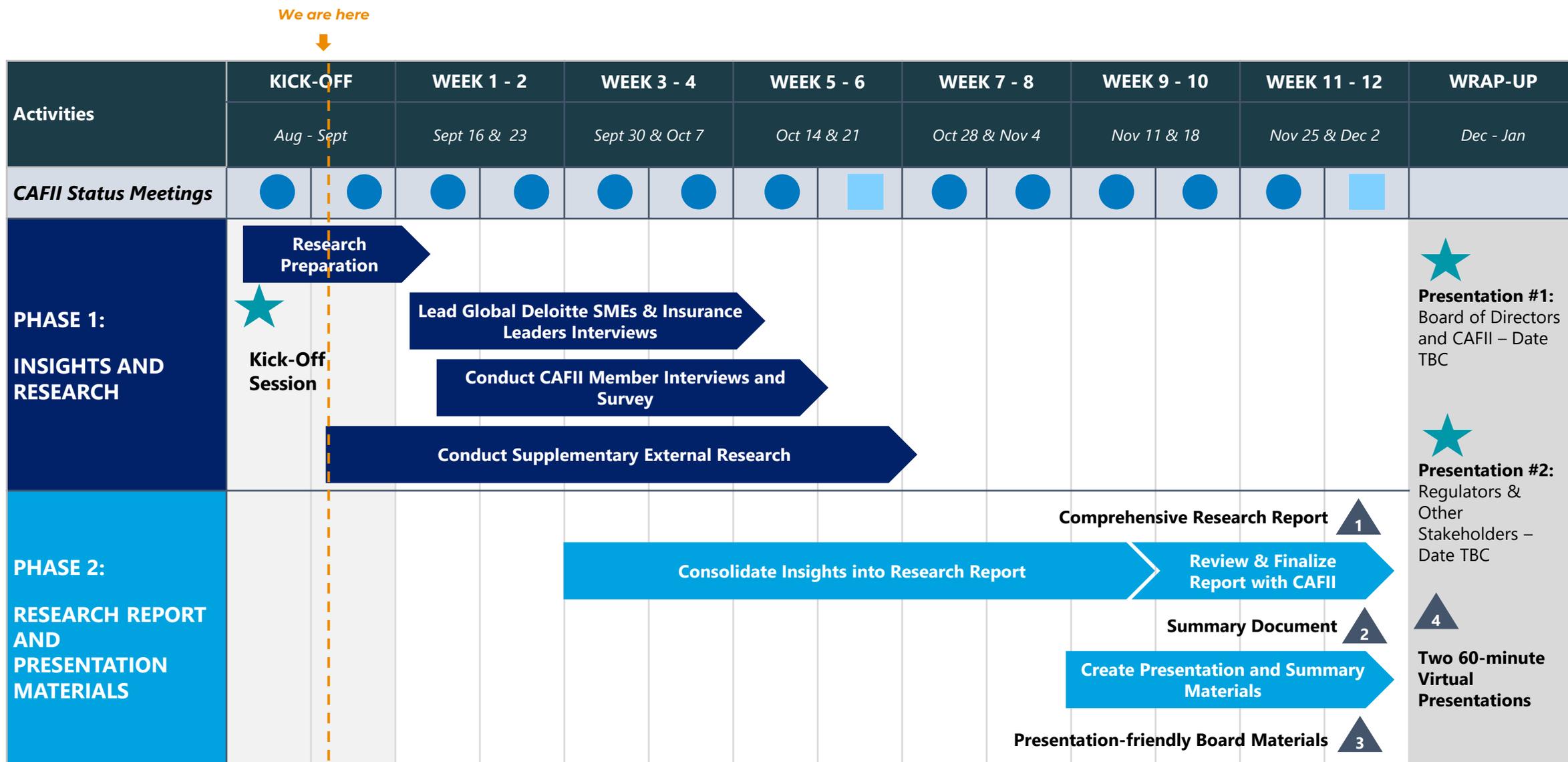
MILESTONES (M) / DELIVERABLES (D)

	Timing	Status
1 Kick-Off (M)	Prep	C
2 Stakeholder Interviews (M)	Week 1-5	OT
3 Conduct Quantitative Survey (M)	Week 3-5	OT
4 Conduct Supplementary External Research (M)	Week 3-5	-
5 Touchpoint #1: Share preliminary findings (M)	Week 6	-
6 Preliminary Research Report (M)	Week 9	-
7 Touchpoint #2: Review & Refine with CAFII Research Committee	Week 11	-
8 Comprehensive Research Report (D)	Week 12	-
9 Summary Document (D)	Week 12	-
10 Presentation-friendly Board Materials (D)	Week 12	-
11 Virtual Presentations (D)	TBC	-

OUTSTANDING ITEMS / ISSUES / RISKS

#	Description	Owner	Current Status	Due Date	Status
	Identification of CAFII member individuals to interview	Keith	Potential to cause delays	Sept 11	OT

Project Timeline



Member Survey Overview

Methodology Overview

Below is an overview of the key activities and methodology that will be pursued as part of Deloitte’s partnership with CAFII on the 2024 research report, which includes interviews, a survey, and supplementary external research



Engage Global Deloitte SMEs and Insurance Leaders

- Gather **perspectives from relevant Deloitte subject-matter experts** (i.e., Global Insurance, Risk, Technology)
- Conduct **additional discussions** with relevant **insurance leaders** within our network as required



Interview CAFII Members

- Prepare **interview guide** with a standard set of questions to guide discussion
- **Interview a series of CAFII members** to understand their technology priorities
- **Compare responses to leading global markets** in terms of priorities / maturity



Conduct Quantitative Survey

- **Define questions and format** to create the **survey**
- Conduct a **short survey across key functional areas** (e.g., Business, IT) to gather **quantitative insights and data points** to support qualitative insights

Our focus in this document



Conduct Supplementary External Research

- Augment Deloitte expertise and interview / survey insights **with additional secondary research** as required (e.g., additional innovative global case studies)



Review and Refine with CAFII Research Committee

- Deliver a **written report with insights on opportunities** for credit protection insurers to **leverage emerging technologies** across front, mid, and back office and the implications for the future of CPI
- **Review and refine** report based on feedback from CAFII

Survey Context

Deloitte will conduct a survey with CAFII members across each of the 15 organizations that include both underwriters and distributors of CPI to gather quantitative insights and data points to support qualitative insights

CAFII Members to be Surveyed



Survey Context & Focus

Survey Context

The objective of the survey is to enable us to quantify and compare Canadian CPI insurers and distributors about the role and importance of emerging technologies (defined below) for their business

Primary Emerging Technologies in-scope

Technology	Project Definition
Advanced Analytics	Techniques and tools to analyze data (i.e., customer, third party, operations, etc.) and extract insights, enabling predictive / smart functions and informed decisions across internal and external functions
Gen AI	Artificial intelligence systems that can create new content, such as text, images, or voice, based on the data they have been trained on leveraging existing or proprietary Large Language Models (LLM)
Cloud Computing	Delivery of computing services—including storage, processing power, and software—over the internet ("the cloud"), allowing organizations to access and store data and applications remotely
Cyber & Security	Technologies and practices designed to protect systems, networks, and data from cyber threats and unauthorized access, also including identity verification tools such as Multi Factor Authentication
CRM / Client Management	Involves the use of tools and strategies to manage client interactions, improve service, and enhance retention, including distribution technology such as digital platforms that streamline the sale, management, and renewal of policies, and other related services.
Core Technology (modernization)	This involves updating and upgrading the foundational technologies and systems that support an organization's primary operations, including systems such as policy admin, claims, underwriting, etc.
Mobile and Digital Assets	Technologies and applications designed for digital and mobile devices, enabling self-serve intents as well as live or asynchronous engagement with agents (human or AI), or static content
Process Automation	Technologies that automate repetitive and routine tasks, reducing the need for human intervention, including Robotic Process Automation (RPA), workflow automation, rule-based triggers

Quantitative Survey Overview

In addition to the interviews that will be conducted with CAFII stakeholders, below is an overview of the quantitative survey questions we propose to include to supplement the primary research; we will distribute the survey to all respondents



Logistics

- **Number of Questions:** ~20
- **Estimated Completion Time:** 15 mins
- **Target Launch Date:** Sep 16
- **Response Timeline:** Sep 16 – Oct 18
- **Distribution:** 1 submission per organization (respondents may collaborate with their colleagues within the organization)



Firmographics

- **Business model** (e.g., underwriter, distributor, both)
- **Size & scale of CPI portfolio, including proportion of CPI revenue** as a % of total business composition (i.e., individual life, P&C, etc. as relevant)
- **Organizational structure** (i.e., distinct P&L, Insurance, P&CB, Wealth, etc.)
- **Overall Current State** of your organization as it relates to the primary technologies assessed (free form text)



Priority Business Outcomes

- **Strategic priorities and business drivers for investing in emerging technologies** (e.g., Efficiency, Customer Experience, Growth, Scalability, Cost Savings)
- **Investment allocation by business function** (i.e., from Discovery to Servicing)

Note: For above questions, we will request responses for current and future (i.e., 3-5 years) priorities / investment allocation



CPI Business and Digital KPIs

- **Key operational metrics that will be used to measure impact of emerging technologies** (e.g., profitability, STP%, expense ratio, cross-sell rate etc.)
- **Key digital metrics** (e.g., % sales from digital channels, digitally active, client engagement)
- Key **customer experience metrics** (e.g., NPS, client retention)

Note: For above questions, we will request responses for current and future (i.e., 3-5 years) metrics



Technology Maturity

- **Perceived current maturity of various emerging technologies** (e.g., lagging, at par, mature, market leading)
- **Desired level of maturity of various emerging technologies** (next 3-5 years)
- **Perceived barriers to achieving desired level of maturity** (e.g., lack of talent, legacy limitations, estimated ROI)

Note: Emerging technologies include (a) Mobile & Digital Experience; (b) Advanced Analytics; (c) Gen AI; (d) Cyber; (e) Cloud Computing; (f) Core Insurance Platforms



Technology Investments

- **Allocation for investment in innovation and emerging tech** (i.e., % of tech budget)
- **Annual investment budget for each dimension of emerging tech** (current vs. future spend)
- **Top 3-5 drivers of technology investments** planned in next 3-5 years
- **Top 3 challenges or risks** related to historical and ongoing tech investment
- **Approach to leveraging emerging technology** (Build vs. Buy vs. Partner) and key criteria for decision making

Are there any suggested additions / edits to the survey questions above?



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