

**Agenda Item 4(e)(iii)  
August 14/18 EOC Meeting**

**Budgetary Issues Re CAFII Credit Protection Insurance Research With Pollara Strategic Insights**

*From: Keith Martin*

*Sent: Wednesday, August 08, 2018 5:02 PM*

*To: Benson, Nicole; Pergola, Antonio; Thorn, Peter; 'Diane Quigley'; Brendan Wycks*

*Cc: 'Johnson, Sarah'; Natalie Hill; Tara Moran; Charles.Blaquiere@valeyo.com*

***Subject: Discussion with CAFII Board Chair Nicole Benson on 2018 CAFII Research Spend***

Hello Nicole,

Thank you very much for finding the time for a quick 15 minute teleconference call tomorrow 9 August, at 11.30am (Eastern time).

To ensure we keep to the time allocated, I am providing you with a short briefing note.

**Objective of the Call**

The purpose of the call is to share with you our proposal for conducting consumer research on Credit Protection Insurance. The research effort to conduct this research is larger than what was budgeted for in the original, approved 2018 budget and would entail a cost overrun of our 2018 research budget of \$22,291. The specific purpose of the call is to request your approval for exceeding the 2018 budget for research by \$22,291.

Original 2018 Total Budget, Research \$52,500

Proposed Spend if we do consumer research on Credit Protection Insurance \$74,791

Excess of proposed spend over original budget \$22,291

**Background**

- On 5 June, the CAFII Board expressed a desire to expedite consumer research on Credit Protection Insurance, similar to the Pollara consumer research (just completed and presented to the board at the 5 June meeting) on Travel Medical Insurance.
- A CAFII Working Group was subsequently struck under the direction of the Research & Education Committee (Chaired by Diane Quigley, CUMIS), and has made much progress. We have identified our objectives, scope, product lines, and have developed a draft of the questionnaire with our consumer research firm Pollara. We have now arrived at a point where we have identified sufficient details about the research that Pollara has been able to provide us with a specific proposal with costs.
- Because of the size and complexity of this research effort, it is a larger task than what was undertaken for the consumer research on Travel Medical Insurance. The proposal from Pollara, which we have reviewed and feel is fair, comes in at \$50,700; with HST the total is \$57,291. We have already spent \$17,500 (budgeted) money on the Travel Medical research study in 2018, so our total spend for 2018 would be \$74,791. (See summary below.)

## Summary of 2018 Proposed Spend on Research, Including New Study on Pollara Credit Protection

### Insurance

\$50,700	cost of 2018 Creditor Insurance research study
\$6,591	HST
\$57,291	2018 Total research forecast for Credit Protection Insurance Consumer Research
\$17,500	original 2018 actuals for Travel Medical spend in 2018
\$74,791	Total proposed 2018 Spend on Research

### Recommendation

We have reviewed this proposed overspend with the CAFII Treasurer, Tony Pergola, who asked us to present him with a forecast of the CAFII anticipated revenues and expenses overall in 2018, based on actuals to date, and the reality that our original budget did not include revenues we now know are coming due to our two new Initiation Members, Manulife and Canada Life.

The original budget, approved by the board, anticipated an overall 2018 deficit of \$89,485. Our forecast with the additional \$22,291 research spend included is that the 2018 deficit will be \$31,867, or over \$55,000 less than originally budgeted.

Based on that information, and based on the Credit Protection Insurance consumer research study being identified as a strategic priority by the board, Tony was comfortable with our bringing this forward to you for your review, with a recommendation for approval.

### Next Steps

During the short teleconference call, we will review the material presented here and see if you have any questions. We are seeking from you:

- approval to proceed with this Credit Protection Insurance consumer research study, and specifically approval to do so with the cost overrun;
- discussion with you on how you would like to engage the full board on this issue
- do you want to ask if they concur;
- or do you wish to share the decision with them for information;
- or do you wish to put this as an update to the board at the next regular board meeting on Tuesday, 2 October (in Montreal)?

Look forward to discussing this with you tomorrow, Nicole,

Regards,

--Keith

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