

## Confidential

To: CAFII EOC

From: Customer Value Proposition Project Working Group (Brendan, Emily, Sue)

Subject: Request for Towers Watson to Incorporate Additional Components into the Customer Value Proposition Study

### Progress Update

- The working group provided detailed feedback to Towers Watson on their draft report of CAFII member survey results. Towers Watson agreed to incorporate the feedback elements that are within the contract (and that meet the criteria of independent and objective). They also agreed to incorporate items considered outside the contract for additional fees.
- Towers Watson is currently completing the project report, adding the data received from individual insurers. They are prepared to complete the report, incorporating additional components, by two weeks prior to the March 24/15 EOC meeting. Pending EOC agreement, we would deliver the report to CAFII Board members prior to the April 7/15 Board meeting.
- The working group believes that the following additional components will provide valuable insight and that the fees are reasonable.
  - Comparison of CGI mortgage life rates to T10 rates with one renewal
  - Comparison of rates for bundled products
  - Comparison of all product features (as opposed to outlining the areas of differences)
  - Adding statistics on CI/DI coverage to show % of claims covered by mortgage product
  - Providing spreadsheet with survey data (CAFII aggregate)
  - Developing individual CAFII member reports
- Additional fees (including tax)
  - Between \$9,000 and \$11,500 for additional components
  - \$450 per individual CAFII member report

### Request for EOC Approval:

- Agreement to incur additional Towers Watson fees of up to \$11,500 for additional components and \$3,150 for 7 individual CAFII member reports
- This spending can be sourced from the 2015 \$90,000 Research Budget, of which \$10,000 was for presentations by Towers Watson additional to the contract and \$5,000 was for a LIMRA membership which is unlikely to be available in 2015. The bulk of this 2015 budget provision (\$65,000) is for a Travel Insurance project not likely to be fully spent in 2015.