

**Agenda Item 5(g)(i)**

**April 7/20 Board Teleconference Meeting**

**Research & Education Committee**

**2020 Research Options—Recommendation**

*Since the time that the Research & Education Committee recommendation below was made to the EOC, there have been further developments around COVID-19 that make it improbable that we would be able to ask CAFII members to provide the data, at this time, for the CLHIA-type “fact pack” study. Therefore, we are asking the Board to support the recommendations around 2020 research in principle, but we are recommending that we “flip” the order of the two recommended components under the current circumstances, and proceed with the White Paper with Melissa Carruthers first, since that would not require a commitment of time for data compilation and submission by CAFII members.*

**Background**

The CAFII Board of Directors has approved a 2020 operating budget that includes \$60K for original research. The Research & Education Committee met in-person on 10 March, 2020 to discuss research options. Background documentation on options was reviewed and there was a thorough discussion on what CAFII should focus on in 2020. A priority is research that can be publicly released, including to media.

**Recommendation**

The Research & Education Committee felt that while there are many viable options, the most impactful area to focus on right now is a CLHIA-type “fact pack” study on the size and impact of Credit Protection Insurance, nationally and provincially. This could be published and shared broadly, including via our CAFII website, could be the subject of a media release, and could be included in our presentations to insurance regulators and policy-makers. Examples of what could be included in the study are:

- A. Total certificates in-force
- B. Total claims paid out
- C. Total dollar value of claims paid out
- D. Number of Canadians protected by CPI
- E. Number of employees who work in CPI for CAFII Member companies
- F. Number of CAFII Member company employees focused on CPI compliance, monitoring, controls, training
- G. Total value of CPI insurance in Canada (millions of dollars of protection offered) broken down by type and product (mortgage, line of credit, credit card, loans; life, disability, critical illness, job loss)

The R&E Committee felt that such a study might not cost the full \$60K available for CAFII original research in 2020, and was hopeful that some budget would remain after producing such a study.

If that is the case, the Committee was intrigued by the interest of Melissa Carruthers of Monitor Deloitte Canada in producing a white paper on “The Future of Credit Protection Insurance.” It is our understanding that a key focus on this white paper would be about the digital path that credit protection insurance is heading in. Such a paper would constitute a thought leadership piece that would have value and could be released publicly. If there is budget left over after a Fact Pack-type research study, it is recommended that a meeting be set up between the R&E Committee and Melissa Carruthers to explore the possibility of CAFII funding her white paper on the future of CPI.

### **Next Steps**

If the EOC supports these recommendations, the next step will be to issue an RFP to three actuarial firms: RSM Canada, Willis Towers Watson (acquisition by Aon recently announced), and Eckler Ltd. with respect to the CLHIA-type “fact pack” study. The R&E Committee will review the RFP bid responses received and select a winning firm to conduct the research, and will then work with the firm in the development of the study.

If the winning firm’s bid leaves CAFII with remaining funds for additional research, a meeting will be set up between the R&E Committee and Melissa Carruthers to explore the possibility of our Association funding her white paper on the future of CPI.

## **Appendix A**

### **Members of the Research & Education Committee**

Andrea Stuska, Chair	TD Insurance
Cecilia Xiao	Assurant
Craig McKendrick	CIBC Insurance
Sandy Zeidenberg	Manulife Financial
Aneta Murphy	ScotiaLife Financial
Rob Dobbins	Assurant
Dallas Ewen	Canada Life Assurance
Elaine Parr	TD Insurance
Keith Martin	CAFII
Brendan Wycks	CAFII