

CAFII 3-5 Year Strategic Plan for Board Approval

July 2024

CAFII's Vision

Vision Statement—CAFII's Vision

CAFII's Vision is to ensure credit protection insurance remains simple, accessible, and affordable for Canadians.

Question: is the reference to CPI sufficiently broad to capture the vision properly?

CAFII's Mission Statement

yellow section is new from what was in the document that was distributed

Core Statement—CAFII's Mission Statement

CAFII represents, communicates about, and advocates for financial institutions in insurance, their insurer partners, and affiliated organizations by promoting their commitment to the fair treatment of customers ~~and related policies and practices,~~ and to customer-centric products, policies, and practices. CAFII strives to foster an open, flexible marketplace that is efficient and effective and allows consumers an expanded choice in the purchase of insurance products and services. CAFII is committed to reducing the gap in uninsured and underinsured Canadians through research and education on the benefits of CPI. CAFII supports a legislative and regulatory environment that is healthy for future growth. **CAFII will continue to look at ways to promote diversity, equity, and inclusion within CAFII.** ~~the Association including its Board. [This last sentence was moved up.]~~

In support of this mission, CAFII's fundamental strategic priority is to develop outstanding relationships and communications with insurance regulators and policy-makers across Canada. To promote this objective, we will meet in-person with representatives of these groups regularly. **We CAFII will deepen these relationships** by continuing to invest in a significant research program that will provide us with interesting and relevant content to share, and which can gain us public profile. ~~Our CAFII's~~ research program will dovetail with a proactive element to our regulatory focus through which we will seek to educate and influence key constituents about our long-term objectives.

Our research findings and our regulatory expertise will also continue to serve as the foundation for an assertive communications and networking strategy through which we will meet on an ongoing basis with key influencers including policy-makers, senior bureaucrats, politicians, thought leaders, Association leaders, academics and others with whom we will share our research insights and key messages. **We will continue to cultivate strong relationships with Associations with similar objectives to ours.** As part of our efforts to increase our focus on and relevance to consumers and to heighten our public profile, we will continue to invest in the CAFII digital strategy including our website and continue to expand and enhance our media profile.

In addition to these strategic priorities there are other initiatives that CAFII will continue to promote, but as lower priorities. We will keep a watching brief on Insurtech, technology developments including artificial intelligence, digitization, and innovation, **on international regulatory and insurance trends,** and on increasing our thought leadership through additional meetings and presentations in our areas of expertise. We will leverage our regulatory expertise and research with presentations to internal audiences within our membership; and we will explore ways to enhance the value proposition of being an Associate, with the objective of attracting more to join CAFII.



The Canadian Association of
Financial Institutions in Insurance

L'association canadienne des
institutions financières en assurance

Making Insurance Simple and Accessible for Canadians
Rendre l'assurance simple et accessible pour les Canadiens

CAFII Members offer Credit Protection Insurance (CPI)

CAFII's Focus is on CPI

CAFII members are distributors or insurers in the CPI space, including credit card-embedded insurance.

DROP



Advocacy with Policy-Makers

CAFII's Focus is on CPI

While CAFII's focus is on CPI and alternative distribution, CAFII will also **advocate** in related areas as mandated by its members such as Credit Card Embedded Benefits (CCEB) and Authorized Group Travel Products.



Advocacy with Policy-Makers—*Alternative Wording*

CAFII's Focus is on CPI

CAFII's focus is on Authorized Products under the Bank Act, including CPI, Credit Card Embedded Benefits (CCEB) and Authorized Group (Bank sold) Travel Products, as well as alternate distribution.



cafii acifa

The Canadian Association of
Financial Institutions in Insurance

L'association canadienne des
institutions financières en assurance

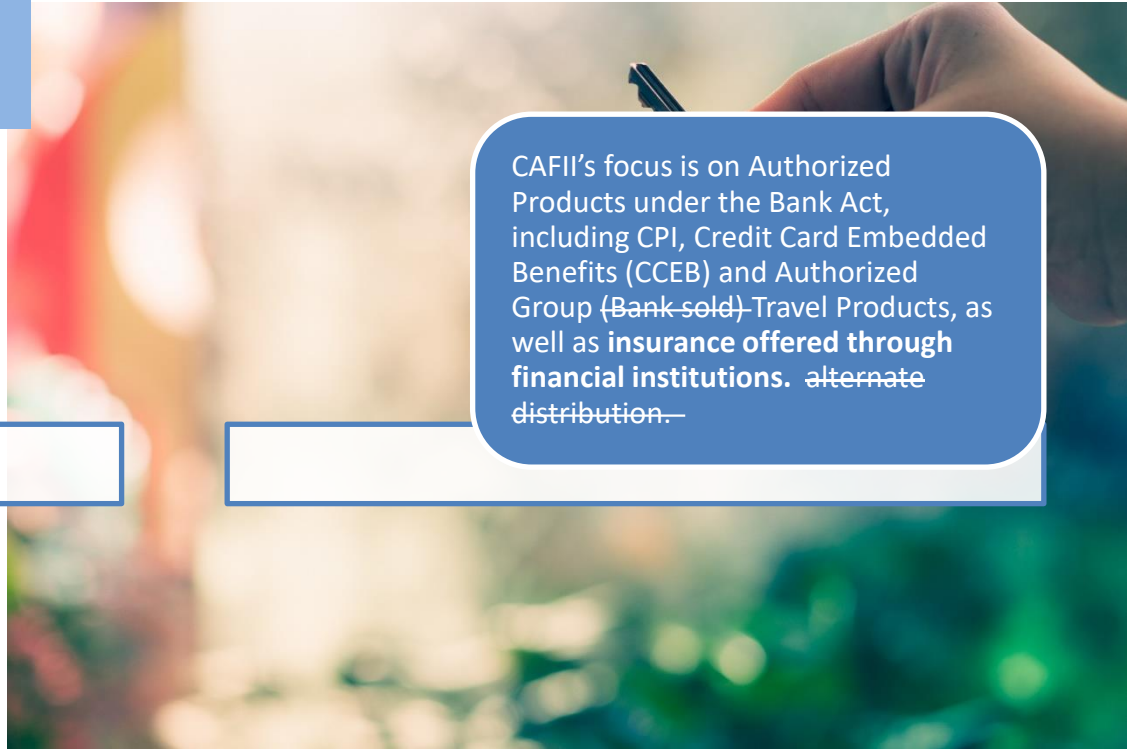
Making Insurance Simple and Accessible for Canadians
Rendre l'assurance simple et accessible pour les Canadiens

Advocacy with Policy-Makers—*Side by Side*

CAFII's Focus is on Credit Protection Insurance

While CAFII's **primary** focus is on CPI and the distribution of **insurance offered through financial institutions** ~~alternate distribution~~, CAFII will also **advocate** in related areas as mandated by its members such as Credit Card Embedded Benefits (CCEB) and Authorized Group Travel Products.

CAFII's focus is on Authorized Products under the Bank Act, including CPI, Credit Card Embedded Benefits (CCEB) and Authorized Group ~~(Bank-sold)~~ Travel Products, as well as **insurance offered through financial institutions**. ~~alternate distribution.~~



Advocacy with Policy-Makers

CAFII's Focus is on Advocacy about CPI Including Responding to Regulatory Consultations

CAFII **focuses** its mandate on advocacy with **regulators and** policy makers. This includes the important reactive efforts to respond to all regulatory and policy-maker consultations through written and verbal submissions.



200-411 Richmond Street E, Toronto, ON M5A 3S5
 ☎ (416) 494-9224 📠 (416) 967-6320
 info@cafii.com www.cafii.com

November 17, 2023

Huston Loke
 Chair, Canadian Council of Insurance Regulators
 C/O Financial Services Regulatory Authority of Ontario
 25 Sheppard Avenue West, Suite 100
 Toronto, Ontario
 M2N 6S6

CC
 Raseema Alam, Policy Manager, CCIR
 Peter Burston, Director, National Policy Coordination, CCIR
ccir-ccrra@fsrao.ca

Dear Mr. Loke,

The Canadian Association of Financial Institutions in Insurance (CAFII) would like to thank the Canadian Council of Insurance Regulators (CCIR) for the opportunity to respond to your proposed new definition of a complaint and the directly related proposed new approach to the reporting of complaints via CCIR's Annual Statement on Market Conduct (ASMC).

Our first comment is that, while possibly not immediately obvious from a regulator's perspective, these proposals actually constitute a significant change that has major implications for life and health insurers (and their financial institution distributors who support their insurer partners in providing data required for the annual ASMC filing) that result in the proposal representing a very major undertaking.

We believe that thorough, meaningful consultations and dialogue with industry stakeholders lead to better regulatory outcomes. Prior to the recent launch of this current CCIR consultation, there was no dialogue with industry Associations regarding either CCIR's intention to change the definition of a complaint or the changes being contemplated around ASMC's reporting requirements associated with complaints. Having a thorough industry consultation of at least 45 business days (nine weeks), including pre-consultation dialogue, would have been a more efficient and effective way to proceed. This would have provided CAFII, and other



The Canadian Association of
Financial Institutions in Insurance

L'association canadienne des
institutions financières en assurance

Making Insurance Simple and Accessible for Canadians
 Rendre l'assurance simple et accessible pour les Canadiens

Should we include a slide on collaboration with other Associations?



200-411 Richmond Street E, Toronto, ON M5A 3S5
 ☎ (416) 494-9224 傳真 (416) 967-6320
 info@cafii.com www.cafii.com

November 17, 2023

Huston Loke
 Chair, Canadian Council of Insurance Regulators
 C/O Financial Services Regulatory Authority of Ontario
 25 Sheppard Avenue West, Suite 100
 Toronto, Ontario
 M2N 6S6

CC
 Raseema Alam, Policy Manager, CCIR
 Peter Burston, Director, National Policy Coordination, CCIR
ccir-ccrra@fsrao.ca

Dear Mr. Loke,

The Canadian Association of Financial Institutions in Insurance (CAFII) would like to thank the Canadian Council of Insurance Regulators (CCIR) for the opportunity to respond to your proposed new definition of a complaint and the directly related proposed new approach to the reporting of complaints via CCIR's Annual Statement on Market Conduct (ASMC).

Our first comment is that, while possibly not immediately obvious from a regulator's perspective, these proposals actually constitute a significant change that has major implications for life and health insurers (and their financial institution distributors who support their insurer partners in providing data required for the annual ASMC filing) that result in the proposal representing a very major undertaking.

We believe that thorough, meaningful consultations and dialogue with industry stakeholders lead to better regulatory outcomes. Prior to the recent launch of this current CCIR consultation, there was no dialogue with industry Associations regarding either CCIR's intention to change the definition of a complaint or the changes being contemplated around ASMC's reporting requirements associated with complaints. Having a thorough industry consultation of at least 45 business days (nine weeks), including pre-consultation dialogue, would have been a more efficient and effective way to proceed. This would have provided CAFII, and other

Advocacy with Policy-Makers

CAFII Proactively Advocates with Regulators In-Person

CAFII ~~pursues proactive~~ proactively engages with policy-makers by soliciting opportunities to meet with and present to, ~~and engage with~~ regulators and policy-makers. This includes regulatory tours with CAFII management and CAFII volunteer members to regularly meet policy-makers in their own jurisdictions. These tours will be supplemented by visits by CAFII's Executive Director with regulators. ~~especially those who are new to their roles and who CAFII will not be imminently meeting in a tour visit.~~



cafii acifa

The Canadian Association of
Financial Institutions in Insurance

L'association canadienne des
institutions financières en assurance

Making Insurance Simple and Accessible for Canadians
Rendre l'assurance simple et accessible pour les Canadiens

Advocacy with Policy-Makers

CAFII's Looks for Speaking Opportunities and Will Continue with Webinars

CAFII looks for ways to influence stake-holders including speaking opportunities for the Executive Director, and meetings with key stakeholders and influencers. CAFII will continue to hold regular webinars on issues of interest.



April 25, 2024

CAFII Webinar Mental Health Issues in the Workplace: A CAFII Virtual Fireside Chat with Jeff Scott, Jennifer Heaslip, and Paula Allen

Consumer ~~Advocacy~~ Education through Communication

Research is a Key to CAFII's Proactive Approach to Regulators and to Consumer Education

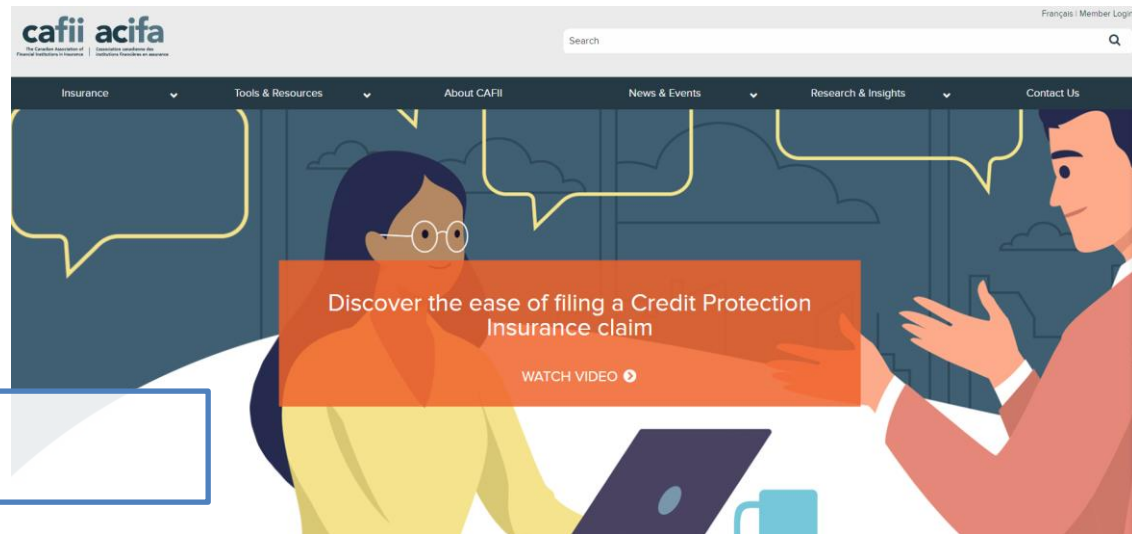
CAFII invests in annual research projects that allow it to demonstrate consumer satisfaction with CPI, thought leadership around insurance, and major trends in the CPI marketplace. This research provides materials for CAFII advocacy with policy-makers, and provides content for the CAFII website and media outreach efforts.



Consumer ~~Advocacy~~ Education through Communication

CAFII Invests in Digital Assets

CAFII invests in a robust digital strategy that includes constantly adding relevant content to the public-facing website, including visually-pleasing videos, with an emphasis on improving results around Search Engine Optimization. The strategy will include social media content especially around adding material to CAFII's LinkedIn page.



Consumer ~~Advocacy~~ Education through Communication

CAFII Shares Relevant Information with Media

CAFII continues to share relevant information including research findings with media, and will look at enhancing our media presence through a more assertive, but carefully managed, media effort.



Critical Gap in Creditor Life Insurance Coverage Among Canadian Homeowners: CAFII Study
April 1, 2024



CAFII study shines light on "concerning trend" among homeowners
March 25, 2024



Most Canadian homeowners do not carry sufficient coverage
March 20, 2024



The Canadian Association of
Financial Institutions in Insurance

L'association canadienne des
institutions financières en assurance

Making Insurance Simple and Accessible for Canadians
Rendre l'assurance simple et accessible pour les Canadiens

Continued Focus on Emerging Issues

International and Regulatory Trends are Monitored

CAFII continues to monitor international issues and regulatory trends carefully with a focus on those that could influence the Canadian regulatory environment. Key tools to share this information are the Weekly Digest and the Regulatory Update, as well as research.



CONFIDENTIAL TO CAFII MEMBERS AND ASSOCIATES; NOT FOR WIDER DISTRIBUTION

Regulatory Update – CAFII Executive Operations Committee, November 24, 2023

Prepared by Robyn Jennings, Research Analyst.

McKinsey & Company

On January 8, 2024, McKinsey & Company Published an Article on L&H Insurance Titled “Redefining the Future of Life Insurance and Annuities Distribution”

On January 8, 2024, McKinsey & Company, a worldwide strategy and management consulting firm, published an informative article on L&H Insurance titled *Redefining the Future of Life Insurance and Annuities Distribution*. Below is a brief overview of the article’s main points. To read the article in full, see [McKinsey & Company’s website](#).

The article began with a brief synopsis of the structural changes life and annuities insurers have had to contend with over the last decade and how these changes have negatively impacted the life insurance industry as a whole. Specifically, the article looked at “the decreased relevance of life insurance, the shift in value creation toward distributors, and the continued convergence toward comprehensive advice on topics including health, wealth, and protection.” The article concludes with a few suggestions to insurers regarding some actionable approaches they can take to safeguard during this time of immense change.

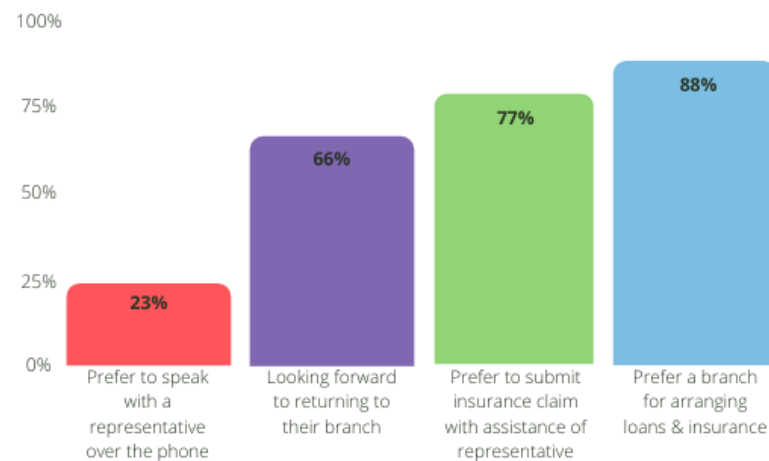
While the COVID-19 pandemic may have inspired many to look into “mortality protection,” North America’s economic troubles have reduced the demand for life insurance products. Though the article is particularly focused on US life insurance market, the information shared is relevant to Canadian insurers as well.

Continued Focus on Emerging Issues

Digitization Trends are Monitored

CAFII continues to monitor digitization and its impacts on the CPI marketplace, including shifts in consumer expectations around digitization and regulatory expectations around the impact of digitization on the regulatory environment. Key tools to share this information are the Weekly Digest and the Regulatory Update, as well as research.

PERSONAL CONTACT STILL VALUED

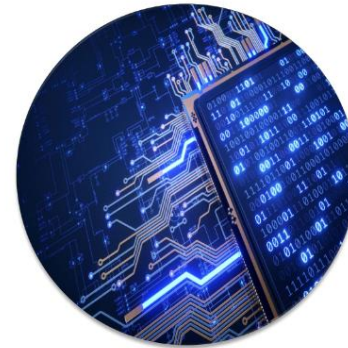


Source: Pollara Strategic Insights/CAFII

Continued Focus on Emerging Issues

Technology Trends are Monitored

CAFII continues to monitor technology trends and how these are impacting the CPI marketplace and the regulatory environment, including generative artificial intelligence, machine learning, large language models, and other trends. Key tools to share this information are the Weekly Digest and the Regulatory Update, as well as research.



CONFIDENTIAL

Exploring Emerging Technology & Gen AI Trends in CPI

2024 Research Project | Proposal



Deloitte.

Appendix

How do we Measure Success? ...

Did we choose the Right Initiatives?

A successful execution requires measures



Measures of Success

- Retention of Members
- New Members, Associates
- Surveys of Members, Associates, Participants following Events
- Speaking opportunities
- Media presence
- Research results (number of studies, how often quoted)

If this Strategic Plan is Successful...What Might CAFII Look Like...in future?



Leading to the view that:

“CAFII is an Association that punches above its weight”

Thank You