

CAFII 3-5 Year Strategic Plan for Board Approval

October 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.

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 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 Credit Protection Insurance (CPI). CAFII supports a legislative and regulatory environment that is healthy for future growth.

Supporting this mission

- Foster relationships with regulators and policy makers across Canada with regular in-person visits
- Promote diversity, equity and inclusion with CAFII's membership and Board

Deepen relationships

- Proactively invest in relevant research to educate and influence key constituents through our communications strategy
- Cultivate strong relationships with Industry Associations with similar objectives
- Proactively invest in digital strategy including website and enhance media profile

Monitor and Assess Emerging Trends

- International regulatory trends in other countries that could impact the Canadian environment
- Technology developments impacting our industry – artificial intelligence, digitization
- Leverage regulatory and research expertise to educate internal and external audiences

Advocacy with Policy-Makers

CAFII's Focus is on Credit Protection Insurance

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



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 relevant regulatory and policy-maker consultations through written and verbal submissions.



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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



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

Advocacy with Policy-Makers

CAFII Proactively Advocates with Regulators In-Person

CAFII proactively engages with regulators and policy-makers by soliciting opportunities to meet with and present to them. 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 and policy-makers.



cafii acifa

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Advocacy with Policy-Makers

CAFII 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.



September 26, 2023

CAFII's Webinar and Virtual Fireside Chat with FSRA's Glen Padassery and Stuart Wilkinson

September 17, 2024

CAFII Executive Director participates in the Insurance Council of BC's 2024 AGM & Regulatory Forum as a panelist in a discussion of life insurance issues, in Richmond BC

<https://www.cafii.com/category/events/>

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Consumer Education through Communication

NEW SLIDE

CAFII will collaborate with friendly Associations

CAFII will collaborate and share priorities with friendly Associations like the CLHIA, THIA, CBA, and IBC. CAFII's Executive Director will form relationships with key counterparts at these Associations and will seek to coordinate regulatory engagement so that where possible an industry approach can be taken.



Canadian Life & Health
Insurance Association
Association canadienne des
compagnies d'assurances
de personnes



The Travel Health Insurance
Association of Canada



CANADIAN
BANKERS
ASSOCIATION

Advocating for a Sound
Canadian Banking System



IBC • BAC
Insurance Bureau of Canada
Bureau d'assurance du Canada

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Consumer Education through Communication

Research is a Key to CAFII's Proactive Approach to Educating Regulators and Consumers

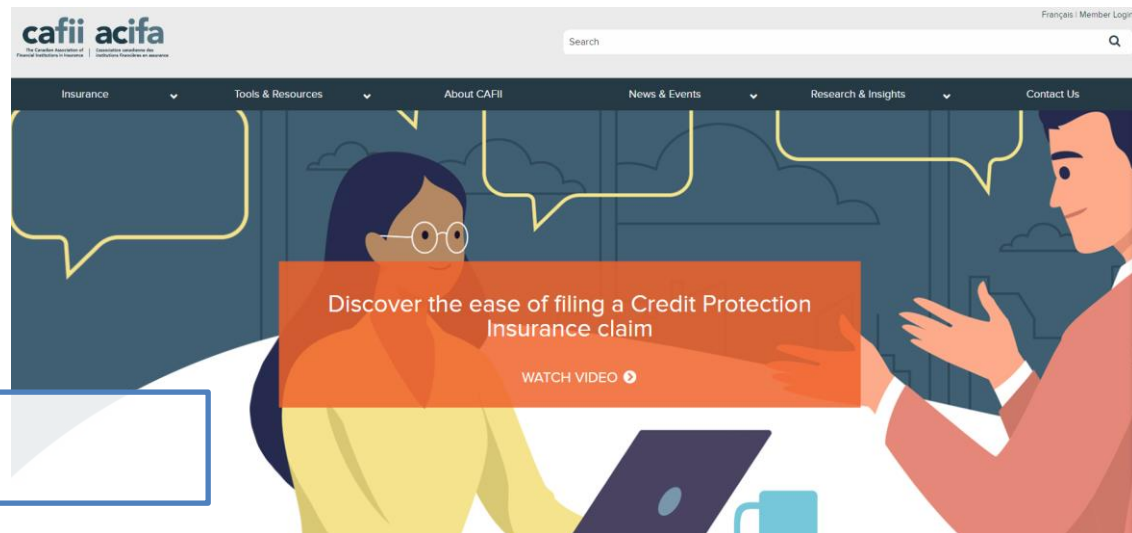
CAFII invests in annual research projects that allow it to demonstrate consumer satisfaction with CPI, thought leadership around insurance, and major trends in the CPI marketplace. This research provides materials for CAFII advocacy with policy-makers, and provides content for the CAFII website and media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



Consumer 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 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

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.



Nicholas Herbert-Young
Senior Relationship Manager with International
Association of Insurance Supervisors (IAIS)
At:
Financial Conduct Authority (FCA), United
Kingdom

April 27, 2023

*CAFII Webinar: International Regulatory Trends & The Work of The
International Association Of Insurance Supervisors (IAIS)*

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.

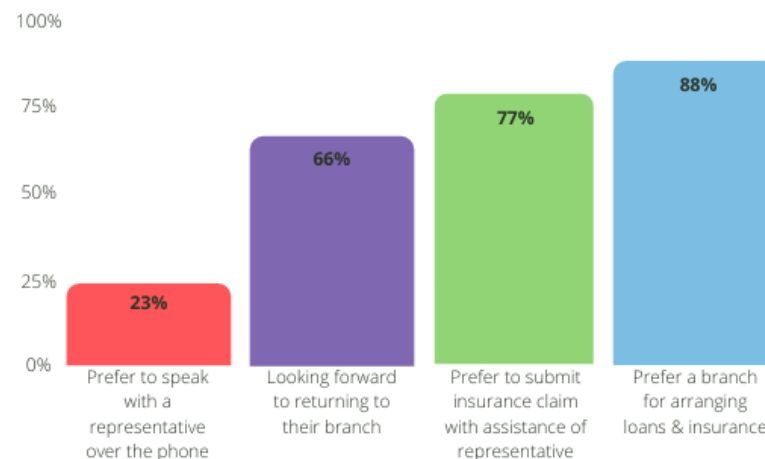
While the COVID-19 pandemic may have inspired many to look into "mortality protection," North America's economic troubles have reduced the demand for life insurance products. Though the article is particularly focused on US life insurance market, the information shared is relevant to Canadian insurers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

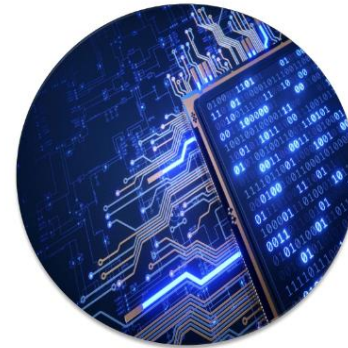


Source: Pollara Strategic Insights/CAFII 2021

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”