

CAFII Executive Operations Committee Meeting Agenda

Date: Tuesday, February 25, 2025

Chair: K. Kasperski

Location: [Virtual Teams Meeting](#)

Time: 2:00 – 3:30 p.m. EST

Dial-In: 437-703-4263

Phone Conference ID: 262 566 847#

1. Call to Order, Welcome, and Priority Matters	2:00 p.m.	Presenter	Action	Document
a. Call to Order	2:00 p.m.	K. Kasperski	Call to Order	
b. Draft Minutes of January 21/25 EOC Meeting	2:02 p.m.	R. Jennings	Approval	✓






2. Consent Items	2:02 p.m.	Presenter	Action	Document
a. Consultations/Submissions Timetable				
b. January Regulatory Update				
c. Regulator and Policy-Maker Visit and Communication Recap				
d. Summary of Board and EOC Action Items				
e. Schedule of CAFII 2025 Meetings and Events				

3. Financial Management	2:03 p.m.	Presenter	Action	Document
a. CAFII Financial Statements as at January 31/25	2:03 p.m.	K. Martin	Update	✓
b. CAFII Audit for FY 2024	2:06 p.m.	L. Doig	Update	✓
c. CAFII 2025 Members and Associates Dues Invoices	2:09 p.m.	L. Doig	Update	
d. Operating Budget 2026: Options for Dues Increases	2:11 p.m.	K. Martin	Update/ Discussion	✓

4. Committees and Working Groups	2:16 p.m.	Presenter	Action	Document
a. Research, Media, Education & Communication Committee	2:16 p.m.	A. Stuska	Introduction	
i. Change to the name of the Committee	2:17 p.m.	A. Stuska	Update	
ii. Recommendation to Publicly Release the Deloitte Research on Artificial Intelligence and CPI	2:19 p.m.	R. Jennings	Update/ Approval	✓
iii. 2025 R&M Committee Recommendation to Proceed with Research with Pollara on Canadian Homeowners' CPI Coverage	2:29 p.m.	R. Jennings/ L. Martin	Approval	✓
iv. Two LIMRA Research CAFII Videos	2:39 p.m.	R. Jennings	Update	
v. Rebuilding of the Intranet	2:42 p.m.	K. Martin	Update	
vi. Implementation of the Media Strategy	2:47 p.m.	W. Bairos	Update	
b. Networking & Events Committee	2:52 p.m.	C. Manno	Introduction	
i. Speakers and Webinars for 2025	2:53 p.m.	R. Jennings	Update	

5. Strategic and Regulatory Initiatives	2:56 p.m.	Presenter	Action	Document
a. CAFII Plans to Meet with FCAC and Federal Department of Finance in Ottawa on March 17 th , 2025	2:56 p.m.	K. Martin	Update	
b. Draft of Presentation Deck for Regulatory Tours	3:01 p.m.	K. Martin	Update	
c. Plans for Visits to Atlantic Canada and Western Canada	3:06 p.m.	L. Doig	Update	✓

6. Governance	3:11 p.m.	Presenter	Action	Document
a. Feedback from Robyn Jennings 1-on-1 EOC Meetings	3:11 p.m.	R. Jennings	Update	
b. Application from Jennings Consulting to Join CAFII as an Associate	3:14 p.m.	K. Martin	Approval	✓ (2)
c. Application from Global Excel Management to Join CAFII as an Associate	3:16 p.m.	K. Martin	Approval	✓ (2)

7. Read Only Items	3:18 p.m.	Presenter	Action	Document
a. Letter to the AMF on its Interpretation of Statistics around CPI				 (3)
b. Proposed Letter to the Insurance Council of BC on its RIA Regime “Performance Indicators” (on hold – not sent) Along with Background Documentation on this File				 (5)
c. AMF Operational Resilience Document, January 23, 2025				 (2)
d. Managing Matters Acquisition by Association Headquarters				
e. Joint CAFII, CLHIA, THIA Meeting with BCFSA on Outsourcing and “Adjusting” (February 11 th , 2025)				 (4)

8. In-Camera Session	3:18 p.m.	Presenter	Action	Document

Next EOC Meeting: Tuesday, March 25/25, 2:00 to 3:30 p.m. EST (Virtual-only meeting)

Next Board Meeting: Tuesday, April 8/25, 3:00 to 5:00 p.m. EST (Hybrid), Hosted by TD Insurance (Location TBD)

Briefing Note

CAFII EOC Meeting February 25, 2025—Agenda Item 1(a)
Call to Order, Welcome, and Priority Matters—Call to Order

Purpose of this Agenda Item—Start of Meeting

Start of meeting.

Background Information

The meeting will be called to order by EOC Chair Karyn Kasperski.

Recommendation / Direction Sought—Start of Meeting

No action required.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting February 25, 2025—Agenda Item 1(b)

Call to Order, Welcome, and Priority Matters—Draft Minutes of January 21/25 EOC Meeting

Purpose of this Agenda Item – Approval

To request approval from the EOC for the January 21/24 EOC Meeting draft minutes.

Background Information

CAFII Research Analyst Robyn Jennings will request approval from the EOC for the draft minutes of the January 21/24 EOC Meeting.

Recommendation / Direction Sought – Approval

This is an approval item.

Attachments Included with this Agenda Item

One (1) attachment.

**EXECUTIVE OPERATIONS COMMITTEE VIRTUAL MEETING
CANADIAN ASSOCIATION OF FINANCIAL INSTITUTIONS IN INSURANCE**

January 21, 2025, 2:00-4:00pm

Minutes

Virtually:

Karyn Kasperski	RBC Insurance and <i>Chair</i>
John Burns	Securian Canada and <i>Vice-Chair</i>
Donald Hinnecke	RBC Insurance and <i>Treasurer</i>
Rob Dobbins	Assurant Canada
Jennifer Russell	Assurant Canada
William Oyetakin	BMO Insurance
Rebecca Saburi	BMO Insurance
Catherine Latulippe	Canadian Tire Bank
Afzal Baig	Chubb Life Insurance Company of Canada
John Juba	Chubb Life Insurance Company of Canada
Kevin Szweras	CIBC Insurance
Michelle Costello	CUMIS/The Co-operators
Deidre Kennedy	CUMIS/The Co-operators
Isabelle Choquette	Desjardins Insurance
Suzie Blanchard	Manulife Financial
Carmelina Manno	Manulife Financial
Sharon Murrell-Foster	Manulife Financial
Janet Pacini-Thibodeau	Manulife Financial
Gaël Jasaron	National Bank Insurance
Shannon Dowe	RBC Insurance
Fernando Heleno	RBC Insurance
Sushil Masih	RBC Insurance
Brad Kuiper	Scotia Insurance
Prithipal Rajasekaran	Scotia Insurance
Fay Coleman	TD Insurance
Shahnoor Khimjee	TD Insurance
Andrea Stuska	TD Insurance
Peter Thorn	TD Insurance
Jason Beauchamp	The Canada Life Assurance Company
Dallas Ewen	The Canada Life Assurance Company
Marco DeiCont	Securian Canada

Regrets:

Martin Boyle	BMO Insurance
Tejal Harri-Morar	BMO Insurance
Cynthia Golubic	Canadian Tire Bank
David Parkatti	Canadian Western Bank
Cynthia Golubic	Canadian Tire Bank
Casandra Litniansky	CUMIS/The Co-operators
Diane Quigley	CUMIS/The Co-operators
Almas Satwat	CUMIS/The Co-operators

Nathalie Baron	Desjardins Insurance
Pierre-Olivier Cyr	Desjardins Insurance
Archie Sachdeva	Manulife Financial
Katia Umutoiwase	Manulife Financial
Ivan Murray	National Bank Insurance
Jonathan Poulin	National Bank Insurance
Charles MacLean	RBC Insurance
Mais El-Magraby	Scotia Insurance
Stephanie Kotani	Scotia Insurance
Sean Kradjian	Scotia Insurance
Alfonso Movilla	Scotia Insurance
Asma Desai	Securian Canada
Jacqlyn Marcus	Securian Canada

Also Present:

Keith Martin, *Executive Director*
Robyn Jennings, *Research Analyst*
Lara Doig, *Senior Manager, Operations*
Troy Woodland, *Association Coordinator*

Item 1: Welcome, Call to Order, and Priority Matters

Item 1 (a): Call to Order

The meeting was chaired by EOC Chair Karyn Kasperski, who called the meeting to order.

Item 1 (b): Introduction of New Senior Manager, Operations Lara Doig

EOC Vice-Chair John Burns, on behalf of EOC Chair Karyn Kasperski, welcomed CAFII's New Senior Manager of Operations, Lara Doig, who then introduced herself.

Item 2: Consent Items

The following Consent Items that do not require any discussion or decisions were tabled:

- Consultations/Submissions Timetable
- January & December Regulatory Update
- Regulator and Policy-Maker Visit and Communication Recap
- Summary of Board and EOC Action Items
- Schedule of CAFII 2025 Meetings and Events

Item 3: Financial Management Matters

Item 3 (a): CAFII Financial Statements as at December 31/24

CAFII's Treasurer, Donald Hinnecke, provided an update on CAFII's financial statements as at December 31/24. In terms of revenue, CAFII ended 2024 with about \$43K more revenue than expected, due to a higher investment income as well as additional member and associate dues. Relative to the current month, there were no significant expense or revenue changes. Operational expenses were slightly higher than expected, mostly due to recruiting fees for CAFII's Senior Manager of Operations. A few

expected website enhancement expenses came through; however, they were below the anticipated cost thanks to negotiation, which reduced the price. The Research & Education Committee incurred expenses (Deloitte), which came through in December. Overall, for the month, the expenses were higher than the revenue, which was expected. For the year's end, CAFII is in a net surplus of \$30K versus the planned deficit of \$97K. CAFII ended 2024 in a positive position.

CAFII's balance sheet is in a healthy position. The GICs are in place, and CAFII has approximately \$400K in cash and an estimated \$100K in liabilities. There are no anticipated dues increases in 2025, though this may change in 2026.

Item 3 (b): Update on Board Approval of 2025 CAFII Draft Operating Budget

CAFII's Executive Director, Keith Martin, provided an update on CAFII's Board-Approved 2025 Operating Budget. The budget was presented to the Board at the December 3/24 Board meeting, and it was well received. The major takeaway is that the Association's expenses are projected to be higher than revenues in 2025; the anticipated deficit is \$67K, which includes \$30K for legal expenses, which CAFII will attempt not to spend. K. Martin explained to the Board that it seems CAFII is in a structural deficit position, and he therefore suggested reviewing a possible fee increase in 2026. The Board asked K. Martin to put together a spreadsheet detailing the different options for fee increases, which will be presented to the EOC and then the Board at the April 8, 2025, Board meeting.

Item 4: Committee Updates

Item 4 (a): Marketing Conduct & Licensing

i. Revisions to the Performance Requirements for the Insurance Council of BC Restricted Insurance Agency (RIA) Regime

Market Conduct & Licensing Committee Chair Brad Kuiper and CAFII Executive Director Keith Martin updated the EOC on the revisions to the Performance Requirements for the Insurance Council of BC's Restricted Insurance Agency (RIA) regime. K. Martin explained that, while the responses from the Insurance Council of BC did address some of CAFII's concerns, the Council is still requiring that a performance requirements document needs to be reviewed, and there must be an accreditation program for training that meets the requirements of that document. What this seems to mean is that if a bank has a training program for its employees that is adequate in terms of matching the Council's requirements and as long as the employees can receive accreditation from the Council, then this program will be considered sufficient. What is concerning is that this accreditation process, however onerous it may be, is still required. This, K. Martin explained, is the key concern that CAFII and its members may want to push back on since the Council is still open to hearing feedback.

The CLHIA has already met with the Council to raise this same concern. K. Martin will meet with Sherri Langford, Director of Market Conduct and Policy Regulation at the CLHIA, to discuss how their meeting went. He has also reached out to the Insurance Council with a few questions; however, the responses he received were vague. Therefore, he proposed that CAFII make another written submission to the Council. The letter will make the critical point that large financial institutions already have sophisticated training programs. Therefore, the process for accreditation with the Insurance Council should be minimal, if required at all, so long as the company can make an attestation that all requirements are met. It seems that the Council's requirements are geared towards smaller organizations meeting the necessary requirements. However, this should not necessarily be extended to large financial institutions.

B. Kuiper commented that he is aligned with K. Martin's approach, adding that the fundamental concern is specific to unnecessary bureaucracy and unhelpful burdens on major financial institutions through the Council's requirements. EOC Chair Karyn Kasperski asked if B. Kuiper saw anything pertaining to accreditation where the Council may charge the respective financial institution to review their material. He replied that he did not see that in the requirements, but it is a good question - *who is going to foot the bill?*

B. Kuiper commented that he did have questions about capacity. Reviewing all major financial institutions' respective training will take a serious amount of time, effort, and resources. In addition to reviewing all the smaller market players' programs, this becomes incredibly burdensome for the Insurance Council.

Item 4 (b): Quebec Committee

i. Proposal to Send a Letter of Clarification to the AMF Regarding the Presentation by Mario Beaudoin around Statistics Collected on Claims Denial Rates and Return of Premium to Customers

Chair of the Quebec Committee Jennifer Russell and CAFII Executive Director Keith Martin updated the EOC on the Quebec Committee's current activities. J. Russell explained that, lately, the focus of the Committee has been on a separate Working Group, which has provided input into a letter of clarification to the AMF regarding the presentation by Mario Beaudoin, made in October 2024, around statistics collected on claims denial rates and return of premium to customers. While the AMF's presentation was helpful in gauging the regulator's view on a number of issues, Committee members found that a number of items needed to be corrected. The letter will address these issues and provide additional information to the AMF so that it is better aligned with CAFII's members in terms of how to interpret some of the statistics it has developed. The hope is that this letter will increase consistency in the regulator's interpretation of these statistics.

K. Martin explained that the Working Group meeting was very useful in terms of providing content for a letter that adequately but delicately summarizes CAFII's members' concerns around the AMF's incorrect statistical interpretation. K. Martin estimates that he will be able to draft a final letter in the next few weeks for review and approval by the Chairs and Vice-Chairs of the EOC and the Market Conduct & Licensing Committee.

K. Martin also explained that Mario Beaudoin has left his position at the AMF. K. Martin will look for an opportunity to reach out to M. Beaudoin to ask for an introduction to his replacement. EOC Vice-Chair John Burns commented that he met M. Beaudoin's replacement last week, and it appears that, for the time being, the job is being divided between the two, so CAFII should continue to involve M. Beaudoin in its communications until he has transitioned entirely to his new position. EOC Member Rob Dobbins reminded the EOC that Natalie Sirois is retiring this summer (2025), which means there will be quite a bit of personnel change within the AMF, which CAFII should remain alert to.

Quebec Committee Vice-Chair Jason Beauchamp added that the AMF hosted an information session on its new regulation for incident reporting management and the ensuing obligations. One important revelation was that the regulation requires that all incident-related matters reported to other regulators must also be reported to the AMF, so long as the matter is “material.”

Item 4 (c): Research, Media, Education & Communication Committee

i. CAFII Deloitte Research on Artificial Intelligence

Chair of the Research, Media, Education & Communication Committee Andrea Stuska updated the EOC on CAFII’s Deloitte research on artificial intelligence (AI). The research has all but concluded, and Deloitte has presented their final report to the Committee. Deloitte identified many useful insights that CAFII can use in its presentations to regulators and in educating the public (media advocacy efforts). After meeting with the Committee, there are some minor edits that Deloitte needs to make before the research can be finalized with the Committee and then shared with the EOC.

As usual, there will be a virtual presentation on the findings with the EOC and the Board. After this presentation, if there is support for a public release of the research, CAFII can host a webinar on the findings and can incorporate the information into CAFII’s presentations to regulators and policy-makers across Canada. K. Martin added that if the EOC and the Board are supportive of a public release, CAFII will issue a press release for trade press pick up on the research. CAFII may consider drafting an article for social media as well.

ii. CAFII 2025 Research Plans

CAFII’s Research Analyst, Robyn Jennings, updated the EOC on CAFII’s 2025 research plan with Pollara. She explained that, as per CAFII’s previous findings from its LIMRA research, many Canadians, particularly low-income Canadians, are uninsured or underinsured when it comes to life insurance. CAFII research has found that the same percentage of Canadians have CPI, regardless of income. She explained that even though many Canadians believe their family would struggle to cover living expenses should they pass, many still do not have coverage or adequate coverage, nor do they feel financially knowledgeable. Those with policies who do feel properly covered are actually considered underinsured (less than 7-10 years of salary coverage). For this reason, CPI is a great solution for under- and uninsured homeowners. Yet even though CPI has clear value, mis- and poor information remains widespread. Almost half of homeowners are unsure of its affordability or value for money, or they do not recall being told about CPI, or they think it's unnecessary despite being underinsured.

R. Jennings explained that the goal of this study is to understand the *whys*, particularly in relation to income and CPI ownership - why do Canadians think life insurance is important but don’t have any policies; why do homeowners feel positively about CPI yet do not have it; and how much of a role does income play in this dynamic? To answer these questions, Pollara will research who obtains the correct amount of insurance versus who does not, what could influence L&H and CPI purchases among the under- and uninsured, and how these Canadians can be reached. In order to do so, Pollara will conduct a segmentation study, which will divide the market into smaller, more similar groups based on established criteria like behaviour, psychology, demographics, etc. Pollara will be surveying 3,500 adult Canadians with a 12–14-minute survey. To read more about the criteria groups Pollara will be researching, please look at the consolidated package for the full breakdown. In its entirety, the research will cost \$54K after HST, which is below the anticipated budget. Pollara has estimated the whole study will take approximately 3 months once the survey has been finalized. The research project will produce an

advanced statistical analysis and a PowerPoint-based report with a graphical representation of the results and an executive summary of the findings, including recommendations for key messages/takeaways and target segments.

iii. CAFII Website Videos 2024

CAFII's Executive Director, Keith Martin, informed the EOC that, in terms of CAFII's various website-related initiatives, CAFII currently has several videos in the works, one of which is almost completed. The other video is close to being finalized, however, it requires a few more revisions. In the next few weeks, K. Martin believes he will be able to share both videos.

iv. CAFII Rebuilding of the Backend

CAFII's Executive Director, Keith Martin, informed the EOC that CAFII has all but completed the rebuild of the CAFII website's backend. Once everything has been finalized, K. Martin will share the login credentials with the EOC and Board. The backend should now be viewed as a repository resource where all members can access EOC and Board consolidated packages, regulatory submissions, and monthly regulatory updates.

v. CAFII Search Engine Optimization Efforts

CAFII's Executive Director, Keith Martin, informed the EOC that CAFII remains dedicated in its Search Engine Optimization (SEO) efforts. The Association is working with Fusion Studios to increase CAFII's SEO results on Google and Bing. K. Martin will continue to report on this effort in the upcoming EOC meetings.

vi. CAFII Website Initiatives 2025

CAFII's Executive Director informed the EOC that CAFII is not looking to modify the website's front end since it is in good shape due to CAFII's heavy investment over the past six years. What CAFII is interested in working on the front end is content creation. High-quality content will continue to increase CAFII's Search Engine Optimization (SEO) and public presence. Articles, blog posts, media content or new releases, public releases of CAFII's research, and CAFII's webinar videos and summaries are all examples of content that can and is posted to CAFII's website's front end.

vii. Media Article for the National Post

CAFII's Executive Director updated the EOC on the media article for the National Post. In short, the National Post declined to publish CAFII's article, though they did not provide a reason. CAFII's Media Consultant, Wendy Bairos, will try to socialize the article with other news outlets, but if this is unsuccessful, CAFII can post the article to its website and LinkedIn.

viii. Status of the Implementation of the Media Strategy

CAFII's Executive Director, Keith Martin, updated the EOC on the status of the implementation of CAFII's media strategy. He explained that there are three articles based on the current financial climate that can be distributed to mainstream media or, alternatively, posted to CAFII's website. The articles are:

- The Role of Credit Protection and Mortgage Insurance Safeguarding Canadian Homeowners;
- Critical Illness, Disability, and Job Loss Insurance as an Essential Safety Net for Canadian Families; and,
- Debunking Myths and Misconceptions About Credit Protection Insurance.

These articles will soon be shared with the Research, Media, Education, and Communication Committee and the EOC for input and approval.

Item 4 (d): Networking & Events

i. Speaker and Webinar Ideas for 2025

CAFII's Research Analyst, Robyn Jennings, updated the EOC on CAFII's speakers and webinars for 2025. She explained that CAFII is planning to hold six webinars over the course of 2025 and working with the Networking & events Committee to do so.

On January 30, CAFII is hosting a panel discussion with FSRA and Fintech Cadence about innovation and the innovation office. Keith Martin will moderate the meeting, and Robyn Jennings will ask a few questions at this webinar. In terms of future webinars, if the Deloitte research on AI commissioned by CAFII is approved for public release, there will be a webinar on that. In terms of speaking events, after the reception following the board meeting on April 3, CAFII has asked the new BCFSA CEO, Tolga Yalkin, to present, though we have not heard back yet. CAFII is also waiting to see who FSRA appoints as their new CEO and is planning on asking this individual to speak after the June 3 Board meeting. The annual members luncheon will feature a panel of three lawyers: Stuart Carruthers, Partner at Stikeman Elliott; Jill McCutcheon, Partner at Torys; and Koker Christensen, Partner at Fasken. Keith Martin will moderate the panel.

Item 5: Strategic and Regulatory Initiatives

Item 5 (a): Expansion of the RSM Canada Quarterly Benchmarking Study to Include HELOCs

CAFII's Executive Director updated the EOC on the expansion of the RSM Canada Quarterly benchmarking study to include HELOCs. He explained that RSM Canada has completed its background work to see how the study could be expanded to include HELOCs. It collected all the necessary information from members to gauge the proper execution of the expanded study. RSM Canada is moving forward; the plan is for the first study in Q1 to include additional information from members who provided that data.

Item 6: Governance Matters

Item 6 (a): Reiteration of Importance of Members' Distributing Documents Internally and Gaining Internal Consensus Prior to Providing Approval or Endorsement of initiatives

CAFII's EOC Chair, Karyn Kasperski, and CAFII's Executive Director, Keith Martin, reiterated the importance of members distributing documents internally to gain internal consensus prior to presenting the documents to the Board for approval. If an item is on the agenda for endorsement by the EOC for presentation to the Board, it is essential that all EOC members have circulated the information internally, particularly with the Board member(s). If the document or item requires legal input, members are asked to do that prior to the meeting. K. Martin added that, as an EOC member, if a member endorses something, it is assumed the whole organization has also provided its endorsement.

Item 6 (b): Feedback from Robyn Jennings 1-on-1 EOC Meetings

CAFII's Research Analyst, Robyn Jennings, updated the EOC on her one-on-one meetings. She explained that meeting frequency had significantly slowed by the end of 2024, though she has repeatedly encouraged all outstanding EOC members to meet with her. Because of this, she will start setting up meetings with all outstanding EOC members herself throughout 2025.

Item 6 (c): Draft Minutes of November 19/24 EOC Meeting

The EOC approved the draft minutes of the November 19/24 EOC Meeting.

Item 6 (d): Draft Minutes of the December 3/24 Board Meeting

The EOC endorsed the draft minutes of the December 3/24 Board Meeting.

Briefing Note

CAFII EOC Meeting February 25, 2025—Agenda Item 2(a-e) Consent Items

Purpose of this Agenda Item—Information Only

To provide documentation for the EOC to review, which does not require updates, discussion, or decision-making.

Background Information

The Consent Items that do not require any discussion or decisions are:

- a. Consultations/Submissions Timetable
- b. January Regulatory Update
- c. Regulator and Policy-Maker Visit and Communication Recap
- d. Summary of Board and EOC Action Items
- e. Schedule of CAFII 2025 Meetings and Events

Recommendation / Direction Sought—Information Only

No action required.

Attachments Included with this Agenda Item

No attachments.

For convenience, all items have been linked below:

- [Consultations/Submissions Timetable](#)
- [January Regulatory Update](#)
- [Regulator and Policy-Maker Visit and Communication Recap](#)
- [Summary of Board and EOC Action Items](#)
- [Schedule of CAFII 2025 Meetings and Events](#)

Briefing Note

CAFII EOC Meeting February 25, 2024—Agenda Item 3(a) Financial Management – CAFII Financial Statements as at January 31, 2024

Purpose of this Agenda Item – Update

To update the EOC on CAFII's financial statements as at January 31, 2024.

Background Information

On behalf of CAFII Treasurer Donald Hinnecke, CAFII's Executive Director, Keith Martin, will provide an update on CAFII's financial statement as at January 31/24.

Recommendation / Direction Sought – Update

This is an update item.

Attachments Included with this Agenda Item

One (1) attachment.

CAFI I

20 Richmond Street East, Suite 600-25
Toronto, ON M5C 2R9

Statement of Operations As at Jan 31st, 2025

	Current Month	Budget Jan-25	Variance to Monthly Budget	Current YTD	Budget '25 YTD	Variance Budget to YTD	Budget 2025
Revenue							
<i>Member and Associate Dues</i>	\$79,992	\$79,992	(\$0)	\$79,992	\$79,992	(\$0)	\$959,900
<i>Interest Revenue</i>							
Interest Revenue - Saving Account	\$632	\$0	\$632	\$632	\$0	\$632	\$0
Interest-Savings, Short-term CD	\$946	\$0	\$946	\$946	\$0	\$946	\$0
Total Interest Revenue	\$1,578	\$1,250	\$328	\$1,578	\$1,250	\$328	\$15,000
<i>Miscellaneous (One time event fees)</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUE	\$81,570	\$81,242	\$328	\$81,570	\$81,242	\$328	\$974,900
Expenses							
<i>Association operating</i>							
CAFI Staff Salaries and Benefits	\$40,640	\$39,208	(\$1,432)	\$40,640	\$39,208	(\$1,432)	\$470,500
Managing Matters Contractual Fees	\$12,219	\$12,250	\$31	\$12,219	\$12,250	\$31	\$147,000
Recruitment fees	\$0	\$0	\$0	\$0	\$0	\$0	#REF!
Legal Counsel and Consultant Support Associated w	\$0	\$2,500	\$2,500	\$0	\$2,500	\$2,500	\$30,000
Audit Fees	\$1,300	\$1,300	\$0	\$1,300	\$1,300	\$0	\$15,600
Insurance	\$733	\$767	\$34	\$733	\$767	\$34	\$9,200
Website SEO and Enhancements	\$0	\$1,827	\$1,827	\$0	\$1,827	\$1,827	\$46,700
Member Communication and Technology Tools	\$1,126	\$1,217	\$90	\$1,126	\$1,217	\$90	\$14,600
Telephone/Fax/Internet	\$57	\$575	\$519	\$57	\$575	\$519	\$6,900
Postage/Courier	\$0	\$17	\$17	\$0	\$17	\$17	\$200
Office Expenses	\$181	\$267	\$86	\$181	\$267	\$86	\$3,200
Bank Charges	\$25	\$108	\$83	\$25	\$108	\$83	\$1,300
Depreciation Computer/Office Equipment	\$215	\$217	\$2	\$215	\$217	\$2	\$2,600
Managing Matters Webinar Fees	\$2,113	\$2,117	\$4	\$2,113	\$2,117	\$4	\$12,700
Speaker fees & travel	\$0	\$0	\$0	\$0	\$0	\$0	\$2,500
New Office Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Professional Development/Continuing Education	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000
Miscellaneous Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Association operating Expenses	\$58,608	\$62,369	\$3,760	\$58,608	\$62,369	\$3,760	\$773,000
<i>Research and education committee</i>							
Research/Studies	\$0	\$0	\$0	\$0	\$0	\$0	\$68,900
CAFI Benchmarking Study/RSM Canada	\$0	\$0	\$0	\$0	\$0	\$0	\$68,000
Total Research and education committee Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$136,900
<i>Market conduct committee</i>							
Provincial Regulatory Visits and Relationship-Building	\$0	\$0	\$0	\$0	\$0	\$0	\$28,000
Federal Regulatory Visits and Relationship-Building	\$0	\$0	\$0	\$0	\$0	\$0	\$2,500
Total Market conduct committee	\$0	\$0	\$0	\$0	\$0	\$0	\$30,500
<i>Networking and events committee</i>							
Annual Members and Associates Luncheon	\$0	\$0	\$0	\$0	\$0	\$0	\$21,500
Board Hosting (External)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board/EOC Meeting Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$16,000
Industry Conferences and Events	\$0	\$1,267	\$1,267	\$0	\$1,267	\$1,267	\$15,200
EOC Annual Appreciation Dinner	\$0	\$0	\$0	\$0	\$0	\$0	\$6,500
Gifts	\$0	\$167	\$167	\$0	\$167	\$167	\$2,000
CAFI Staff/Board Relationship-Building	\$0	\$167	\$167	\$0	\$167	\$167	\$2,000
Networking Events	\$0	\$167	\$167	\$0	\$167	\$167	\$2,000
CAFI 25th Anniversary Celebration	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Networking and events committee	\$0	\$1,767	\$1,767	\$0	\$1,767	\$1,767	\$65,200
<i>Media and advocacy strategy committee</i>							
Media Outreach	\$814	\$542	(\$272)	\$814	\$542	(\$272)	\$6,500
Media Consultant Retainer	\$2,543	\$2,542	(\$1)	\$2,543	\$2,542	(\$1)	\$30,500
Marketing Collateral	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Media and advocacy strategy committee	\$3,356	\$3,083	(\$273)	\$3,356	\$3,083	(\$273)	\$37,000
TOTAL EXPENSE	\$61,965	\$67,219	\$5,254	\$61,965	\$67,219	\$5,254	\$1,042,600
NET INCOME	\$19,605	\$14,023	5,582	\$19,605	\$14,023	\$5,582	(\$67,700)
proof	-	-	-	0	-	-	0

Explanatory Notes:

- 1 - Amortization of office equipment based on 4 year straight line depreciation
- 2 - Management fees includes Managing Matters and Executive Director
- 3 - Website includes hosting cafi.com, subscription and website improvements.

CAFII

20 Richmond Street East, Suite 600-25
Toronto, ON M5C 2R9

Balance Sheet As at Jan 31st, 2025

	CAFII Operations		
	31-Jan 2025	31-Dec 2024	31-Dec 2024
ASSETS			
Current Assets			
Bank Balance	\$80,271	\$102,910	\$102,910
Savings Account	\$255,716	\$325,085	\$325,085
TD Investment in GIC- 1104 8045480 01	\$303,113	\$300,000	\$300,000
PLCLCAD Plooto Clearing	\$0	\$0	\$0
TD Canada Trust ****054	\$0	\$0	\$0
Undeposited Funds	\$0	\$0	\$0
Accounts Receivable	\$959,898	\$0	\$0
Interest Receivable	\$114	\$2,281	\$2,281
Prepaid Expenses	\$6,733	\$7,232	\$7,232
Computer/Office Equipment	\$10,303	\$10,303	\$10,303
Accumulated Depreciation -Comp/Equip	(\$5,014)	(\$4,799)	(\$4,799)
Total Current Assets	\$1,611,135	\$743,011	\$743,011
TOTAL ASSETS	\$1,611,135	\$743,011	\$743,011
	- 3,230.15	-	
LIABILITIES			
Current Liabilities			
Accrued Liabilities	\$73,175	\$88,843	\$88,843
Credit Card	\$541	\$540	\$540
Account Payable	\$8,314	\$24,033	\$24,033
Deferred Revenue	\$879,907	\$0	\$0
Suspense	\$0	\$0	\$0
Total Current liabilities	\$961,936	\$113,417	\$113,417
TOTAL LIABILITIES	\$961,936	\$113,417	\$113,417
	-	-	
UNRESTRICTED NET ASSETS			
Unrestricted Net Assets, beginning of year	\$629,594	\$601,117	\$601,117
Excess of revenue over expenses	\$19,605	\$28,477	\$28,477
Total Unrestricted Net Assets	\$649,199	\$629,594	\$629,594
Total Unrestricted Net Assets	\$649,199	\$629,594	\$629,594
TOTAL LIABILITIES AND UNRESTRICTED NET ASSETS	\$1,611,135	\$743,011	\$743,011
	-	0	
Financial Reserves Targets as per 2024 Budget:			
Minimum 3 months (25%) of Annual Operating Expenses=		\$	260,650
Maximum 6 months (50%) of Annual Operating Expenses=		\$	521,300
Current Level of Financial Reserves (total unrestricted net assets):			\$649,199
Current Level of Financials Reserve (%) :			1048%

C A F I I

20 Richmond Street East, Suite 600
Toronto, ON M5C 2R9

Membership Fees

		<u>Jan-25</u>		<u>Invoice sent</u>	<u>Method of Payment</u>	<u>Received Date</u>
		<u>Billed</u>	<u>Received</u>			
TD Insurance	2025 Upper Tier Member	\$ 77,110		03-Feb-25		
BMO Bank of Montreal	2025 Upper Tier Member	\$ 77,110		03-Feb-25		
CIBC Insurance	2025 Upper Tier Member	\$ 77,110		03-Feb-25		
RBC Insurance	2025 Upper Tier Member	\$ 77,110		03-Feb-25		
Scotia Insurance	2025 Upper Tier Member	\$ 77,110	\$ 77,110	03-Feb-25	Direct Payment - EFT	05-Feb-25
Desjardins Financial Security Life Assura	2025 Upper Tier Member	\$ 77,110		03-Feb-25		
National Bank Insurance	2025 Upper Tier Member	\$ 77,110	\$ 77,110	03-Feb-25	Direct Payment - EFT	07-Feb-25
Manulife Financial	2025 Upper Tier Member	\$ 77,110	\$ 77,110	03-Feb-25	Direct Payment - EFT	06-Feb-25
The Canada Life Assurance Company	2025 Upper Tier Member	\$ 77,110		03-Feb-25		
Securian Canada	2025 Lower Tier Member	\$ 38,555		03-Feb-25		
Assurant	2025 Lower Tier Member	\$ 38,555	\$ 38,555	03-Feb-25	Direct Payment - EFT	05-Feb-25
CUMIS Group Ltd	2025 Lower Tier Member	\$ 38,555		03-Feb-25		
Canadian Tire Bank	2025 Lower Tier Member	\$ 38,555		03-Feb-25		
Chubb Life Insurance Company of Canada	2025 Lower Tier Member	\$ 38,555		03-Feb-25		
RSM Canada	Associate	\$ 5,000		03-Feb-25		
Willis Towers Watson	Associate	\$ 5,000		03-Feb-25		
KPMG LLP	Associate	\$ 5,000		03-Feb-25		
Optima Communications	Associate	\$ 5,000	\$ 5,000	03-Feb-25	Direct Payment - EFT	12-Feb-25
RGA Life Reinsurance Company of Canada	Associate	\$ 5,000		03-Feb-25		
Torys LLP	Associate	\$ 5,000	\$ 5,000	03-Feb-25	Direct Payment - EFT	07-Feb-25
Stikeman Elliott	Associate	\$ 5,000		03-Feb-25		
Royal & Sun Alliance Insurance Company	Associate	\$ 5,000		03-Feb-25		
PWC	Associate	\$ 5,000		03-Feb-25		
Fasken	Associate	\$ 5,000	\$ 5,000	03-Feb-25	Direct Payment - EFT	07-Feb-25
Canadian Western Bank(Hold until given new name)	2025 Initiation Members (Lower Tier)	\$ 23,133		hold		
Total of Renewing Members		\$959,898	\$284,885			

New Members

Total Membership Fees	\$959,898	\$284,885
Total amount to realocate monthly Jan-Dec. 2025	\$79,991.50	

Briefing Note

CAFII EOC Meeting February 25, 2025—Agenda Item 3(b) Financial Management – CAFII Audit for FY 2024

Purpose of this Agenda Item – *Update*

To update the EOC on CAFII's audit for the fiscal year 2024.

Background Information

CAFII Senior Operations Manager Lara Doig will provide an update on CAFII's audit for FY 2024. KPMG is CAFII's 2024 fiscal year auditor and our relationship manager Nayeem Nazmul.

Recommendation / Direction Sought – *Update*

This is an update item.

Attachments Included with this Agenda Item

One (1) attachment.

Critical Path with KPMG for CAFII 2024 Audited Financial Statements		
Task	Owner	Timing/Deadline
Prepare Draft CAFII 2024 Financial Statements	R. Nason, Managing Matters	Early February, 2025
Distribute Critical Path to KPMG and inquire about the audit process and who they are assigning as a Lead	L. Doig, KPMG (N. Nazmul, H. Lopez)	February 6th, 2025
Conduct Audit of Draft CAFII 2024 Financial Statements -- If Ricky has financial statements done before this date, provide to KPMG	KPMG	March 3rd 2025
Provide Draft 1 of CAFII 2024 Audited Financial Statements for circulation prior to March 25th, 2025 CAFII EOC Meeting	KPMG (reviewed and facilitated by L. Doig, N. Nazmul, K. Martin, R. Nason	March 10th or 11th 2025
Provide Feedback on Draft 1 of CAFII 2024 Audited Financial Statements	EOC	March 18th, 2025
Provide Draft 2 of CAFII 2024 Audited Financial Statements for circulation prior to April 3rd, 2025 CAFII Board Meeting	KPMG (reviewed and facilitated by L. Doig, N. Nazmul K. Martin, R. Nason)	March 28th, 2025
Approve Draft 2 of CAFII 2024 Audited Financial Statements for presentation to membership at 2025 Annual Meeting of Members	CAFII Board	April 3rd, 2025
Provide Final of CAFII 2024 Audited Financial Statements for inclusion in CAFII 2025 Annual Meeting of Members (May 22nd) Both English and French	KPMG (facilitated by R. Nason, T. Woodland)	April 23rd, 2025
Circulate CAFII 2025 Annual Meeting of Members Materials Package	T. Woodland	April 24th, 2025
Approve CAFII 2024 Audited Financial Statements at 2025 Annual Meeting of Members	Membership	June 3rd, 2025

Briefing Note

CAFII EOC Meeting February 25, 2025—Agenda Item 3(c) Financial Management – CAFII 2025 Members and Associate Dues Invoice

Purpose of this Agenda Item – *Update*

To update the EOC on CAFII's 2025 members' and associates' dues invoices.

Background Information

CAFII Senior Operations Manager Lara Doig will provide an update on CAFII's 2025 members' and Associates' dues invoices.

Recommendation / Direction Sought – *Update*

This is an update item.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting February 25, 2025—Agenda Item 3(d)

Financial Management – Operating Budget 2026: Options for Dues Increases

Purpose of this Agenda Item – Update/Discussion

To update and discuss with the EOC CAFII's options for a dues increase in the 2026 operating budget.

Background Information

CAFII Executive Director Keith Martin will provide an update on the dues increase options in the 2026 operating budget. An attachment is in the consolidated package highlighting the key elements of the options. A separate excel spreadsheet with the detailed calculations informing this analysis will be separately circulated to EOC members.

Recommendation / Direction Sought – Update/Discussion

This is an update and discussion item.

Attachments Included with this Agenda Item

One (1) attachment.

Options for CAFII Dues Increase 2026

Observation: CWB revenue of \$23K will be lost in 2026
Observation: 2026 projected member revenue based on current financials: \$937K
Observation: 2025 projected investment income: \$15000
Observation: 2025 projected expenses (total): \$1042600
Observation: 2025 projected financial reserves at the end of the year: \$554000

Note: A spreadsheet with all the detailed calculations for the analysis below will be circulated to members separately

Member Dues Increase

Revenue

This analysis will look at the impact of dues increases to members and Associates of 0%, 5%, 10%, and 15%.

Let's start with the revenue side—for now, \$15K investment is not included in the calculations.

Revenue

Dues Increase	Original 2026 Member Revenue	Revenue Increase from Member Dues Increase	New Total Revenue with \$15000 investment income added back in
0%	\$937000	\$0	\$952000
5%	\$937000	\$46850	\$998850
10%	\$937000	\$93700	\$1045700
15%	\$937000	\$140550	\$1092550

Expenses

Now let's look at expenses.

The analysis needs to assume the increase in costs for 2026. For purposes of this exercise, we will assume a 3% increase in costs. That is \$31K in additional 2026 costs.

This means that in 2026 projected expenses will be \$1073600.

Surplus/Deficit

Now let's look at the impact of different member dues increases on our financial position. The revenue line includes the projected \$15K investment revenue.

Dues Increase	Revenue with Investment Income	Expenses with 3% Increase	End of Year Surplus/Deficit
0%	\$952000	\$1073600	(121600)
5%	\$998850	\$1073600	(74750)
10%	\$1045700	\$1073600	(27900)
15%	\$1092550	\$1073600	18950

Financial Reserves and Operating Ratio

Now let's look at the impact of revenue increases on end-of-year financial reserves and operating ratios. The operating ratio is calculated by taking our end of year reserves and dividing it into our expenses. CAFII strives to be in a ratio range of 25-50%. Our operating budget projects a 2025 deficit of \$67.7K, reducing our 2024 end of year reserves of \$621.5K to \$554K. The \$554K is the starting number for the calculations below. So for example, if we have a 0% increase in dues, our deficit will be \$121.6K; end of year 2024 reserves of \$554K will be reduced by \$121.6K, leaving an end of year 2025 reserves of \$432.3K.

Dues Increase	End of Year Reserves	Operating Ratio
0%	\$432400	40%
5%	\$479250	45%
10%	\$526100	49%
15%	\$572950	53%

Briefing Note

CAFII EOC Meeting February 25, 2025—Agenda Item 4(a)

Committees and Working Groups – Research, Media, Education, & Communication Committee -

Introduction

Purpose of this Agenda Item – Introduction

To introduce and inform the EOC of the Research, Media, Education, & Communication (RMEC) Committee's recent activities.

Background Information

Chair of the RMEC Committee Andrea Stuska will introduce and inform the EOC of the RMEC Committee's recent activities.

Recommendation / Direction Sought – Introduction

This is an introduction item.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting February 25, 2025—Agenda Item 4(a)i

Committees and Working Groups – Research, Media, Education, & Communication Committee – *Change to the Name of the Committee*

Purpose of this Agenda Item – Update

To update the EOC on the decision to rename the Research, Media, Education, & Communication (RMEC) Committee to the Research & Media (R&M) Committee.

Background Information

Chair of the RMEC Committee Andrea Stuska will update the EOC on the decision to rename the Research, Media, Education, & Communication (RMEC) Committee to the Research & Media (R&M) Committee.

Recommendation / Direction Sought – Update

This is an update item.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting February 25, 2025—Agenda Item 4(a)ii

Committees and Working Groups – Research, Media, Education, & Communication Committee –

Recommendation to Publicly Release the Deloitte Research on Artificial Intelligence and CPI

Purpose of this Agenda Item – Update/Approval

To update and request approval from the EOC on public release of the CAFII-commissioned Deloitte research on technology trends and artificial intelligence.

Background Information

Research Analyst Robyn Jennings will update the EOC on the CAFII-commissioned Deloitte research on technology trends and artificial intelligence. Deloitte has completed all the interviews of CAFII's participating member companies and collected the surveys. It has completed the aggregated findings report as well. CAFII organized a webinar by Deloitte to which CAFII Board, EOC, and R&M Committee members were invited on February 19, 2025. We are now asking the EOC to approve public release of the research, which would entail:

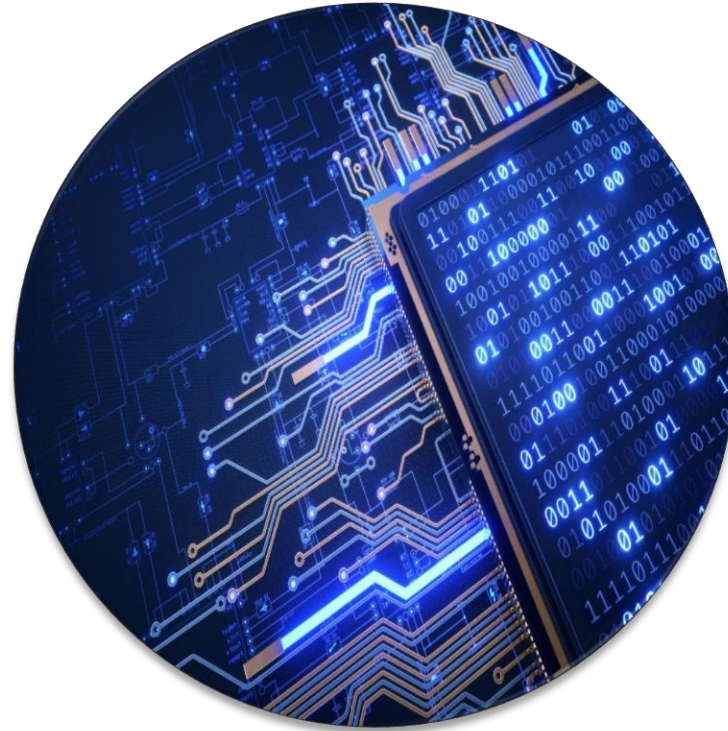
- A press release on the major findings of the research;
- Posting the PowerPoint presentation on the public website;
- Hosting a webinar on the findings of the research to which regulators and policy-makers would be invited (tentatively slated for March 18, 2025);
- Blogs, LinkedIn postings, and a possible media article.

Recommendation / Direction Sought – Update/Approval

This is an update item with the opportunity for approval.

Attachments Included with this Agenda Item

One (1) attachment.



Exploring Emerging Technology Trends in CPI

January 2025 | Executive Presentation

A woman with blonde hair tied back, wearing glasses and a dark business suit, is smiling and looking towards the right. She is standing in front of a glass wall, with her hands raised as if she is working on or adjusting something on the glass. The background is blurred, showing what appears to be an office or modern building interior.

1. Setting the Stage



Land Acknowledgement

We acknowledge that the offices of CAFII Members and Deloitte stand on traditional, treaty, and unceded territories now known as Canada. We recognize that Indigenous Peoples have been the caretakers of this land since time immemorial, nurturing its resources and preserving its natural beauty.

We acknowledge this land is still home to many First Nations, Inuit, and Métis Peoples, who continue to maintain their deep connection to the land and its sacred teachings. We humbly acknowledge that we are all Treaty people, and we commit to fostering a relationship of respect, collaboration, and stewardship with Indigenous communities in our shared goal of reconciliation and environmental sustainability.



Agenda

Section	Description	Duration
Setting the Stage	<ul style="list-style-type: none">• <i>Introductions</i>• <i>Land Acknowledgement</i>• <i>Plan for the day</i>	5 min
Context & Methodology	<ul style="list-style-type: none">• <i>Overview of research objectives</i>• <i>Summary of primary and secondary research completed</i>	5 min
Key Research Insights	<ul style="list-style-type: none">• <i>Review of insights related to each key technology researched</i>• <i>Highlight CPI technology priorities for underwriters and distributors across the value chain</i>	35 min
Path Forward	<ul style="list-style-type: none">• Discuss key considerations and risks related to CPI investments in emerging technologies• Layout imperatives for the industry	10 min
Additional Q&A	<ul style="list-style-type: none">• Discuss any open questions on research• Time for questions planned throughout the session	5 min

Today's Objectives

1. Communicate **key insights from the research** impacts of emerging technologies on Credit Protection Insurance (CPI)
2. Articulate **imperatives for the CPI industry** stemming out of the research
3. Provide an opportunity for feedback and discussion on research insights ahead of publication

2. Context & Methodology

Executive Summary

Background

- In light of the magnitude and **pace of change with respect to emerging technologies**, CAFII engaged Deloitte to provide a **perspective on the key implications & opportunities for the Credit Protection Insurance (CPI) Industry**
- To inform the report insights, Deloitte conducted **comprehensive primary & secondary research** which involved engaging **global industry leaders, surveys and interviews with CAFII members** and a **global insurance industry market scan**; insights were then reviewed and refined in collaboration with CAFII's Research Media and Education Committee

Emerging Technologies

- The report identified **eight emerging technologies** that are most likely to impact the future of CPI and the insurance industry more broadly, with **CAFII members prioritizing investments in Advanced Analytics, Modern Platforms, Mobile and Digital Assets, and CRM/Client Management**
- The survey revealed **that CPI technology investments in the next 3-5 years is primarily focused on client-facing experiences**, with **distributors** being the most **ambitious in relation to emerging technology** investments and **CPI underwriters seeking** opportunities for **continued improvement in operational efficiencies** across the back-office, focusing on introducing new technology solutions for servicing and claims
- **Key challenges to accelerating the maturity of technology solutions being utilized in CPI** include **legacy systems and infrastructure**, which many CAFII members believe will continue to hinder modernization efforts, and the **dependency on or prioritization of broader bank initiatives**, which are expected to negatively impact investments allocated to CPI

Future Opportunity Areas

Deloitte identified **four key opportunity areas for CPI stakeholders to consider** as they look to leverage emerging technologies to deliver on their strategic priorities and enhance the value delivered to clients and employees:

1. **Reimagine the Customer/Employee Experience:** there is significant opportunity for CPI distributors to leverage digital tools, customer data & analytics and GenAI to simplify the experience for agents, employees & clients, including the introduction of scalable educational tools & resources; similarly, underwriters can contribute with the opportunity to offer white label digital tools for distributors and investments in data sharing capabilities
2. **Modernize Products and Platforms:** there are opportunities for both underwriters and distributors to invest in modernizing their core technology systems that currently challenge speed-to-market and the introduction of more flexible/ modular products; this is likely to be the highest investment area but also a key differentiator for those looking to their business model to be more technology-enabled, scalable and efficient
3. **Transform Operations & Streamline Engagement Models:** These opportunities will be dependent upon investment choices made in opportunities 1 & 2; no regret investment areas for underwriters include automating underwriting and claims processes, while distributors can automate CPI application intake and enable real-time partner data integrations
4. **Accelerate Through Ecosystem Partnerships:** Access and implementation of emerging technologies can be accelerated through partnerships with partners (i.e., hyperscalers, 3rd party platforms) minimizing the need for CPI stakeholders to develop new solutions & capabilities in-house

Considerations For the Future

- Global insurance industry insights suggest that emerging technologies will provide the means to rethink business & engagement models in CPI, presenting lessons learned and inspiration for CPI stakeholders who have the ambition & appetite to do so

Engagement Background & Objectives

CAFI engaged Deloitte to provide a perspective on emerging technology and Gen AI trends and the implications to the Credit Protection Insurance industry and customer experience, leveraging industry experts and supplementary research

Background

The **financial services and insurance industries** are facing several headwinds and market shifts driven by **evolving customer expectations, availability of emerging technologies, and intensifying competition**

CAFI's 2024 research report includes Deloitte's **perspectives and insights** on the **emerging technology and Gen AI trends**, highlighting the **key implications for the Canadian Credit Protection Insurance (CPI) industry**

The **research report developed by Deloitte** allows CAFI to bring **Deloitte's perspectives and insights** to its members, Board, regulators, and the public, as appropriate






Outcomes

- 1 Highlighted** how **emerging technologies and Gen AI** are **changing the CPI landscape**
- 2 Gathered** perspectives on the **impacts from emerging technology and Gen AI trends in CPI** from subject matter experts
- 3 Identified priorities** and **strategic investment opportunities** for CPI insurers and distributors based on industry trends

4 Consolidated key insights and findings into a **comprehensive research report** and summarized them into **presentation materials and summary output**
Outputs to be reviewed during today's presentation

Methodology Overview

Below is an overview of the key activities and methodology pursued as part of Deloitte’s partnership with CAFII on the 2024 research report, which includes interviews, a survey, and supplementary external research

				
<p>Engaged Global Deloitte SMEs and Insurance Leaders</p>	<p>Interviewed CAFII Members</p>	<p>Conducted Quantitative Survey</p>	<p>Conduced Supplementary External Research</p>	<p>Refined with CAFII Research Media and Education Committee</p>
<ul style="list-style-type: none"> Gathered perspectives from relevant Deloitte subject-matter experts (i.e., Global Insurance, Risk, Technology) Conducted additional discussions with relevant insurance leaders within our network 	<ul style="list-style-type: none"> Prepared an interview guide with a standard set of questions to guide discussion Interviewed a series of CAFII members to understand their technology priorities Compared responses to leading global markets in terms of priorities / maturity 	<ul style="list-style-type: none"> Conducted a survey across key functional areas (e.g., Business, IT) to gather quantitative insights and data points to support qualitative insights Survey focused on investment priorities and challenges across the value chain 	<ul style="list-style-type: none"> Augmented Deloitte expertise and interview / survey insights with additional secondary research (e.g., additional innovative global case studies) Validated hypothesis from primary research and refined key takeaways 	<ul style="list-style-type: none"> Deliver a written report with insights on opportunities for credit protection insurers to leverage emerging technologies across front, mid, and back office and the implications for the future of CPI Review and incorporate feedback from CAFII RMEC

Today’s Focus

3. Key Research Insights

External Forces Driving Change

There are several external forces that are driving acceleration of investments in emerging technologies within Insurance; these trends were consistent with those impacting CPI and in many cases heightened due to their impact on lending



EMERGING TECHNOLOGY & ANALYTICS

The increased availability of data and emerging technologies (i.e., advanced analytics, artificial intelligence, and machine learning) are enabling providers with an opportunity to optimize operations and explore and adopt new, more efficient business models.

EVOLVING CUSTOMER PREFERENCES

Customers continue to demand products that are easy to understand, simple to buy, and flexible, but opportunities exists to introduce new scalable engagement models and products that supported by personalized data-driven advice.

INCREASING COMPETITIVE LANDSCAPE

Emergence of new, non-traditional players from in and outside of insurance with technology-enabled business models and platforms threaten traditional business models and continue to compress profit margins.

MACROECONOMIC ENVIRONMENT

Recent macroeconomic environment has been characterized by high inflation and interest rates, influencing household spending habits and discretionary income. Businesses face challenges adapting to these shifts in consumer demand.

CHANGING REGULATORY ENVIRONMENT

Players are responding to regulatory changes with a heightened focus on transparency / accessibility (e.g., IFRS 17, commission disclosure, data protection act) with expected implications to business models, product offerings, and profitability.

Emerging Technologies – Overarching Trends

The impacts of these technologies is being felt across in the insurance industry; the below represents a high-level view of the key trends driving investments across each of them that are most relevant to the CPI industry



Advanced Analytics

Increased **data availability and advanced analytics** are enabling insurers to **drive personalization and transformation** across the value chain



Gen AI

Adoption of Gen AI tools is raising questions about **best practices and trust among workers and users**



Cloud Computing

Agile and modular Cloud architecture is expected to **simplify multi-Cloud management** and allow insurers to **further plug-and-play apps**



Cyber & Security

As part of digital transformations, insurers are **putting in robust security architecture to handle operations**



CRM / Client Management

CRM / Client Management Systems with a **360-degree customer view** are becoming increasingly important for insurers to **understand their customers' needs and preferences**



Modern Platforms

Insurers are harnessing the power of **API-driven frameworks, cloud-native principles, and advanced tools** to modernize their core technology and become an **integrator of solutions to create an ecosystem**



Mobile & Digital Assets

Increased customer **willingness** for **digital interactions for both purchasing and servicing needs**, requires **continuous engagement models across channels**



Process Automation

Insurers are focused on **investing in digitization and automation** across the **front-to-back-office operations** to streamline operations and capture efficiencies

Emerging Technology Opportunities | Overview

Our research identified the following strategic priorities & investment areas where insurance industry leaders, in Canada and Globally, are leveraging emerging technologies to enhance the value delivered to their clients and employees



1. Reimagine the Customer / Employee Experience

Meeting customer and employee expectations through **digitally-enabled engagement models** for CPI products, leveraging existing and new data that enable **hybrid models**



2. Modernize Products and Platforms

To deliver target state capabilities across the value chain, **foundational investments in core technologies and product innovation** are required



3. Transform Operations & Streamline Engagement

Modernizing operations to achieve both **greater efficiency** and **higher quality engagements** with **customers and partners** that support long term value



4. Accelerate Through Ecosystem Partnerships

The CPI Industry has an opportunity to leverage **ecosystem partnerships** to access new emerging technology capabilities and unlock new sources of value with greater speed to market

Leading Insurance Examples:



Sun Life Financial launched Sun Life Prospr, a hybrid-advice platform that lets customers track financial goals on one dashboard and connect with advisors by phone or video. Combining self-service options with ongoing advisor support



Manulife Insurance partnered with Vitality to reward group members for healthy decisions, promoting proactive lifestyles and better health outcomes. Offered as part of their group benefits, it aims to reduce illness, injuries, and disabilities



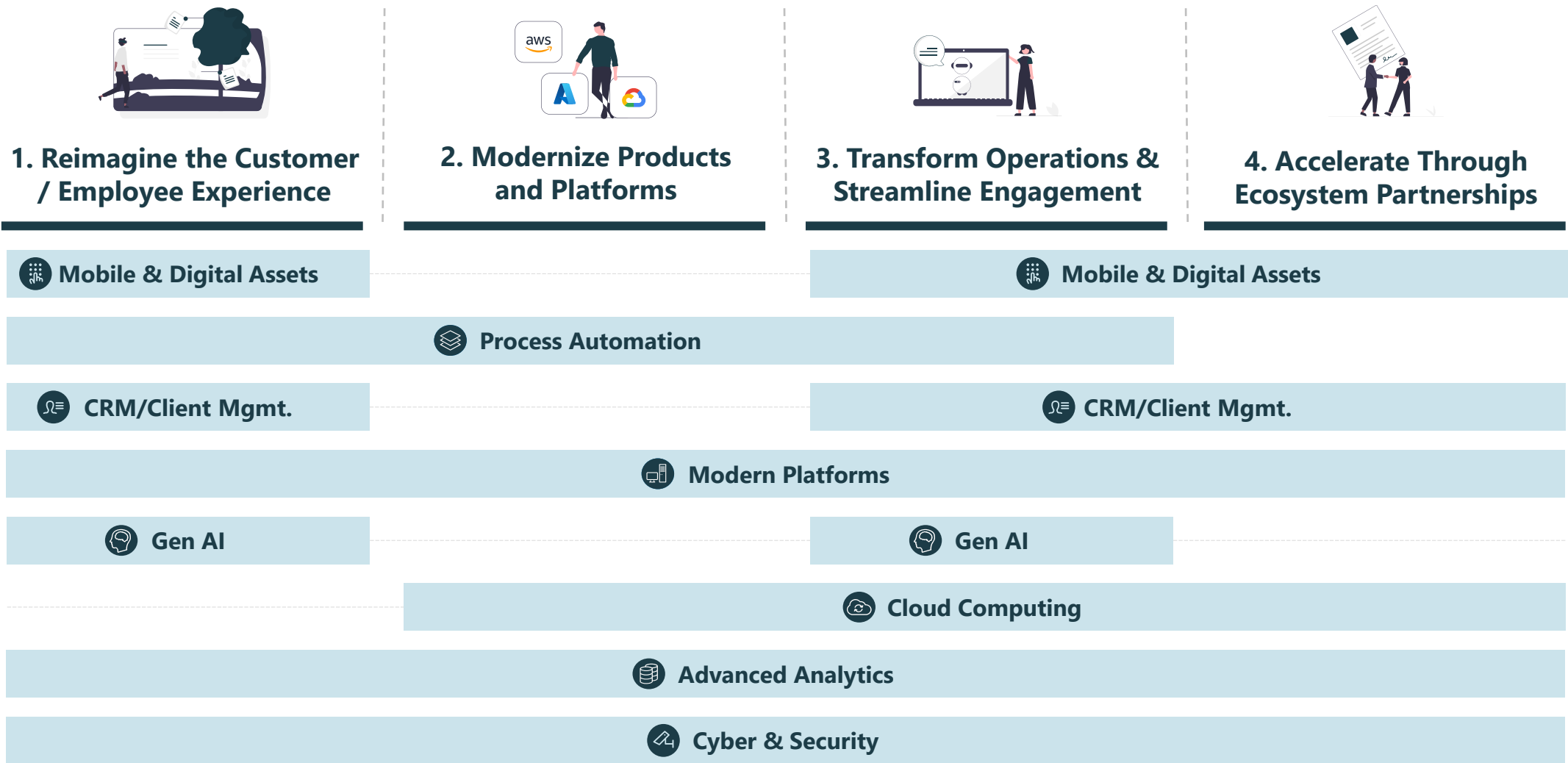
Allianz embarked on a customer-oriented operating model transformation by decommissioning applications and upskilling tech talent. This was supported by the launch of a digital learning platform in 27 languages to support global reskilling efforts



Fully Ecosystem promotes self-development by creating tailor-made solutions across physical, mental, and financial health through integration with market-leading platforms, it facilitates access to resources and services across wellness dimensions

Emerging Technology Opportunities | Overview

Emerging technologies underpin many of these key strategic opportunities, demonstrating value across the insurance value chain with multiple use cases



Key Enabling Tech.

Primary Tech Identified – Not Exhaustive

Emerging Technologies Overview | 1/4

Advanced Analytics

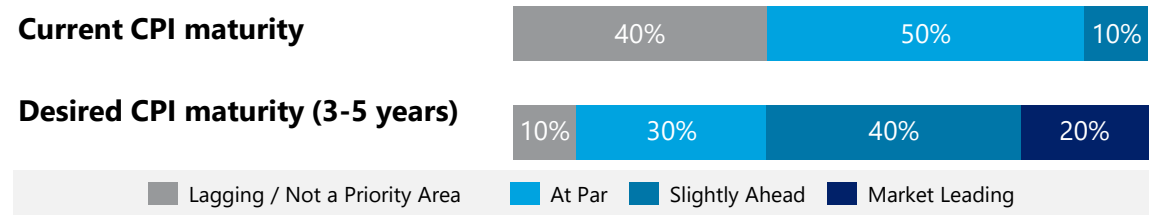
Industry Insights

- Insurers are investing in data & analytics capabilities in order to leverage **data across numerous systems** to provide personalized solutions
- P&C insurers are more mature** in their data capabilities relative to Life & Health insurers Globally who remain challenged by legacy systems
- Predictive analytics are being used to **improve risk assessment, identify fraud** and inform next-best-action for cross-sell/ up-sell and marketing
- Advanced analytics can **improve operational efficiencies and reduce operational costs** supporting greater process automation

Foresters Financial

Through wearable technology & its partnership with Dacadoo, Foresters can track health insights from customers and enable them to make healthier and more informed choices.

CPI Insights



- Investments in analytics were identified as the **largest immediate opportunity to unlock customer / partner value** across the value chain for both underwriters and distributors
- There is already a **large amount of data available**, but due to legacy limitations, **lack of integrations across partners**, and limited analytical capabilities, it remains untapped

Generative AI

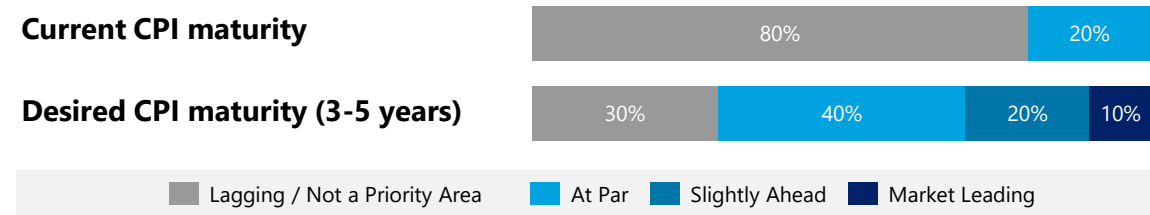
Industry Insights

- Gen AI with Machine Learning, is being **utilized** across the insurance industry to improve various aspects of **operations, risk assessment, fraud detection, customer service, and underwriting**
- Gen AI can be used for **real-time analysis of customer data**, enabling distributors to **detect customer needs and intervene proactively**
- Many organizations are **enabling front-line teams with Gen AI powered tools** for agent assist, call summarization and document review

insurity

Through a Smart Claims Handling feature leveraging Gen AI's capability to predict the likelihood of salvage and subrogation, Insurity reduces costs with real-time financial positioning and end-to-end claim processing

CPI Insights




- Current state of CPI technology landscape and **concerns around regulatory frameworks** lead to a **limited perception on value in the short term by CAFII** members engaged
- There is an opportunity for CPI organizations to **leverage learnings & investments being made in other areas of the enterprise** (i.e., Bank) and existing solutions from partners (i.e., AWS, Salesforce, etc.)

Emerging Technologies Overview | 2/4

Cloud Computing

Industry Insights

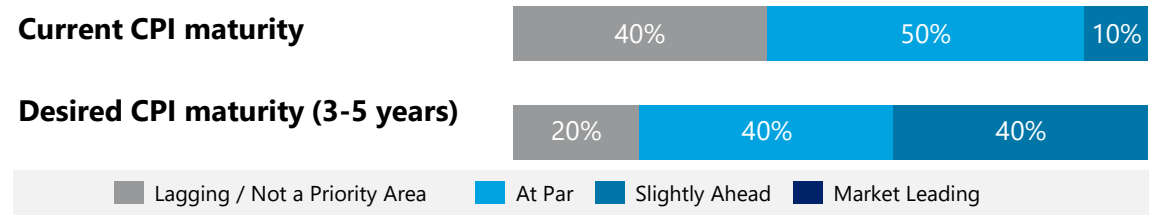
- There is **strong adoption for agile and modular Cloud architecture to simplify multi-Cloud management** and integrate **various applications**
- A **key benefit** is the **abstraction layer**, which serves as a **single point of control, simplifying the management of diverse Cloud services**
- There has been **explosive growth in Centralized Cloud Data and Analytics solutions** due to **advantages in scalability and cost-efficiencies**



Life's brighter under the sun

Through its multi-Cloud strategy with AWS and Atlassian Cloud, Sun Life enables innovation with out-of-the-box analytics and ML services

CPI Insights




- Cloud technologies will **enable the agility required to deliver on evolving customer expectations** and help **remain up to date with latest compliance and security**
- Cloud also enables **faster access to advanced applications** (i.e., advanced analytics, AI tools) **through API / Integration layers at lower overall costs**

Cyber & Security

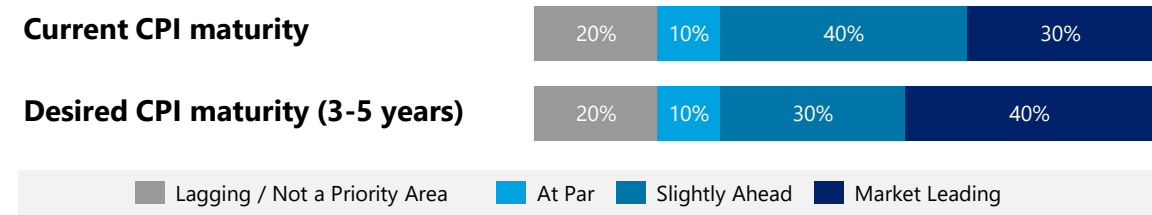
Industry Insights

- Tougher regulations and laws** require financial service providers to **establish a robust cyber and enterprise risk management framework**
- Underwriters and distributors are **highly attractive targets** for cyber attackers fall **subject to higher recovery costs** from ransomware attacks
- Governed Data Platforms** allows for a **controlled environment** to ensure **data security, compliance, and governance**
- Organizations are investing in more **sophisticated tools and processes** to ensure the **Ethical Usage of Data**



A hacker group stole 8 TB of sensitive medical and health data from UnitedHealth Group, in a breach expected to cost between \$2.3 - \$2.45B US dollars. The attack was enabled by a set of stolen credentials not protected by multi-factor authentication

CPI Insights




- Given sensitivity of information and transactions, **strong cyber capabilities are considered a baseline requirement** to meet all **regulatory** requirements and **maintain brand trust**
- Although cyber & security is a current strength across most respondents, given the pace of change, **partnerships may provide an opportunity to remain leaders**

Emerging Technologies Overview | 3/4

CRM / Client Management

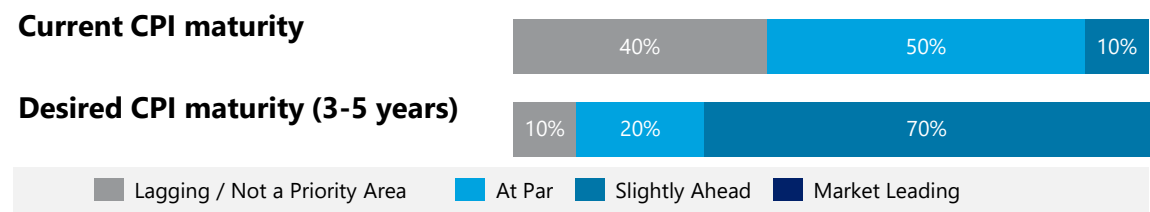
Industry Insights

- Insurers have made significant investment in **better understanding their end customer**, rather than the historical emphasis on the agent/ advisor
- Real-time data can create a 360-degree view of customers in a CRM / Client Management System** that improve customer & advisor insights
- CRM data** can be leveraged to **predict and analyze customer behavior and lapse patterns** to identify **cross-sell or personalization opportunities**



Through its Advisor360 CRM tool, Mass Mutual enhances advisor's workflows with a consolidated view of client portfolios, streamlining report collection and helps provide more informed advice

CPI Insights

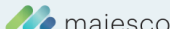


- Limited investments have been made in advanced CRM capabilities** across CPI members, but remains a differentiator as customers expect personalization and agent's educational support
- Through **collaboration across (distributors / underwriters)** effective engagement of prospective and current customers can be achieved by leveraging CRM capabilities

Modern Platforms

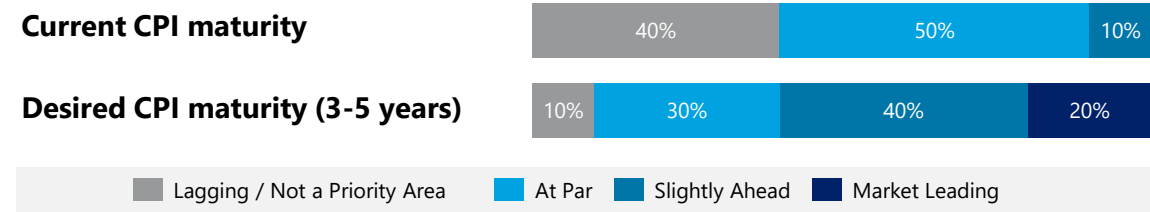
Industry Insights

- Core technology is foundational** for enabling and integrating other technologies and ensuring product agility and customer experience
- Insurance platform maturity has significantly improved with hybrid technology approaches** gaining traction, unlocking operating efficiencies
- L&H insurers are moving** towards a **Stitch, Shift, or Surround approach** vs. traditional 'rip-and-replace' strategies
- Integrated platform ecosystems** require **modern API-driven architectures** to enable seamless data exchange and ensure compliance



Modern policy administration platforms streamline the policy lifecycle, from application and issuance to claims processing, offering configurable workflows, reusable rules, and product illustrations

CPI Insights



- Legacy / **core technology limitations** was cited the **largest barrier to CPI underwriters and distributors** successfully implementing advanced capabilities across their organization
- While respondents didn't identify core technology as a differentiator in itself, **it is the foundation on which all other advanced capabilities can be built** across the value chain

Emerging Technologies Overview | 4/4

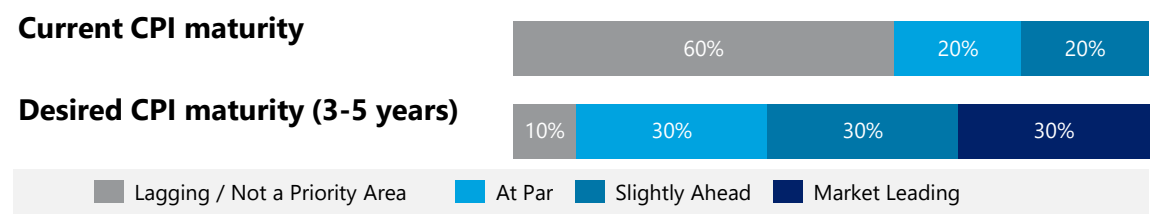
Mobile & Digital Assets

Industry Insights

- Customers are looking for **on-demand customer service and digital engagement models, supported by advisory services (human or AI)**
- Insurers are investing in digital applications** to enable customers to **stay connected beyond policy issuance and claims servicing**
- Distributors have **been revamping their employee/customer engagement models** to allow for **new hybrid delivery and advice models**

Through its Comparion Insurance Agency, Liberty Mutual provides carrier-agnostic advice and digitally-enabled advisors to help consumers achieve financial goals with aggregated insurer options

CPI Insights



- There is an **imperative to elevate the digital CPI experiences offered to customers**, to appropriately understand the value created by CPI products
- CPI as an industry lags the insurance industry in its digital maturity**, with a dependency on the lending journey, **creating disjointed experiences** that do not meet customer, employee, and partner expectations

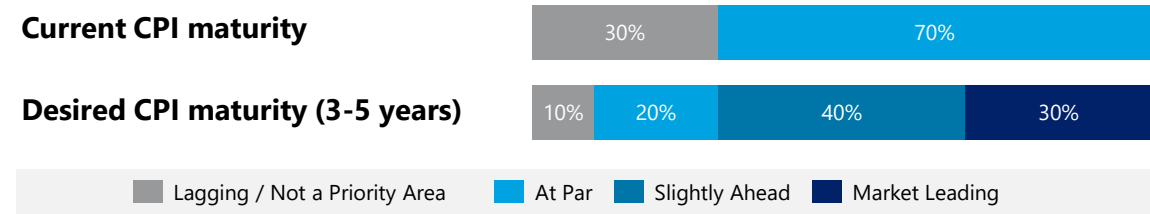
Process Automation

Industry Insights

- Distributors and underwriters are **increasingly using modern technologies to improve efficiencies and automate processes**
- Intelligent automation** use cases have caught on, **bringing in self-service capabilities** such as chat bots and virtual agents
- Underwriters & Claims adjudicators are leveraging **rule-based triggers to initiate specific workflows** (e.g., policy renewal, claims escalation)

Through its Wealthsimple Work platform, Wealthsimple leverages portfolio automation combined with a sleek digital platform to provide flexible Group RRSPs with lower fees and seamless experience

CPI Insights



- There are **targeted areas across the value chain** (i.e., admin, UW, claims, servicing) that are **prime candidates for process automation**, freeing human and financial resources
- Beyond additional value generated, **process automation can support consistent regulatory and quality requirements**, reducing potential for human errors throughout the value chain

A grayscale photograph of a business meeting. A man in a light-colored shirt and glasses stands on the left, pointing towards a woman seated at a long table. The woman is looking at a document. Other people are seated around the table, some looking at laptops. The background is a brick wall. The image is dimly lit, with a blueish tint.

4. CPI Emerging Technology Opportunities

CAFII Member Engagement Themes

Based on engagement with CAFII members (Interviews, Surveys, and Committee Reviews) key themes have emerged

Strategic Priorities

A – Retention: Proactively identifying opportunities to improve value to existing customers and prevent cancelations / changes

B - Digital Discovery: Introducing new digital experiences (i.e., education, resources, etc.) to help consumers better understand the value of CPI and the coverages available to facilitate lead generation

C – Improve Penetration: Creating engaging experiences and offerings that are aligned to emerging lending distribution and drive increased penetration across target segments

D – Simplify and Streamline Operations: Driving additional value both internally and for customers through operational enhancements

Current Tech Priorities

E – Value Through Analytics: Generating value from the data that is available across the entire value chain with a focus on client insights

F – Scalability and Flexibility: Powering modern front-end experiences with cost-efficient operations through workflow automation

G – Digital Engagement Channels: Introducing self-serve functionality for customers and digital tools for advisors to easily address clients' questions

H – Simplified Integrations: Enabling partners and modern experiences by simplifying connectivity and data sharing through APIs where possible

Future Opportunities

I – Product Innovation: Evolving CPI products to meet the needs / expectations of today’s customers and the realities of a digital-first financial service ecosystem

J – AI-Enabled Tools: Equipping employees, both frontline and back-office, with intelligent tools to support agent training and education (e.g., agent assist, chatbot, etc.)

K – Personalized Engagement: Leveraging AI to personalize experiences along the lending and CPI journey to inform next best action and recommendations

L – Automated UW and Claims: Automatic UW at time of application and real-time adjudication and triage of claims, minimizing turnaround times and costs

Key Tech Challenges

Regulatory Limitations
Many feel regulatory bodies haven't kept pace with emerging technology, stifling innovation

Legacy Platforms
Distributors are still operating on mainframe banking systems that are expensive to change and difficult to modernize

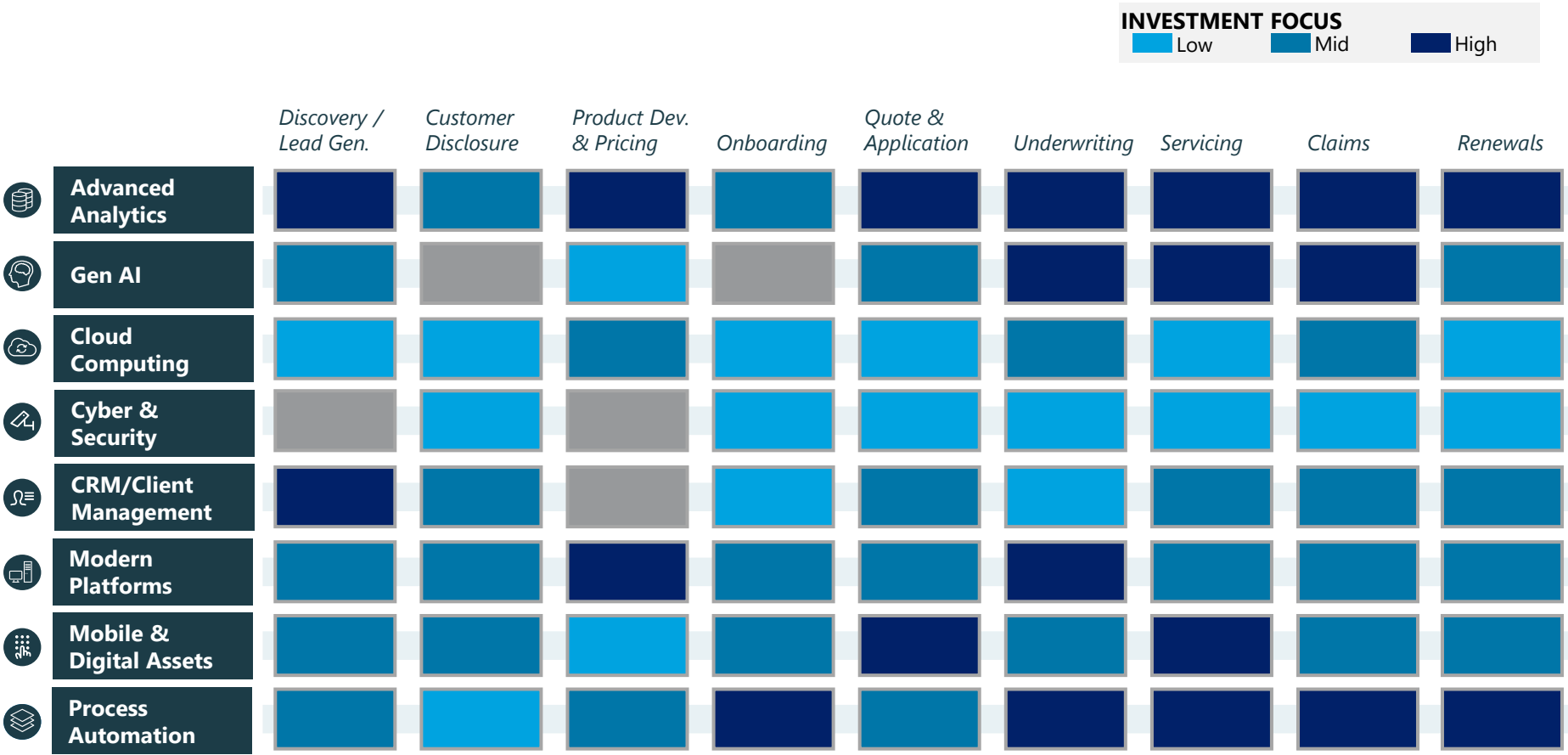
Reliance On Lending Model
CPI remains a secondary product, with a high dependency on the use of digital, technology, and AI in lending

Funding and Resource Availability
There is a competitive environment internally, resulting in limited funding and resources to deliver emerging technology

Emerging Technologies – CPI Survey Insights 1/2

Survey respondents expressed specific views about key priorities across the value chain, their technology expectations for the future as well as their perceived key challenges for investment

Technology Focus Across the Value Chain



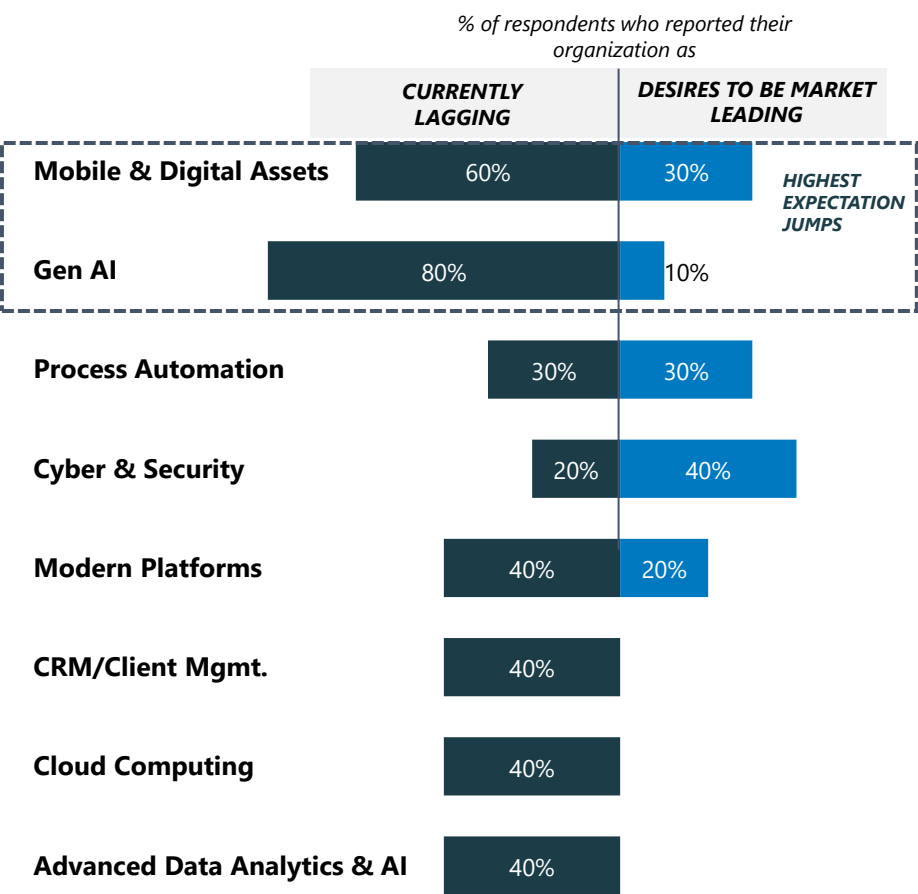
Key Takeaways

- The **investment focus of CAFII members** for key technologies leans towards:
 - Advanced Analytics, Modern Platforms
 - Mobile & Digital Assets
 - CRM/Client Management
- Investment focus on **client-facing experiences** with distributors being most ambitious related to emerging technology investments
- Underwriters see **opportunity for continued improvement in operational efficiencies across the back-office** with a focus on introducing new technology solutions for servicing and claims
- Agent assist** and **improved education** were identified as high-value opportunities in CPI

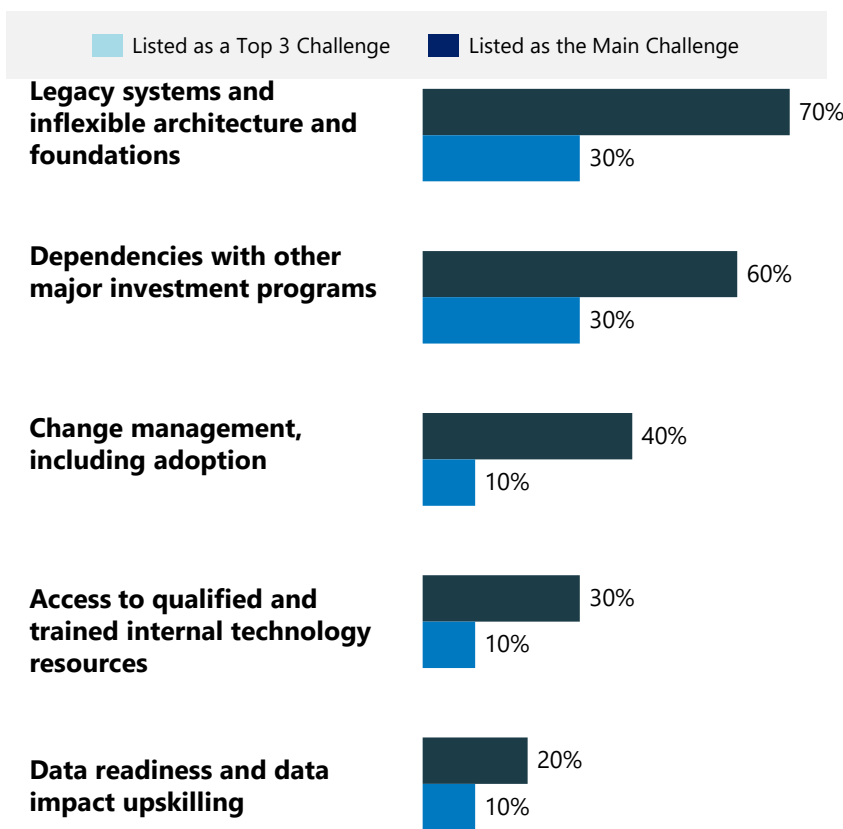
Emerging Technologies – CPI Survey Insights 2/2

Survey respondents expressed specific views about key priorities across the value chain, their technology expectations for the future as well as their perceived key challenges for investment

Technology Maturity and Expectations



Challenges with Investment



Key Takeaways

Technology Maturity & Expectations

- Among key technologies, **Mobile & Digital Assets** and **Gen AI** had the highest expectations for advancement in maturity
 - Respondents expressed **lack of maturity** for these technologies while **desire to leapfrog** market in the future

Challenges with Investment

- While desire to be market leading was **not significant** for Modern Platforms, the prevalence of **legacy systems** and **infrastructure** was rated as the **top challenge for securing investment**
- Following that, dependency and/or **prioritization amongst other Bank initiatives** were a challenge for many distributors in accelerating investment in technology for CPI

Emerging Technology Opportunities | Overview

Our research identified the following key opportunity areas for CPI stakeholders to leverage emerging technologies to enhance the value delivered to their clients and employees



1. Reimagine the Customer / Employee Experience

Key Underwriter Opportunities

- Provide **white label digital tools** and assets for distributors to leverage for clients & agents
- Invest in **data sharing capabilities** to accelerate the purchase and claims experience

Key Distributor Opportunities

- Leverage **digital tools and analytics** for frontline employees
- Enhance **CRM/Client management capabilities** to drive engaging experiences for customers



2. Modernize Products and Platforms

Key Underwriter Opportunities

- Leverage modern platforms to **reduce technology debt** and barriers to accessing data/ insights
- Leverage analytics and automation for **improved UW** and **new product development**

Key Distributor Opportunities

- Leverage modern platforms to **reduce technology debt** and barriers to **analytics integrations**
- Utilize CRM and modern platforms to **enable 360 view of customer** needs for future product innovation



3. Transform Operations & Streamline Engagement

Key Underwriter Opportunities

- Automate underwriting, **servicing transactions and claims**
- Leverage rules-based engines to automate **outbound engagement** and **fraud detection**

Key Distributor Opportunities

- **Automate CPI application intake**, quote generation & UW for improved approval timelines
- **Enable real/near real time partner data integrations** to reduce manual tasks and data manipulation



4. Accelerate Through Ecosystem Partnerships

Key Underwriter Opportunities

- Utilize **cloud computing** to quickly develop products offered through non-traditional players
- Develop **flexible product options** with modular value add components for distributors

Key Distributor Opportunities

- Leverage **CRM/Client** management to **deepen customer relationships**
- Expand **beyond traditional distribution channels**, leveraging digital tools and API integrations

33%

Enhancing customer and employee experiences both ranked within the top 3 objectives driving investment decisions, highlighting the importance of delivering experiences that align to today's expectations

70%

Survey participants identified legacy technology as its #1 challenge to introducing new experiences, insights and digital capabilities

~45%

Survey participants identified not track any digital metric or straight through processing across the value chain

#1

Partnering was identified as the preferred method on average to acquire technology capabilities across Distributors and Underwriters – primarily due to its speed to market



5. Path Forward

Key Challenges & Risks for the CPI Industry

The CPI industry currently faces several key risks as it considers investments in emerging technologies



Key Challenges

Legacy Platforms: Distributors and underwriters are still operating (or reliant on partners that operate) on systems that are expensive to change, difficult to modernize, and limit offering evolution

Investment Prioritization Capacity: Funding for emerging technology competes with investments with other service lines and offerings within the organization itself. Additionally, servicing technical debt consumes a large proportion of budget, further reducing available funding

Roadblocks for Investments: Based on insights from the CPI survey, there are key impediments with executing investments, including challenges with legacy systems, dependencies with other investment programs, change management and adoption, access to resources, etc.

Regulatory: Provincial regulatory differences may limit the ability to deliver technology driven tools at a national scale, and misinterpretation of regulation as it pertains to nascent use cases can lead to unforeseen risks

Need for Evolution: CPI is reliant on the overall lending journey and complementary products and offerings within the lending ecosystem. The lending industry is undergoing a digital transformation and CPI will need to adapt and align with this trend



Key Risks

Data Privacy: Increased data exposure with Generative AI, cloud computing, mobile assets, and CRM platforms heightens risk of cybersecurity breaches

Generative AI: Risks of potentially introducing biased decision-making, producing inaccurate or misleading outputs, and exposing sensitive data to ethical and compliance vulnerabilities

Other Products: Other insurance products such term life, health and embedded protections are becoming more flexible and increasingly being distributed digitally. This can stifle perceived value of CPI for consumers

Client Perception: Limited adoption from clients, especially distributed through digital channels, as value of credit protection is not articulated well and in a manner that addresses their needs

Economic Risk: Potential issues with affordability, overall economic landscape and rising home prices have tightened dispensable income of consumers. This can further reduce customer's propensity to purchase CPI and impact available limits for current protection needs

Potential Mitigation Strategies

We have outlined key mitigation strategies for insurers and distributors to capitalize on CPI opportunities while addressing risks and challenges

1. **Strengthen Data Governance**
Build on current robust data protection frameworks and conduct regular compliance audits to safeguard sensitive information
2. **Align on Ethical AI Guardrails**
Establish clear ethical standards, test for biases, and ensure transparency in all AI-driven processes
3. **Consider Strategic Partnerships**
Collaborate with strategic partners and / or technology focused organizations to accelerate delivery, reduce implementation risks, and focus resources on core value driving activities
4. **Design Modular / Flexible Offerings**
Development of new product offerings, that include increased modular / flexible options for customers to adapt coverage to their specific needs that can be scaled nationally
5. **Integrate Flexibility by Design**
Integrate principles of scalability and agility within core system modernizations to reduce future legacy constraints, leveraging cloud solutions and partnerships
6. **Leverage Joint Innovation**
Consider how innovation efforts can be combined with other departments / functions within the organization to improve ROI and offer more integration across the organization for customers

Q&A

To wrap up the session, we would like to open the floor to any final questions or thoughts regarding the insights shared today



Are there any additional questions or thoughts?

6. Appendix

Appendix A

Emerging Technology Deep Dives

Emerging Technology Deep Dives | Advanced Analytics

Leveraging existing data, the CPI industry can enable precise risk assessment, customer segmentation, and predictive modeling, enhancing underwriting accuracy and identifying emerging customer needs to drive new offerings

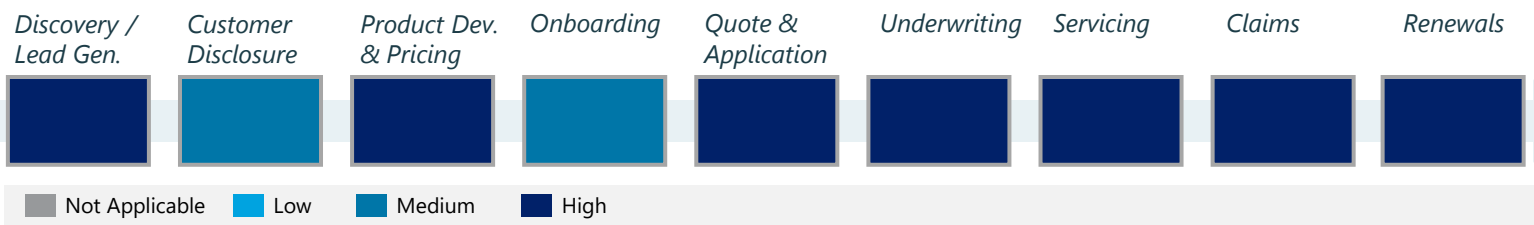
Key Trend Insights

- **Sophisticated data and analytics are enabling a range of insights**, such as understanding behaviors and preferences to improve the experience and offer personalized experiences and recommendations
- Data and analytics enables the ability to **make sense of vast amount of real-time data across numerous systems** to provide personalized, holistic education; customers have shown a willingness to share data for incentives
- Predictive analytics can be leveraged to **assess and evaluate risks associated with policies and identify patterns and trends** to determine the likelihood of a claim being made and identify potential fraud
- Advanced analytics can also **improve operational efficiencies and reduce operational costs** by analyzing internal data to identify pain points, provide real-time monitoring, and automate processes such as admin, claims, etc.

Key Research Insights

- Investments in analytics were identified as the largest immediate opportunity to unlock customer / partner value across the value chain for both underwriters and distributors
- There is already a large amount of data available, but due to legacy limitations, lack of integrations across partners, and limited analytical capabilities, it remains untapped

Expected Impact Across the CPI Value Chain¹



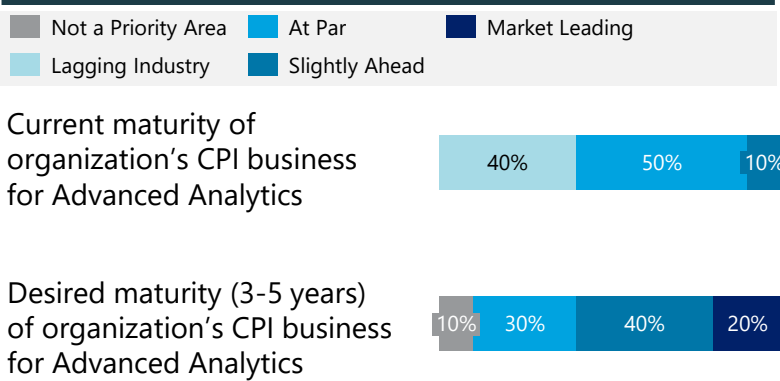
Market Leading Case Studies





Foresters Financial partnered with dacadoo, a health-tech solutions organization, and Albertsons to provide ongoing engagement and personalized advice to customers. Through wearable technology, behavioural science, and lifestyle choice data, Foresters can track health progress of customers and enable them to make healthier and more informed choices.

Overall Impact on CPI²



Emerging Technology Trends Deep Dives | Gen AI

While still relatively nascent, Gen AI has the potential to revolutionize how the CPI industry operates, serve customers, and enables its workforce; to be implemented at scale, clear frameworks and appropriate controls / protocols are required

Key Trend Insights

- Gen AI, used in conjunction with AI/Machine Learning, is being **utilized in different ways** across the insurance industry to improve various aspects of **operations, risk assessment, fraud detection, customer service, and underwriting** all of which can apply to CPI
- Gen AI can be used for **real-time analysis of customer data**, enabling distributors to **detect customer needs, intervene proactively, and adjust coverage dynamically** to provide **personalize offerings**
- As AI **becomes more complex**, there is a **push towards making it more explainable and transparent**; models that not only provide advice **but also explain the reasoning behind it** to build trust with users are increasingly available
- While providing customers direct access to Gen AI powered experiences **may be outside current risk appetites** for some organizations, **enabling front-line teams with Gen AI powered tools** is an immediate opportunity

Key Research Insights

- Although Gen AI may disrupt the insurance industry model, the current state of the technology and concerns around regulatory frameworks lead to a limited perception on value in the short term by CAFII members engaged
- There is an opportunity for organizations to enable longer term value (employees, partners, and customers) through joint investments (with other parts of the organization), or partnerships with AI focused organizations of all scales

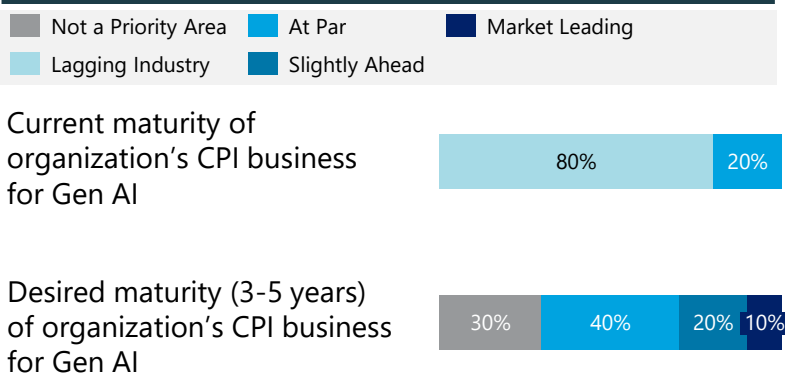
Expected Impact Across the CPI Value Chain¹



Market Leading Case Studies

Insurity has Smart Claims Handling feature that leverages generative AI capability to predict the likelihood of salvage and subrogation with automated data mining capabilities. Reducing costs with real-time financial positioning and end-to-end claim processing via web services

Overall Impact on CPI²



Emerging Technology Trends Deep Dives | Cloud Computing

Cloud environments can enhance speed to delivery, scalability, reduce operational costs, and facilitate secure, seamless access to data and applications for both distributors and underwriters alike

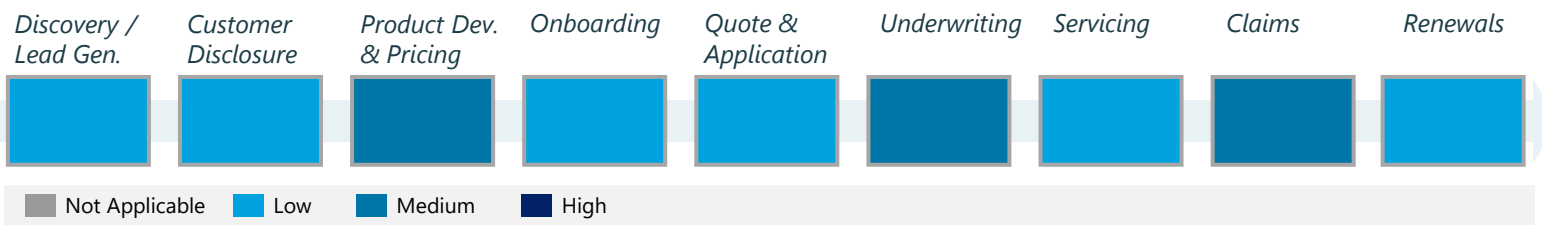
Key Trend Insights

- Despite strong regulatory requirements, the insurance industry is seeing **strong adoption for agile and modular Cloud architecture to simplify multi-Cloud management** and allowing for **integration of various applications**
- A **key benefit** of this architecture is the **abstraction layer**, which serves as a **single point of control, simplifying the management of diverse Cloud services and reducing complexity of handling multiple Cloud environments**
- Organizations are leveraging **new Cloud architectures to streamline management**, allowing for quick adaptation to changing business needs, scaled operations, and the ability to keep costs low to meet dynamic customer needs
- There has been **explosive growth in Centralized Cloud Data and Analytics solutions** due to **advantages in scalability and cost-efficiencies** that these platforms offer, enabling underwriters and distributors to easily access cutting edge tools, technologies and models for operationalization

Key Research Insights

- Cloud technologies will enable the agility required to deliver on evolving customer expectations across the value chain, while also remaining up to date with latest compliance and security
- Cloud capabilities can also enable faster access to advanced applications (i.e., advanced analytics, AI tools) through API / Integration layers at lower overall costs for both distributors and underwriters

Expected Impact Across the CPI Value Chain¹

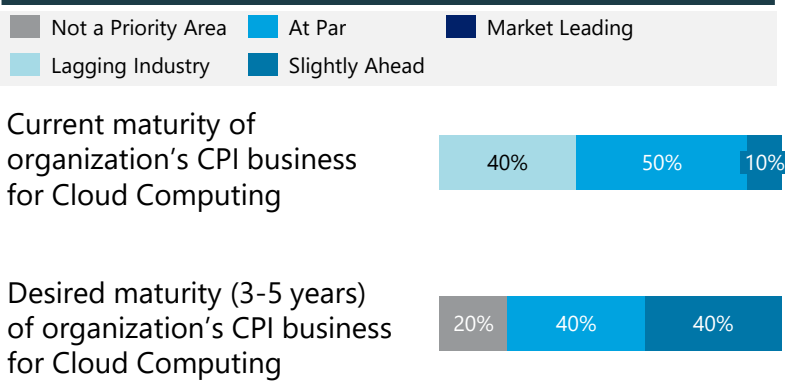


Market Leading Case Studies

Life's brighter under the sun

Sun Life is employing a multi-Cloud strategy, choosing AWS as its strategic Cloud technology provider while leveraging PaaS solution Atlassian Cloud through the AWS ecosystem. The insurer aims to become a Cloud-first organization, driving innovation through proven out-of-the-box analytics and ML services.

Overall Impact on CPI²



Emerging Technology Trends Deep Dives | Cyber & Security

Vital to the CPI industry to safeguard sensitive customer data from breaches and ensure compliance with financial regulations, maintaining trust and operational integrity, while also mitigating risks of fraud and cyberattacks

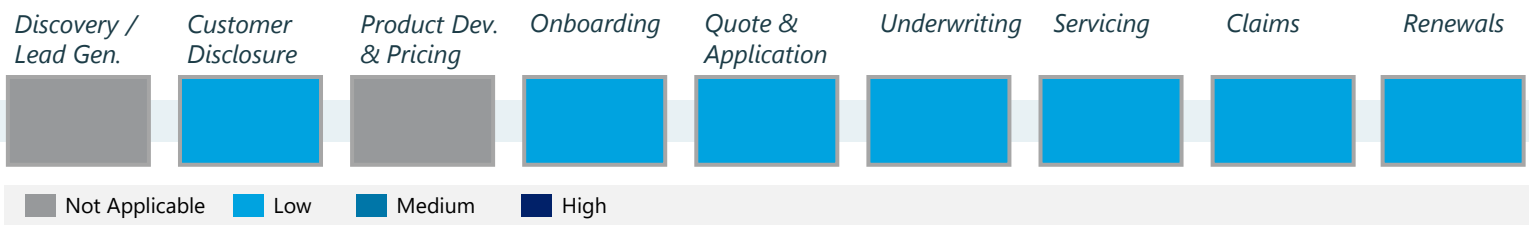
Key Trend Insights

- **Tougher regulations and laws** (e.g., B13, B10, E21, Law 25, Bill C-26/27) require financial service providers to **establish a robust cyber and enterprise risk management framework** for cyber, privacy and resiliency, data governance, data quality management, data security, data risk assessment, and data literacy / training
- Underwriters and distributors are **highly attractive targets** for cyber attackers due to the vast volume of personal information, and are **subject to higher recovery costs** from ransomware attacks
- **Governed Data Platforms** allows for a **controlled environment and tools for managing, storing, and accessing data** to ensure **data security, compliance, and governance** while allowing for collaboration and data sharing
- As organizations **deal with managing increasing volumes of data** they are investing in more **sophisticated tools and processes** to ensure the **Ethical Usage of Data**; insurance based on trust and ethical usage of data is crucial

Key Research Insights

- Given sensitivity of information and transactions, strong cyber capabilities are considered a baseline requirement to meet all regulatory requirements and maintain customer / partner brand trust
- Although cyber & security is a current strength across most respondents, given the pace of change, partnerships may provide an opportunity to remain leaders, while enabling resources to focus on other value driving activities

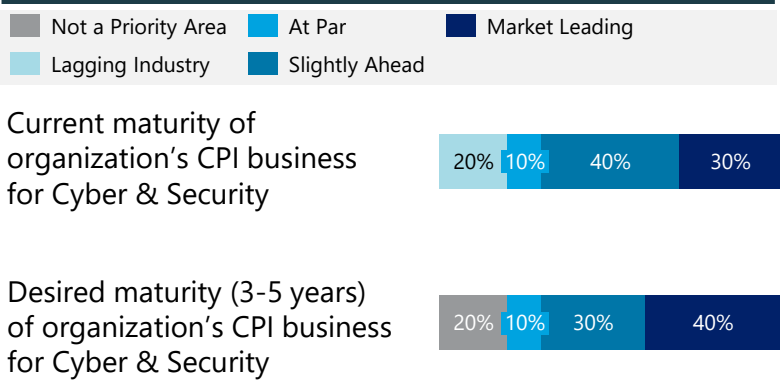
Expected Impact Across the CPI Value Chain¹



Market Leading Case Studies

A hacker group stole 8 TB of sensitive medical and health data from UnitedHealth Group, in a breach expected to cost between \$2.3 - \$2.45B US dollars. The attack was enabled by a set of stolen credentials that were not protected by multi-factor authentication – a severe example of how poor controls and inconsistent risk management can carry exorbitant financial and reputational consequences.

Overall Impact on CPI²



Emerging Technology Trends Deep Dives | CRM / Client Management

Critical for enhancing customer relationships, streamlining policy management, and leveraging data insights to personalize offerings, improving both conversion rates of new customers and retention rates through improved value delivery

Key Trend Insights

- **Real-time data can create a 360-degree view of customers in a CRM / Client Management System** that enable the identification of **key life moments** across all interactions (CPI and beyond) and products, helping ensure customers understand the value of CPI, through timely educational insights and awareness of tailored offerings
- CRM / Client Management Systems can **store customer data related to contact information, policy details, claims history, preferred interaction channels, etc.** to personalize and tailor customer interactions and offerings
- **CRM / Client Management System data** can be leveraged to **predict and analyze customer behavior and lapse patterns** in order to identify **opportunities for cross-sell or personalization** in products / communications / offers, ultimately improving productivity and conversion rates

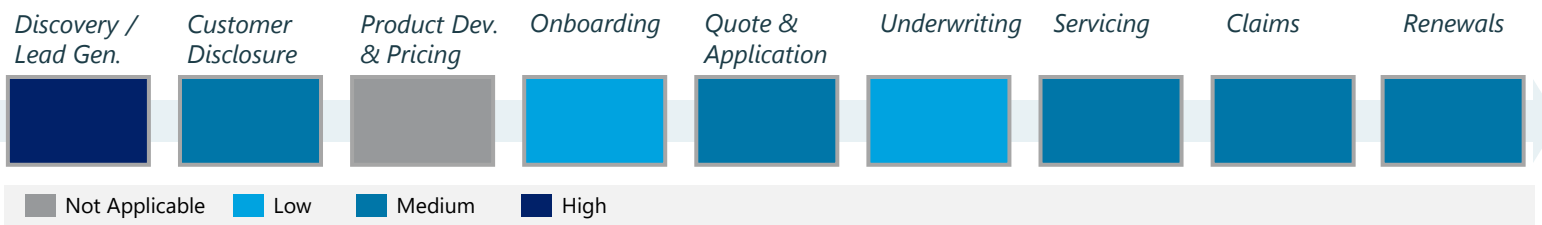
Market Leading Case Studies

Mass Mutual created Advisor360, a cutting-edge CRM tool focused on performance reporting, financial planning, trading, model management and rebalancing, operations and workflow, analytics and document imaging. This tool allows advisors to access their clients' financial investments and protection portfolios in a consolidated view to help them streamline collection of reports and provide more informed advice.

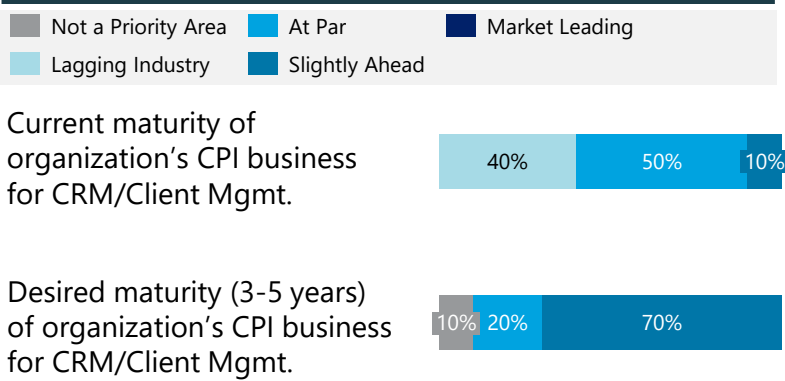
Key Research Insights

- Given current product and underwriting standards, limited investments have been made in advanced CRM capabilities, but it is seen a leading differentiator moving forward as customers expect personalization
- Through collaboration across (distributors / underwriters) effective engagement of prospective and current customers can be achieved – organizations that are both distributor and underwriter are advantaged

Expected Impact Across the CPI Value Chain¹



Overall Impact on CPI²



Emerging Technology Trends Deep Dives | Modern Platforms

Modern technology architectures are becoming a key enabler of business strategy, using API-driven frameworks, cloud-native principles, and advanced tools to help improve flexibility, speed deployment, and enable seamless integrations

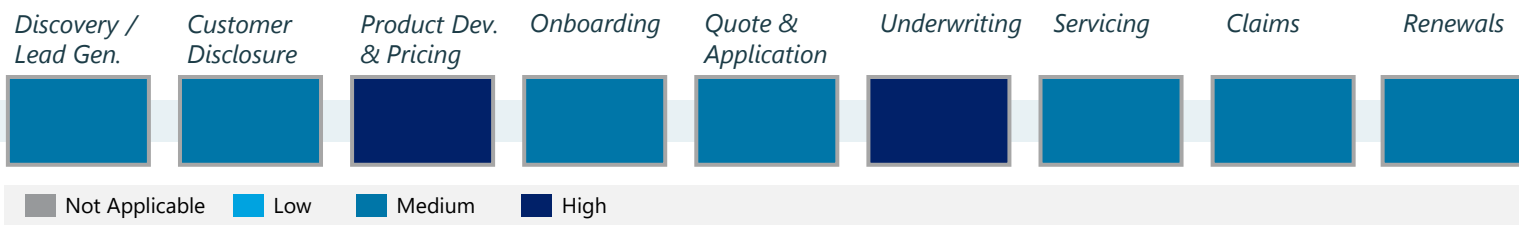
Key Trend Insights

- **Core technology is foundational** for enabling and integrating other technologies across the value chain and for ensuring product agility and customer experience
- **Insurance platform maturity has improved significantly** with **hybrid technology approaches** gaining traction, unlocking operating efficiencies and leveraging internal / partner tech to align technology with business objectives
- Life and Health insurers are moving towards a **Stitch** (e.g., Greenfield), **Shift** (e.g., outsourcing), or **Surround** (e.g., wrapper) **approach** vs. traditional 'rip-and-replace' strategies to de-risk delivery, increase flexibility, and drive value
- The shift towards an **integrated platform ecosystem** requires **modern API-driven architectures** to enable seamless data exchange, ensure compliance and data security, and ensure maximum flexibility
- **Rapid evolution of technology** is requiring organizations to adopt **modern delivery** and **DevSecOps practices**

Key Research Insights

- Legacy / core technology limitations was cited the largest barrier to CPI underwriters and distributors successfully implementing advanced capabilities across their organization
- While respondents didn't identify core technology as a differentiator in itself, it is the foundation on which all other advanced capabilities can be built across the value chain and enabling product agility / personalization

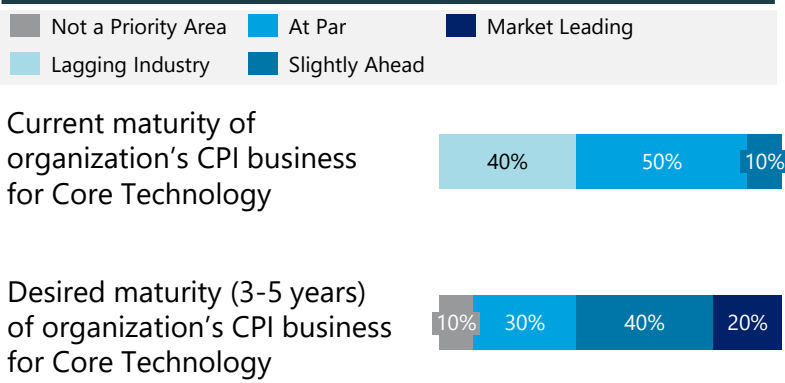
Expected Impact Across the CPI Value Chain¹



Market Leading Case Studies

Modern policy administration platforms are integrated end-to-end and support the complete policy lifecycle from application, policy issue and claims processing. They include a host of front-office and back-office capabilities including product configurations, reusable rules, configurable workflows,, complex product illustrations

Overall Impact on CPI²



Emerging Technology Trends Deep Dives | Mobile & Digital Assets

Customers have been increasingly shown interest to engage with financial institutions and obtain financing products through digital channels, driving requirement for CPI underwriters and distributors to invest in mobile & digital assets

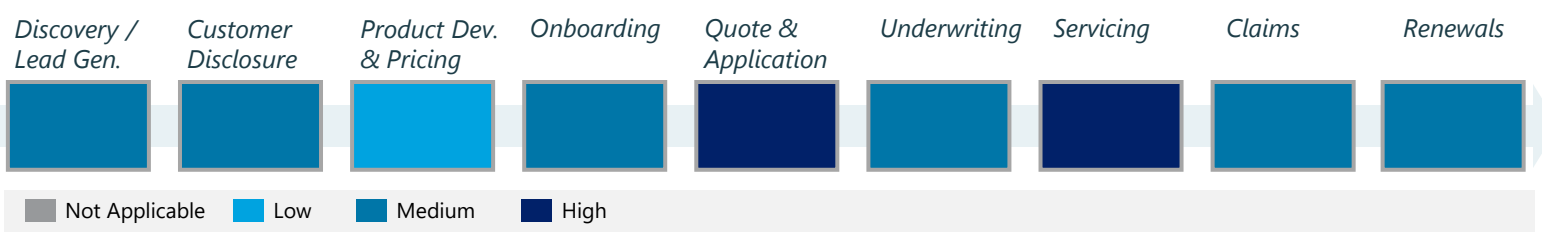
Key Trend Insights

- Customers are looking for **on-demand customer service** from distributors and are **expecting digital engagement models, supported by advisory services (human or AI)**, to meet them where and when they want
- Digital and mobile apps** enable customers to **stay connected beyond policy issuance and claims servicing** and to **establish continuous engagement** for building long-term loyalty and identifying cross / up-sell opportunities
- Distributors have been **revamping their employee / customer engagement models** to allow for **new hybrid delivery and advice models**, providing greater scale through digital engagement, purchase, and servicing options
- Given **pressure for growth and increasing propensity to purchase and engage through digital channels**, more distributors have **started to invest in digital distribution channels** to drive cost effectiveness to the mass market

Key Research Insights

- There is an imperative to elevate the digital CPI experience to meet customer expectations, enabling customers to appropriately understand the value created by CPI products, embedded in the credit journey
- CPI is overall lagging the other types of insurance, and credit products as it relates to digital capabilities, creating disjointed experiences that do not meet customer, employee, and partner expectations

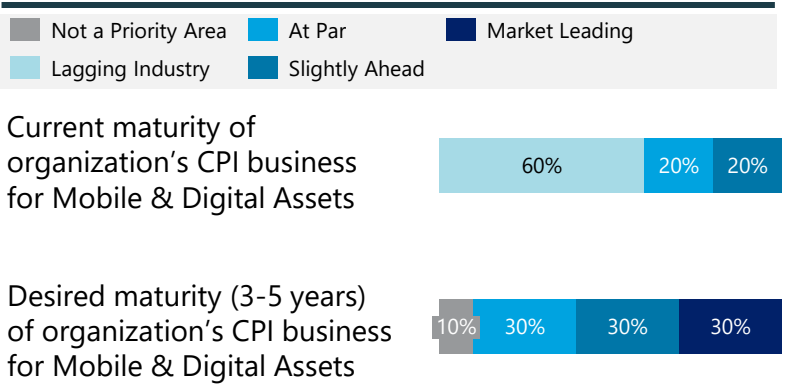
Expected Impact Across the CPI Value Chain¹



Market Leading Case Studies

Liberty Mutual recently launched *Comparion Insurance Agency* to provide consumers with carrier-agnostic advice and optionality. They have a network of digitally-enabled advisors who offer advice and support to help consumers achieve their financial goals by providing an aggregated view of the best options across insurers.

Overall Impact on CPI²



Emerging Technology Trends Deep Dives | Process Automation

Enabling distributors and underwriters to streamline high volume repetitive tasks, reduce operational errors, and accelerate claims processing, underwriting, and policy renewals, driving efficiency and cost savings while increasing satisfaction

Key Trend Insights

- Distributors and underwriters are **increasingly using modern technologies** to **improve efficiencies and automate processes** such as contact center efficiency and effectiveness, claims handling and billing, fraud detection, etc.
- Intelligent automation** use cases with Robotic Process Automation (RPA), machine learning, unstructured data, image analytics, etc. have caught on, **bringing in self-service capabilities** such as chat bots and virtual agents
- Underwriters are leveraging **rule-based triggers** based on a pre-defined set of conditions to initiate specific workflows within an automated system or workflow management software (e.g., policy renewal, claims escalation)
- Customer journeys are becoming increasingly digitally-enabled** to improve the experience as organizations **automate tasks** (e.g., digital quoting) to **deliver faster and optimize agent time** for value-added service / advice

Key Research Insights

- There are targeted areas across the value chain (i.e., admin, UW, claims, servicing) that are prime candidates for process automation, freeing capacity to invest in other technologies and redirecting capacity of teams
- Beyond additional value generated, process automation can support consistent regulatory and quality requirements, reducing potential for human errors throughout the value chain

Expected Impact Across the CPI Value Chain¹

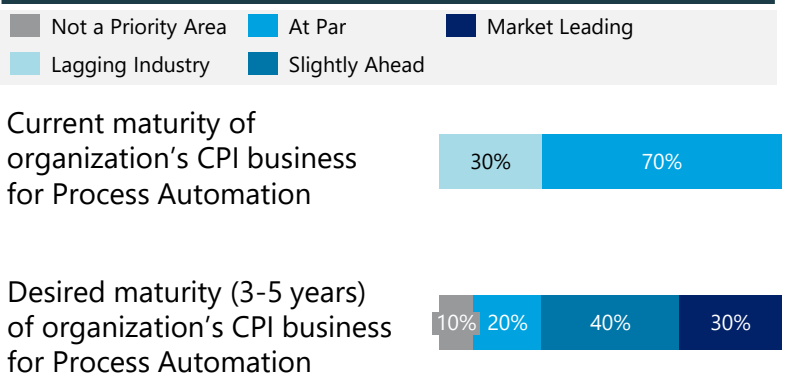


Market Leading Case Studies

Wealthsimple

Wealthsimple Work leverages portfolio automation technology and a sleek digital platform to provide Group RRSPs with lower fees. This product is tailored to all segments, offers flexible features such as non-matching or matching, and has no fixed term, with sleek digital onboarding and consolidation of members personal and group investments

Overall Impact on CPI²



Appendix B

Opportunity Areas Deep Dives

Opportunity Areas | Reimagining Customer / Employee Experience

Leading insurers are revamping their customer and employee engagement models by leveraging digital and data to establish differentiated experiences and respond to evolving needs

Key Opportunity Insights

- **Customer expectations and preferences for CPI** have evolved based on standards set from other industries and available within the credit / finance industry (i.e., digital financing)

Key Underwriter Opportunities

- Enable customized experiences through modular / flexible products
- Accelerate both the purchase and claims experience through improved data sharing

Key Distributor Opportunities

- Equip frontline employees with digital tools, leveraging analytics and Gen AI
- Embed engaging experiences within the credit experience, showcasing value created to customers

Market Leading Case Studies



Sun Life Financial launched a hybrid-advice solution called Sun Life Prospr. Through the platform, customers can select, prioritize, and track goals on one dashboard, as well as speak to licensed advisors by phone or video. Prospr provides an attractive option for customers who would like self-service optionality and ongoing engagement while being consistently supported by an advisor.

Key Underwriter Opportunities

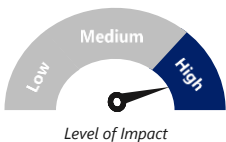
- White label digital tools and assets can be provided to customers, partners and their employees
- Invest in data sharing capabilities to accelerate both the purchase and claims experience

Key Distributor Opportunities

- Utilizing digital tools and analytics for frontline employees
- Enhancing CRM/Client management capabilities to drive engaging experiences for customers

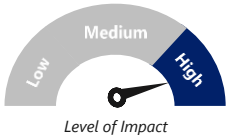
Primary KPIs / Outcomes

Sales & Revenue



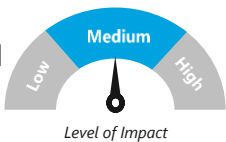
Enabling improved **penetration** and **renewal rates** through easy and tailored experiences, **showcasing CPIs value**

Customer Experience



Improved **satisfaction / NPS** (internally and externally), aligning experiences with other financial services

Operational Efficiency



Reduction in manual processes and **increased straight through processing** will reduce overall operating costs

Key Technologies Enabling the Opportunity



Advanced Analytics

The foundation of creating tailored and seamless experiences, cited as most impactful across the entire value



CRM/Client Management

Enables a comprehensive view of customers' needs and preferences, resulting in seamless, personalized experiences



Mobile & Digital Assets

Our survey identified this technology as the one where the industry wants to make the largest investment over the coming years

Opportunity Areas | Modernize Products and Platforms

Modernization of technology stacks and utilizing hybrid approaches of ‘build’ and ‘buy’ with flexible integration methods enable improved experiences, simplified products, as well as broader data / ecosystem integrations

Key Opportunity Insights

- Legacy systems were cited as the largest barrier to achieving technology related objectives by both underwriters and distributors, with many distributors facing the challenge of **being heavily reliant on legacy banking technology platforms** (e.g., mainframes) which **lack agility and inhibit their ability to meet ever-changing customer expectations**
- Failed internal attempts**, where insurers have struggled to deliver on modernization themselves, **have led insurers to partner with global tech providers** for execution platform modernization strategies
- Platform modernization delivered with partners **through outsourcing arrangements are allowing insurers to improve efficiencies and service levels and accelerate technology modernization and transformation**

Market Leading Case Studies

|||

Manulife

Vitality

Manulife Insurance partnered with Vitality – a platform that rewards group members for making healthy decisions, effectively improving health outcomes and encouraging members to be proactive in their lifestyle choices. Manulife Vitality is offered as part of their group benefits package with a focus on decreasing the chances of illness, injuries, and disabilities

Key Underwriter Opportunities

- Leverage modern platforms to reduce technology debt and barriers to analytics integrations
- Investing in modern platforms, cloud and analytics to facilitate modular products

Key Distributor Opportunities

- Utilize CRM and modern platforms to enable 360 view of customer needs

Primary KPIs / Outcomes

Sales & Revenue

Low

Medium

High

Level of Impact

Improved **penetration** and **renewal rates** through flexible products that fit the needs of customer segments

Customer Experience

Low

Medium

High

Level of Impact

Supporting **digital conversion** rates and enabling increased **digital intents**

Operational Efficiency

Low

Medium

High

Level of Impact

Driving efficiencies through enabling increased volume of **interactions occurring digitally**

Key Technologies Enabling the Opportunity

Modern Platforms

At its foundation, modernizing products and creating platforms requires core technology investments

Advanced Analytics

Foundational component of future business technology architecture and products, enabling insight driven decisions

Cloud Computing

Speed to market and flexibility were cited as one of the primary objectives of technology investments

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Opportunity Areas | Transform Operations and Streamline Engagement

Automating high volume operations, and digitizing key engagement moments where customers expect rapid turnaround times utilizing digital assets, data / API integrations to improve efficiency while increasing satisfaction

Key Opportunity Insights

- Both underwriters and distributors can take inspiration from digital first organizations who have a **commitment to relentless efficiency** by investing in data, advanced analytics, process automation, and digital / mobile assets
- Digital transformations** provide **streamlined and more efficient experiences** (e.g., AI-powered servicing and claims, call centers aided by AI / Gen AI) that include interactive features (e.g., real-time updates, planning tools) with an accelerated time to market – all of which reduce manual tasks while improving value for customers
- Consolidation and acquisitions** have created a complex technology landscape with **multiple redundant applications, resulting in the need to rationalize applications** across major financial service organizations

Market Leading Case Studies



Allianz embarked on an operating model transformation aimed at reinventing stakeholder interaction, through two key pillars of focus: decommissioning applications and developing its people. Allianz conducted extensive analysis to determine which resources are projected to be needed in its future operating model. This resulted in major reskilling and upskilling of tech talent, supported by the roll-out of a digital learning platform that is available in 27 languages.

Key Underwriter Opportunities

- Automate basic underwriting, policy administration and claims processing
- Leverage rules-based engines to automate outbound engagement and fraud detection

Key Distributor Opportunities

- Automate quotes and data gathering by integrating analytics, automation and digital experiences
- Modernize core to enable real/near real time partner data integrations to reduce manual tasks

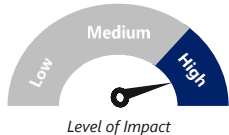
Primary KPIs / Outcomes

Sales & Revenue



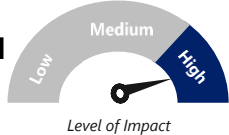
Potential to pass on efficiency savings to customers / partners, and increase **penetration rates** through efficient interactions

Customer Experience



Improving **conversion rates** and **satisfaction** by enabling increased **digital intents** and **straight through processing**

Operational Efficiency



Direct **savings and improvements to margin** through **reduction of manual processes** across high volume interactions

Key Technologies Enabling the Opportunity



Process Automation

Integral to driving efficient operations, and front-end interactions that meet customer expectations of speed and consistency



Gen AI

While in its infancy, the technology can process vast amounts of data to streamline processes and drive cost efficiencies



Modern Platforms

Without core technology modernization, many investments in automation will not address root causes for manual processes


Opportunity Areas | Differentiate Through Ecosystems

Organizations are moving to platform ecosystem models as a means of creating new sources of value for customers with increased speed to market, enabled through strategic partnerships in and outside of insurance


Key Opportunity Insights

- The **competitive landscape of financial services is intensifying** with the **entrance of non-traditional, tech-enabled players** that are disrupting both lending and CPI models; as a result, innovative partnership models should be considered
- The **wealth, health and insurance intersection is critical** to remain competitive and create **holistic solutions** that can create value and peace of mind that **extends beyond the moment of a CPI claim**
- **Digitally-enabled platform ecosystems drive connectional relationships** and are becoming increasingly attractive, enabling established underwriters / distributors and partner organizations to **focus on their core value differentiators**

Market Leading Case Studies



ECOSYSTEM



Fully Ecosystem is owned by Wellness Services, a subsidiary of Prudential Insurance. It promotes self-awareness, goal-setting, and engagement by creating tailor-made solutions across physical, mental, and financial health. By integrating with other market-leading platforms, it facilitates access to resources and services across wellness dimensions. Since launch, Fully has seen an adoption rate of +80%.

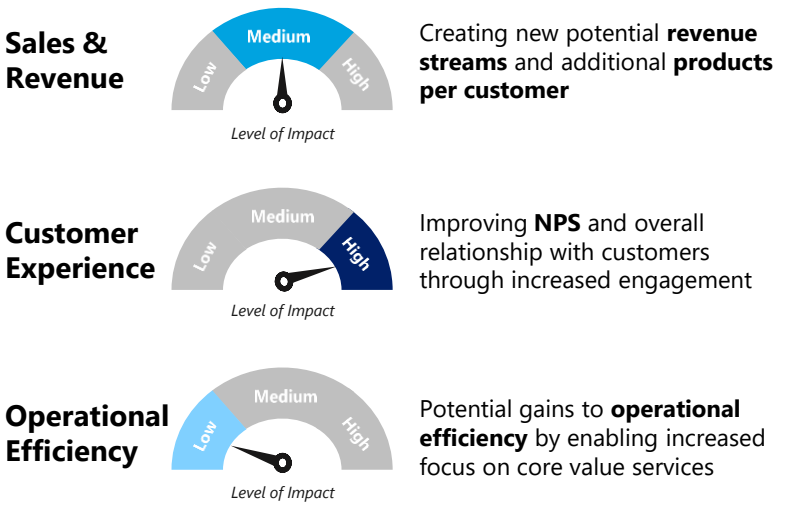
Key Underwriter Opportunities

- Utilize cloud computing to quickly develop products that can be offered through non-traditional players
- Develop flexible product options with modular value add components for distributors

Key Distributor Opportunities

- Leveraging CRM/Client management to own and extend customer relationships beyond CPI
- Utilize CRM and analytics to create tailored experiences through integrations with select partners

Primary KPIs / Outcomes



Key Technologies Enabling the Opportunity



CRM / Client Management

Identified as the most impactful technology to support digital discovery capabilities, enabling targeted engagement



Cyber and Security

Enabling secure data and capability sharing with ecosystem partners, driven by applicable regulations and privacy



Cloud Computing

Facilitating speed to market for new offerings and capabilities, available to both customers and partners






Appendix C

International Use Cases

International Use Cases

Our research identified the following key international use cases that have implemented emerging technologies and helped their respective organizations enhance the value delivery to their clients and employees

Key International Use cases:

Ecosystem Model	Generative AI	Product Innovation	Process Automation	CRM & Re-imagined Experience
 <p>中国平安 PING AN 保险 · 银行 · 投资</p> <p>In China, Ping An's business model is seamlessly integrated focusing on "one customer, multiple products, and one-stop services" under an integrated ecosystem of services and partners that offers a unified customer experience. They launched a "magic gate" portal to let customers access products and services from different subsidiaries.</p>	 <p>ANT FINANCIAL</p> <p>In China, Ant Financial, partnered up with Vanguard to launch 'Bang Ni Tou', which translates as "Help You Invest"; it is an automated advisory service operated via Ant's digital wallet Alipay. The partnership is a government-backed scheme to help people adopt Investment/Wealth products</p>	 <p>HUB FINANCIAL SOLUTIONS</p> <p>In the UK, Hub Financial Solutions takes a holistic approach to the decumulation needs of the investor. It provides decumulation income by applying a combination of home equity release, annuity income and pension fund drawdowns based on a personalized analysis of the investors' individual needs and risk appetite</p>	 <p>plumlife</p> <p>In the US, Plum Life leverages automated underwriting to streamline life insurance applications. By integrating third-party data base checks with applicant responses, it creates a comprehensive risk profile to deliver instant decisions, enabling quick, personalized quotes and faster coverage. Additionally, it offers dynamic pricing to optimize ease of sale for less complex products and services</p>	 <p>MetLife</p> <p>Global L&H insurer MetLife partnered with Tencent's digital insurance provider, WeSure, in China to access 1 billion active users on the WeChat platform, an adjacent distribution channel; the partnership enables MetLife to offer tailored and intelligent value-added services through omni-channel options to a wider market.</p>

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Briefing Note

CAFII EOC Meeting February 25, 2025—Agenda Item 4(a)iii

Committees and Working Groups – Research, Media, Education, & Communication Committee – 2025

R&M Committee Recommendation to Proceed with Research with Pollara on Canadian Homeowners' CPI Coverage

Purpose of this Agenda Item – Approval

To request approval from the EOC on the R&M Committee's recommendation to proceed with the research by Pollara on Canadian Homeowners' CPI Coverage.

Background Information

CAFII Research Analyst Robyn Jennings and Senior Vice President from Pollara Lesli Martin will update the EOC on the R&M Committee's recommendation to proceed with Pollara's research on Canadian Homeowners' CPI Coverage. They will conclude by requesting the EOC's approval of proceeding with this research

Recommendation / Direction Sought – Approval

This is an approval item.

Attachments Included with this Agenda Item

One (1) attachment.

Understanding Canadians in terms of Insurance Needs and Usage

Proposal for



June 2024

One of Canada's longest-standing full-service research firms, focussed on providing strategic, actionable, and realistic advice to our clients



Corporate Profile

2

- Since 1985, one of Canada's premier public opinion and market research firms
- Teams in Toronto, Ottawa, Montreal, Saskatoon, Calgary, and Vancouver, with global, multi-national capabilities
- Comprehensive toolbox of quantitative and qualitative methodologies and analytical techniques, and constantly innovating with new cutting-edge approaches to design, sampling, and analysis
- Customized, creative research solutions – no cookie cutters
- Design-through-deliverables engagement from team of widely-recognized and respected senior research veterans who are passionate about developing long-term advisory partnerships, helping clients make better decisions
- Deep expertise, extensive experience in public opinion/public affairs research, including work for many insurance companies, financial institutions and associations, such as CAFII, IFIC, Bank of Montreal, Bank of Canada, TD Bank, Allstate Insurance, Aviva and Pembrige.

A senior team with deep expertise and extensive experience conducting public opinion/public affairs research for insurance companies, financial institutions and associations



Senior Team Members

3

Lesli Martin, Senior Vice President: A research industry veteran of more than 20 years, Lesli leads many of Pollara's major client accounts as well as many of our research model and product initiatives. Over the years, Lesli has earned a reputation for client service excellence that is second to none – in no small part driven by her experience as a manager of research departments at several storied Canadian brands. Lesli has worked with a number of financial institutions and associations such as CAFII, IFIC, Bank of Canada, Bank of Montreal and FSRA. Lesli is a Certified Analytics & Insights Professional (CAIP). Prior to joining Pollara, she was a senior researcher and account lead at Leger and comScore, and led research departments at Sears, Cossette, and Great Gulf Homes. She has published numerous research-based articles, and her research has been reported in most Canadian media outlets. Lesli holds a BA in Business Communication from Brock University.

Reem Hassan, Associate Vice President:

Based in Saskatchewan, Reem is an empathetic and analytical researcher who applies an extensive degree of expertise and global perspective to all of her research projects. For the past decade, she had enjoyed investigating and applying groundbreaking new research methods to projects. She provided research-based strategic advice on product launches, advertising campaigns, and countless re-branding initiatives. Her clients appreciate her keen interest in deeply understanding the dimensions of their business situation in order to provide them with a tailored solution, comprehensive analysis, and succinct recommendations. Reem has completed the Market Research Society (MRS UK) Advanced Certificate in Market Research and holds a Bachelor's degree with double majors in Marketing and Strategic Management from the German University in Cairo.

The Pollara team has collectively conducted public affairs/public opinion research for hundreds of clients, including multiple projects with insurance companies, financial institutions and associations.

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Relevant Experience

- The Pollara team has collectively conducted public affairs/public opinion research studies and programs for hundreds of clients – including hundreds of issues management and communications studies (often of a sensitive nature), hundreds of federal and provincial government studies, and numerous transit/transportation studies. Some particularly relevant studies include:
 - CAFII – CPI Research 2018, 2021, 2022, Travel Health Insurance Study 2016, 2018
 - IFIC – Mutual Fund and ETF Investor Study 2006 -2024
 - Pembrige – Broker Study 2008-2023
 - BMO Bank of Montreal and BMO Harris – Multiple projects 2010 - 2024
 - Insurpoll – Syndicated Study of Home and Auto Insurance
 - Insurance Bureau of Canada (IBC) – Multiple projects 2010-2024

Research Plan

WHAT WE KNOW:

What insurance means to Canadians

- Canadians tend to be uninsured or underinsured – this is particularly true of low-income Canadians when it comes to life insurance.
 - *BUT – the incidence of having CPI is similar regardless of income level*
- While many believe insurance is important and feel their family would have trouble covering living expenses without their salary, they don't have it and overall, do not feel financially knowledgeable.
 - *The majority with life insurance feel they have enough and do not need more, but actually are considered underinsured, with less than 7 years salary in coverage*
- CPI could be a great solution for the uninsured or underinsured homeowner.

WHAT WE KNOW:

Credit Protection Insurance

- Canadians see CPI as a valuable and effective means of protection
 - It is a quality, trustworthy product;
 - Most who made a claim had it paid and were satisfied with the process
- Important factors of CPI: amount of coverage, person to answer questions, ability to qualify
- However, almost half of homeowners with credit do not have CPI
 - Unsure of its affordability or value for money
 - Do not recall being told about it
 - Do not think it is necessary, despite being underinsured

WHAT WE NEED TO KNOW

- Gaps in our knowledge:
 - Canadians think Life Insurance is important, but do not have it
 - While they feel positively about CPI, they have chosen not to get it
 - Income plays a role, but even high incomes tend to be underinsured
- We need to understand why:
 - who obtains the correct amount of insurance and who does not,
 - what could influence the purchase of insurance (life or CPI) among those who are not or are underinsured,
 - where can these people be reached

Segmentation analysis will allow us to identify specific and distinct groups within the Canadian population and determine how insurance can meet their needs



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HOW WE WILL DO IT

9

Segmentation Study:

A technique used to divide a broad target market into smaller, more homogeneous groups based on various criteria such as demographics, psychographics, behaviour, or needs.

What the Survey will Include



Demographics

- Age
- Gender
- Income/Investible assets
- Home ownership
- Household composition
- Level of debt
- Education
- Employment Status



Concept Test

- Provide overall definition of CPI to determine awareness and interest
- Provide specific benefits of CPI to determine appeal and level of influence
- Test cost impacts if possible



Financial Attitudes and Perceptions

- Perceived economic status (getting ahead, just getting by, falling behind)
- Household income vs. cost of living
- Primary financial concerns
- Financial literacy
- Use of financial tools and supports



Information Sources

- Understand where Canadians go for financial advice/information
- Determine levels of trust for specific sources



Behavioural Analysis of Insurance

- Use of insurance, including type and amount
- Purchase behaviours
- Perceptions of levels of insurance needed
- Perceived importance of insurance

Awareness

Relevancy

Satisfaction/Loyalty

Trust

METHODOLOGY

11

Online Survey of 3,500 Adult Canadians

- 12-14-minute survey
- Gen Pop sample, with quotas in place to ensure national representation
- In segmentation research, a sample of this size will allow for:
 - Statistical Significance
 - Segmentation Heterogeneity
 - Sub-group Analysis
 - Ability to project results to Canadian population
 - Analysis of key populations – homeowners, CPI holders/non-holders, etc.



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WHAT IT WILL GIVE US

12

1. A detailed description of homogenous segments of the Canadians population, based on our key factors
2. An actionable understanding of each group's behaviours, perceptions and influences when it comes to insurance,
 - Concerns each has about financial stability/future
 - How they feel about insurance and the role it could play
 - What will influence each segment to consider insurance
 - How and where to communicate with each segment



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Budget

All design-through-deliverables costs

Online Survey of 3500 Canadians:

- 12-14-minute survey
- Segmentation and regression analysis
- Report and Presentation

Total Cost: \$48,000 plus HST = \$54,240

Timelines & Deliverables

14

Timelines per wave

- Survey design, revision, approval: Approx. 2-3 weeks
- Scripting, fielding: Approx. 3-4 weeks
- Data processing: Approx. 2 week
- Analysis and reporting: Approx. 3 weeks

Analysis / Deliverables

- Advanced statistical analysis (Segmentation Analysis and Regression Analysis)
- PowerPoint-based report with graphical representation of results and executive summary of findings, including recommendations re: key messages and target segments



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Briefing Note

CAFII EOC Meeting February 25, 2025—Agenda Item 4(a)iv
Committees and Working Groups – Research, Media, Education, & Communication Committee – *Two LIMRA Research CAFII Videos*

Purpose of this Agenda Item – Update

To update the EOC on the CAFII's two LIMRA research videos.

Background Information

CAFII Research Analyst Robyn Jennings will update the EOC on CAFII's research videos with LIMRA.

Recommendation / Direction Sought – Update

This is an update item.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

**CAFII EOC Meeting February 25, 2025—Agenda Item 4(a)v
Committees and Working Groups – Research, Media, Education, & Communication Committee –
*Rebuilding of the Intranet***

Purpose of this Agenda Item – Update

To update the EOC on CAFII's rebuilding of the Intranet.

Background Information

CAFII's Executive Director Keith Martin will update the EOC on CAFII's newly built Intranet, which is a repository of information for members including documents for EOC and Board meetings.

Recommendation / Direction Sought – Update

This is an update item.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

**CAFII EOC Meeting February 25, 2025—Agenda Item 4(a)vi
Committees and Working Groups – Research, Media, Education, & Communication Committee –
Implementation of the Media Strategy**

Purpose of this Agenda Item – Update

To update the EOC on CAFII's implementation of its media strategy.

Background Information

CAFII's Media Consultant, Wendy Bairson, will update the EOC on CAFII's implementation of the media strategy.

Recommendation / Direction Sought – Update

This is an update item.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting February 25, 2025—Agenda Item 4(b)

Committees and Working Groups – Networking & Events Committee-Introduction

Purpose of this Agenda Item – Introduction

To introduce and inform the EOC of the Networking & Events Committee's recent activities.

Background Information

Chair of the Networking & Events Committee Carmelina Manno will introduce and inform the EOC about the Committee's recent activities.

Recommendation / Direction Sought – Introduction

This is an introduction item.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting February 25, 2025—Agenda Item 4(b)i

Committees and Working Groups – Networking & Events Committee – *Speakers and Webinars for 2025*

Purpose of this Agenda Item – Update

To update the EOC on CAFII's speakers and webinars planned for 2025.

Background Information

CAFII's Research Analyst, Robyn Jennings, will update the EOC on the speakers and webinars CAFII has planned for 2025. As of February 2025, CAFII has planned the following events:

- **April Board Meeting and Reception:** On April 8, 2025, the post-Board meeting reception will be hosted by TD Insurance. Tolga Yalkin, new Chief Executive Officer and Chief Statutory Officer of the British Columbia Financial Services Agency (BCFSA), has been confirmed as the keynote speaker.
- **June Board Meeting and Reception:** On June 3, 2025, the post-Board reception will be hosted by RBC Insurance. While the keynote speaker has not been confirmed, Dexter John, new Chief Executive Officer, FSRA, has been invited to speak. No response has been received at this time.
- **CAFII March Webinar:** On March 18, 2025, CAFII will host a webinar from 1-2pm (pending approval by the EOC on February 25, 2025, of the public release of the Deloitte Research). The webinar will include Melissa Carruthers, Partner, and Marc Lewis, Senior Manager, Deloitte, speaking on the Deloitte Research on "Exploring Emerging Technology Trends in CPI."
- **December Board Meeting and Reception:** On December 4, 2025, the post-Board meeting reception will be hosted by CIBC Insurance. CAFII is considering inviting Mary Carmichael as the keynote speaker.

Recommendation / Direction Sought – Update

This is an update item.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting February 25, 2025—Agenda Item 5(a)

Strategic and Regulatory Initiatives – CAFII Plans to Meet with FCAC and Federal Department of Finance in Ottawa on March 17th, 2025

Purpose of this Agenda Item – Update

To update the EOC on CAFII's plans to meet with FCAC and the federal Department of Finance in Ottawa on March 17th, 2025.

Background Information

CAFII Executive Director Keith Martin will update the EOC on CAFII's plans to meet with FCAC and the Federal Department of Finance in Ottawa on March 17th, 2025. There is a risk that if a new Liberal leader calls an election before March 17, 2025, the meetings will have to be postponed as federal officials cannot hold meetings during an election period. Because this is our first time meeting the new FCAC Commissioner Shereen Miller and the Department of Finance including Director Consumer Affairs, Mark Radley, the meetings will be in-person only.

Attending the meetings from CAFII are:

- Karyn Kasperski, EOC Chair
- John Burns, EOC Vice Chair
- Andrea Stuska, EOC
- Rob Dobbins, EOC,
- Michelle Costello, EOC
- Keith Martin, CAFII
- Robyn Jennings, CAFII

Recommendation / Direction Sought – Update

This is an update item.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting February 25, 2025—Agenda Item 5(b)

Strategic and Regulatory Initiatives – Draft of Presentation Deck for Regulatory Tours

Purpose of this Agenda Item – Update

To update the EOC on CAFII's draft presentation deck for its 2025 Regulatory Tours.

Background Information

CAFII Executive Director Keith Martin will update the EOC on CAFII's plans for a presentation deck for its 2025 Regulatory Tours.

Recommendation / Direction Sought – Update

This is an update item.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting February 25, 2025—Agenda Item 5(c)

Strategic and Regulatory Initiatives – Plans for Visits to Atlantic Canada and Western Canada

Purpose of this Agenda Item – *Update*

To update the EOC on CAFII's plans to visit Atlantic Canada and Western Canada in 2025.

Background Information

CAFII Senior Operations Manager Lara Doig will update the EOC on CAFII's plans to visit Atlantic Canada and Western Canada in 2025.

- **New Brunswick and PEI:** May 11th - May 16th.
 - This will incorporate the CHLIA conference.
- **Nova Scotia & Newfoundland & Labrador:** June 11th - June 13th.
 - This tour will include Halifax and St. John's.
- **British Columbia & Alberta:** September 22nd - September 26th.
 - This tour will include Victoria, Vancouver, and Edmonton.
- **Saskatchewan & Manitoba:** October 22nd - October 24th.

Recommendation / Direction Sought – *Update*

This is an update item.

Attachments Included with this Agenda Item

One (1) attachment.

CAFI Regulatory Tour Dates 2025

Location	Date	Notes
New Brunswick and PEI	May 11th - May 16th	This will incorporate the CHLIA conference
Nova Scotia & Newfoundland & Labrador	June 11th - June 13th	This tour will include Halifax and St. John's
British Columbia & Alberta	September 22nd - September 26th	This tour will include Victoria, Vancouver and Edmonton. We would potentially have to move the Board Prep Meeting on September 24th
Saskatchewan & Manitoba	October 22nd - October 24th	To accommodate flying to Saskatchewan, move EOC meeting on October 21 st to the morning or to October 20 th

Briefing Note

CAFII EOC Meeting February 25, 2025—Agenda Item 6(a) Governance – Feedback from Robyn Jennings 1-on-1 EOC Meetings

Purpose of this Agenda Item – Update

To update the EOC on the feedback received from CAFII's Research Analyst Robyn Jennings' 1-on-1 EOC meetings.

Background Information

CAFII Research Analyst Robyn Jennings will update the EOC on the 1-on-1 EOC meetings she is currently engaged in.

Recommendation / Direction Sought – Update

This is an update item.

Attachments Included with this Agenda Item

No attachments.

Briefing Note

CAFII EOC Meeting February 25, 2025—Agenda Item 6(b)

Governance – Application from Jennings Consulting to Join CAFII as an Associate

Purpose of this Agenda Item – Approval

To request approval from the EOC for the application from Jennings Consulting to join CAFII as an Associate.

Background Information

CAFII's Executive Director, Keith Martin, will update the EOC on Jennings Consulting's application to join CAFII as an Associate. He will conclude by requesting approval.

Recommendation / Direction Sought – Approval

This is an approval item.

Attachments Included with this Agenda Item

Two (2) attachments.



BYREN INNES, ACS, HIA, CLU, CHFC, CFSB, FLMI, FLHC

MANAGING DIRECTOR AND EXECUTIVE CONSULTANT

In addition to over 20 years leading consulting practices, Byren held senior executive positions in insurance companies, mutual fund dealers and investment dealers for nearly 28 years. He has consulted to leading insurers, wealth management firms, banks, leading consulting firms, and industry suppliers in Canada, the U.S. and the Caribbean.

He has spoken extensively at industry conferences, was a regular contributor to several financial publications and has been widely quoted by the financial press. Byren has been very active in industry initiatives: was the founding chair of the IDA Insurance committee, is a past chair of the LIMRA Marketing Committee and was a member of the Executive Committee of CLEIDIS (the Canadian Life Insurance Standards Association). He is recognized by the courts as an Expert Witness in Life Insurance and Financial Planning.

Byren focuses his consulting assignments on:

- Strategic Planning
- Portfolio and Program Management

ASSOCIATE APPLICATION FORM

Organization Name: Jennings Consulting Limited

Representative's Name and Title: Byren Innes, CEO

Address: 49 Tiago Ave.

City: East York

Province: ON

Postal Code: M4B 2A2

Phone - Main: 647-243-5309 X 100

Direct: 4156-803-4625

Fax:

Email: byren.innes@jcl.bm

Website: <https://jcl.bm/>

Parent Company:

Description & Fees:

I. Associate ☐ \$5000

Organizations that are business partners of CAFII members or otherwise support the Association's goals are eligible to apply for Associate status. Associates receive periodic CAFII communications and invitations to CAFII events. Associates pay \$5000 per annum in one instalment.

Associate Status is valid from January 1 to December 31 each year.

Signature of Applicant: *Byren L. Innes*

Date: February 16, 2025

As a signing authority, I hereby acknowledge that as an applicant for Associate status in CAFII, my organization supports the Association's mission, objectives, and policy positions. For more information visit www.cafii.com.

- Operations optimization and transformation
- Omni-channel distribution transformation
- Advisor Regulatory reform
- Systems strategy
- Product development
- Marketing

Byren has been instrumental in the development of Strategies for many of his clients – building on their strengths and core capabilities using his deep life insurance industry insights to inform strategic change initiatives. As well he has assisted clients in Mergers and Acquisitions, Product Development, Market and Channel Research and Transformation.

When you need change, look to Byren and his team to make it happen.

<https://jcl.bm/team-byren-innes/>

<https://jcl.bm/>

Briefing Note

CAFII EOC Meeting February 25, 2025—Agenda Item 6(c)

Governance – Application from Global Excel Management to Join CAFII as an Associate

Purpose of this Agenda Item – Approval

To request approval from the EOC for the application from Global Excel Management to join CAFII as an Associate.

Background Information

CAFII's Executive Director, Keith Martin, will update the EOC on Global Excel Management's application to join CAFII as an Associate. He will conclude by requesting approval.

Recommendation / Direction Sought – Approval

This is an approval item.

Attachments Included with this Agenda Item

Two (2) attachments.

We are Global Excel

A full-service cost containment, claims management and medical assistance company offering a complete range of services to International, Canadian and U.S. domestic clients.

With over 1,800+ corporate clients located in more than 90 countries around the world, Global Excel manages approximately 420,000 inpatient, outpatient, and non- medical cases and files per year, and process over \$1.95 billion in claims annually.

Global Excel is one of the largest independent assistance and cost containment companies specializing in the U.S. market. As a global company, we cultivate trustworthy long-term business relationships above short-term profit opportunities. We strive to fully understand your specific needs so we can tailor our solutions to your challenges, help you increase your efficiency, and improve your bottom line.

Will McAleer is a leader in the travel insurance industry, known for his innovative approach to product development and his commitment to giving back to the industry. As the Past President of The Travel Health Insurance Association (THIA), he has been instrumental in shaping industry standards and advocating for consumer protection and has also collaborated with key stakeholders to promote industry growth and integrity. Will is also a global leader, having served several terms on the Board of Directors for the International Assistance Group, a Paris-based company representing international assistance and claims companies as Deputy Chair.

A frequent media spokesperson in Canada, Will provides expert insights on travel insurance trends and policies, reflecting his dedication to transparency and public education. His passion for innovation and industry advancement continues to drive his contributions to the travel insurance sector and is currently responsible for Product Innovation and Marketing in Canada for Global Excel Management as Vice President. In his spare time Will enjoys many outdoor activities and can be found skiing, golfing or scuba diving...and occasionally sky-diving!

ASSOCIATE APPLICATION FORM

Organization Name: Global Excel Management Inc.

Representative's Name and Title: Will McAleer, Vice President

Address: 73 Queen St

City: Sherbrooke

Province: QC

Postal Code: J1M 0C9

Phone - Main: 8778817412

Direct: 416-722-6319

Fax:

Email: will.mcaleer@globalexcel.com

Website: globalexcel.com

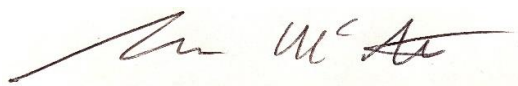
Parent Company:

Description & Fees:

I. Associate ☒ \$5000

Organizations that are business partners of CAFII members or otherwise support the Association's goals are eligible to apply for Associate status. Associates receive periodic CAFII communications and invitations to CAFII events. Associates pay \$5000 per annum in one instalment.

Associate Status is valid from January 1 to December 31 each year.



Signature of Applicant:

February 18th, 2025

Date:

As a signing authority, I hereby acknowledge that as an applicant for Associate status in CAFII, my organization supports the Association's mission, objectives, and policy positions. For more information visit www.cafii.com.

Briefing Note

CAFII EOC Meeting February 25, 2025—Agenda Item 7(a-e) Read Only Items

Purpose of this Agenda Item – Informational

To provide documentation for the EOC to review, which does not require updates, discussion, or decision-making.

Background Information

The Read Only Items that do not require any discussion or decisions are:

- a. Letter to the AMF on its Interpretation of Statistics around CPI
- b. Letter to the Insurance Council of BC on its RIA Regime “Performance Indicators”
- c. AMF Operational Resilience Document, January 23, 2025
- d. Managing Matters Acquisition by Association Headquarters
- e. Joint CAFII, CLHIA, THIA Meeting with BCFSA on Outsourcing and “Adjusting” (February 11th, 2025)

Recommendation / Direction Sought – Informational

This is a read-only item.

Attachments Included with this Agenda Item

No attachments.

For convenience, all items have been linked below:

- [7a \(1 of 3\) - CAFII Discussion with Mario Beaudoin](#)
- [7a \(2 of 3\) - Letter to the AMF on its Interpretation of Statistics around CPI \(EN\)](#)
- [7a \(3 of 3\) - Letter to the AMF on its Interpretation of Statistics around CPI \(FR\)](#)
- [7b \(1 of 5\) - Letter to the Insurance Council of BC on its RIA Regime “Performance Indicators”](#)
- [7b \(2 of 5\) - Insurance Council of British Columbia Comments on Performance Requirements December 17 2024](#)
- [7b \(3 of 5\) - DRAFT Restricted Insurance Agency Performance Requirements Framework 11-12-24 November 12 2024](#)
- [7b \(4 of 5\) - DRAFT Restricted Insurance Agency Performance Requirements Framework 11-12-24 REVISED FRAMEWORK](#)
- [7b \(5 of 5\) - Letter to Insurance Council of BC on Restricted Agency Performance Requirements Framework FINAL](#)
- [7c \(1 of 2\) - AMF Rapport résilience anglais 23 janvier 2025](#)

- [7c \(2 of 2\) - FRENCH bilan-sondage-resilience-operationnelle-institutions-financieres_fr](#)
- [7d - Email from Jenny Faucher President & CEO of Managing Matters](#)
- [7e \(1 of 4\) - Meeting with BCFSa on Outsourcing and Adjusting](#)
- [7e \(2 of 4\) - CAFII Submission to the BCFSa on its Interpretation of Life Insurance Adjusting October 11 2024 FINAL](#)
- [7e \(3 of 4\) - Joint Update Note from CLHIA, CAFII, and THIA on BCFSa's Intention to Require Life and Health "Adjusters" Making Decisions To Be Individually Licensed](#)
- [7e \(4 of 4\) - Update Note on Initiative from BCFSa around Life Insurance Adjusters](#)