



**Alberta  
Insurance  
Council**

**Alberta Insurance Council - Strategic  
Plan 2015-2017**

**November, 2014**

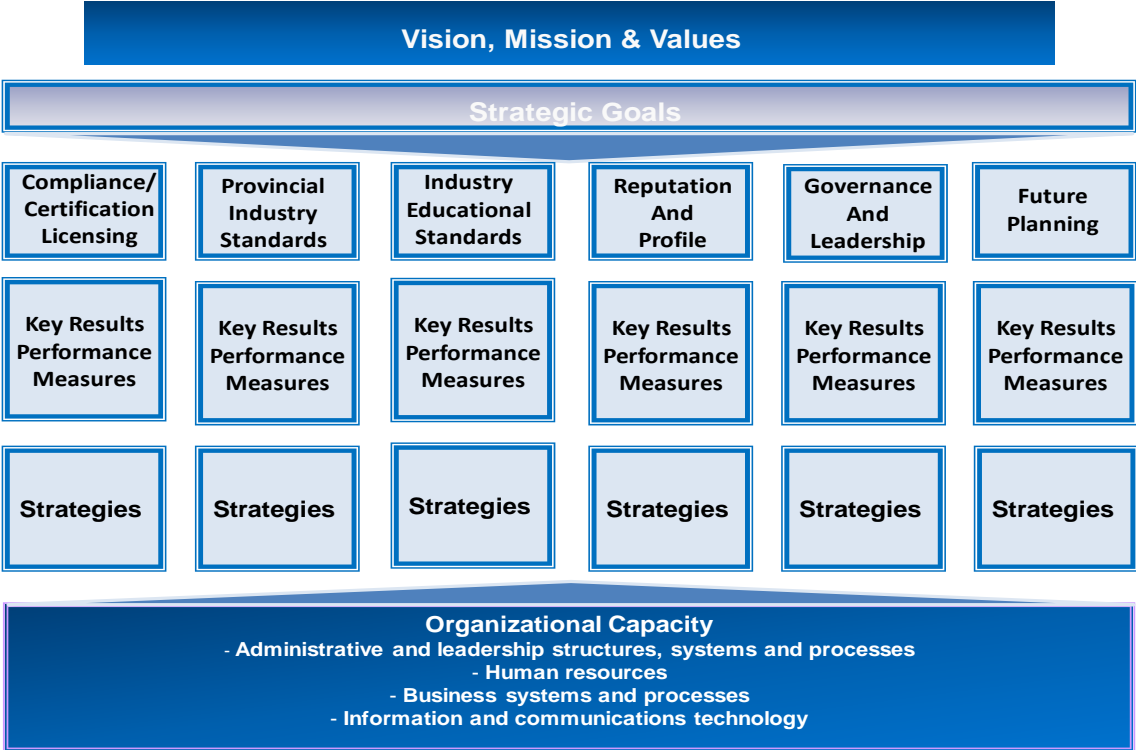
# Background

The Alberta Insurance Council (AIC) reviewed and updated their strategic plan in the fall of 2014. The specific objectives of the planning process were to:

- Review progress to date on the current strategic plan and set the context for the development of the 2015 – 2018 Strategic Plan.
- Review major developments and trends likely to impact AIC’s operating environment.
- Reach agreement on strategic priorities, key results to be achieved, performance measures and strategies for each priority.
- Identify resources required to effectively implement the strategic plan.

The approach taken to developing and documenting the results from the planning process are depicted in Figure 1 below.

**Figure 1: Strategic Planning Framework**



# AIC Mission, Vision and Values

## *Purpose*

The Alberta Insurance Council is delegated responsibility by the Government of Alberta for the protection of consumers of insurance products.

## *Mission*

Protect the Alberta Insurance consumer through the regulation of insurance intermediaries

## *Vision*

The AIC will be viewed by consumers, government and industry as the premier Canadian insurance regulator.

## *Values*

*Fair:* effective, balanced and transparent enforcement of regulations

*Independent:* objective interpretation and application of regulation free from external influences

*Customer-focused:* responsive to the needs of consumers and stakeholders

*Accountable:* accountable to the Government of Alberta for fulfilling the AIC mandate in an effective and fiscally responsible manner

*Respect:* people are valued and treated with dignity

## Strategic Goals

- ***Compliance / Certification and Licensing Services:*** Ensure insurance intermediaries are certified in accordance with provincial legislation and transact insurance business in accordance with the provincial regulatory framework.
- ***Provincial Insurance Industry Standards:*** Work collaboratively with government, intermediaries, trade associations and other key stakeholders to ensure an efficient and effective regulatory framework for the insurance industry in Alberta.
- ***Industry Educational Standards:*** Continue to review and update educational standards for insurance intermediaries and ensure these requirements are communicated clearly to stakeholders.

- ***Reputation and Profile:*** Ensure AIC develops and maintains a reputation among stakeholders as being a fair, objective and effective regulator.
- ***Governance and Leadership:*** Ensure the governance framework, decision-making structures, and accountability measures protect the public interest and facilitate fulfillment of AIC's mandate and strategic goals.
- ***Future Planning:*** Ensure ongoing identification and analysis of issues affecting the insurance industry in Alberta and the potential impact of industry changes on the AIC's mandate and strategic goals.

# Strategic Goals, Key Results, Performance Measures and Strategies

<b><i>Compliance / Certification and Licensing Services: Ensure insurance intermediaries are certified in accordance with provincial legislation and transact insurance business in accordance with the provincial regulatory framework.</i></b>	
Key Results	Performance Measures
<ul style="list-style-type: none"> <li>▪ AIC will efficiently issue and deliver certificates to intermediaries online.</li> <li>▪ Consumers will have access to an effective system/infrastructure to lodge and address complaints regarding the marketing of insurance products and the handling of claims within the Province of Alberta.</li> <li>▪ Restricted certificate holders will operate consistently within the regulatory framework.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Turnaround times for licence applications and renewals</li> <li>▪ Levels of agent and insurance company satisfaction with online tools</li> <li>▪ Year over year tracking of complaints by major category</li> <li>▪ Percentage of complaints that have been concluded within 60 and 90 days.</li> <li>▪ Insurance product reviews of restricted certificate holders</li> <li>▪ Practice assessments of restricted certificate holders</li> </ul>
<b>Strategies</b>	
<ol style="list-style-type: none"> <li>1. <b>Canadian Insurance Participants Registry (CIPR):</b> Work with insurance companies, agencies and regulators from other jurisdictions to implement the Canadian Insurance Participants Registry.</li> <li>2. <b>Online Certification:</b> Complete implementation of online services for new certificates and transfers.</li> <li>3. <b>Online Exam Registration:</b> Complete the implementation of online exam registration services.</li> <li>4. <b>Restricted Certificate Holders:</b> Continue to monitor the operations of restricted certificate holders through practice assessments and product reviews.</li> <li>5. <b>Compliance Overview:</b> Continue to review and analyze our complaint data to identify trends, emerging issues and opportunities for continuous improvement.</li> </ol>	

**Provincial Insurance Industry Standards: Work collaboratively with government, intermediaries, trade associations and other key stakeholders to ensure an efficient and effective regulatory framework for the insurance industry in Alberta.**

Key Results	Performance Measures
<ul style="list-style-type: none"> <li>■ The insurance industry regulatory framework will effectively protect the public interest without unduly impeding the intermediaries' ability to run an effective business.</li> <li>■ The AIC will be viewed by government as a credible and valued participant in all discussions relating to the regulation of insurance intermediaries.</li> <li>■ There will be increased awareness of and application by insurance intermediaries of the Councils' Codes of Conduct and related best practices.</li> </ul>	<ul style="list-style-type: none"> <li>■ Evidence that AIC is actively engaged in provincial policy and regulatory discussions impacting insurance intermediaries</li> <li>■ Evidence of streamlined regulations in targeted areas</li> <li>■ Level of intermediaries' awareness of Councils' Codes of Conduct and related best practices</li> <li>■ Evidence of AIC participation on national initiatives</li> </ul>

**Strategies**

1. **Financial Services Regulator:** Provide timely advice and recommendations to the Ministry of Finance regarding potential policy changes relating to the proposed creation of a single financial services regulator for the province.
2. **Streamline Regulations:** Review of insurance industry regulations with a view to migrating selected regulatory requirements into AIC licencing standards. E.g., setting of fees, setting of limitations on the number of exam attempts, course requirements, etc.
3. **Codes of Conduct:** Encourage insurance intermediaries to utilize the Insurance Councils' approved Codes of Conduct as the standard for best practices in the industry.
4. **National Harmonization:** support the Canadian Insurance Services Regulatory Organizations' (CISRO) efforts to facilitate the development of national insurance standards.

**Industry Educational Standards: Continue to review and update educational standards for insurance intermediaries and ensure these requirements are communicated clearly to stakeholders.**

Key Results	Performance Measures
<ul style="list-style-type: none"> <li>■ The National Life Licence Qualification Program (NLLQP) will be fully implemented by Jan, 2016.</li> <li>■ A review of the current curriculum for all licencing levels of general insurance agents will be complete by Q1, 2016.</li> <li>■ All stakeholders will be aware of the changes to educational standards and curriculum.</li> <li>■ Examinations will be closely correlated with the measurable objectives on the curriculum.</li> </ul>	<ul style="list-style-type: none"> <li>■ Evidence that all applicants for licensing as life insurance agents will have completed the pre-licensing training and passed the required entrance exams</li> <li>■ Re-developed curriculum for general insurance adopted and being implemented</li> <li>■ Levels of trainee satisfaction with the quality of the training received</li> <li>■ Examination success rates</li> </ul>

**Strategies**

1. **NLLQP:** Complete the rollout of the NLLQP including instructional material development, accreditation of course providers, development and implementation of modular examinations and ongoing evaluation of the effectiveness of training.
2. **General Insurance Curriculum Review:** Initiate a review and update of the curriculum for general insurance agents. This will involve working collaboratively with industry and government stakeholders to establish curriculum objectives and required competencies.
3. **Training Program Evaluation:** Work collaboratively with course providers to ensure the design of appropriate vehicles to measure the effectiveness of training, including degree of alignment of programming with required competencies and curriculum objectives. This should include measures of trainee satisfaction with the quality of the program.
4. **Examination Development:** Review and update the general insurance examinations to ensure they effectively measure the degree to which required competencies and core curriculum objectives have been taught.

**Reputation and Profile: Ensure AIC develops and maintains a reputation among stakeholders as being a fair, objective and effective regulator.**

Key Results	Performance Measures
<ul style="list-style-type: none"> <li>■ AIC will be viewed by the government, intermediaries and other industry stakeholders as an effective regulator.</li> <li>■ Consumers will be aware of the role and mandate of the AIC, including knowledge regarding how to access our services.</li> <li>■ Members of the public will feel that their issues or complaints have been dealt with in a fair and timely manner.</li> <li>■ Intermediaries will understand AIC’s regulatory responsibilities; and that these responsibilities are operationalized in a transparent, fair and consistent manner.</li> </ul>	<ul style="list-style-type: none"> <li>■ Input from regular stakeholder sessions on emerging issues and concerns</li> <li>■ Stakeholder surveys on selected topics/questions – for information session attendees</li> <li>■ Stakeholder awareness regarding key messages in the communications strategy</li> <li>■ Periodic licensee satisfaction surveys and or focus groups</li> <li>■ Quarterly feedback sessions with Superintendent of Insurance</li> <li>■ Web site traffic</li> </ul>

**Strategies**

1. **Comprehensive Communications Strategy:** Develop and implement a comprehensive communications strategy that includes clearly articulated key messages, target audiences, supporting communications vehicles and ongoing evaluation of the effectiveness of communications initiatives.
2. **Stakeholder Feedback:** Continue to utilize a range of vehicles to gather input and feedback from stakeholders on AIC regulatory activities and services. These will include;
  - 2.1 Input at annual stakeholder information session
  - 2.2 Stakeholders surveys;
  - 2.3 Intermediary satisfaction surveys;
  - 2.4 Sessions with government representatives;
  - 2.5 Others as appropriate.
3. **Web Site Re-development:** Enhance the AIC web site to make information more accessible and provide improved interactive tools. This should include strong messaging relating to the purpose, role and mandate of the AIC as well as information to draw consumers to the site.
4. **Disciplinary Actions:** In the interest of transparency and enhancing best practices, continue to utilize the web site to publish the results of disciplinary actions.



**Governance and Leadership: Ensure the governance framework, decision-making structures, and accountability measures protect the public interest and facilitate fulfillment of AIC's mandate and strategic goals**

Key Results	Performance Measures
<ul style="list-style-type: none"> <li>■ Board will operate in accordance with a clearly define governance model.</li> <li>■ The respective roles and responsibilities of the Board and the CEO will be clearly articulated.</li> <li>■ Effective policies and processes will be in place to ensure board renewal, development and regular evaluation.</li> <li>■ AIC will have access to the financial resources required to achieve its mandate and strategic goals.</li> <li>■ Risks to the AIC will be identified and effectively mitigated.</li> </ul>	<ul style="list-style-type: none"> <li>■ Board governance model adopted</li> <li>■ Relevant board policies reviewed and updated to ensure alignment with board governance model</li> <li>■ Financial targets on annual fee adjustments are achieved</li> <li>■ Alternate revenue sources have been explored and developed</li> <li>■ Results of annual report to the board on enterprise risk</li> </ul>

**Strategies**

1. **Board Governance Development:** Utilize the planed Board Development Project (U of A) to define more clearly and plan strategy in the following areas:
  - 1.1 The Board's preferred governance model;
  - 1.2 Board Policy Development Priorities; e.g., - ends (vision, mission , values, strategic plan); executive limitations, board processes and CEO-Board relationship
  - 1.3 Board roles and responsibilities
  - 1.4 Board relations with industry specific councils with quasi-judicial functions
  - 1.5 Board training and development
  - 1.6 Relationships with key stakeholders
  - 1.7 Board Evaluation
2. **Strategic Intelligence:** Create a strategic intelligence function within the AIC designed to support the strategic planning process. This could include: tracking major industry trends and developments; researching emerging policy issues, developing position papers on selected topics; analyzing internal and external trend data; developing business cases for specific initiatives; etc.
3. **Financial Sustainability:** Develop a long-range financial plan designed to ensure sustainable funding to achieve AIC mandate and strategic goals. This should include: core funding streams from regulated fees; alternate fund generation options; innovative approaches to service delivery; and opportunities to streamline operations and improve the efficiency.
4. **Risk Management:** Continue to utilize and enhance our enterprise risk management systems.
5. **Performance Dashboard:** Develop and utilize an organization performance dashboard to support regular reporting to the Board.

**Future Planning: Ensure ongoing identification and analysis of issues affecting the insurance industry in Alberta and the potential impact of industry changes on the AIC's mandate and strategic goals.**

Key Results	Performance Measures
<ul style="list-style-type: none"> <li>■ AIC will identify and track emerging trends in the insurance industry</li> </ul>	<ul style="list-style-type: none"> <li>■ Trends will be reviewed and the potential impact on AIC determined</li> </ul>

**Strategies**

1. **Education:** AIC will organize and implement a series of educational sessions for all Councils with industry speakers to ensure familiarity with current and ongoing issues and trends in the industry.
2. **Strategic Intelligence:** AIC will utilize a strategic intelligence function within AIC to identify the impact of current industry issues and trends on AIC's mandate and strategic goals.
3. **Strategy Development:** AIC will review and analyze the following issues and develop strategies around:
  - a. The growing consolidation in the insurance industry
  - b. The impact of e-commerce and the elimination of borders
  - c. The growing number and complexity of insurance products
  - d. The impacts of telematics and technology on the industry
  - e. The growth in the number of ISI products

*Organizational Capacity: Ensure the AIC has the organizational and administrative capacity and infrastructure required to achieve its mandate and strategic goals.*

### Human Resources

Strategies	Performance Measures
<ol style="list-style-type: none"> <li>1. <b>Leadership Development:</b> Collaborate with the University of Calgary to develop and implement a leadership development program for senior management staff.</li> <li>2. <b>Staff Training:</b> Implement staff training in selected high priority areas including:               <ol style="list-style-type: none"> <li>2.1 Support to transition to online licensing</li> <li>2.2 Succession planning in the accounting area;</li> <li>2.3 Others as identified in personal improvement plans.</li> </ol> </li> <li>3. <b>Staffing Levels:</b> Increase staffing levels as follows for 2015:               <ol style="list-style-type: none"> <li>3.1 Information technology - 1 FTE</li> <li>3.2 Accounting - .4 FTE</li> <li>3.3 Strategic Intelligence Function - .5 FTE</li> </ol> </li> </ol>	<ul style="list-style-type: none"> <li>■ Levels of senior management satisfaction with leadership development program</li> <li>■ Levels of staff satisfaction with staff training and development opportunities</li> <li>■ Staff turnover rates and absentee rates</li> <li>■ Average time to fill vacant positions</li> <li>■ Annual staff evaluations completed as per policy</li> </ul>

### IT, Communications and Business Systems

Strategies	Performance Measures
<ol style="list-style-type: none"> <li>4. <b>Contracted Services:</b> Resource web site development and communications plan development strategies with external contracts.</li> <li>5. <b>CIPR – IT Support:</b> Expand the CIPR IT system to support national participation. External contract proposed to support initiative.</li> <li>6. <b>Phone System Update:</b> Purchase new phone system with software to support online licensing and enhanced client services.</li> <li>7. <b>Online Licensing:</b> Complete implementation of online licensing system.</li> <li>8. <b>Web-based Board Supports:</b> Transition Councils' and Committees to online vehicles to support their functions.</li> <li>9. <b>Board Hardware:</b> Purchase tablets for Board and Committees to support online materials delivery.</li> <li>10. <b>IT Security Testing:</b> Complete IT security testing to determine any vulnerabilities and remediate if required.</li> </ol>	<ul style="list-style-type: none"> <li>■ Web site re-development complete</li> <li>■ Website hits</li> <li>■ Phone system update completed and operating successfully</li> <li>■ Online licensing fully operational</li> <li>■ Board satisfaction with online delivery of materials</li> </ul>