



General Insurance Statistical Agency

Directors' Report

The Directors of the General Insurance Statistical Agency (GISA) are responsible for preparing an Annual Report, in accordance with the governing by-law.

NATURE OF BUSINESS

GISA was incorporated in June 2005 and appointed, effective April 1, 2006, as the statistical agent for insurance regulators in the participating member jurisdictions - Alberta, New Brunswick, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Ontario, Prince Edward Island, and Yukon

GISA is governed by a Board of Directors comprised of eight Member Directors, three Industry Directors and two Public Directors.

GISA was created to improve the governance and oversight, as well as the reliability and objectivity of insurance statistical data.

Detailed information on GISA's business and objectives, governance structure, Board and Committee responsibilities, Bulletins and Publications can be found on GISA's website at www.gisa-asag.ca.

YEAR UNDER REVIEW

The GISA Board of Directors, in its capacity as the governing body overseeing the business and affairs of the Agency, undertook the following principal activities over the fiscal year April 1, 2008 to March 31, 2009.

Appointment of Board Committees

At its annual meeting on September 23, 2008, the Board of Directors appointed members to the following committees of the Board:

- Executive Committee
- Finance and Audit Committee
- Statistical Plan Committee

In addition, an Industry Advisory Committee was appointed by the Statistical Plan Committee.

Technology Renewal Plan

GISA continued to monitor the progress of the 5 year Technology Renewal Plan (TRP). In 2008, Year 3 of the Technology Renewal Plan, the focus was on Phase 2 – ASP Exhibit and Analytical Environment. This Phase began in April and focused on the transformation of the data collected - the aggregation and analysis of the data and production of exhibits and reports. Most of the projects are scheduled within Year 3 and 4 of the program with completion of Phase 3 scheduled during the first half of 2010.

Data Rationalization

The Data Rationalization project began in April 2008 and a Project Team was formed with representation from the industry. Oliver Wyman was retained to consult with Regulators and prepare a report of their data needs. The report was drafted and reviewed by the Regulators and then presented to the industry representatives in January, 2009.

To address concerns raised by the industry representatives, GISA Management prepared a presentation outlining the current problems, the rationale for proposed changes, and processes for considering alternatives and conducting costs/benefit analysis. This presentation was shared with the industry representatives at a second consultation session in March, 2009.

A proposed work plan was approved by the Regulators on March 25, 2009 and subsequently communicated to the industry representatives. The plan calls for establishing Joint Regulators/Industry Working Groups to propose alternatives and perform cost/benefit analysis in two priority areas – ASP Changes and Financial Information.

Information Services

To address perceived conflict of interest in IBC responding to requests for information on GISA data, the GISA Board approved the transition of information services from IBC to GISA. To support this transition, a catalogue of exhibits and high level data will be posted on the GISA website to address frequently asked questions.

GISA Budget & Industry Assessments

The Board reviewed and approved GISA's budget of \$13.949M for the period April 1, 2009 to March 31, 2010 comprised of GISA's allocation of the Information Technology renewal project for the Automobile Statistical Plan, IBC's operating costs for all mandatory statistical plans, Strategic Initiatives undertaken in accordance with the GISA Strategic Plan, and a budget for the GISA Secretariat that supports the work of GISA, including its Board of Directors and Committees.

The budget approved for the period April 1, 2009 to March 31, 2010 is:

	2009-10
IBC Annual Operational	\$ 9,396,000
IBC Technology Renewal Plan	3,937,000
GISA Strategic Initiatives	100,000
GISA Secretariat Operational	<u>515,900</u>
Total	<u>\$13,948,900</u>

However, assessments to the industry were reduced by \$4.983M against the approved budget to recognize unexpended TRP funds, investment income and a retroactive GST refund.

GOVERNANCE

Remuneration Policy

Further to a comparative analysis and in keeping with the Board's decision to exercise prudence and fiscal restraint, the Board agreed that the annual remuneration rates for GISA's Public Directors remain at the current levels of \$4,000 per annum until March 31, 2010. The current Board adopted Remuneration and Reimbursement Policy for expenses, honorariums and per diems incurred by GISA's external directors is posted on GISA's website.

Amendments to GISA By-Law

Amendments designed to streamline processes related to the approval of audited financial statements and the term of appointment of Member Directors were approved by the Board at their March 2009 meeting. As required, the by-laws were sent to and have been given final approval by the Minister of Industry, Canada.

Board of Directors Self-Assessment Survey

In April 2009, the Board Members completed a Performance Review and Competency Inventory Questionnaire designed to examine Board effectiveness, make suggestions for improvement and assess competency gaps on the Board. The process included informal meetings with the Chair to enhance the Review process. Results from the Review will be shared at the Fall 2009 meeting of the Board.

BOARD OF DIRECTORS

The GISA Board is comprised of up to 13 members and consists of regulators, industry representatives and public representatives. During the year, GISA's Board met formally four times, once in person and three times by Conference Call, to address matters referred to it for decision and to receive progress reports on GISA's strategic initiatives and matters related to the operation of GISA. Day-to-day operations are carried out by the GISA Management and staff at the Secretariat.

The Annual Meeting of the Board of Directors of GISA will be held on September 23, 2009.

AUDITORS

Recommendations made in the 2007-08 fiscal year Auditors Report have been implemented.

The audited financial statements and Audit Findings Report, for the fiscal year ending March 31, 2009, will be presented to the Board by PricewaterhouseCoopers, LLP. In accordance with the governing By-Law, upon approval by the Board, the audited financial statements and report will be presented to the Members of the Corporation at their Annual Meeting scheduled for September 23, 2009 subsequent to the Annual Meeting of the Board of Directors.

Upon acceptance by the Members, the approved audited financial statements will be posted on the GISA website.

By order of the Board,

Rosemin Jiwa-Jutha
Corporate Secretary – Treasurer

September 11, 2009