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April 12, 2022

Dear Insurance Industry Stakeholder,

Re: New Statistical Service Provider

I am pleased to provide you with an important update as GISA delivers against its 2021-24 Strategic Plan (Strategic Plan).

GISA Strategic Plan

The development of GISA's Strategic Plan was informed by the results of a strategic alignment exercise facilitated by Deloitte LLP with GISA's Board and key regulatory representatives. The process led GISA to establish four strategic priorities:

1. Enhancing data quality and reliability while ensuring operational efficiency and effectiveness.
2. Enhancing regulator and insurer capacity to monitor and analyze markets through improved, more timely access to data.
3. Increasing adaptability and relevancy of the Statistical Plans to better accommodate regulator and insurer priorities.
4. Enabling mechanisms for engaging insurers and regulators through information-sharing and education to forge stronger relationships and strengthen the value-proposition of GISA.

As reflected in the Strategic Plan, the Board saw the competitive Statistical Service Provider (SSP) Request for Proposals (RFP) process as a key activity to support delivery against these priorities.

Request for Proposals (RFP) Process

Under the direction of GISA's project working group, the open competitive RFP process was administered by an experienced third-party consulting firm specializing in public sector procurement. The Procurement Advisory Office, supported by the advice and due diligence standards provided by the Procurement Law Office, administered the RFP procurement process for a SSP from design and drafting the RFP, through the proposal submission and evaluation process up to and including the final rankings of proponents (the SSP procurement process). The SSP procurement process leading up to the final proponent rankings, under the guidance of the Procurement Advisory Office and Procurement Law Office, was conducted in accordance with applicable due process and probity standards.

Statistical Service Provider Transformation

The SSP RFP required proponents provide a road map to support business transformation to modernize GISA's service delivery infrastructure to enhance data collection, analysis and reporting systems to ensure system sustainability, responsiveness, and scalability.

As a result of the RFP process, GISA will be transitioning to Microsoft's Azure Data Platform and will enable technology components such as Azure Data Lake, Azure Synapse Analytics, Azure Analytics Services, and Power BI, to meet our business requirements. We will build new business capabilities focused on data visualization, analytics and AI/Machine learning. These capabilities will form the foundation for enhanced data analytics services that will be made available to stakeholders.

Statistical Service Provider Transition

Given the successful completion of the evaluation process performed by GISA's evaluation team, in accordance with applicable due process and probity standards, the GISA Board accepted the recommendation of the GISA project team that **IBM Canada Limited (IBM)** be selected for contract award negotiations. I am pleased to announce that GISA has completed contract negotiations with IBM to act as its new SSP.

GISA's new SSP contract supports, at the discretion of GISA's Board, the engagement of IBM for up to 10.5 years. This contract period supports an 18-month transition period and up to 9 years of operational service delivery.

GISA has now concluded the RFP process, including debriefs with non-selected proponents. GISA and IBM will be engaging with IBC to plan and implement the transition of services, while commencing activities to support the proposed business transformations, including the modernization of GISA's data platform and operational processes. During the transition period, GISA will work with stakeholders to inform decisions related to our business transformation.

Next Steps

There are no operational changes to announce at this time. Insurers should continue to submit data to IBC until directed otherwise.

In the coming weeks, GISA and IBM will be actively engaged in transition planning with IBC. Our objective is to minimize industry disruption during the transition. We have confidence that IBM's service delivery proposal will demonstrate excellent value for money while significantly enhancing GISA's business capabilities.

We are currently developing plans to more widely and fully communicate this decision. As our business transformation takes shape, we will consult with insurers to identify meaningful enhancements to the services we provide to industry stakeholders.

If you have any immediate questions regarding the business transformation or our SSP transition to IBM, please contact Peter Burston, Director, GISA Operations, at peter.burston@fsrao.ca.

Sincerely,



Laurie Balfour, MBA, CPA, CMA
GISA Chair