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*General Counsel*

#### KEY HIGHLIGHTS

##### COMPANY

- FTSE listed Company

##### LOCATION

- Toronto, Canada

##### INDUSTRY

Property & Casualty  
Insurance

##### KEY BUSINESS CHALLENGE

- Regulator requirement that all federally-chartered insurers implement a “Legislative Compliance Program”

##### SOLUTION COMPONENTS

- Compliance Positioning System™
- CRSTL Compliance Databases for Canadian P&C Insurers, Provincial Requirements, Privacy, AML

##### KEY BUSINESS BENEFITS

- Assessment questionnaires, addressing all regulatory requirements, that automatically flow to members of a compliance team
- Automatically updated coverage of each and every OSFI requirement
- Plain language regulatory reference library, with direct links from the questionnaires, that eliminates the need to refer to statutes or regulations

## Major Insurer Relies on CRSTL Solutions for Comprehensive Regulatory Compliance Management

Our customer, a FTSE 100 company, is one of the world’s leading insurance groups, providing general insurance products to over 20 million customers worldwide. With over 2,600 employees in Canada and a large network of independent brokers, this company provides its customers with a broad range of comprehensive insurance solutions.

### The Challenge: Effectively Mitigating Regulatory Risk in the Face of Extensive Federally-Mandated Regulatory Compliance Obligations

Like all public companies and financial institutions, our customer is vigilant about preserving its reputation for transparency and superior corporate governance. As corporate scandals continue to make banner headlines in financial circles, the slightest suggestion of corporate wrong-doing could have a devastating impact on a company’s shareholder value. With stakes that high, robust regulatory compliance management is not a goal – it is a mandate.

As are all Financial Institutions in Canada, this company is regulated by the Office of the Superintendent of Financial Institutions (OSFI), an independent agency of the Canadian federal government that enforces compliance with applicable federal laws, including the *Bank Act*, *Trust and Loan Companies Act*, and *Insurance Companies Act*. OSFI also publishes guidelines that it expects financial institutions to follow. One of these guidelines, Guideline E-13, released by OSFI in March 2003, conveys the regulator’s expectation that all Canadian financial institutions implement a “Legislative Compliance Management” (LCM) program to manage their regulatory risk and ensure compliance with all applicable rules.

With more than 50 managers expected to sign-off on compliance, each with differing skills and experience, it became apparent to the compliance team at this company that trying to track compliance with detailed legislation would not be feasible using a plain-vanilla risk-management tool. “The rules are incredibly dense and constantly in flux” explained the insurer’s General Counsel. “We recognize the importance of meeting our compliance obligations but the employees who give sign-off are not lawyers...they are managers and insurance specialists with full-time operational responsibilities. What we needed was a tool that would not only help us keep track of all the rules, but operationalize them and integrate them into our workflow.”

### The Solution: Implement CRSTL Solution’s Compliance Positioning System™ (CPS™), the only Legislative Compliance Management System Pre-Loaded with all Applicable Rules and Regulations

CRSTL’s patent-pending, best-in-class solution for OSFI-regulated P&C and life insurers, developed in collaboration with leading insurance law

#### CUSTOMER SUCCESS STORY

CRSTL develops best in class solutions that enable public corporations and financial institutions to cost-effectively manage the complex legislation and regulation that affects their operations.

advisors is the only application that offers: (i) in-depth regulatory compliance assessment questionnaires, addressing each and every regulatory requirement, that automatically flow to members of a compliance team through pre-defined hierarchies of responsibility; (ii) automatically updated coverage of each and every OSFI requirement; and (iii) a plain language regulatory reference library, with direct links from the questionnaires, that eliminates the need to refer to statutes or regulations.

While choosing a new entrant to the market always means a little more diligence, the company's confidence in CRSTL's vision made the decision to go with CRSTL an easy one. Moreover, legal counsel at the company had already been frustrated with a more established risk-management solution that had been retro-fitted for regulatory compliance and found no other alternative in the marketplace as simple to use and effective as CRSTL's.

As part of CRSTL's implementation program, the members of the company's compliance team were mapped using the organizational-chart feature of CPS™ and compliance duties were assigned to each person. The company's key filing dates were also entered into the system. After brief training, each member of the team received email notification of their assignments and was instructed to complete his/her straightforward, plain-language compliance assessment questionnaires. The entire installation and training process took approximately 4 hours.

To ensure data security, CPS™ is encrypted using industry 128bit SSL and is protected with state of the art firewalls and intrusion detection systems that monitor the environment for unauthorized use. The server hosting facility has biometric restricted access, motion detector systems and a 16-camera multi-vision unit secure data-center floor. Servers are connected to the Internet through geographically

dispersed fiber optic connections to multiple backbone providers and all servers have "built in" hardware redundancy uninterruptible power supplies which are in turn connected to two Caterpillar diesel backup generators.

### **Business Benefits: Comprehensive, Workflow-Oriented Regulatory Compliance Management**

Deploying CPS™ has been a huge time-saver for the company's compliance team. "The fact CPS™ has pulled together all of the key regulations and keeps them updated is extremely valuable," states their General Counsel. "Our cost savings go far beyond a decrease in the billable hours of outside counsel – more importantly, we've dramatically reduced the burden on our internal resources. Deploying CPS™ to manage the LCM process has freed up more time to address all of our other competing priorities."

"The plain-language assessment questionnaires have also made our jobs easier," adds Counsel. "Now our ops people have a much clearer understanding of what is required of them and they are able to get through the bulk of their compliance review without coming back to us for explanations and interpretations of legal jargon. Everything runs quicker now, which is critical for employees who are pulling time out of their busy schedules every quarter to address this stuff."

Another real benefit for the company was the fact that CPS™ was deployed as an ASP solution. Not only did it minimize the input of the company's overburdened IT staff, but from their point of view, one of the best features of running the solution off of CRSTL's servers was not having to deal with distribution of materials, especially content updates. "Everything is automatic now – people get the questionnaires that apply to them and we are simply notified by email when updates have been made on CRSTL's end", explains their General Counsel.

When it comes to the nuts and bolts of managing the compliance

process, CPS™ has all the necessary features but retains a clear interface without any unnecessary buttons that might otherwise be confusing or distracting. In addition, the reporting functionality of CPS™ allows a single person to assess the company's state of compliance in real-time. "The reports pull together all of the inputs from our ops team and sort compliance obligations by topic or by employee so a quick glance tells us everything we need to know," adds Counsel.

One of the most practical features of CPS™ is the audit trail that it keeps. General Counsel states that "OSFI reviews our process every two years and we used to have auditors onsite pouring through our records. Both we and OSFI really appreciate the fact that the audit process can happen off-site through read-only access to our system. If OSFI has any follow-up questions, they are always welcome to visit and that is a lot less disruptive to our business than having them onsite for weeks at a time."

### **Unleash the Power of Information**

Learn how CRSTL Solutions can deploy content-driven regulatory compliance management to your enterprise. Visit our Web site at [www.crstlsolutions.com](http://www.crstlsolutions.com) and let us show you how we can mitigate your regulatory risk, reduce your costs and improve your operational effectiveness.



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