

# Annual Review

Our Whole Community



Integrity

Excellence

Personalized Service

Caring & Respect



**Integrity**

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## We Are Advocates

# Continuous Improvement for Our Members

“Teachers Life has stayed true to what I believe is our ultimate mission: Advocating on behalf of our Members within the financial field.”



Board Chair

2015 was a year dedicated to continuous improvement at Teachers Life. I have always admired organizations that have a sense of urgency with regards to their strategic goals. So it's been inspiring to watch Teachers Life's transformation into a digital enterprise.

I would like to extend my congratulations to Doug, our visionary leader, and to our wonderful committed staff. The volume of work involved in transforming a traditional insurance company to a digital organization is overwhelming. In other words, our whole team recognized the need to change how we do business and then put in the hard work to successfully reinvent Teachers Life. On behalf of the Board, I want to acknowledge all the extra effort the Teachers Life team has put in to make the company different and better.

I'm happy to report that during this time of transformation Teachers Life has stayed true to what I believe is our ultimate mission: Advocating on behalf of our Members within the financial field. Looking to next year, I can tell you that I'm excited by what's happening in the education community with regards to employee benefits. As advocates, we continue to fight for our Members. We want them to continue to get the right insurance for their individual needs and we want to ensure that disability benefits are delivered on a timely basis.

I would like to acknowledge the hard work of our dedicated Board of Directors. It is their vision that makes Teachers Life a progressive leader within the whole insurance industry. In particular, I would like to acknowledge the contributions of Sharyn Rothfuss and Robert (Bob) Bradey. Sharyn and Bob are retiring from the Teachers Life Board this year and I want to thank them for their dedication to the organization and for the endless hours they spent in planning and development. Sharyn, former Chair of the Board, has been with us for 19 years. Bob has been on the Teachers Life Board of Directors for 25 years. Teachers Life is indebted for their skill and guidance in making Teachers Life a resilient and steadfast organization within the education community.

On behalf of the Board of Teachers Life, I want to say thank you to our Members... And let them know that the best is still to come.

**Randy McGlynn**  
Board Chair  
Teachers Life



## We Exist for Our Members

# Being Different Is a Good Thing

“Our recent investments in change, innovation and growth are a result of our commitment to our Members and their families’ financial well-being for generations to come.”



President and CEO

I believe that there is inspiration to be taken from William Pollard, a 19th century Quaker clergyman – himself an educator – who said, “Without change there is no innovation, creativity, or incentive for improvement. Those who initiate the change will have a better opportunity to manage the change that is inevitable.”

Teachers Life is North America’s largest educator-owned fraternal insurance company, and now we can also claim to have North America’s first successful online fully underwritten term life product. Over the course of the next few years we are going to leverage this new position to increase our leadership and innovation role in providing products and services to our Members and to the greater education community.

But one thing hasn’t changed: We exist for our Members. This is the first of Our Guiding Principles and it’s something the Teachers Life staff and Board think about every day. At our core is our fraternal purpose – to provide products, services and support to our community and Our Guiding Principles reflect this focus. Our recent investments in change, innovation and growth are a result of our commitment to our Members and their families’ financial well-being for generations to come.

A vibrant organization embraces change and transformation. It’s not always comfortable, but it’s necessary. And taking a leadership role within any industry is not without its risks. However, we have seen “traditional” organizations that have resisted or perhaps ignored ongoing changes, disappear.

I have been fortunate to have had the opportunity to participate in several insurance industry associations over the past number of years. I can say with some level of confidence that Teachers Life is different.

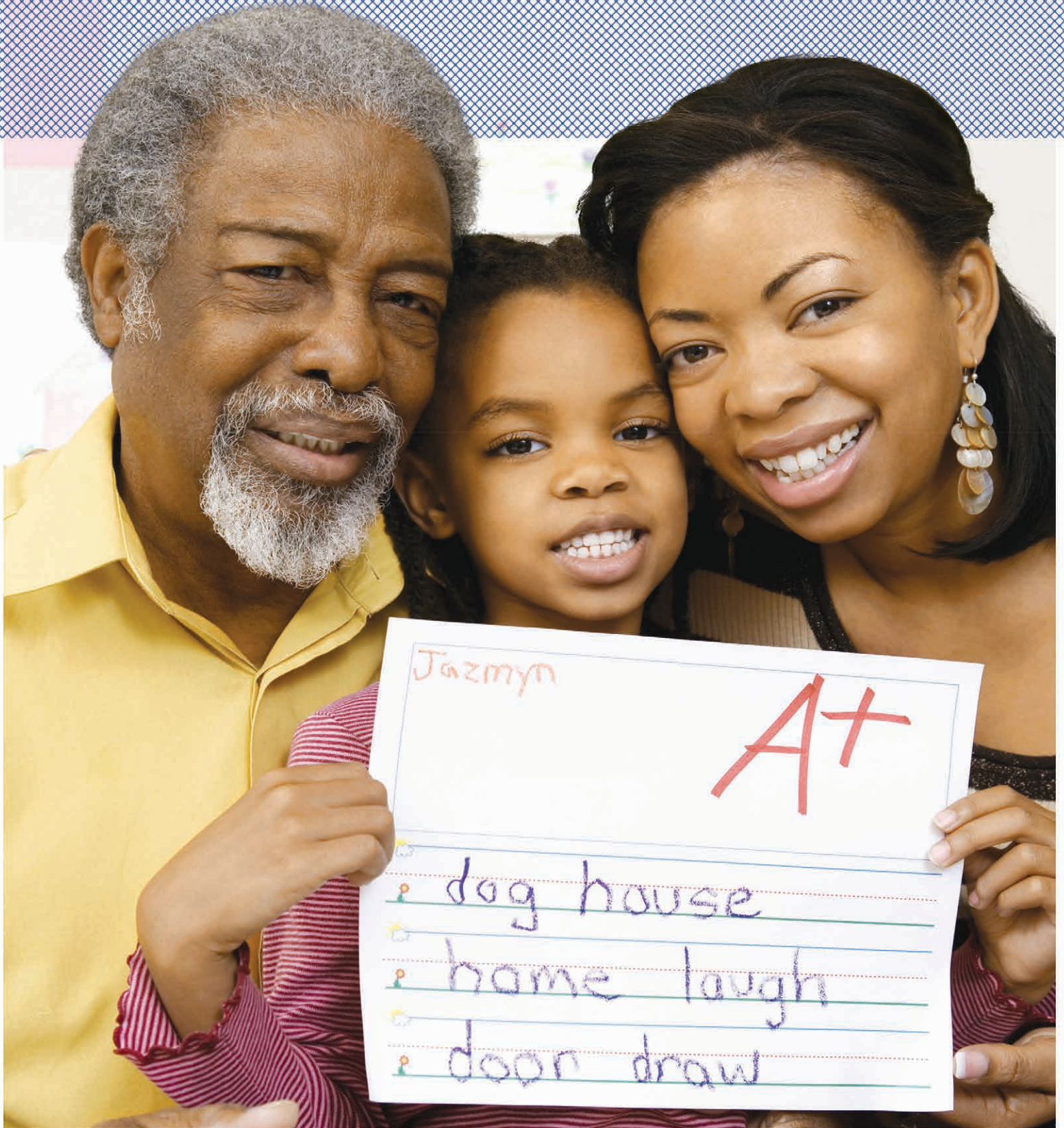
The transformation of Teachers Life would not have happened without the leadership and support of an extremely engaged and thoughtful Board of Directors. Governance is where it all starts, and I cannot say enough good things about working with this group. ANY strategy or vision has to be actioned and the team here at Teachers Life has worked tirelessly for our Members.

We’re not done. Creating a culture of change is difficult, but the true key to success is maintaining it. There are too many lessons out there about those that became complacent. We have an obligation to be around to fulfill the promises we’ve made to all of our existing and future Members. My wish for 2016 and for the coming years is, beyond our commitment to insurance, to keep growing and changing so that we can continue to serve our Members.

**Doug Baker**  
President and CEO  
Teachers Life



Excellence





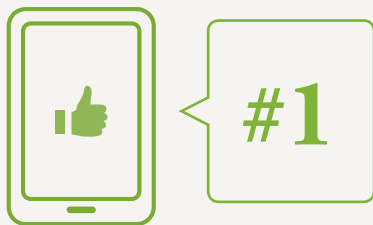
## We Are Expanding

# A North American First for Online Underwriting

Teachers Life began to realize the benefits of over six years of continuous business, technological, operational and marketing transformation and is an industry-recognized leader in insurance innovation. Educators and Canadians can be proud that we are now positioned to expand our industry-leading approach to personal insurance across the country and to lead other organizations in growing their insurance business.



Educators can now use their laptops in the privacy of their own homes, on their own time, without medical tests or needles, and receive best-in-class life insurance in just minutes.



Proud to have launched North America's first successful fully underwritten online term life insurance.



Continuous business, technological, operational and marketing transformation – an industry-recognized leader in insurance innovation.

## 2015: Breaking the Barriers to Full Online Underwriting for Term Life Insurance

Online Term Insurance

Flexible coverage

- ✓ No medical
- ✓ Online issue
- ✓ Needs analysis
- ✓ Term 10–40

Get a Quick Quote

:60

Amount of time to get a life insurance quote for you and your family.

As Low as **\$6/month**

Affordable Online Individual Term Insurance



Teachers Life Online Underwriting:

**15 minutes**



Amount of time to complete online term product application and underwriting through **TeachersLife.com**.

Industry Average Underwriting:

**41 days**



Number of days applicants must wait for their coverage with ordinary insurance.

TeachersLife.com

ReadyforLife.ca



New mobile optimized websites

4

Class-leading technology partners



Acceptiv – Canada

MDI – USA

TCP – UK

VersaPay – Canada

## 2015: Expanding to Serve New Members Nationally with Innovative Life Insurance

Teachers Life is licensed from coast to coast.

- Manitoba
- Northwest Territories
- Nova Scotia
- Nunavut
- Prince Edward Island
- Saskatchewan
- Yukon

### Received in 2016

- Newfoundland & Labrador
- New Brunswick

9

Provincial licensing applications submitted

7

Approvals received



Personalized Service





## We Are a Different Kind of Insurance Company

# Serving Our Members Is Personal to Us

Sometimes public insurance companies can view their customers as a means to an end – profits for shareholders. But Teachers Life is different. It was created by its Members for their own benefit.

To us there is nothing better than helping our Members buy and benefit from good-quality personal insurance for their families. And once again in 2015, we answered the call – sometimes literally – to provide personal dedication and service for our members.

# 14,620



Number of personal service engagements with Teachers Life staff over the phone. Personal service is still important in the digital age.

# \$16,700

**2015:** Total amount given back to our policy holders through our Member Advantages program.

Rebates include gym and fitness club memberships, CPR certification and re-certification, will creation and power of attorney appointment.



**2015:** Teachers Life awarded two scholarships of \$3,000 for four years and 12 \$1,000 bursaries.

# \$31,000

**2015:** Total amount paid to students in the Teachers Life Scholarship and Bursary program.

## We Do More Than Sell

# Teachers Life in the Community

Founded in 1939, Teachers Life has long been a part of the education community in Ontario. We're dedicated to making the community we work and live in better. In 2015 we were more committed than ever to protecting and enriching the personal and professional lives of our Members and all those working in education.



Children's Mental Health Ontario  
Santé mentale pour enfants Ontario

## Children's Mental Health Ontario

In the fall of 2015 we raised \$7,500 for Children's Mental Health Ontario (CMHO)! Our #Quote2Give campaign kicked off our partnership with CMHO, and together we're making kids' mental health a priority in Ontario. The campaign reached a national audience with a special report in the *Globe and Mail*, and our social media community overwhelmed us with their support and enthusiasm.

#Quote2Give



**\$7,500**

Total raised for Children's Mental Health Ontario.



## Free The Children and ME to WE Take Action Camp

In 2015, Teachers Life staff raised over \$10,000 for Free The Children's Brick by Brick – Build a School Campaign. The Brick by Brick program builds classrooms from the ground up in international communities that need them the most, like Irkaat, Kenya, where our classroom will be built. In addition to the Brick by Brick Campaign, Teachers Life funded a week's stay for two Ontario students at ME to WE's Take Action Camp.



**\$10,000+**

Total raised for Free The Children's Brick by Brick Campaign.



## Community and District Events

Have you seen the Teachers Life booth or logo at an event you went to in 2015? We love meeting our Members out in the Community.



# 70+

Number of events that Teachers Life sponsored or attended in 2015.



## TeachersLife™

OSSTF's AMPA

OECTA's Beginning Teachers Conference

ETFO's Annual General Meeting

The Annual Canadian Safe Schools Conference

The Catholic Principals Council General Meeting

The Silver Fox Invitational Basketball Tournament

Marlboros International Holiday Classic

District Professional Development Days in OSSTF Districts 9, 12 and 19

OSSTF ARM Spring Golf Tournament



Caring & Respect





## We Will Never Be Finished

# Buying Personal Insurance Shouldn't Be Intimidating

2015 was about more than just technological innovation at Teachers Life. It was about connecting with policy holders digitally, meeting them on their own terms. We refocused our Facebook and Twitter presence to connect better with Members and developed new types of rich online content to get attention and help prospective policy holders feel good about the insurance they buy. Moreover, our use of data and analytics grew to new levels of sophistication to understand the needs and wants of educators, and we are well positioned to deploy the insights we gained in 2016 for even more effective marketing.

41



### 2015: Blog Posts

Providing prospective customers and current Members with helpful insurance advice.

3



### 2015: Blog Series

Women and Insurance, Insurance 101 and Insurance for Your Lifestyle.



### 2015: Tweets

Engaging with educators in our vibrant online community

3,537

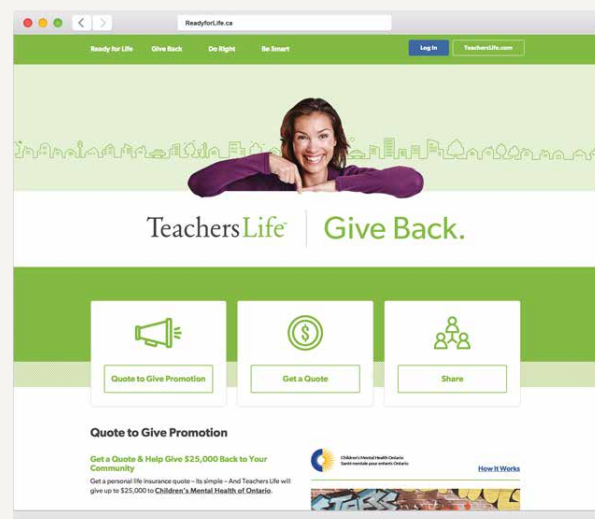
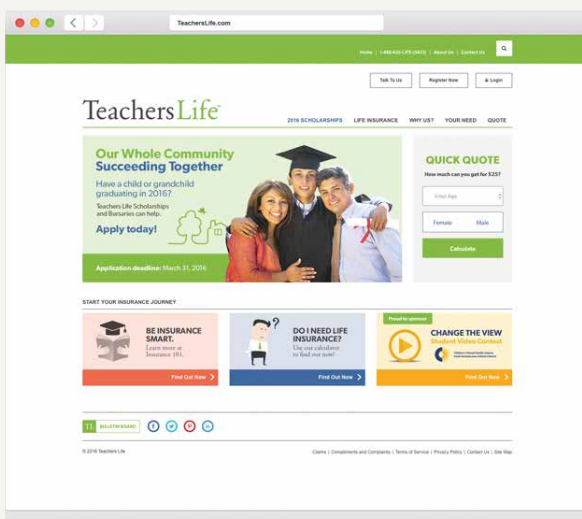
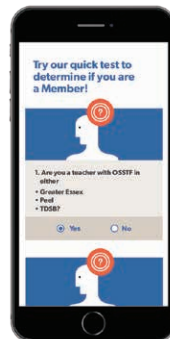
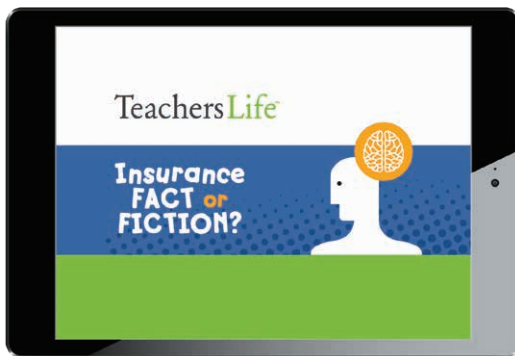
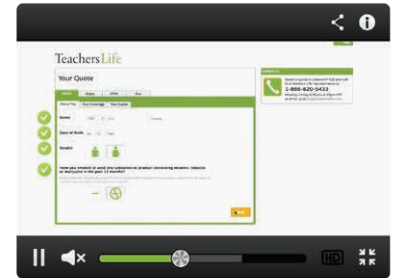
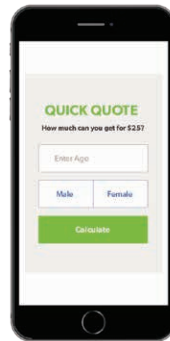


### 2015: Followers

Staying connected with our events, contests and promotions.

## Friendly & Timely: Connecting with Members Digitally

In 2015 Teachers Life expanded our digital technologies to provide fast, relevant information to our customers. We launched our Ready for Life e-newsletter and started using digital ballots at events to reduce our environmental footprint. We also developed new ways to share our insurance expertise by investing in our social media presence, online tools and blog.



### TeachersLife.com

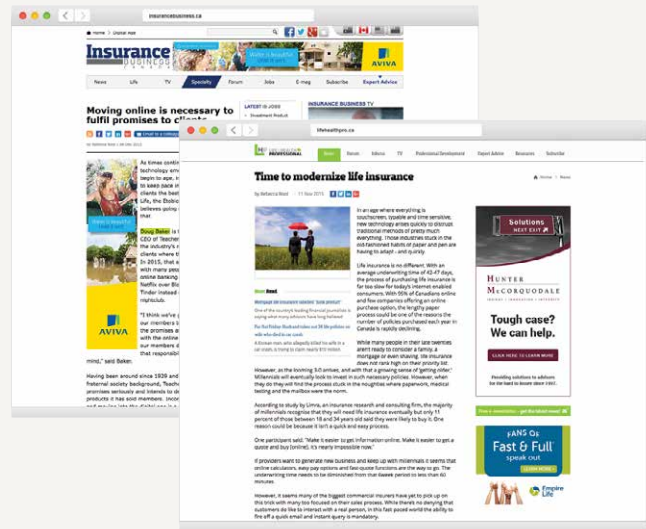
In 2015 our website got a fresh new look. The redesigned site has easy navigation to great financial planning advice, product information and facts about our Member Advantages.

### ReadyforLife.ca

We launched the microsite to support our #Quote2Give campaign. The interactive site had details about CMHO and our fundraising campaign. And it was a lot of fun to use! Look for the relaunch in 2016!

# Fall Advertising and Fundraising Campaigns

In the fall of 2015 Teachers Life worked hard to reach educators. We made a splash with our digital brand awareness campaign. Did you see our ads on the WeatherNetwork.ca or on CBC.ca? At the same time we activated our #Quote2Give Campaign to raise funds for Children's Mental Health Ontario. You may have read about us in an article in the digital edition of the *Globe and Mail* or seen our online ads.



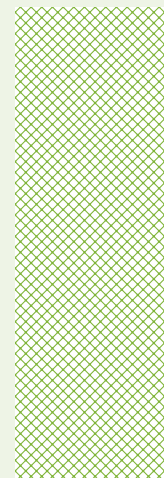
## Featured Articles

Last year Teachers Life President and CEO Doug Baker began blogging to share Teachers Life's insurance expertise at [HuffingtonPost.ca](http://HuffingtonPost.ca) today. Teachers Life was also featured in articles for *Life Health Professional* and *Insurance Business Canada*.

# Letter from the Auditor



February 18, 2016



## To the Members and Directors of Teachers Life Insurance Society (Fraternal)

We have audited the accompanying financial statements of Teachers Life Insurance Society (Fraternal), which comprise the balance sheet as at December 31, 2015, and the statements of net income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

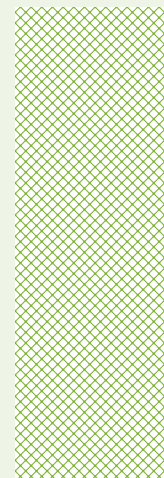
In our opinion, the financial statements present fairly, in all material respects, the financial position of Teachers Life Insurance Society (Fraternal) as at December 31, 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards

## CW Partners LLP

Chartered Professional Accountants,  
Licensed Public Accountants  
Toronto, Ontario

# Balance Sheet

December 31, 2015



Teachers Life Insurance Society (Fraternal)  
Balance Sheet (in Canadian \$)

## Assets

Cash  
Accrued investment income  
Insurance receivables (note 5)  
Portfolio investments (note 6)  
Current taxes receivable  
Prepays  
Deferred income taxes (note 9)  
Property and equipment (note 7)

## Liabilities

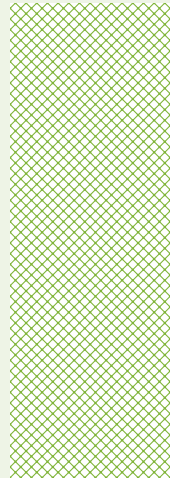
Trade and other payables  
Claims payable  
Policy liabilities (note 8)  
Deferred income taxes (note 9)

## Equity

Accumulated surplus  
Accumulated other comprehensive income (loss)

	2015	2014
	\$ 1,366,320	\$ 801,387
	454,444	527,073
	254,343	323,900
	65,234,106	66,096,551
	270,488	599,690
	430,864	438,741
	176,300	-
	3,347,094	3,048,587
	<b>\$ 71,533,959</b>	<b>\$ 71,835,929</b>
	\$ 1,237,742	\$ 1,440,912
	386,781	384,224
	54,657,648	55,456,809
	-	23,300
	<b>56,282,171</b>	<b>57,305,245</b>
	15,423,033	14,447,869
	(171,245)	82,815
	<b>15,251,788</b>	<b>14,530,684</b>
	<b>\$ 71,533,959</b>	<b>\$ 71,835,929</b>

# Board of Directors



## Board Standing Committees (2015)

### Corporate Governance and Conduct Committee

Lori Foote (Chair), Bob Bradey, Sharyn Rothfuss, Ted Walker

**Staff Liaison:** Douglas Baker

### Finance (Audit and Investment) Committee

Brad Bennett (Chair), Lynn Shire, Angela Ciarlariello-Bondy, Rob Rosenblat

**Staff Liaisons:** Douglas Baker, Hoc Tai Trinh

### Human Resources and Compensation Committee

Ted Walker (Chair), Bob Bradey, Lori Foote, Earl Burt

**Staff Liaisons:** Douglas Baker, Kim Hanchar

### Fraternal Benefits Committee

Angela Ciarlariello-Bondy (Chair), Earl Burt, Bob Bradey, Sharyn Rothfuss

**Staff Liaison:** Douglas Baker

### Risk Committee

Lynn Shire (Chair), Brad Bennett, Sharyn Rothfuss, Rob Rosenblat, Vic Medland

**Staff Liaisons:** Douglas Baker, Kim Read

Randy McGlynn, Chair of the Board, is an ex-officio member of each committee and regularly attends meetings of those committees.

25

Total number of Board and Committee meetings during the year



93%

Overall attendance



Directors were required to participate in additional education activities related to their role:

400+ hours

Documented time spent on professional development

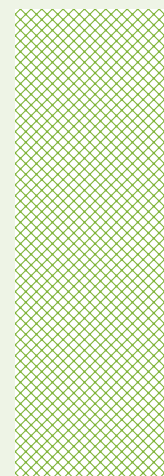


The Teachers Life Board of Directors  
is made up of representatives from  
the world of finance and Ontario's  
education community.



**From left to right:** Robert Rosenblat, Lynn Shire, Brad Bennett, Bob Bradey, Doug Baker, Angela Ciarlariello-Bondy, Randy McGlynn, Sharyn Rothfuss, Ted Walker, Lori Foote **Missing:** Earl Burt, Kim Hanchar, Vic Medland

# Direction and Corporate Affairs



## Direction

### President and Chief Executive Officer

Douglas Baker

### Director, Business Administration

Kim Hanchar

### Director, Risk Management

Kim Read

### Director, Information Technology

Rahim Somji

### Director, Accounting

Hoc Tai Trinh

### Executive Assistant

Kelly Bruce

### Individual Life Underwriter

Jennifer Burgess

### Communications and Marketing Coordinator

Beth Milner

### Accounting Clerk

Mai Phung

### Media & Events Coordinator

Sandra Porfirio

### Policy Administration MSR

Jeffery Smith

### Business Development MSR

Richard Williams

### Business Administration MSR

Remy Wright

### Individual Insurance MSR

Duane Young

## Corporate Affairs (2015)

### Appointed Actuary

Merv Worden, FSA, FCIA

Worden Actuarial & Benefits Consulting Ltd.

Winnipeg, MB

### Consulting Actuary

Kent Lum, ASA

Aon Hewitt

Toronto, ON

### External Auditor

H. Steven Frye, MBA, CA, CBV

CW Partners LLP

Toronto, ON

### Investment Counsel

Terry H. A. Bodnar, CA, CIP, CFA, CFP

President & CEO

FI Capital

Waterloo, ON

### General Legal Counsel

Helen Sava

Helen Sava & Associates

Toronto, ON

### Medical Director

Chris Stefanovich, MD

Toronto, ON

# Our Mission is to safeguard Members for life by providing high-quality products that build a secure future.

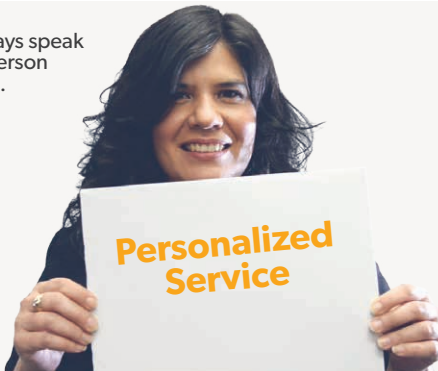
> Our commitment to our principles will never waver.



> We lead with product innovation and service.



> You'll always speak to a real person who cares.



> Our Members' needs come first – always.



## About Teachers Life

Teachers Life is a federally regulated fraternal life insurance company and North America's largest educator-owned fraternal insurer. Founded in 1939 by educators, Teachers Life offers a full suite of insurance products to address the unique needs of over 30,000 members of the education community. Providing insurance for the whole education community, Teachers Life serves educators, administrators, support staff and their families. Teachers Life is the first insurance provider in Canada to fully underwrite life insurance products online at the time of purchase, often in less than 15 minutes. **As a not-for-profit fraternal insurer, community commitment is a core value for Teachers Life.**

# TeachersLife™

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