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Message from the President IBANB



*Kirby Curtis, CAIB
President IBANB*

WOW! The year sure has gone by quickly. My term as president is almost complete and the experience has been both enjoyable and valuable. I have met a number of wonderful people within our industry and many outside of it. My hope is that many of you will, at some point, have the pleasure of doing the same.

This time last year I was preparing to step into the role of president of this great organization. In my first article last December, I mentioned how change can affect our industry and how it will continue to be something that brokers need to adapt to. I also mentioned some of the work that IBANB does with Government to help ensure the longevity of the broker distribution channel.

Directs

As stated in a previous article, when I attended the IBAC insurer forum earlier this year, the message from most of the companies in attendance was loud and clear: they will continue to develop models to enhance direct writing, either in house or by acquisition.

Change has continued to be a constant in our industry, as we see distribution models evolve and see mergers and acquisitions continue to happen. This is both with companies and with brokers. Change will never stop, so brokers need to continue to evolve. Stay up-to-date with changes that are taking place and be sure to pay attention to how you can embrace change to ensure the longevity of your brokerage and the broker channel in general. Some changes will be easier to adapt to than others, but as I mentioned

above, change has been and will continue to be, a constant.

On the topic of government, October 19th will be a day to pay close attention to with the Federal election. As brokers, we need to continue to build relationships with our elected officials at the grassroots level. Be sure to communicate with your new or returning MP to help ensure they know who brokers are and what they do.

The IBANB AGM will be held on October 29th at the Crowne Plaza in Fredericton. Please be sure to mark your calendar and plan to attend. The morning of the AGM is usually an educational session followed by the annual meeting in the afternoon. It would be great to see more brokers attend as greater attendance allows the opportunity for more ideas and issues to be brought forward and discussed. This is also your opportunity to learn more about what the IBANB does and meet the Board of Directors that work on your behalf.

As I wind down my final article and my term as president, I would encourage each and every broker to strongly consider becoming involved however you can. Principals please encourage your YBN aged staff to attend a YBN event, or get involved with the YBN executive.

I would like to thank the staff at the IBANB, my fellow board members, and last but certainly not least, the independent insurance brokers of this great province for their guidance and support over the past year. ■

You may contact Kirby at (506) 843-6558 or via email at, kcurtis@nb.aibn.com.

Incroyable comme l'année a filé! Mon mandat de président se termine et je dois dire que j'ai trouvé l'expérience agréable et enrichissante. J'ai rencontré beaucoup de gens formidables, que ce soit dans notre secteur ou à l'extérieur. J'espère qu'il en est de même pour bon nombre d'entre vous.

L'année dernière à pareille date, je m'apprêtais à assumer mes nouvelles fonctions de président de cette grande organisation. Dans mon premier article, en décembre dernier, j'ai parlé de l'évolution rapide de notre industrie et du fait que les courtiers n'ont d'autre choix que de s'adapter au changement qui en résulte. J'ai également évoqué une partie du travail que l'ACANB fait

auprès du gouvernement pour contribuer à assurer la longévité du courtage d'assurances.

L'assurance en direct

Comme je l'ai expliqué dans un article, quand j'ai assisté au forum des assureurs de l'Association des courtiers d'assurances du Canada plus tôt cette année, le message de la plupart des compagnies qui participaient à l'événement était très clair : elles vont continuer à développer des modèles pour augmenter les souscriptions directes, soit à l'interne, soit par acquisition.

Dans notre secteur d'activité, le changement se poursuit. Les modèles de distribution ne cessent d'évoluer et les fusions et acquisitions se succèdent, autant chez les compagnies d'assurance que chez les courtiers. Le changement n'arrêtera jamais. Les courtiers doivent donc eux-mêmes continuer à évoluer. Mon conseil : demeurez au fait des changements qui se produisent et voyez comment les accueillir pour assurer la longévité de votre bureau de courtage et celle du réseau général des courtiers d'assurance. Il va sans

dire qu'il sera plus facile de s'adapter à certains changements qu'à d'autres, mais comme je l'ai mentionné ci-dessus, le changement a toujours été une constante et continuera de l'être.

Dans un autre ordre d'idée, les élections fédérales auront lieu le 19 octobre et il faut y porter une attention particulière. À titre de courtiers, nous devons établir et entretenir des relations avec nos élus locaux. Dans cette optique, n'hésitez pas à communiquer avec celui ou celle qui sera élu ou réélu pour lui faire savoir qui sont les courtiers et ce qu'ils font.

L'assemblée générale annuelle de l'ACANB aura lieu le 29 octobre au Crowne Plaza de Fredericton. Notez bien cette date à votre agenda pour ne pas oublier d'y assister. Traditionnellement, le matin est réservé à la formation, puis l'assemblée se déroule l'après-midi. Ce serait formidable qu'un plus grand nombre de courtiers y soient présents. En effet, une plus grande participation permet d'apporter plus d'idées et de sujets de discussion autour de la table. L'AGA est aussi l'occasion d'en apprendre davantage

sur les activités et les actions de l'ACANB et de rencontrer les membres du conseil d'administration qui travaillent en votre nom.

La fin de mon dernier article coïncide à peu près avec la fin de mon mandat de président, mais je profite encore de cette tribune pour encourager chaque courtier à envisager sérieusement de s'impliquer, d'une manière ou d'une autre. J'invite aussi les gestionnaires à proposer à leurs jeunes membres du personnel de participer à un événement du Réseau Jeunes Courtiers ou à s'intéresser à la direction de ce Réseau.

Pour conclure, je remercie les membres du personnel de l'ACANB, mes collègues membres du conseil d'administration et les courtiers d'assurances indépendants de cette fabuleuse province pour leurs conseils et leur soutien au cours de la dernière année. ■

Kirby peut être jointe au 506-843-6558 ou à kcurtis@nb.aibn.com.



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Message from the President IBANS



*Paul Croft, B.A., B.Sc., CIP, CCIB, CRM
President IBANS*

Education is one of the pillars of the Insurance Brokers Association. I would argue that a strong educational foundation coupled with continued learning is key to being a successful broker in today's economy.

We live in a highly interconnected world where new risks are always emerging. This is especially true on the commercial risk transfer side of our business where new technology, political shifts, socio-economic trends and global regulatory changes have made structuring risk management programs more challenging in the past number of years. On the personal consumer side of our business the impact of climate change, usage of smart analytics, growing urbanisation and emerging technology such as autonomous vehicles and drones has certainly taken more of a spotlight in the past few years.

Education provides us with a foundational knowledge with which to approach not only the existing service requirements of our customer base but also provides us with the skills to take on the emerging risks and trends which affect our consumers. The brokers association has a great deal of course material available which provides the foundation necessary in today's complex world.

I would like to highlight a few of these offerings, the CAIB, CBIP, and the CCIB.

The Canadian Accredited Insurance Broker (CAIB) program done in four parts provides a clear and concise overview of the brokerage business including personal and commercial lines as well as brokerage management including market-

ing, human resources, information technology and financial management. Graduates of this program gain technical knowledge and the confidence required to be recognized as trusted insurance advisors. Courses completed can also be transferred for credits toward a Chartered Insurance Professional (CIP) designation offered through the Insurance Institute of Canada.

The Canadian Professional Insurance Broker (CPIB) program allows students to pick one of three professional directions, personal lines, commercial lines or brokerage management. This requires completion of six courses of which three are mandatory and the others electives from the chosen direction.

The Canadian Certified Insurance Broker (CCIB) program is designed specifically with the commercial broker in mind. There are three examinations, based on practical knowledge of commercial risk coverage and exposures. The final exam has an option to complete by way of an oral presentation and examination or by way of a risk survey.

In addition to these courses, there is also the Fundamentals of Insurance Program, Customer Service for the Insurance Professional (CSIP) program, Introduction to Risk Management, Professional Selling for Insurance Brokers (PSIB) program, Best Practises program and an Insurance focused Master of Business Administration (MBA) done in conjunction with Laurentian University.

In addition to foundational course work, attending continuing educational events is an important step in ensuring we have the knowledge required to be trusted business advisors. IBANS Coffee and Conversation series provides monthly educational opportunities in conjunction with the Insurance Institute of Nova Scotia focused on various technical areas of product or exposures. These can be attended in class or by webinar.

The Insurance Brokers Association of Nova Scotia through our partnership with Economical Insurance is also pleased this year to provide at no charge to our members a series of soft skill

courses that will assist in customer service, retention and growth. These courses will be available by webinar.

One quote on Education which I think is very pertinent comes from human rights activist, Malcolm X, "Education is our passport to the future, for tomorrow belongs to the people who prepare for it today".

If we want to face the emerging trends in our world with confidence we need to have that firm foundation and the desire toward continuing to learn. We need to encourage our employees, co-workers and friends in the industry to continue to invest in their education. This investment is important to us as individuals, corporately and certainly to the consumer base with which we transact business.

If you are interested in learning more about the educational possibilities that exist please contact our Professional Development Coordinator, Keri Foley who would be pleased to discuss these with you. ■

You may contact Paul at (902) 421-7035 or via email at, paul.croft@aon.ca.

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Message from the President IBAPEI

Mark Hickey, CIP, CAIB
President IBAPEI

As we sail in to the sunset of one of the quickest summers in recent memory I am very pleased to introduce our guest writer for the fall edition.

Mary Beth McInnis is employed with her family brokerage Peake & McInnis Ltd., in Charlottetown. She is the third generation in the business and you may recognize the last name as her father is past IBAPEI President – Dan McInnis.

Parliament Hill Day veterans Karen Doiron and myself were very pleased to have a young broker join us in Ottawa this year. If Mary Beth was intimidated by the history of “the hill” and presence of MP’s and Senators she did not show it! She was engaged in every meeting and was up to the task when challenged by a few MP’s with some very direct questions! I think it’s important to hear just what the day means to a young broker and I encourage Mary Beth to spread the word to her friends and colleagues as the industry needs younger, educated, engaging people like her. This was her first Parliament Hill Day but it definitely won’t be her last!

As a young broker on Prince Edward Island I was not fully aware of what happened at IBAC’s Parliament Hill day in Ottawa. As a young broker, and with recently joining the IBAPEI board, I decided to attend Hill day. I knew it would be an excellent learning opportunity and a chance to see how the industry works throughout Canada as a whole. The first day we were briefed on how to behave and what to talk about when we went for our meetings on Parliament Hill the next day. The main point the Association wanted to deliver to government was that in Canada we do not believe our banks should be able to sell insurance at the point of granting credit. The banks should not be able to sell insurance at the point of granting credit as it is not a benefit to the consumer and would lead to less competition in the insurance market. There are well over 35,000 brokers across Canada that work hard to provide consumers the best insurance at the most affordable price. As brokers, we make up a huge portion of the insurance industry in Canada. As a young broker I discovered government is very much on our side when it comes to the bank act, however, it is something that cannot be forgotten. It is im-

Insurance Brokers Association of Canada Parliament Hill Day



Picture L-R: Mary Beth McInnis, Mark Hickey,
Karen Doiron meeting with PEI Senator Percy Downe in Ottawa.

portant for young brokers to understand this issue as we look to the future of our industry.

Following Hill day was the National Young Brokers forum which I participated in representing PEI. I quickly realized PEI is one of the only provinces without a young broker network. The young broker associations in other provinces hold learning and social events throughout the year in an effort to bring young brokers in their region together. Bringing the young brokers together is something we need to consider doing more of on

Prince Edward Island. This will allow common minds to work together to strengthen our industry. It will allow the new generation of brokers to make adjustments and stay up to date with any trends that may be effecting our industry. Although we are all competitors, by networking with each other it will allow our industry on PEI to not only continue but remain strong and united. ■

Mark may be contacted at (902)436-9215 or via email at, mark.hickey@hickeyhyndman.ca.



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Message from the President

IBAN



*C.J. Nolan, BBA
President IBAN*

It is convention season again and as you read my message, we will have had several wonderful conventions throughout Atlantic Canada. Again this year, I would like to thank the IBAN convention committee for their hard work in making our IBAN Convention a fun and entertaining networking event at the beautiful Terra Nova Resort.

As the IBAN president, this will be my final article. I have many people to thank for their trusted and valuable work ethic to help the IBAN accomplish several milestones during my two year term. I would like to thank our IBAN board members for their countless hours of volunteer work that endeavoured our association to achieve numerous goals. I would also like to thank Mary GERALYN RAHAL for her work as our IBAN office administrator.

I would also like to express my utmost gratitude to my family at Munn Insurance. Our strong executive, management team and employees have made my two years of IBAN work and travels go seamlessly. There are many times that our team picked up the pieces I left behind and did so in a professional and positive manner.

Last, but certainly not least, I would like to thank my wife, Andrea. Her understanding and patience as my role as IBAN president, IBAC director and chair of the IBAC tech committee provided my wife with many days and nights alone at home with three active children to get to activities, sports and school. It takes a strong woman to be able to handle

such responsibility with grace and without asking for very little in return. You are the best and I couldn't get through any of this without you.

There are many accomplishments, goals and milestones that the IBAN has reached in recent years. I would like to reflect on several of these initiatives.

Through the hard work of previous boards and our continued efforts at the IBAN, our relationship with our MPs doing the good work in Ottawa and our MHAs that keep our province running has never been better. When presented the opportunity to meet on Parliament Hill, attend a local political event or network at a charity event, IBAN is certainly always there and referred to as business leaders in Newfoundland and Labrador by our political leaders.

Also, our local law enforcement and IBAN have been working diligently to provide a safe and healthy environment on our roads and in our communities. With our continued efforts to provide the Royal Newfoundland Constabulary with the tools to make our streets safe for driving, the IBAN continues to do its part.

In addition to the above noted accomplishments, our community involvement focused on supporting those who value our efforts as trusted advisors in Newfoundland and Labrador. This continued effort is directed towards supporting the following groups: our local youth, our local healthcare and assisted living community, our local educational facilities, students, and even our local professional hockey team. The IBAN is truly a strong, community-minded not-for-profit association. The IBAN prides itself for being built on a foundation of professionalism, as well as being trusted advisors in our province.

At the end of the day, I hope I was able to help make the IBAN a stronger voice for our industry and our community. I believe in the brokers association and everything that we stand for. I wish Kent Rowe all the best as he begins his journey in taking on the role of IBAN president. I have no doubt we are in very capable hands going forward.

As John Gay once said, "We only part to meet again." ■

C.J. may be contacted at (709) 757-0505 or via email at, cjnolan@munninsurance.com.

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Anderson McTague

— Atlantic Canada's MGA



WHEN CHUCK McTAGUE, president of Anderson McTague, says his team gives 110 per cent dedication to finding property and casualty insurance solutions for brokers across Atlantic Canada, he's not exaggerating.

Perhaps the best example is how Anderson McTague stepped in to assist several brokers during the last auto crisis in 2003. Insurers were cancelling brokers due to poor auto results, and in some cases the brokers were left with one market.

"The brokers had facility for their auto insurance, but the cancelled contracts meant they had no place to put their homeowners insurance. These brokers were in jeopardy of going out of business."

Determined to support the brokers and their clients, McTague and his team turned to Lloyd's of London to put together an interim homeowners plan. This would provide brokers with a market until a more permanent solution could be found.

"We knew that the field would level and the major markets would reappoint the brokers in time. That's exactly what happened. But if we didn't act, those brokers may have closed their doors. Being independent and locally owned, we understood their circumstances and the impact for the communities they served, so we went out and made it happen."

This is the Anderson McTague legacy: identify a need that no other managing general agent can or will meet and do it quickly and decisively. Says McTague: "We have strong expertise and connections in the marketplace. Large capacity is not an issue. Tough liability writes are not an issue. We have the ability to quote companies that have sizable U.S. sales figures. Whatever the risk, whatever you need, we can get it done."

LONG HISTORY AS A LLOYD'S COVERHOLDER

The reason Anderson McTague has managed to consistently and successfully find solutions to the most challenging risks comes down to several factors— independence, family roots, dedication to innovation in service and technology investments and a longstanding relationship with Lloyd's of London.

Lloyd's of London has earned a reputation as the leading insurance marketplace in the world. It has always taken a creative approach in looking at a risk and finding a solution, from writing standard P&C business to intricate and unusual risks that no one in the world will look at.

"We have been a coverholder at Lloyd's since the late 1960s and, therefore, the longest tenured Lloyd's MGA in Atlantic Canada," McTague notes. "When I spent an extended period of time in the Lloyd's market back in the mid-to-late 80s, there were over 400 trading syndicates in the old Lloyd's building."

Today, he observes, there are approximately 100 syndicates, but not all of them write Canadian business.

“Through our extensive experience, we know which ones have solid expertise in this marketplace.”

Also, in keeping with tradition, two of Anderson McTague’s younger underwriters recently returned from an extended work experience in the Lloyd’s market. This long relationship not only makes Anderson McTague the Lloyd’s experts in Atlantic Canada, it also means the company can deliver solutions to brokers with greater efficiency than any competing MGA.

“When brokers approach us, they know that we will get back to them with a response quickly, because our relationship with Lloyd’s is such that when you talk to us, you’re essentially talking to Lloyd’s,” says McTague.

FOCUSING ON ATLANTIC CANADA

The ability to quickly respond to clients is further enhanced by the fact that Anderson McTague is independently owned right here in Atlantic Canada. “It means there is no red tape or waiting for input from someone in a Toronto office,” says McTague. “We run our own operations and make our own decisions right here based on what we know about the region.”

Not only are all of Anderson McTague’s underwriters Atlantic Canadian, but the company also has a full-time team member constantly on the road, travelling to communities throughout the region. “Our team knows the concerns and requirements of every pocket of the region, and how they differ, from Yarmouth to Fredericton to Charlottetown to St. John’s. If there is, for example, a mill shutting down or downsizing, they know what the impacts will be and how we can help the brokers in that community meet the insurance needs of their clients.”

STAYING CURRENT

Knowledge, connections and independence are all vital factors in the quality and quickness of solutions that Anderson McTague is able to offer each broker. Another is the company’s investments in technology. In 2011, they implemented a new computer system that sets the standard for efficiency not just in renewals, but also in the delivery of quotes.

“We had a situation where a broker emailed an application involving a vacant property,” says McTague. “The client was sitting in his office at the time. We sent back a quote, got a request to bind and emailed the policy to the broker. Our broker presented his client with a policy for a meeting with a lawyer later that day. Start to finish, it was 30 minutes. With that kind of turnaround, we were able to help the broker look great in the client’s eyes and now that broker deals with us exclusively for vacant property policies.”

THE FUTURE

Looking ahead, McTague envisions more growth and change for Anderson McTague. “The insurance market does not stand still. We are constantly looking for new ways to benefit from improved technology and to further educate our staff on emerging trends and lines of business.”

Anderson McTague’s goal is to keep their independence and their deep roots in Atlantic Canada while expanding their organization and changing with the times to provide brokers with the best available solutions.

“We’re committed to remaining independent and focused on service, just as we have been since we opened our doors. We will continue to raise the bar in terms of MGAs operating in Atlantic Canada because we really do care about our brokers.”



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Doug Daley
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Do you ever wonder why so many companies advertise at sporting events like hockey, soccer, baseball and even rugby? Because it works.

Think about seeing a rink board at a local arena. How many times, during the course of just one hockey game, does that rink board come into your field of vision? Now multiply that by all the games played at that arena all year. That is a pretty big number.

Look at the demographics of sports fans, which are attractive to any advertiser. The people in those seats, looking at your ad hundreds of times during every game, have money. Heck, if they are parents of a hockey player, they must have. That also means they travel, eat out and drive a lot. Plus, many game attendees are travelling from out of town and need restaurants and lodging. Seems like a pretty good target for my advertising dollars.

Now, think about it from a local broker's perspective. While sitting in your local hockey rink, or any other local sports venue, look around at all the people watching the game. Most have homes, multiple vehicles and/or toys. And they all need insurance. They all need you!

So, if you are a sponsor or an advertiser at the venue, that's good on you. If you aren't, perhaps you should be. So let's get started on figuring out the best place to in-

vest your sponsorship/advertising dollars.

First of all, you have to get the biggest bang for your buck and advertise in the sports venue with the most local traffic. In most cases in New Brunswick, it will be the local hockey rink. Plus, many of the new buildings are multi-use, which is a bonus. The cost of signage is usually based on the volume of traffic in the building each year. The more you pay, the more people are going to see your sign. Always try to find out traffic numbers before you commit to anything.

Sign location is important. The closer to the playing surface the better. It is also important to keep your sign simple. Remember, no one is going to sit in the stands and copy your email address from an arena sign.

In some cases, you will be approached to not only advertise at a sports venue, but also be a sponsor. If this is the case, be careful to make sure this is a really good deal for you. Make sure there are many perks for you and great visibility for your company. You might be better off just being an advertiser in the building.

Sports venue advertising/sponsorship is a huge business. If you watch a lot of sports on television, you will notice the same advertisers in every major sports venue. Why? Because they know the value in the volume of people seeing their ad and being associated with a particular team. If the big guys see it as a good opportunity on a national level, the same could be said for a smaller guy at the local level.

Want to get your com-

pany name in front of hundreds of thousands of potential customers? Try some sports venue advertising. There is good value in it. ■

Doug Daley is the Vice President of Sales and Marketing with Kiers Marketing Group in Fredericton. Doug can be reached at ddaley@kiers.com or by visiting www.kiers.com.



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IBANB CEO Report



Andrew McNair, CAIB, CAE
IBANB Chief Executive Officer

Fall is quite likely my favorite time of year, for a number of reasons, both personal and professional. As the temperature starts to cool off and the leaves start changing, there is no better time to be outside enjoying a bike ride or a run in the woods. This is also arguably one of the best times of the year to be attending industry events. Conventions, AGMs, fall golf tournaments, all lend themselves to building those relationships that I mentioned in my last article.

Thank you to all of our sponsors and participants who attended the IBANB golf tournament on September 2nd in Mactaquac. Your support is very much appreciated. Following the IBANB tournament, a group of the YBN attended the TADD golf tournament on September 10th. I'd like to thank the YBN for being so involved in both industry and non-industry events. The YBN continue to work diligently to get the message out to the communities about the importance of using a broker and what a broker can do for you. I encourage all broker principals to encourage their YBN aged staff to get involved with this group; they are who will ensure the longevity of the broker distribution channel.

The IBAC Annual General Meeting (AGM) was held in Quebec City from September 23-26. I would like to congratulate and welcome the new IBAC President, Lorne Perry from Port Moody, BC. The IBANB representatives on the IBAC board for the past year were Theresa Kimball as director and Kirby Curtis as observer. The AGM saw Kirby move to director and Mike Weston take on the role as observer for New Brunswick. Thank you Theresa for your commitment

to IBAC as well as to the IBANB over the past number of years. After the IBANB Annual General Meeting on October 29, when you move on, your dedication to the industry will be missed around board tables, both at the provincial and national level.

Many of you will be reading this article at convention, as this issue of the magazine is released at convention. I trust you are, or will be enjoying your time at convention. The organizing committee has worked hard to ensure a quality event for all of the delegates. When you see any of the committee around convention, be sure to say thanks. Without these volunteers, we wouldn't be able to put on the quality event that we do. If you're not reading this at convention because you weren't there, be sure to block the dates in your calendar for next year's convention. IBANB is host to convention in Halifax next October 5-6, 2016.

Once convention is complete, we will be watching the final days of the Federal election closely. Following the October 19th Federal election, I encourage you to pay close attention to who the new or returning MPs are in your area. These are some of the people you need to build relationships with. Our elected officials do important work in the communities that brokers do the important work that they do. Together, with strong relationships, we can make sure that consumers remain well served by brokers and that the Bank Act remains as it is today. As the Bank Act comes up for review in 2017, brokers need to be diligent in talking to their MPs to help educate and inform them of why things need to remain as they are. If we as an association can help in your conversations with your elected officials, please do not hesitate to contact us.

The IBANB Annual General Meeting will be held October 29th at the Crowne Plaza in Frederic-

ton, NB. Please mark this date on your calendar and plan to attend! Your voice matters and we want to hear it at the AGM. The board and staff of IBANB work diligently all year, often times behind the scenes, on issues that are important to brokers and that often can affect brokers. Without your voice and opinion at important meetings such as the AGM, we will continue to do the work; however want you to be part of the decision making process, so please join us on October 28th.

Over the past few months I have heard from a good number of broker members on various issues. I always enjoy and encourage feedback and communication from members so please keep the phone calls, emails and any other type of communications coming. It is feedback such as what I've been receiving that helps us ensure we are doing what members need us to do.

Thanks for reading and have a great fall! ■

Andrew may be reached at (506) 450-2898 or via email at amcnair@nbinsurancebrokers.ca.

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IBANB Young Broker Network



Robert Kimball, CAIB (Hon's), AIPC
Chair, New Brunswick YBN

Reasons why Brokers are and always will be the better choice.

I've recently come across many reasons why brokers are providing extreme value to our clients and the consumer in general, not that I've ever questioned this, but recently I have been exposed to what would happen if there was not a broker involved or worse if we didn't exist.

Insurance Brokers "work for their clients", their primary goal is to make sure they are protected and to give the best coverage and accurate professional advice for their clients. We understand our industry, we know our markets and we can use that understanding and knowledge to assist our clients in ways that they may not even realize we are assisting them. We also go out of our way to know what is going on locally, we work hard to know what the by-laws are, what building codes could impact our clients and understand how different laws, regulations, Acts etcetera can impact our client's lives. There are certain institutions that don't have a complete understanding on how insurance works and how it should work for their clients as insurance is not the primary part of their day to day services. Some "insurance policies" are sold by institutions that cover the mortgage on a home and I have had clients who are either lead to believe or out of simple misunderstanding think that this is insurance on their home. When in fact, it is a type of life insurance that would only cover the balance on their mortgage which ensures that the lender will be paid the balance in the

event of death. Sure the balance of the mortgage is looked after but what about your home and all the equity that was in it in the event of a fire? Brokers insure the client's property, not just the balance of the loan.

Another insurance that is required by almost every institute is a policy that the individual getting the mortgage has to pay for and the premium is often 2.5% of the total amount being borrowed. This policy does very little for the borrower, all it does is ensure the lending institution will get paid by a third party (insurer) if the borrower defaults and they cannot get their investment back by foreclosing. If the lender has the exposure, why do they not pay to insure it? That is because the borrower is told that they cannot get the mortgage unless they pay for this 'insurance' which only covers the lender's interest. This is a great example of why we believe that credit granting institutions ought not sell insurance at the point of granting credit.

This puts the consumer in an unfair and dangerous position. Is the consumer getting any real value out of this premium that is being charged, are they paying a fair premium for what the lending institution is getting protection for? After all, why would the lender consider if there is value in the product if they do not have to pay for it? These are questions that brokers ask when we are seeking out the best coverage and value for our clients. This is an example of consumers already feeling pushed to purchase a product at the time of gaining credit that may not be the best option for them.

Being a broker also allows us to work for the client and act as an advocate for them if or when the insurer may be asking for something that the consumer feels they should not have to provide or in worse cases may be looking to get off risk. If you are dealing with an agent, they do in fact work for the insurer and are limited to what they can and can't do, more so than a broker, they are also limited to one market.

The reason I bring this up is a recent situation where one of our commercial clients was dealing with another intermediary for their home insurance and in this case they were an agent for another insurer. This client had had insurance with them for 20 + years and never had a loss. They did have a loss in 2012 when the region was hit with very high winds

in January and many homes had roof damage in the area. Although their claim was under \$5000 they still put it in and had their roof repaired. Three years later with record snow-fall in the area they had a pool and deck collapse which amounted to more than \$10,000 so they put in a second claim. Being a broker with relationships with our markets and local knowledge of our region and it's clients, we may be able to keep them with the company if these claims are unrelated or not a result from housekeeping or perhaps easily preventable, however with this case, the insurer told their agent to cancel and that is what they had to do. Once they had been cancelled they had a very difficult time finding coverage with a regular market because of being cancelled and their relatively recent claims. I truly believe that our markets would look at this the way we would as their broker and see that in 20 + years they had no claims and then had two when they needed insurance and would have found a way to stay on risk. On top of that, as a broker with knowledge of how hard it is to get coverage with many markets after being cancelled and or having claims I would have made sure that they are aware of the consequences of putting in that first smaller claim and then the possibility of having a larger loss. Even though the first loss was small, the underwriter is only seeing that they had two in a few years and that can make the difference.

I think we need to take these examples of why we are valuable and necessary and let our clients and consumers in general know the true "Broker Advantage"!!!

Enjoy the rest of the year!■

You may contact Robert at 506.432.1550 or via email at rekimball@pearsoninsurance.ca





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IBANS Young Broker Network



James Mizzi
Member, Nova Scotia YBN

In June of this year I was given the opportunity to attend Hill Day in Ottawa. Hill Day is a day in which brokers from across the country meet with our Member's of Parliament (MP) and Senator's to discuss issues surrounding the insurance industry and the issues that matter most to brokers. It also gives us the opportunity to develop a relationship with our local MPs. This year, the Young Broker Network was able to send two people to attend this event. Leslie Roberts our past President of the YBN, and I were the two selected. Since political advocacy is one of the cornerstones of the Association, members of IBANS Executive were part of the Nova Scotia delegation, in addition to our National Political Representative John Pino, MacLeod Lorway Group.

Something that I was very surprised to learn was that the Insurance Brokers Association of Canada has a full time employee who works within a kilometer of Parliament Hill, enabling him to be in touch with everything that is happening daily on the Hill. In preparation for our meetings, we were provided with details about the Members of Parliament and instructed about the topics that we, and all the other provincial association delegates would all be discussing with the MP's. It was important to share the same message with all the Members regardless of which province we were from. That message was that "Banks ought not sell insurance at the point of granting credit". We have seen in Quebec how a financial institution can literally wipe out the broker channel when they have been given that opportunity. When Desjardins Financial started selling insurance

in Quebec, it is estimated that the broker channel shrunk by over 5000 employees.

We started our day at 6:30 am by walking to the Parliament. After clearing security we broke into smaller groups to be able to meet with as many MPs as possible. Each MP and Senator that we met was very nice to speak with and I could tell that this message we have been delivering for a number of years was sinking in. We also gave them the opportunity to ask any questions they may have about our business and how we could help them with their constituents. After the day was complete and we had time to reflect, I understood how much work goes into each day as a Member of Parliament and I now realize how important it is to develop relationships with all levels

of government. It is up to us as brokers to protect our business and advocate for our customers.

The young brokers across Nova Scotia were able to meet the last day to discuss what is happening across the country. As Chairperson of the Young Broker Network in Nova Scotia, I look forward to working with the committee to implement some new strategies that will help us build a better and more active network. If you are interested in helping to build a better Young Broker Network please call or email me and we will certainly find a way to use your expertise within one of our sub-committees. ■

James may be contacted at (902) 421-2838 or via email at, james.mizzi@mcti.ca.

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Front row (LtoR): Mark Collins, Stephen Halsall, Andrew McNair

Chair/Facilities/Meals

Stephen Halsall
stephen@gtisj.ca
506.648.0505

CEO Panel

Jay Kimball
jay@gtisj.ca
506.648.0505

Trade Show/Meet & Greet

Jason Walker
jason@johnwalkerinsurance.com
506.633.1990

Golf/Signage

Andrew Campbell
andrew@hallandfairweather.com
506.634.1282

Education/Entertainment

Chris McTague
chris.mctague@mctagueinsurance.ca
506.632.5020

Treasurer

Jennifer Higgins
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Sponsorship

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Trade Show/Meet & Greet

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506.634.1030



Golf/Signage

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Wednesday, October 7, 2015

- 10:00 am **Golf Tournament**
*The Riverside Country Club, 2524 Rothesay Road, Saint John, NB.
Transportation to leave the Delta for the golf course at 9:00 am. Shotgun start 11:00 am.
Cart & lunch included. Golf Club phone # to rent clubs 506-847-7545.*
- 5:00 pm - 9:00 pm **Meet & Greet / Tradeshow**
*Delta Brunswick Hotel
Approximately 50 vendors will showcase their products and services.*
- 9:00 pm **Hospitality Suites**
Hosted at the Delta Brunswick, these suites are open to all registered attendees
-

Thursday, October 8, 2015

- 9:00 am – 11:30 pm **Tradeshow**
*Delta Brunswick Hotel
Approximately 50 vendors will showcase their products and services.*
- 9:30 am – 11:30 am **Education Sessions**
*Industry Update from Don Forgeron President/CEO of IBC
Cyber Risk & Cyber Coverage. Learn about this new reality in our industry.
Speaker Ken Taylor*
- 11:45 am – 1:15 pm **Luncheon**
Tradeshow draws and other prizes will be presented at this time.
- 1:30 pm – 3:30 pm **CEO Forum – UNBSJ Grand Hall, 40 Charlotte Street**
- 6:00 pm **Presidents' Reception**
- 7:00 pm **Presidents' Dinner & Entertainment**
*Comic, actor, author, and host of Eat Street television series, James Cunningham will be
your MC and Entertainment for this Gala event.*
- 9:00 pm **Hospitality Suites**
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Viewpoint



*Stephan Bernatchez, C.I.B., FCIP
President, IBAC*

Four years in my provincial association and six years at the national level. That's how long I have been volunteering in the industry that I like so much.

Aside from my time within the industry, I either coached, was an assistant or a manager for the numerous sporting teams my three kids were (are) participating in. I also gave my time to various social causes I support.

When people around me questioned my involvement, and I started to ask myself: "Why am I doing this?" "What do I get from it?" "What cause does it serve?" Those are all valid questions for those who have never done any volunteerism.

Getting involved exposes you to criticism from your peers or fellow citizens. You listen, debate and argue with people who have different views or opinions of the industry, different concepts on what should be the strategy for the next hockey game or on planning the next fundraising event. Of course, you may be right and you may be wrong (ouch to the ego!). So why volunteer?

Usually, it's because you believe in something; a cause, an issue, a problem that you believe you can solve. In our profession, we

are working every day to solve problems for our customers; that is what an insurance broker does. Provincial broker associations and the national one try to solve problems for our customers on a global/policy stage. The Insurance Brokers Association of Canada's relevance resides in helping brokers across the country to have a strong and united voice. IBAC lobbies on behalf of brokers when our industry is facing national issues such as: federal regulations like the Bank Act, meeting with stakeholders of the industry on flood and earthquake insurance capacity and availability, advocating to legislators on unfair commercial practices, or increasing consumer awareness of brokers' value and professionalism.

If the IBAC did not exist, our voice would lack leadership. If we did not volunteer, as individuals, the substance and spirit of IBAC would be affected. When I made the decision to volunteer my time and offer my insight, I did it to make things better for our industry. This was not something I did in order to further my career or my brokerage, but the industry as a whole. The industry as a whole is what is important to so many of the volunteers who dedicate time and expertise to volunteerism. I've always believed that if the industry does well, then all its parts will do well;

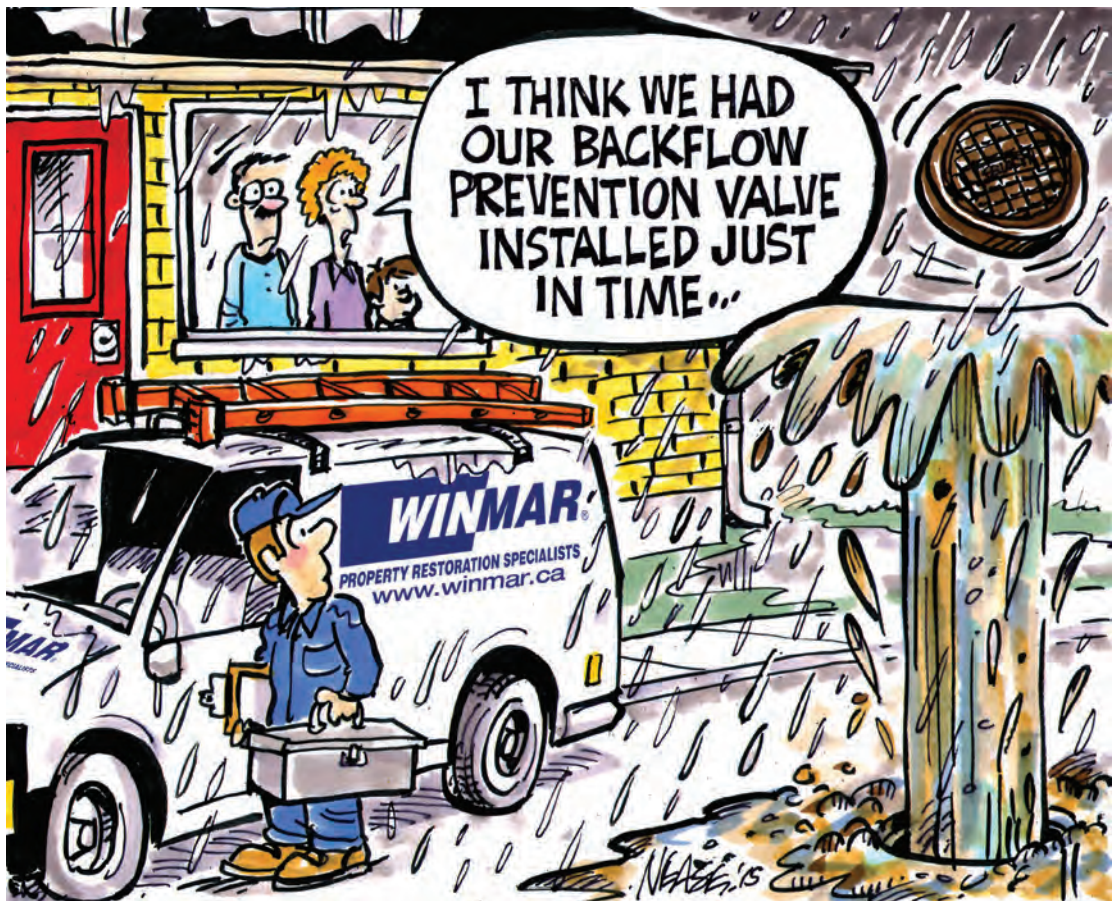
and that includes me.

However, I wasn't expecting the experience to be so rewarding. Meeting and having serious discussions with people from across the country, that do what I do, has been a satisfying and learning experience; one that is invaluable.

The realization of numerous projects with the IBAC staff and my colleagues on the board of directors, the discussions with brokers across Canada, the value of my networking and the development of new abilities and skills provided lots of joy and self-fulfillment.

I would like to think that my personal satisfaction, just like I am sure all of the volunteers within the organisation, is a by-product of the accomplishments we realized together over the years. Not only can brokers who volunteer gain a lot personally from the experience, but they can be a part of a team that achieves positive results and have an impact on the entire profession, and that is a great feeling to have. I recommend it to everyone! ■

Stephan may be reached via email at, bernatchezstephan@gmail.com.





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IBANS Professional Development Report



Keri Foley, BTHM, CAIB
IBANS Professional Development Coordinator

It Starts with Us.

IBANS & Economical Insurance: Working Together to Provide Education to Nova Scotia Brokers

Summer has been busy gearing up for what no doubt will be a fast paced filled fall! IBANS, in partnership with Economical Insurance are planning various education initiatives as one of the many benefits to IBANS corporate members.

In late June, IBANS and Economical Insurance presented corporate members the opportunity to apply for education bursaries. IBANS will be awarding eight (8) \$1,000 bursaries to students to use towards their Canadian Accredited Insurance Broker (CAIB), Canadian Professional Insurance Broker (CPIB), Canadian Certified Insurance Broker (CCIB), or Customer Service for the Insurance Professional (CSIP). This will no doubt generate interest amongst students to consider taking designations and programs other than our signature and most popular course, CAIB.

In October, IBANS will be welcoming Glenn White back to Nova Scotia to instruct the 3-day elite sales course, Professional Selling for Insurance Brokers (PSIB). This course has been offered in various provinces across the country, including Nova Scotia, New Brunswick, Alberta, Ontario and Newfoundland, all with rave reviews.

As a participant in the course which ran in Halifax in March 2011, I can say firsthand that Professional Selling for Insurance Brokers was one of the top courses I have taken in my professional career, and I use the information gained from that class in my daily work life. Thanks to our wonderful sponsor and partner in education, Economical Insurance we are able to offer this course to corporate IBANS members at half the cost!

Although the title would lead you to think the course would be geared directly for producers and direct sales people, it is in fact geared towards ANYONE who works in the insurance industry. Account managers, CSR's, and anyone in the brokerage who communicates with clients would benefit from Professional Selling for Insurance Brokers.

Professional Selling is based on validated sales competencies, developed in conjunction with Human Resources and Skills Development Canada. It will help you establish yourself as the kind of person any buyer would want to work with. You will learn how to use your consultative selling techniques, and practice them through role playing, group exercises and business case studies. This will in turn provide you with a step-by-step process to acquiring new clients and retaining existing clients.

The content of the course is broken down into three (3) main categories:

- Understanding and Managing Yourself;
- Business Creation;
- The Process of Selling

For students in the process of taking their CPIB, or students considering this course, participation in the Professional Selling for Insurance Brokers fulfills the education requirements for the sales component of CPIB.

The course will be offered to IBANS corporate members from October 27-29, 2015 in Halifax. Space is very limited so please don't delay in registering. More information can be found at www.ibans.com

IBANS and Economical Insurance will be partnering to provide a series of soft skills webinars to our members in the near future. Please visit www.ibans.com for the latest information, or contact me directly at keri@ibans.com ■

You may contact Keri at (902) 876-0526 or via email at, keri@ibans.com.



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Rising Customer Demand for Commercial eDocs



*Catherine Smola
President & CEO, CSIO*

By now, most brokers have likely heard about the significant benefits that come along with implementing eDocs in the form of time savings, decreased costs and improved customer satisfaction. Impressively, over 80% of brokerages now use eDocs for personal lines. While the broker distribution channel holds a commanding market share of over 90% of commercial insurance in Canada, it is crucial for brokers to innovate and invest in technology such as eDocs to solidify this stronghold. And with the tremendous success of eDocs for personal lines, there is a significant opportunity to extend these benefits to all aspects of business.

The expansion of eDocs into commercial lines has already begun, with insurers including Northbridge, Peace Hills, Portage Mutual, RSA and Unica all offering commercial eDocs. AA Munro Insurance Brokers, based in Nova Scotia, is one brokerage that has proactively implemented eDocs for both personal and commercial lines. They have been receiving commercial eDocs (policy docs and billing statements) from a couple of their markets, and plan to implement with other insurers in the near future. "Ideally, we'd be using commercial eDocs with all our companies; it would really cut down on that mail," says Rodney Munro, VP Operations at AA Munro. "With commercial eDocs, we've definitely been saving on scanning, sorting and destroying paper. The policies are also much easier to read than a scanned copy and easier for the broker to email to insureds and lienholders. And there's really no cost asso-

ciated with it, so it was just a no-brainer for us to implement eDocs for both personal and commercial lines."

Customer Demand

While many personal lines customers also prefer receiving electronic copies, the demand to go paperless is even more pronounced among commercial customers. According to a study from the Computing Technology Industry Association (CompTIA), nearly 80% of companies are taking steps to become a paperless office. This is likely because more businesses understand the benefits of going paperless, e.g., it costs \$25,000 to fill a four-drawer filing cabinet holding 15-20,000 files and another \$2,000 a year to maintain it (Entrepreneur Magazine). Of course, eDocs are a key tool for brokers and their customers to use in becoming paperless.

"Our brokers have found that more and more customers just don't want to be receiving paper anymore. We've found that some commercial customers are even looking at what markets they're going to place business with, and strongly preferring those markets that have some kind of electronic method of delivering policy docs to them," reveals Munro. "And so these customers seem to favour carriers that are providing eDocs for both personal and commercial lines. And as time goes on, I'm sure that these customers will be even more demanding of having documents sent to them electronically. So, as a brokerage that responds to customers' needs, we're likely going to prefer writing business with carriers that are offering technology such as eDocs for all lines of business."

As availability of eDocs for both personal and commercial lines continues to grow, greater savings in time, money and paper will be generated not only for brokers and insurers, but also over the long term for their commercial customers who currently spend time and money maintaining paper-based storage systems such as filing cabinets.

Easy to Implement

When eDocs are implemented to their full potential, sending, receiving, sorting, scanning and destroying paper is no longer necessary, saving the industry significant amounts of time and money. When used in commercial lines, these savings are not only further real-

ized but also offer improved workflows, resulting in an enhanced customer experience. It's also important to note that to implement commercial eDocs, it's not necessary to have a commercial management system (CMS). All one needs is a broker management system (BMS) that supports the eDocs standard.

For Munro, the process of implementing commercial eDocs was just as easy as implementing eDocs for personal lines. "The commercial policy is downloaded in the same way as personal lines. It's basically the same policy as personal lines coming down, so it was very easy to implement in our system," clarifies Munro.

AA Munro has also implemented dual monitors in most of its offices to take full advantage of the time-saving qualities of eDocs. "With the BMS on the left screen and the dec page on the right using dual monitors, it's very easy to compare what's on the carrier copy to what's requested from our broker," says Munro. "It's so much more efficient than having just one monitor and allows us to maximize the benefits offered by eDocs."

CSIO Membership

Members of the Atlantic broker associations are automatically members of CSIO, and can sign up for the eXchange discussion forum, mailing lists, industry forms, and more at CSIO.com/request-membership. As well, consider giving us a follow on Twitter (@CSIO) and LinkedIn, and feel free to contact us directly with technology questions and to suggest ideas on future tech developments for the broker channel. ■

Catherine may be contacted at (416) 360-1773, ext. 2327 or via email at, csmol@csio.com.



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IBANS Executive Director's Report



*Karen Slaunwhite, BA, BPR, MEd, CAIB (Hons)
Executive Director IBANS*

Recent Changes to Privacy Laws and their Impact on Your Succession Plan

Deciding to sell your business is one of the biggest decisions an entrepreneur makes in the course of their career. There are so many factors to be considered and one of the largest facing a seller is what information can be disclosed to a potential buyer and what information does the seller have

to keep private. In Canada, privacy laws are governed by federal regulation and the Personal Information Protection and Electronic Documents Act (PIPEDA) which outlines the ground rules for how private sector organizations collect, use or disclose personal information in the course of commercial activities. Some provinces have their own privacy laws which have been declared to be substantially similar to the federal law. In provinces which have their own privacy laws the provincial law will apply instead of PIPEDA. Nova Scotia does not have its own privacy legislation so the province is governed by PIPEDA.

On June 16, 2015 an important change occurred which makes it easier for the seller of a business to do so, since they are now able to disclose to the buyer information that was previously restricted. Personal details such as: customer lists and client and patient information can now be shared with the buyer. Due to the fact that insurance brokerages store information about their clients and suppliers the change will now allow the seller to share information with the buyer that was previously prohibited due to the privacy laws. This change enables the seller to disclose any potential liability and for the buyer to assess what they are buying. Overall, this change is good news for brokers who are developing a succession plan that involves the sale of a brokerage.

As our population ages, many of our broker principals are in the midst of creating a succession plan. By having a plan in place, owners are ensuring an effective and smooth transition of their business. This plan will ultimately affect their customers, employees and companies with which they do business. When looking at IBANS membership 42.1% of broker principals are within 50-59 years of age and of licensed brokers working for our corporate members 39.4% are in this age group. In the past many brokerages were handed down through generations, however that is seldom the case these days. Without a plan, businesses can expect a more difficult transition which could affect their future retirement savings as many will rely on their investment in their business to provide for their needs.

For those considering a succession plan it is important to speak with a commercial lawyer who will guide you through this detailed process and advise you of potential hazards. Remember, it is your responsibility to ensure there are safeguards in place to protect any data while working with potential buyers. ■

You may contact Karen at (902) 876-0526 or via email at, karen@ibans.com.

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The Professional Standard

The Facility Association Operating Committee Chairs met in Charlottetown, PEI

The Chairs of the Facility Association Operating Committee met in Charlottetown, PEI on June 12, 2015. The meeting's agenda included many topics of common interest, such as: provincial market share, depopulation, risk sharing pools and a review of some of the rules in the Rate Manual that were causing concerns. The meeting was very informative with some great discussions.

- **The Provincial Operating Committee's mandate includes:**
- **Review write-off of accounts receivable requests**
- **Review rating of extra hazardous risks**
- **Make appointment of brokers to servicing carriers**
- **Dispute resolution – review appeals relating to individual risks**
- **Approve requests for specific limitation of coverage**
- **Risk sharing pool transfer limit**

The following are the email addresses for the four Atlantic Provinces Operating Committee Chairs:

New Brunswick – Theresa Kimball: tkimball@pearsoninsurance.ca

Nova Scotia – Karl Biermann: kbiermann@johnson.ca

Newfoundland – Meleta Collins: Meleta.collins@anthonyinsurance.com

Prince Edward Island – Karen Doiron: karen.doiron@anchorgroup.com

If you have a concern pertaining to the Facility Association, please contact your Provincial Chair.



**Photo: Front: Meleta Collins (Nfld.), Jill Hepburn (FA – VP Underwriting & Claims)
Back row: Dave Simpson (FA – CEO), John Geltson (Ont.), Blair Coady (Alta, NWT, YK, NU),
Karen Doiron (PEI), Theresa Kimball (NB), Karl Biermann (NS)**

Stratford/IBC Rain Barrel Project



*Amanda Dean, BPR, MBA
Atlantic Vice-President,
Insurance Bureau of Canada*

Insurance Bureau of Canada (IBC) and Stratford, Prince Edward Island, are successfully wrapping up a multi-year project to assess the impact of collective rain barrel use on relieving stress on the town's water systems and helping keep basements dry.

Preliminary results from the project show that using rain barrels does reduce the amount of water pouring into the town's systems during rainstorms and may lower the risk of system overload during peak rain events. By the time you read this, we will have released the complete report including the results. I encourage you to be in touch so that I can send you a copy.

This is good news for the town of 8,600 people and points to the benefits of simple low-tech approaches for helping Atlantic communities adapt to the increase in weather extremes and in precipitation as a result of climate change.

The project began in the fall of 2012 when IBC distributed 1,000 rain barrels to Stratford residents – approximately one for every two households. The barrels are designed to sit under roof downspouts to catch rainwater that would otherwise flow into the town water system. They are also equipped with slow-release valves connected to hoses to water lawns and gardens, which reduces water consumption.

Starting in the spring of 2013, IBC researchers collected rainfall data for the area and compared it to rainfall data for the period 2009 to

2011 before the rain barrels were installed. We are still crunching the numbers as I write this but the anticipated decrease is a 2% reduction in peak water flow rates within the Stratford water infrastructure during heavy rainfall. Although the percentage decrease is small, it could be enough to lower the risk of an overflow that could pop manhole covers and flood streets, homes and businesses.

The Stratford rain barrel project is the second IBC rain barrel project – the first occurred in Wingham, Ontario, in 2011.

Wingham results were similar to the Stratford results and included an added and unexpected benefit to rain barrel use. When Wingham residents installed rain barrels they did so by disconnecting downspouts hooked into the town's storm and sewer wastewater system (This result wasn't seen in Stratford because of the difference in the two town's systems). In all, 72% of the 1,000 barrels installed also involved disconnecting a downspout, which diverted even more rainwater from the system and reduced flow significantly.

Like towns and cities across the Atlantic region – and all regions of Canada, Stratford is dealing with more weather extremes that can bring more rain. But like many municipalities, Stratford is also a proactive community focused on finding solutions. When the Stratford/IBC rain barrel project began in fall 2012, Mayor David Dunphy said his town was eager to participate because "Stratford is committed to adapting to the changing climate."

IBC, as the national trade association representing Canada's property and casualty insurance industry was keen to partner with the community to help it adapt. Being in the business of risk management and helping people recover from disaster, insurers are all too familiar with the effects of increasing severe weather.

Since 2009, insurers have paid out more than \$8.5 billion to help Canadians recover from tornados, ice storms, flooding and other severe weather events. And this number just represents the insured losses – the total economic impact is far greater.

Through IBC, Canadian insurers have invested in research and in developing tools to help communities become more resilient.

Other examples include IBC's municipal risk assessment tool (MRAT), which is a software tool that uses data – municipal infrastructure data, current and future climate data and insurance claims data – to help municipalities pinpoint vulnerabilities in their sewer and stormwater infrastructure that could lead to sewer backup and basement flooding.

Three cities – Coquitlam, B.C.; Hamilton, ON.; and Fredericton, N.B. – have successfully piloted MRAT and IBC is now seeking a partner to automate MRAT and make it more available to a large number of Canadian communities.

MRAT is a tool best suited to large communities of 20,000 or more. A rain barrel project – such as the one that Stratford so successfully conducted – is a project that can make a difference in any size of Canadian community.

IBC is committed to helping Canadian communities of all sizes build resiliency to ensure they are strong, livable and healthy. Working with Stratford on the rain barrel project was a positive step in that direction. ■

Amanda may be reached at (902) 429-2730 ext. 225 or via email at, adean@ibc.ca



Mark your Calendars

**IBANB
Annual General Meeting**

October 29, 2015

Fredericton, NB

U.C.A.I.

UCAI welcomes **Joe Gariepy**
as Underwriting Manager!



Joe's role will be to work with UCAI's over 500 partner brokerages across Canada and our Underwriting team to ensure the highest possible service standards and build our product line.

Gariepy comes to UCAI from RSA Canada, where he held multiple roles, including leading teams in both Personal and Commercial Lines, as well underwriting RSA's Global Specialty Lines. Born and raised in Halifax, Joe has a BA from Saint Mary's University and currently holds both CIP and CRM Designations.

See how UCAI can help you today by calling Joe at 1-877-343-8224 or by email at joe.gariepy@uca.ca.

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Secure Information Management Includes more than Document Destruction



Michael Carroll
Shred Guard Inc.

Most of us remember a time when confidential documents were simply tossed into the waste bin. We assumed it would end up at the dump and never be seen again. For the most part, that was true.

But times have changed. Thousands of individuals report identity theft and identity fraud crimes each year. Government regulations mandate that we protect the confidential information of our clientele. Failure to do so can lead to serious liability. The insurance industry, in particular, is especially susceptible to these guidelines.

We now know that we need to protect our clients' private information. Keeping it out of the wrong hands can protect us from legal exposure, ensure privacy compliance, and prevent identity theft.

To combat these risks, the document shredding industry has evolved to offer secure destruction of not just paper documents, such as expired policies, but also hard drives and other digital media.

Shred Guard Inc. General Manager, Michael Carroll, has experienced the evolution of the document destruction. "Traditional methods using small office shredders is no longer acceptable. Ribbon-shredded documents can easily be reassembled with modern software," says Carroll. "To effectively destroy documents requires state-of-the-art technology and proper chain-of-custody processes".

"Demand for effective destruction has required us to provide secure, efficient and cost effective shredding services and we back those services with certification from the National Association for Information Destruction (NAID)," says Carroll.

A strict chain of custody procedure protects information during every step of the process. Document destruction is performed according to the highest standards, by professional shredding technicians.

Shred Guard's on-site, secure paper shredding services enable customers to witness the document destruction process firsthand, providing them with instant verification their information has been destroyed securely. At the completion of the process, customers receive a Certificate of Destruction with date, time and method of destruction.

Some documents, however, can't be destroyed. Insurance records, for example, are required by law to be retained for several years. File boxes are convenient for active records but for long-term storage, they put information at risk and use up valuable space. And at some point, you may need to retrieve a file.

To meet this challenge, Shred Guard has recently introduced Docu Guard, a records storage company offering document management and storage. This state-of-the-art storage facility offers clients peace of mind, cost effectiveness and retrieval efficiency.

This service offers strict security procedures, keypad entry and back-up power sources and communication. Services include: confidential records storage, standard and rush deliveries, high-speed document scanning, barcode tracking and complete inventory reports.

Things have changed. The waste bin is no longer an option. But there are solutions for Atlantic Canadian businesses, whether they need information destroyed or stored.

Shred Guard and Docu Guard are proud partners of the Insurance Brokers Association of New Brunswick and offer referred pricing to our members. To learn more about how to effectively manage your confidential documents, call them at (506) 633-0001 or visit shredguard.com ■


Michael Carroll is General Manager of Shred Guard Inc. and can be reached at mcarroll@shredguard.com.



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A Conversation with a Broker: Securing your Brokerage Data starts with a strong strategy.

Don Purchase

Business Development Manager, Stage2Data

Insurance Brokers understand the importance of having a solid strategy in place for protecting against life's unexpected (and often unhappy) bumps. But many Brokers still underinsure one of their businesses most valuable assets: Their data.

The first step in properly insuring your data? Building a strong disaster recovery (DR) strategy.

For many brokers the words "Disaster Recovery Strategy" result in an uneasy feeling. It's okay, the words "Disaster and Security" tend to do that to people. Add in the word "Cloud" and uneasy feelings tend to double.

Cloud Backup, Disaster Recovery and Hosting can seem like a mystery or worse, something that's difficult and cumbersome to get started with. Today that changes!

To get you started in understanding data protection, I'm sharing a typical conversation I have with brokers when they are at the beginning of creating a data security strategy.

Insurance Broker: Do I even need a disaster recovery strategy?

Don Purchase: Do you have data that's important to the continuity of your business including some that needs to stay private?

Broker: Of course I do. Lots of it!

Purchase: Then yes, you do need a DR strategy.

Broker: Okay, where do I start?

Purchase: A good place to start is identifying your biggest data concerns.

Broker: I'd have to say loss of data, having no tested and proven DR Strategy in place and data breaches.

Purchase: Okay those are your key risks. Now what's your end goal for your data?

Broker: I want peace of mind that my data is secure. I want to feel confident that if we do have a data disaster that we'd be able to recover ... fast!

Purchase: To get you started toward meeting that goal, you need to ask yourself some pivotal questions including:

- How are you backing up your data today? How can we improve upon this?
- How many of your systems are mission critical?
- If a disaster hits would a recovery time objective (RTO) of being back up and running within 24 hours be acceptable? Do you require a faster RTO?
- How fast is my brokerage growing?
- Do I plan on acquiring additional brokerages in the future?
- What is my data size today and where will it be 5 or 10 year from now?
- How old are your servers?
- If your business is growing fast have you considered cloud hosting as an option?
- What retention policies on my data is expected on me from my industry?

Broker: What do I do with the answers?

Purchase: Talk to a few expert vendors who specialize in data management and DR solutions. Try to avoid generalized IT shops that offer "everything". They usually lack DR expertise and don't deal with DR scenarios on a regular basis. A true expert will offer you compliant and secure data backup options that will fit your brokerage needs today and tomorrow.

Broker: That's exactly what we do with our clients; help them see the need today and changing needs for the future.

Purchase: As part of your DR strategy you'll also want to walk you through a list of questions like these with your vendor:

- Is my vendor of choice proven in the DR strategy industry? Do they come with experience and references?
- Are they 100% Canadian owned and operated?

- Are the data centers in Canada?
- Can the solution grow with me as my business grows?
- What about data encryption and security?
- What is my current backup window?
- If I had a disaster now how long would I be down? How much would this cost me and my clients?
- How old is my current solution and when is the contract up for renewal?
- Will the contract be flexible and be able to change to my needs?

Broker: What can I expect from potential expert vendors in our first few talks?

Purchase: In the first meeting, they'll ask in-depth questions to get a detailed picture of your current environment including immediate growth plans. After that, they will provide you with an outline of your options and the benefits of each plus a clear quote on all your costs with no hidden fees or charges.

Broker: If you had one piece of advice in choosing a DR partner, what would it be?

Purchase: Choose a partner with a proven track record working with insurance brokers and who will "keep it simple". You want to focus on the basics to get started. The right team will provide the confidence to choose a data security and DR strategy that's tailored to the insurance industry and suits your brokerage's unique data goals and objectives.

Broker: Thanks for the information!

Purchase: You're very welcome! ■

Don may be contacted at (647) 260-3355 or via email at, don.purchase@stage2data.com.





The best way to be the best you can be is to learn from the best.

So you're a broker. Congratulations – you are a member of a fulfilling and highly regarded profession, with no doubt a long and successful career ahead of you.

Smart brokers – of whatever age, and no matter their years of experience – will always be seeking to improve themselves, to hone their skills, to serve their customers and their brokerages ever more efficiently and effectively.

After all, the only good time to rest on your laurels is when you've retired from the business.

Which is why the Professional Development programs available from your local insurance brokers association are designed to provide ongoing quality education as a key to building successful careers.

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So, consider your options. Stay where you are and get left behind. Or step up to the plate and be the best you can be. The best educators are waiting for you.

For more information, contact your local insurance brokers association.



Residential Flood Coverage - Know Enough Not to Drown

Annette Hollingsworth, J.D., CPCU, CLU, ARC
Vice President,
Swiss Re Corporate Solutions

Flooding is a common problem in Canada. Flood disasters have occurred in Canada almost five times more frequently than the next most common disaster, wildfires. (Sandink, 2010) Snow melt in the springtime and its subsequent runoff, rain, and ice jams – all common to Canada – are the most frequent causes of flooding. If more than one of these events occurs simultaneously, the severity of flooding may increase.

Until the last few months, Canada was the only G8 country where flood insurance was not available to homeowners and Canadians were forced to rely on government relief programs. Now the private insurance marketplace is able to offer flood coverage to residential insureds in select provinces.

The advent of residential flood insurance in Canada has been anxiously awaited. However, this new product will require you, as an insurance broker, to educate yourself and your customers on the availability of coverage. It also raises many questions, such as:

- What is your duty to advise clients of the availability of private flood insurance?
- If you offer flood insurance and your client rejects it, how do you protect yourself if your client later regrets that decision?
- What pitfalls may arise when marketing a newly emerging insurance product?

Duty to Advise:

When understanding the broker's duty to provide advice to customers, the key case in Canada is *Fine's Flowers Ltd. v. General Accident (1977)*, where the court found that the broker failed to identify the risks and "failed to advise with respect to insurance coverage available or to advise with respect to risk management. These failures constituted negligence" which arose because of the relationship the agent had with his client and "the undertaking by the defendant broker to provide the plaintiff with insurance protection against 'foreseeable' loss or to see that he was 'adequately' covered with insurance."

The court went on to state that when "the

client gives no such specific instructions but rather relies upon his agent to see that he is protected, and if the agent agrees to do business with him on those terms, then he cannot afterwards, when an uninsured loss arises, shrug off the responsibility he has assumed."

Later, in *Fletcher v. Manitoba Public Insurance Co. (1990)*, the Court reasoned "that it was entirely appropriate to hold private insurance agents and brokers to a stringent duty to provide both information and advice to their customers. They are, after all, licensed professionals who specialize in helping clients with risk assessment and in tailoring insurance policies to fit the particular needs of their customers. Their service is highly personalized, concentrating on the specific circumstances of each client. Subtle differences in forms of coverage available are frequently difficult for the average person to understand."

In *National Crane Services Inc. v. AON Reed Stenhouse (2007)*, the court concluded the broker had a duty to advise his clients on coverage based on his knowledge of the client's needs. However, the sophistication of the client will impact the duty of the broker. The court noted in *Norlympia Seafoods v. Dale & Co (1983)*, that where the client is "represented by a risk department staffed by experienced professionals, a broker is entitled to believe that it is not necessary for him to explain every step taken with regard to insurance in the same manner as he would to a person with no insurance background."

In light of these cases, you should discuss the standard exclusions in policy forms – overland flood exclusions, sewer backup exclusions – when speaking with your clients. This discussion should be held whether or not your client is in a flood prone area. Since you are viewed as having specialized knowledge, it is important for you to clearly communicate with clients and explain standard policy exclusions. Your client may not readily understand exclusions even though they are familiar to you.

- Discuss available solutions to address the exclusions. Explain to your client the difference between the widely available sewer back up coverage extension – for damage resulting from drains blocked by debris or the overflow of heavy rain – and the newly offered overland flood cover-

age – for water entering homes from the overflow of rivers, lakes and streams.

- Discuss flood coverage and its availability in your province. While the flood exclusion has been broadly publicized due to recent events, your client may not know about the availability of coverage for residential flooding.

Stay abreast of new product offerings and any new issues that arise. Some provinces may not yet have residential flood coverage available. Pricing may vary considerably, and so too may the deductibles. The insured may need to purchase additional coverages, such as sewer backup, in order to qualify for flood coverage. Certain exclusions may still apply even if flood coverage is purchased. These issues should be discussed with your client.

Documentation

Documentation is extremely important when disputes arise. Written documentation will help you defend your position that exclusions were discussed and coverage options were offered, if available. All recommendations and advice given to your clients should be documented in writing.

- Take clear notes of client instructions. Confirm discussions through letters to your client.
- If you discuss flood coverage with your client, make sure you document those conversations.
- If your client rejects flood coverage, send a letter confirming that you offered the coverage. Ask clients to sign and return a form acknowledging that they were offered coverage and chose to reject such. Keep a copy of the letter and signed acknowledgment form in the policy file indicating how they were sent, with proof of delivery where possible.

In recognition of the importance of clear documentation, your Westport professional liability coverage allows you a deductible reduction "where any insured generates and maintains contemporaneous written documentation in the brokerage or agency file of the refusal of any customer to accept any type of coverage or limit recommendation

made by the Insured, and if the Insured subsequently has a claim alleging the failure to secure such recommended type of coverage or limit."

Duty to Stay Current

Become familiar with the new product offerings for flood coverage and marketplace availability. It is anticipated that as the product matures, new carriers will enter the market and try to distinguish their products with bells and whistles. When this happens, you should become familiar with those products as well. Later, as claims emerge, the policy coverage terms, conditions, pricing and availability may change. Make sure you know enough to answer your client's questions. Talk to the carrier's underwriters: ask questions, take notes, and confirm your understanding of provisions in writing to the underwriter. Clearly the potential exposure

to claims of negligence will increase if you are not properly trained or unfamiliar with the language of the policy you are selling. As a broker, it is important to stay in front of the moving current or you may be up a creek without a paddle. ■

Sandink, D. K. (2010). Making Flood Insurable for Canadian Homeowners: A Discussion Paper. Swiss Re.

Annette Hollingsworth has spent over 30 years in the insurance industry. While with ERC/GE Insurance Solutions/Swiss Re, Annette Hollingsworth has served in a variety of capacities including claims, underwriting, legal, regulatory services, and global compliance. Annette now serves in the Products unit where she supports the Insurance Agents Professional Liability underwriters in the US and Canada. She has her JD, CPCU, CLU, and ARC designations.

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Insurance Claims and the Duty to Cooperate

By Kyla Russell and Gregory Hardy

In today's digital world, ever-changing technology brings with it increasing risks of cyber attacks and data breaches. Consumers are now looking for protection against these risks. The insurance industry has to be prepared to respond to these consumer demands. Insurance companies have to take a pro-active approach as to how to provide coverage for cyber risk claims. Insurance agents and brokers have to be knowledgeable about what products are offered for cyber risks.

What is a cyber risk?

A cyber risk is a risk associated with all technological and digital activity, including online trading, electronic banking, digital systems, and technological networks, as well as information and data storage. Cyber risks include hacker attacks, data breaches, sabotage, fraud, network downtime, and human error, to name a few. The risks affect all types of companies, organizations, and people, publicly and privately, and can emerge internally, externally, locally, nationally, or internationally, 24/7.

The Globe and Mail reported on August 18, 2014, that 36% of Canadian businesses have been hit with cyber attacks. That number could be as high as 56%, because many attacks go unreported, especially if the attacks are smaller or unsuccessful. Even unsuccessful attacks carry a possibility of financial loss.

Why is there a need for insurance coverage?

Because of the ever-increasing chance of cyber attacks, more consumers are looking for insurance protection from the fallout of cyber attacks.

An attack, whether successful or not, requires a response, such as an investigation or shutting down a website or computer system. Costs associated with the response can include a possible loss of profit or income.

The need and demand for cyber risk insurance will only increase as time goes on because of duties and obligations resulting from newly drafted legislation. New torts related to data breaches and cyber risks are also emerging.

Legislation dealing with protection of privacy and freedom of information is not new. Many jurisdictions have enacted PIPEDA (Personal

Information Protection and Electronic Documents Act) and FOIPOP (Freedom of Information and Protection of Privacy) acts, but that earlier legislation does not address cyber risks.

The Digital Privacy Act is new Federal legislation that came into effect on June 18, 2015. It amends the current Federal PIPEDA regime. It addresses privacy rights in a digital age and establishes rules for the non-consensual disclosure of personal information. This legislation recognizes that we live in a technological world that requires rules for gathering and disseminating digital information. Violators of this Act will be subject to fines up to \$100,000, plus other penalties. It is only a matter of time before Provincial governments also enact such legislation.

The Courts are also identifying torts relating to cyber attacks and data breaches. *Jones v Tsige*, 2012 ONCA 32, is the leading Canadian case addressing a privacy breach of personal information. Ms. Tsige, who worked at the Bank of Montreal ("BMO"), was involved with Ms. Jones' former husband. Ms. Jones maintained her primary bank account at BMO. For four years, Ms. Tsige used her workplace computer to access Ms. Jones' personal bank accounts, although she did not publish, distribute or record the information in any way.

The lower Ontario court dismissed Ms. Jones' claim, because the Court did not recognize a tort for breach of privacy. On appeal, the Court recognized at least four torts relating to the loss (and use) of a party's personal information and awarded damages in favour of Ms. Jones.

Jones v Tsige makes it clear that the Courts will look to find remedies for people whose private information is breached.

The evolution of new legislation and new torts and the growing possibility of cyber attacks explain why consumers are increasingly looking for insurance protection.

How can coverage be addressed?

Consumers are looking for insurance to cover:

1. First party costs from data breaches and cyber attacks.

2. Third party liability for loss of personal information.
3. Third party liability for electronic breach of privacy interests.

Coverage may be available through existing CGL policies—or not. The wording of many CGL policies predates data breaches and cyber risks. Stand-alone policies that specifically address cyber risks and associated losses provide a better option for coverage. Stand-alone policies can be adapted to suit clients' needs easier than CGL policies. Stand-alone policies can expressly address the coverage needed, instead of trying to fit coverage under a pre-existing category.

Attempting to adapt CGL policies to suit the coverage needs of clients who face cyber risk makes for a patchwork of coverage and adds to an already complex policy of insurance. As exposures increase, the challenges to CGL policies' exclusions and limiting clauses will increase, thus putting the CGL policies in a constant state of flux.

A Final Word

Insurance brokers and agents should work with insurance providers and the technology sector to create insurance policies that address clients' needs and that will respond to the real threat of data breaches and cyber risks. Insurance brokers and agents should also be discussing these policies with clients who have not yet considered such risks. Trying to find coverage after a cyber breach or attack is often too late, because the insurance in place may be insufficient. ■

Gregory Hardy is a lawyer at C3 Legal Inc. Kyla Russell is a legal analyst who provides legal writing and research services to C3 Legal Inc. C3 Legal Inc. is a modern insurance defence law firm that takes a fresh look at services for the industry.



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CALENDAR OF EVENTS 2015

OCTOBER

7/8	IBANB/IBANS Brokers Convention	Saint John, NB
26-31	CAIB 2 Immersion	Fredericton, NB
29	Annual General Meeting/Broker Awareness Day	Fredericton, NB
29	IBAPEI AGM	Charlottetown, PE
29	PEI Insurance Industry Convocation	Charlottetown, PE

NOVEMBER

31-5	CAIB 1 Immersion	Fredericton, NB
2-7	CAIB 4 Immersion	Halifax, NS
5-10	CAIB 3 Immersion	Fredericton, NB
7	Insurance Industry Convocation	St. John's, NL
10-16	CAIB 4 Immersion	Fredericton, NB
18	IBANB Insurance Solutions for Condo Owners Webinar	

NOVEMBER CONTINUED

18	Social Media and Cyber Liability/Errors and Omissions – Risk Management	Charlottetown, PE
TBD	Meet the Underwriter Night	Fredericton, NB

DECEMBER

2	National CAIB/CPIB exams	various locations
10	PEI Industry Christmas Social	Charlottetown, PE

JANUARY

11-16	CAIB 2 Immersion	Halifax, NS
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FEBRUARY

1-6	CAIB 3 Immersion	Halifax, NS
10	National CAIB/CPIB exams	various locations

APRIL

21	IBANB Convocation	Fredericton, NB
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