

# Atlantic INSURANCE BROKER

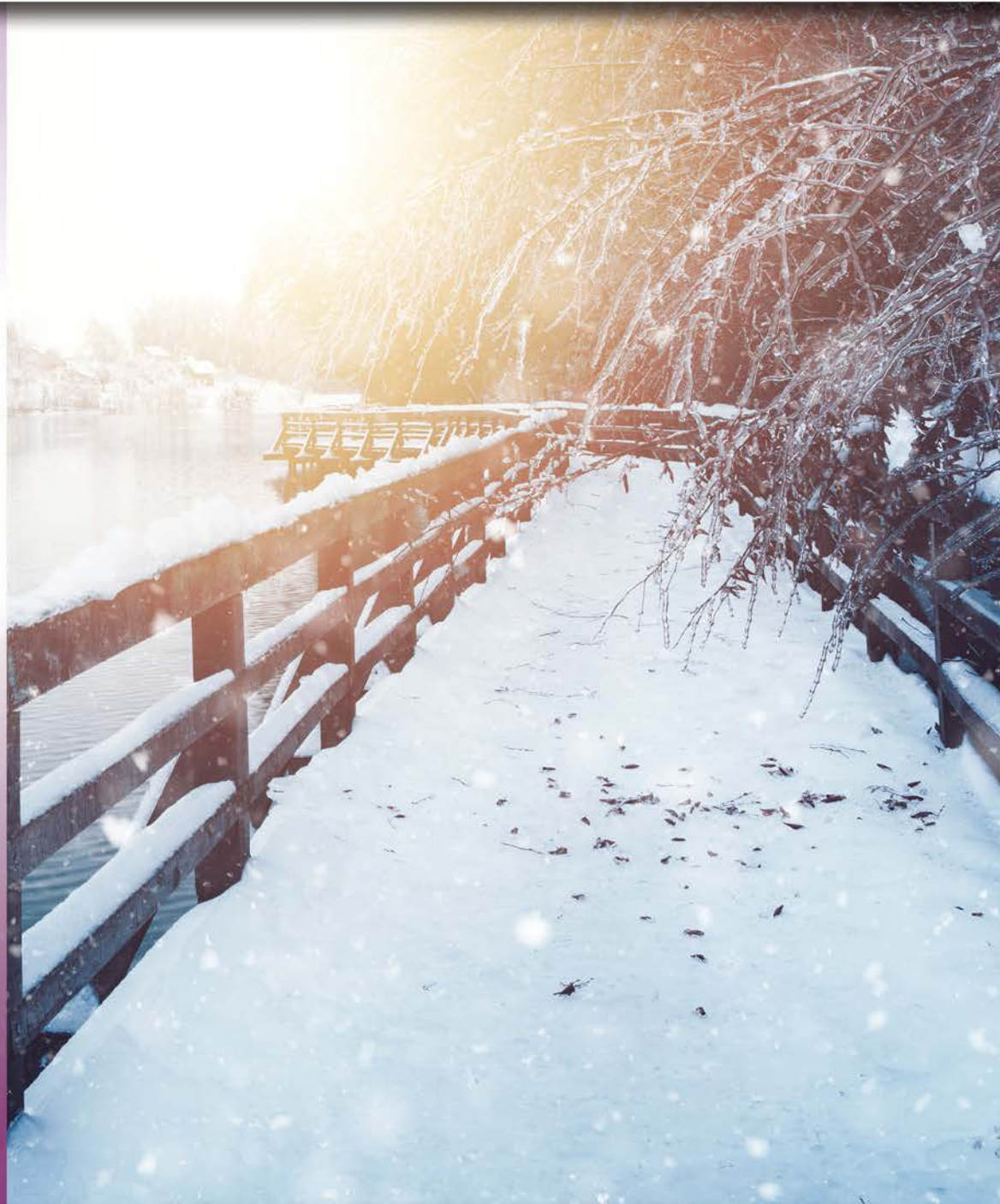


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## Atlantic Insurance Broker

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# Message from the President IBANB



Jay Kimball, FCIP, CAIB  
President IBANB

Well now, that was a very inauspicious start to my term as president of the New Brunswick Insurance Brokers Association. I now know how the Democrats and Republicans must have felt during the 2000 US presidential election. We were not challenged with any “dimpled chads” or “pregnant chads” however, we were unable to achieve a quorum for the originally scheduled AGM. Unlike the US election, that took more than a month to resolve, we merely had to re-schedule our AGM one week later. A quorum was achieved and it was business as usual.

I would like to congratulate immediate past President Mike Weston for his hard work and dedication over the last year and to wish past Chair Kirby Curtis all the best as he transitions his focus back to running his brokerages. It becomes abundantly obvious our time spent on the board of your local association does take some time away from our everyday business and it is for that reason I would also like to thank those who have re-offered their time to once again sit on the board and also welcome Mary Fowler and Chris Russell as our two newest board members.

Having been in the insurance business for over 30 years my acceptance speech touched on some of the intricacies that I remember from the mid 1980's, such as the relationship we enjoyed with our Insurer partners to the various work flows and procedures that we were supposed to follow along with the introduction of computers to make our lives that much easier. I then tried to look ahead another 30 some years and my crystal ball was a bit foggier, technology is limitless and it is difficult to understand what the relationship will

be with both our Insureds and our Insurers.

It has become somewhat apparent that the way we do business in the future will be drastically different than we do now. The buying habits of the Millennials are already starting to change. There is a perceived desire to receive immediate service and answers and the days of getting back to our customers in “a couple days” is behind us. We need to take a “ready for anything” approach to our interactions with the buying public.

The provincial association has once again developed our Forward Plan with the help of an outside consultant. The resulting Strategic Direction Document will serve as our guiding principles and procedures for the next two years. Part of the process was to revise and update our Vision – “Insurance brokers are the primary distribution channel for insurance product”, along with our Mission – “To support and promote the development and growth of insurance brokers in New Brunswick”.

We have identified the following points that represent our Strategic Aim for the years 2016-2018

1. Advocacy: IBANB is the “go-to” resource for the industry.
2. Growth: The broker distribution channel has an increasing and growing market share.
3. Education: Brokers continue to be relevant because of targeted education and quality education standards.
4. Technology: Brokers embrace technology as a means of meeting customer needs and improving operational efficiency.
5. Governance Related Goals: Ensure the organization's goals are supported by good governance practices.

The province of New Brunswick – Insurance Division is currently reviewing the regulations with regard to licensing of Insurance Brokers and Agents. This process has been ongoing for the last couple years and the association has been involved in supplying updated information related to the educational requirements and perceived responsibilities and duties of the various levels of licensing. Although, at this time, we have only seen draft copies of the new regulations, we remain very optimistic the insurance brokers of New Brunswick will be pleased with the outcome.

We, along with the other sister associations, wait

in great anticipation for the re-organization to take place at IBAC and knowing it is just around the corner, we look forward to working with the new personnel and continue the wonderful relationship that currently exists. All though we may be one of the smaller provinces in Canada we feel we are right up there with our Big Brothers.

I am truly looking forward to serving as president of the Insurance Brokers Association of New Brunswick for the coming year. ■

You may contact jay at (506) 633-2121 or via email at, jay@gtisj.ca

Et bien! on peut dire que mon mandat de président de l'Association des courtiers d'assurances du Nouveau-Brunswick a bien mal commencé! Je sais maintenant comment les démocrates et les républicains ont dû se sentir à l'élection présidentielle américaine de 2000. Nous n'avons pas eu de problème de bulletins de vote perforés, mais nous n'avons pas pu atteindre le quorum pour l'AGA qui avait été initialement prévue. Contrairement aux élections américaines, dont les résultats ont été confirmés un mois plus tard, il nous a suffi de remettre l'assemblée à la semaine d'après. Le quorum a été atteint et les choses se sont déroulées comme d'habitude.

Je tiens à féliciter le président sortant, Mike Weston, pour son travail et son dévouement au cours de la dernière année et à souhaiter au président du conseil sortant, Kirby Curtis, tout le bonheur possible à l'aube de son retour à la gestion de ses bureaux de courtage. Il est plus qu'évident que le temps passé au conseil interrompt les activités professionnelles quotidiennes. C'est pour cela que je tiens à remercier les membres qui ont encore une fois offert généreusement de leur temps pour siéger au conseil et souhaiter la bienvenue à Mary Fowler et à Chris Russell, nos deux nouveaux membres du conseil d'administration.

Comme je travaille dans le secteur de l'assurance depuis plus de 30 ans, mon discours d'acceptation a abordé certaines des subtilités qui avaient cours dans le milieu des années 1980, comme la relation que nous entretenions avec nos partenaires assureurs, le déroulement des opérations et les procédures qu'il fallait respecter et, finalement, l'arrivée des ordinateurs qui nous ont grandement facilité la vie. J'ai ensuite tenté d'envisager l'horizon des 30 prochaines années. Là, ma boule de cristal s'est un peu brouillée. La technologie est illimitée et il est difficile de comprendre quelle re-

lation nous aurons avec nos assurés et nos partenaires assureurs.

Manifestement, notre façon de transiger sera radicalement différente de celle d'aujourd'hui. Les habitudes d'achat des jeunes de la génération du millénaire commencent déjà à changer. On veut un service immédiat et des réponses instantanées. L'époque où on rappelait nos clients « dans quelques jours » est définitivement révolue. Dorénavant, quand on interagit avec le public acheteur, il faut être « prêt à tout ».

L'association provinciale a une fois de plus élaboré son plan d'avenir avec l'aide d'un consultant externe. Le document d'orientation stratégique qui en résulte servira de principes directeurs et de procédures pour les deux prochaines années. Une partie du processus consistait à réviser et à mettre à jour notre vision – « Les courtiers d'assurance sont le principal canal de distribution des produits d'assurance », ainsi que notre mission « Appuyer et promouvoir le développement et la croissance des courtiers d'assurance au Nouveau-Brunswick ».

Les points suivants représentent notre ligne stratégique centrale pour les années 2016-2018 :

1. Promotion : L'ACANB est la ressource de prédilection pour l'industrie.
2. Croissance : Le courtage d'assurances voit ses parts de marché augmenter.
3. Formation : Le travail des courtiers continue d'être pertinent grâce à une formation ciblée et des normes d'éducation de qualité.
4. Technologie : Les courtiers adoptent la tech-

nologie pour répondre aux besoins des clients et améliorer leur efficacité opérationnelle.

5. Objectifs liés à la gouvernance : Veiller à ce que les objectifs de l'organisation soient soutenus par les pratiques de bonne gouvernance.

La Division des assurances du gouvernement du Nouveau-Brunswick examine actuellement les règlements concernant l'attribution de permis de courtiers et d'agents d'assurance. Cette analyse est en cours depuis deux ans et l'association a fourni des renseignements à jour sur les exigences en matière de formation ainsi que sur les obligations et responsabilités perçues relativement aux différents niveaux de permis. Pour l'instant nous n'avons vu que des projets de règlement, mais nous demeurons très optimistes et pensons que les courtiers d'assurance du Nouveau-Brunswick seront satisfaits du résultat.

Comme les autres associations de même type que la nôtre, nous attendons avec impatience la mise en place de la réorganisation de l'ACAC. Ce sera bientôt chose faite et nous nous réjouissons à l'idée de travailler avec le nouveau personnel et de poursuivre la merveilleuse relation qui existe déjà. Bien que nous soyons peut-être une des plus petites provinces du Canada, nous avons bel et bien notre place aux côtés de nos « Grandes sœurs ».

Je me réjouis d'ores et déjà d'assurer la fonction de président de l'Association des courtiers d'assurance du Nouveau-Brunswick pour l'année. ■

Jay peut être joint au (506) 633-2121 ou à jay@gtisj.ca.

*Happy holidays from the staff of the Insurance Brokers Association of New Brunswick! We wish you and your family a safe and joyous holiday. All the best in 2017!*

*Joyeuses Fêtes de la part du personnel de l'Association des courtiers d'assurances du Nouveau-Brunswick! Nous vous souhaitons, à vous et à vos proches, de bien belles fêtes en toute sécurité et nos meilleurs vœux pour 2017!*

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association of  
new brunswick



association des  
courtiers  
d'assurances  
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# IBANB Board of Directors

## Outgoing Governor



*Nancy Thorne*  
*Carnaghan Fowler Taylor Insurance Ltd.*

## Outgoing Chair



*Kirby Curtis*  
*MacRae Insurance Services*

## Outgoing President



*Mike Weston*  
*Thompson Insurance & Associates Ltd.*



*LtoR: Robert E. Kimball, Andrew McNair, Kari MacDonald, Mike Weston, Jay Kimball, Brian Schryer, Marc Leger and Chris Russell. Missing from photo: Andrew Page, Paula Drillen and Mary Fowler.*

**At our Annual General Meeting in Fredericton, members of the Insurance Brokers Association of New Brunswick chose the following members as their 2016-2017 Board of Directors.**

### **Executive:**

Chairman  
President  
Vice President  
Treasurer  
Governor  
CEO

Mike Weston  
Jay Kimball, FCIP, CAIB  
Brian Schryer, CAIB, AIPC  
Kari MacDonald, CIP, CAIB  
Marc Leger, BBA, CAIB  
Andrew McNair, CAIB, CAE

### **Directors:**

Andrew Page, CAIB  
Paula Drillen, CAIB  
Robert E. Kimball, CAIB (Hon's), AIPC, CRM  
Mary Fowler, CIP, CAIB  
Chris Russell, BBA, CAIB

# Message from the President IBANS



Cathie Robski  
President IBANS

## The Effects of Global Warming on Insurance

I believe everyone in the insurance industry could agree that weather disasters caused by climate change are going to get worse before they get better. A changing climate means, unfortunately, instability for this industry. As temperatures rise they will continue to increase the occurrence and force of wildfires, heat waves, droughts and flooding, something we have recently been far too familiar with in Atlantic Canada.

Insurers depend on predictable information to set costs for affordable insurance for clients and climate change is currently making this very challenging. Insurers need to set rates in order to make purchasing insurance affordable for clients and also need to be able to cover losses, while making a profit. Climate change has made events that would happen "once in a hundred years" more frequent, thus making losses more common.

Impacts of Global Warming on the Insurance Industry:

Wildfires – The catastrophe in Fort McMurray is proof that wildfires cause huge upheaval, and will affect many lines of insurance, including auto, property, business interruption to name a few.

Coastal Erosion from Rising Sea Levels – Will affect properties, and cause business interruption.

Increased Hurricane Warnings – As we learned from Hurricane Juan, hurricanes easily devastate communities affecting many types of P&C insurance lines.

It's fair to say that purchasing insurance is not something most people get excited about. However, anyone who has invested money, time and energy into a home or business understands the real importance that come with protecting that investment.

In 2013, this country experienced a record \$3.2 billion in loss claims. In Atlantic Canada, this was due in part to major winter storms, whereas other parts of the country experienced severe flooding. Damaged communities left residents seeking compensation for damages, covered by their property insurance. With the introduction of overland flood insurance in some markets, Canada is no longer the only G8 nation where such insurance isn't offered.

Historically insurance premiums don't reflect the risk that is posed by global warming. The many changing weather patterns will affect several different insurance lines, including: property, flood, liability, business interruption, and auto.

Insurers can prepare their clients for the effects of global warming by:

Creating New Risk Models – Current decisions are based on past events, therefore incomplete models are not showing the "true" risk exposure.

Addressing Global Warming at its Source – This can be done by developing products and business practices that reduce global warming emissions.

Assessing the Exposure – It's important to assess and price insurance policies to accurately show the financial risks posed by global warming.

The key will be learning to adapt and develop new strategies, thus reducing the risk. As the industry itself learns more about how exactly to adapt to global warming, new strategies will become best practices and will be passed onto insureds to put into effect. Such implementations could include: installing devices to prevent sewer backup, create a direct runoff away from their homes, cover window wells and make their home more fireproof.

All reasons why clients should be talking with their insurance broker to review their policies and add additional endorsements to make sure they are properly covered. Your best insurance is an insurance broker after all! ■

You may contact Cathie at (902) 429-4242 or via email at, [crobbski@currentinsurance.ca](mailto:crobbski@currentinsurance.ca).



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# Message from the President IBAPEI



*Mark Hickey, CIP, CAIB  
President IBAPEI*

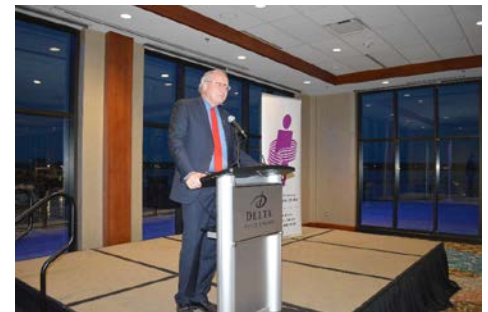
Fall is in the air and a busy convention and AGM season has wrapped up for another year! IBAPEI was pleased to host the IBAC AGM on the waterfront in downtown Charlottetown. Although Charlottetown was the base of the meetings, delegates and their families had the opportunity to enjoy many of the fine sights & culinary delights that the Island has to offer!

Many brokers also participated in the 13th Annual Cyril MacKinnon Memorial Golf Tournament that took place at Green Gables Golf Course. We had great weather and the scores reflected that for the most part! This was the final year for the golf tournament as it came full circle back to PEI where our dear friend Cyril resided. I'm very pleased to say that through the generosity of brokers across Canada we donated over \$30,000 in Cyril's name to the Canadian Heart & Stroke Foundation. That is something the broker community can be very proud of!

The meetings culminated with the Presidents dinner on Saturday night where IBAC President, Robert Harrison outlined his vision for the next year and also honoured Past-President, Lorne Perry. There were a few special guests in the audience as well. We were honoured to have Premier Wade MacLauchlan and his partner in attendance, the Superintendent of Insurance, Robert Bradley and Fred & Shirley Hyndman. Fred is celebrating his 50th year in the insurance business! It was great for



*IBAPEI IBAC President Robert Harrison*



*IBAPEI Premier Wade MacLauchlan*

the Premiere and the Superintendent to witness how strong and united the broker force is across Canada.

Shortly after the IBAC AGM, IBAPEI held our AGM where we welcomed our new President, Helen Hyndman. Helen is looking forward to the challenge and I know she'll do an outstanding job in the President's role in her two year term!

## **The 2016-2018 Board of Directors:**

### **Past-President**

Mark Hickey, CIP, CAIB

### **President**

Helen Hyndman, BSc, CIP, CAIB

### **1st Vice President**

Mary Beth McInnis, CAIB

### **2nd Vice President**

Gilliane Corriveau

### **Secretary**

Karen Doiron, FIIC, CCIB

### **Treasurer**

Darke Carr, BBA

### **Directors**

Skip Beairsto

Blake Craig, BBA

Nancy Fullarton, BA, CAIB (Hons)

I truly enjoyed my time as IBAPEI President and IBAC Director. It is an excellent opportunity to meet brokers from across the country and have a platform to discuss challenges and opportunities that you share. Hill Day is also an amazing opportunity to be a part of. It's very special to walk as a group to Parliament Hill and meet with our MPs and Senators to spread the word of the good work we are doing in all the communities large and small across Canada.

In closing, it's been a great ride and I look forward to when my number is called again to represent the brokers of PEI! ■

Thanks, Mark

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

# 2016 PEI Annual Awards Banquet

The PEI Annual Awards Banquet was held October 27, 2016 with one CIP graduate, one GIE graduate, two CAIB graduates and our first, AIPC graduate!

## CIP GRADUATE

**Gordie Walsh, CIP**  
Hyndman & Company Ltd.

## GIE GRADUATE

**Andy Gallant, GIE**  
The PEI Mutual Insurance Company

## CAIB GRADUATES

**David MacDonald, CAIB, AIPC**  
HL Sear Insurance

**Mary Beth McInnis, CAIB**  
Peake & McInnis Ltd.

## AIPC GRADUATE

**David MacDonald, CAIB, AIPC**  
HL Sear Insurance



*In the photo: Andy Gallant (PEI Mutual), David MacDonald (HL Sear) and Gordie Walsh (Hyndman & Co. Ltd.)*

## AWARD WINNERS

Congratulations to Tania Ramsay from Atlantic Adjusting who received the student achievement award for the student in the CIP program with the highest marks in courses taken this past year. This award is sponsored by the PEI Mutual Insurance Company.

Also, congratulations to Gordie Walsh of Hyndman Insurance Company who is the CIP student graduating with the highest marks during the duration of his studies. This award is sponsored by the Insurance Brokers Association of PEI.



*In the photo: Karen Doiron, Professional Development Chair for IBAPEI presenting Mary Beth McInnis of Peake & McInnis Ltd. with her CAIB certificate.*



*In the photo: Terry Shea, CEO/General Manager of PEI Mutual Insurance Company presenting Tania Ramsay of Atlantic Adjusting with the student achievement award.*



*In the photo: Helen Hyndman, President of IBAPEI presenting the award for Top CIP Graduate to Gordie Walsh, CIP of Hyndman & Company Ltd.*

*A little bit about the Insurance Broker Association designations:*

## CAIB Designation:

The successful completion of The Canadian Accredited Insurance Broker Program has earned David and Mary Beth the nationally recognized professional designation, **CAIB**.

The CAIB program is a study of Personal Lines, Commercial Lines and Brokerage Management. Each course, in this four-course program, culminates in a national examination. With the successful completion of the CAIB program, David and Mary Beth have established themselves as trusted insurance advisors, with in-depth knowledge and understanding of all aspects of property and casualty insurance.

## AIPC Designation:

The successful completion of the Producer Academy has earned David the newest IBAC designation, Associate in Insurance Production Canada - AIPC.

The Producer Academy is a specialized training program for insurance producers. It is built upon three important principles: **Discipline, Persistence and Consistency**.



# Message from the President

## IBAN



Kent Rowe  
President IBAN

### Much ado about water

Fall in Newfoundland and Labrador is synonymous with Hurricane season. In recent years we've been hit hard by several severe hurricanes and many post tropical depressions. These storms have caused significant damage to hundreds of residents of our province and have severely damaged an already old and deteriorated infrastructure system.

Over the Thanksgiving weekend many parts of Newfoundland and Labrador, along with Cape Breton were hit with a major storm, Matthew. This storm brought high winds and significant rainfall. Over 200mm's to some areas of the province, in a relatively short period of time, causing considerable damage to many communities. Hundreds of unsuspecting homeowners were awakened at 4:00 in the morning to flooding basements and washed out roads. Several communities were forced to declare a State of Emergency due to the sustained damage and many communities were cut off from the rest of the province as a result of washouts to major thoroughfares.

In the wake of the storm many homeowners were left to evaluate their damage and determine whether or not they had insurance to cover their losses. Unfortunately, many homeowners weren't covered for their losses as a result of not having Overland Water coverage.

I am encouraged by the shift of some insurers to offer Overland Water coverage; it is much needed and long overdue. However, we still

find ourselves in a situation that is potentially damaging to brokers and just as importantly, our customers. In Newfoundland and Labrador, there are only a few personal lines insurers that offer this coverage through the broker channel. Being brokers, our job is to educate our clients about risk, to learn about our clients unique coverage needs, and to match these needs with the right insurance product. The introduction of Overland Water coverage by only a few insurers therefore poses a very serious challenge to many brokers. If we have 3 personal lines markets and only 1 of them offers Overland Water, should we make attempts to move all of our clients to the market that offers this coverage? Should we let our clients know that this coverage exists, but it would mean we would have to switch carriers? What if the markets we deal with don't offer the coverage? I suspect that you can see the challenge. Brokers in this province who deal with insurers who offer Overland Water have done a great job contacting their clients to offer this coverage. However, there were still many people who did not have the coverage for a variety of reasons.

My point is that I believe that we need an industry solution to the issue of overland water. I understand that insurers use this coverage to promote differentiation and value, but it has created a significant issue to brokers and clients. I also understand that it is difficult for the industry to appear to "collude" on providing a solution; however I do believe that some effort can be made to develop a universal wording to offer coverage to our clients. After the storm I was busy conducting many media interviews discussing the difference between flood, overland water and sewer back up. One of the comments I made, that was picked up on by the media was that "water is the new fire". That's what got me thinking about the need for a unified industry solution. If we recognize that water claims are more frequent and likely more severe than fire losses, then why haven't we developed a standardized solution or coverage to address it? I know that I may be oversimplifying, but I do believe that we need to move to finding a solution. My fear is that the lack of an industry solution may lead to government intervention and more concerning, regulation. I think it's safe to say that none of us want that to happen. Our industry is often subjected to criticism, especially after events such as Matthew when many people find out, albeit too late, that they don't have the coverage that they thought they had. I'd

like to see us get it right and find a way to fix this. I know that the insurers who don't offer Overland water are likely working to provide a solution, but what happens in the interim? Clients go without the right coverage and brokers are left scrambling to find a solution. If the remaining insurers come to the table with an Overland Water solution how long will it take for brokers to work this through their respective books of business? How many more Matthews will happen that will leave our clients exposed? It's scary!

Thank you!

I recently attended the Atlantic Convention of Insurance Brokers in Halifax. It was a fantastic event that offered much camaraderie, education and fun. I wanted to take the time to say thank you to the organizing committee, IBANS and IBANB for the work that they did to make the convention such a success. I would also be remiss if I didn't thank all of the Insurers and Industry partners for their financial support. It was a great event and I look forward to the next time we can all get together to talk about our business, celebrate what we do and continue to learn! Well done! ■

*Kent may be contacted at (709) 753-3210 ext. 375 or via email at, [krowe@wedgwoodinsurance.com](mailto:krowe@wedgwoodinsurance.com).*



**Mark your Calendars**

**IBANB  
Convocation**

**May 11, 2017**

**Fredericton, NB**

# IBAN Scholarships



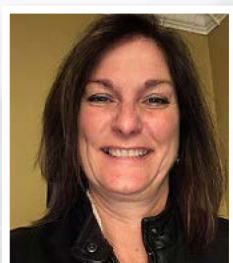
*Ryan Wade  
IBAN Scholarship*



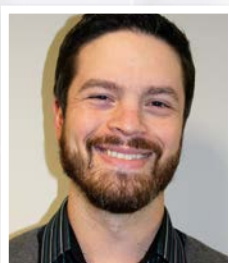
*Stephanie Tuck  
BIP Scholarship*



*Amanda Williams  
CAIB Steers Insurance*



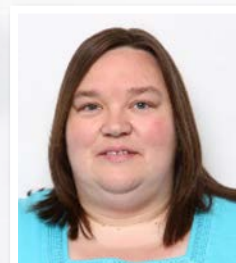
*Nati Scott  
CAIB Steers Insurance*



*Stephen Roswell CAIB  
Munn Insurance*



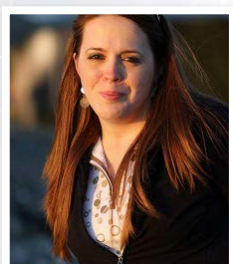
*Kristian Paulsen  
CAIB Wedgwood  
Insurance*



*Regina O'Keefe  
CAIB Wedgwood  
Insurance*



*Shauna Paul  
CAIB Steers Insurance*



*Stephanie March  
CAIB Wedgwood  
Insurance*



*Candace Lewis  
CAIB Wedgwood  
Insurance*



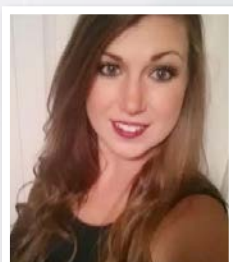
*Andrea Laberge  
BA CAIB Johnson Inc*



*Brian King  
BBA CAIB Johnson Inc*



*Janine Kendall  
CAIB Steers Insurance*



*Chantelle Hunt  
BBA CAIB Anthony  
Insurance*



*Blair House  
BA CAIB Johnson Inc*



*Patricia Dempsey  
BA CAIB Johnson Inc*



*Samantha Cooper  
BA CAIB Steers Insurance*



*Leanne Butt  
CAIB Steers Insurance*



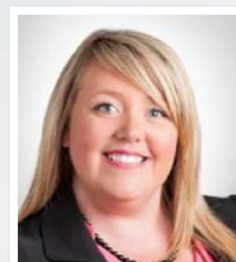
*Kenda Bishop  
CAIB (Honours) Munn  
Insurance Recipient  
of David A. Woolley  
Achievement Award*



*Amanda Baldwin  
BA CAIB Munn Insurance*



*Janelle Morgan  
CAIB (Honours)  
Wedgwood Insurance Top  
CAIB Grad*



*April Gladney  
CAIB Wedgwood  
Insurance*

# How much is that new customer worth to you?



*Doug Daley  
Kiers Marketing Group*

Do you know what your most valuable business asset is?

If you are like most business people, you quickly think of your balance sheet. Is it your equipment? Is it your location? Your people? Your Inventory?

For most businesses, the most valuable business asset isn't any of the above. It's their customer list. And businesses that don't identify this as their most valuable business asset should change their thinking.

The hardest, most expensive sale we ever make to a customer is the first one. In that first, critical transaction, we earn or lose the trust of the customer. Once we have their trust, the door opens to many more sales and referrals, which most of us agree, are the very best new customers to get.

When you get a new client, do you ever consider what the potential lifetime value of that customer might be?

The lifetime value of a customer is a measure of the customer's value to your business. It is the potential contribution of the customer to your business over a period of time. When you consider the lifetime value of a customer, you'll have an idea how much you would, or should be, willing to invest to acquire a customer.

When you look at your marketing, don't just consider the initial sale you make, consid-

er what the lifetime value of that customer might be. By thinking this way, it's easier to consider increasing your marketing efforts.

Instead of building the Chevette of websites, build the Corvette instead. You don't have to attract many more new customers to justify the extra cost if you consider the potential lifetime value of that new client.

Another consideration, when looking at the lifetime value of a client, is not only how much they will spend, rather, how many potential customers they will refer to you. When you think of it this way, the potential value of a customer could increase ten-fold.

How important is word of mouth and referrals to your business? You probably can't put a price tag on it. I'm sure most businesses have no idea how much revenue is generated this way. There is one way to find out. Ask.

When a client calls or drops in for the very first time, ask them how they found out about you. They may have seen or heard an ad or visited your website, but I will venture a guess that most of them heard about you from a satisfied customer. It's easy to ask this question and most people will give you an honest answer.

You will probably discover that a customer who spends very little with you is actually worth a lot more than you ever imagined. How do you say thanks? Send them a thank you card, a small gift or take them to lunch. This will let them know you appreciate them and in turn, they will send you more business.

Another great idea is to set up a formal referral program where customers are regularly rewarded for their efforts. The Fredericton Chamber of Commerce has a referral program

where referrers receive a gift card from a local restaurant for a referral that joins the Chamber. I have received many over the years; you bet I'm going to tell businesses about joining the Chamber.

Reward your referrers and never underestimate a client, no matter how small they are. The lifetime value could be much larger than you imagine. It's okay to spend a few extra bucks upfront to acquire a new customer – it usually ends up paying dividends for many years to come. ■

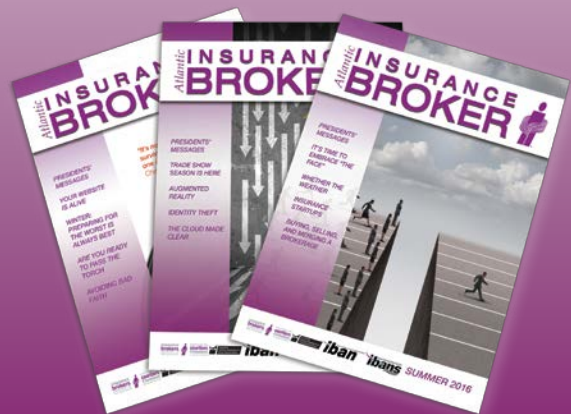
*Doug Daley is the Vice President of Sales and Marketing with Kiers Marketing Group in Fredericton. Doug can be reached at [ddaley@kiers.com](mailto:ddaley@kiers.com) or by visiting [www.kiers.com](http://www.kiers.com).*



## Reminder:

All issues of the Atlantic Insurance Broker magazine can be found on the IBANB website at:

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[www.ibans.com](http://www.ibans.com)





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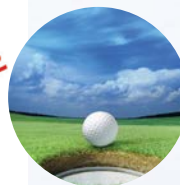
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# IBANB CEO Report



Andrew McNair, CAIB, CAE  
IBANB Chief Executive Officer

By the time you're reading this, we will quite likely have snow on the ground and we will have succumbed to the fact that winter is upon us. Like it or not, it is a part of where we choose to live. Many will complain about the cold, many will wish the snow would go away, and many will not do anything to change their situation that they do not like. I will admit that I am as guilty as the next person of not initially adapting and accepting the reality of winter as the weather changes every fall. I do, however slowly adapt, put the warmer clothes on and transition from summer and fall activities like mountain biking and lawn mowing to skiing and snow shovelling. Once I arm myself with the proper clothing and tools for the season, I actually quite like winter!

Where am I going with this? Read on!

Brokers choose to be brokers, and I can't argue with that decision as it is a great career option and the insurance industry is a tremendous one, with so many great people and so much opportunity. And like humans, brokers will buck change and often avoid the realities of the environment in which they choose to be part of. Why? Things are changing all around the industry and with consumer demand and habits. That is the environment in which brokers work today, and it won't change back...it will only continue to evolve. Online options, consumer self-serve solutions, longer hours, and many other 'outside the box' changes are the winter jackets and snow shovels that brokers need to put on today! Accept the change and move on. Brokers have done an amazing job of continu-

ing to be relevant and adapting to change until now...why does there seem to be so much resistance to the changes taking place now?

I challenge each and every brokerage to capitalize on the young brokers who have many years left in this great industry to help you make change happen. Let them be the ones to wrap their heads around what will keep them relevant for years to come. The YBN executive hosted their annual Meet the Underwriter Night back in November...this has become one of our most popular events of the year and is always well received. I believe a big reason for this is that the YBN aged brokers in our industry are craving change and see events like this as opportunity to discuss what needs to happen with the people they interact with daily. New this year, was the 'Ask the Underwriter' portion of this great event. We built onto the Meet the Underwriter event in order to grow the conversation and increase the networking opportunities. I know there were more than a couple of questions or conversations that evolved around technology and how it can make interactions between companies and brokers better; which in turn will only make things better for the customer...which is what brokers want and need!

Also on the technology and evolution vein; many of you will have completed your license renewal online for the first time this past November/December as FCNB rolled out online license renewals (new applications were previously rolled out). While I understand there were some learning curve and 'transition pains' involved with this new process; I am optimistic that this will be a positive change for all involved. Please do not hesitate to contact our office with any feedback or experience you may have with the new online licensing system. We want to be able to help our members as well as FCNB, to

make this a positive change to how things have been done for many years.

As I wind this article down, so is the year 2016 is also winding down. As I reflect on the past 12 months, I recall a very busy and productive year. IBANB has continued to strive to be relevant to it's members and to continue to play an important role in the continuation of the strength of the broker distribution channel in New Brunswick and Canada. I encourage each and every broker, industry partner, and elected official reading this to take some time to reflect on what IBANB can do to assist you in your roles and please let us know. Together we will ensure the longevity of the broker channel!

I wish you all a Merry Christmas and Happy New Year and hope you enjoy some time with family and friends over the holiday season. 2017 is sure to be another great year!

Thanks for reading! ■

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



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# IBANB Young Broker Network



**Jeff Daniels, BComm, CAIB**  
**GoToInsure.ca: Cambridge McKnight**

Jeff Daniels was born and raised in Fredericton, NB. He obtained a Bachelor of Commerce degree from Saint Mary's University and then joined the family firm in 2009. He completed his Canadian Accredited Insurance Broker (CAIB) designation within the first year and a half and also has his PSIB. In 2012 he became a partner with GoToInsure. He originally wanted to travel after university but a reception position needed to be filled for the summer while a staff member was out on maternity leave, immediately after a CSR position opened up for the same reason and he has not looked back since!

He is a member of the Canadian Coast Guard Auxiliary and also a Chair of the New Brunswick Young Brokers Network. On the weekends he enjoys anything in the Great Outdoors.

**Robert E. Kimball (Jr.), CAIB (Hon's), AIPC, CRM**  
**Pearson Insurance Ltd.**

Robert has been in the P & C Industry going on 12 years. Robert spent the first three years as an underwriter for Home, Auto and Commercial moving to Pearson Insurance in 2008 as a commercial producer from day one. He has since started a dedicated commercial department which he also manages. Robert completed his fourth CAIB course in the fall of 2009 and graduated with honors, he also was very proud to be

the 2009 Lorrie Hachey Memorial Award recipient for the highest Commercial Studies marks in the Province. Robert was the first, youngest designated AIPC (Best Practices - Elite Force Producer Academy – Associate in Insurance Production) in Canada back in 2010. He more recently completed his CRM in 2015 at Dalhousie in Halifax. Robert also recently stepped down as chair of the YBN after three terms and is starting his second term with IBANB as a Director. Robert's passions are being a husband, a father of one boy and one girl and a volunteer in his community. He is a Past President of his Rotary Club and his favorite hobby is finding and rating Craft Beer from around the World, of which he has rated over 975 in the last few years.

**Andrew Jones, CAIB**  
**Jones Insurance Service Ltd.**

Andrew Jones is Vice President at Jones Insurance in Moncton, NB. One of the most interesting conversations you'll have with another industry member is to ask "how did you end up in the industry?" For Andrew, he started with a Co-op program in Grade 12 where his Father, someone he is lucky enough to work with to this day, told him that he would be answering the phones. At a time when he struggled ordering a pizza, this was a big step. Working through the summer's while attending university, he quickly realized it's an industry of relationships and lifelong learning, two things he has enjoyed ever since. In his spare time he enjoys golfing, playing hockey and spending time with family and friends. If there's one piece of advice he could give to both young brokers and new brokers, it is get involved. Whether it's a committee or board, you'll meet amazing people and make some amazing friends.

**Launce Burdock PTEch, CAIB**  
**Jones Insurance Service Ltd.**

A Professional Technologist by trade, Launce Burdock made the transition from selling bridges and engineered solutions to the insurance industry in June of 2015. Being the young go-getter he is, Launce embraced the 180° industry transition and within eight months had completed all the requirements to obtain his Canadian Accredited Insurance Broker designation. Launce's current roll is Commercial Sales/ Business

Development with Jones Insurance Service Ltd. in Moncton, NB. He shares common values with the brokerage itself and plans to harness his existing business relationships to help contribute to their growth for years to come. Outside the office, Launce can be found on the golf course (summer) or at the hockey rink like a typical Canadian (winter). He continues to volunteer coaching hockey and is currently involved with the Harrison Trimble High School boys' team. Because those who can't do coach... right?!

**Vanessa Duguay**  
**Kent and White Insurance Ltd.**

Vanessa Duguay is originally from a little town called Petit-Rocher, NB. She is currently working as a personal line broker at Kent and White Insurance Ltd. in Bathurst, NB. She has been working in the insurance industry for the past year and half. What she likes the most in this industry is that every day we learn something new. In the next five years, she sees herself finishing her CAIB designation and going forward with more education to be able to grow in the insurance industry.

**Jamie Grant, CAIB**  
**J.M. & C.W. Hope Grant Ltd.**

Jamie Grant works at J.M. & C.W. Hope Grant Ltd. in Saint John, NB. He is the 6th generation in his family to work at Hope Grant Insurance and is currently in his 5th year at the company. He has lived in Saint John / Rothesay New Brunswick for most of his life although have been fortunate enough to travel to a lot of interesting places. Jamie's passions outside the office include sailing, hockey and walking his dogs. In the near future I'd like to take a more active role in the actual running of Hope Grant with the plan to hopefully take over the company!



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# FIRE & ICE

## The Perils That Bind Us

2016 ATLANTIC INSURANCE BROKERS CONVENTION

### CEO Panel



### Tradeshow



### Entertainment



PLATINUM



## President's Dinner



## Golf



## Education Sessions



## YBN Session



## SILVER



## BRONZE



# IBANS PD Report



*Keri Foley, BTHM, CAIB  
IBANS Professional Development Coordinator*

## **Human Resources, Technology and the Digital Age – AIBC Convention Wrap-Up**

On October 7th the Atlantic Insurance Brokers Convention hosted three mini education sessions as part of Fire & Ice: The Perils That Bind Us. These sessions were a mix of topics geared not only towards brokers, but insurer partners and vendors as well.

### Attracting & Retaining an Engaged Workforce – Presented by Faye Wales, People Time

This session kicked off the morning with insightful tips on how to draw and hold on to valuable staff members. Faye explained that there are many reasons why people stay with companies that is not based around salary. Top retention strategies discussed included: flexible work hours, professional development and support for your employee's volunteer/community activities (time off). Although salary isn't the only attraction, benefits do make a difference. These can encompass: an employee benefits program, company recognition program and other types of non-cash programs.

### The Digital Future of Insurance – Presented by Grant Patten & Monica Hanna, CSIO

In this presentation, Grant & Monica explained and answered a variety of questions, including: What does today's tech savvy consumer look like? What digital best practice can your brokerage implement? And what tools are available for the broker to implement? A surprising fact from the presentation was research conducted by CSIO

showed that 18% of brokerages nationally do not have a website! Shocking really when 53% of Canadians expect companies to have a mobilized website to access on their mobile device, and 61% of mobile users will completely abandon a non-mobile friendly website immediately.

### A 360 Digital Strategy for the Modern Brokerage – Presented by Sherif Gemayel, Sharp Mobile

Using Sharpe Insurance as a model, Sherif Gemayel discussed digital strategies that were created and developed by Sharp to fit the needs of consumers and insurance professionals. The mobile app has a variety of features for consumers, including pink cards, policy details, and also allows consumers to submit claims. Mr. Gemayel mentioned that the most used features of the app were: pink cards, payments and policy information.

## **CONGRATULATIONS SHARYN!**

Sharyn Hiscock, BA, CAIB, CPIB, Personal Lines Manager with Fairway Insurance can now add MBA to her list of professional accomplish-

ments. Sharyn recently graduated from Laurentian University's online MBA program – which is designed specifically for insurance brokers. Sharyn is only the second student in the province to complete this program. ■



*For more information on how you can take part in this exciting and challenging program, please visit [www.ibans.com](http://www.ibans.com) or contact Keri Foley, [keri@ibans.com](mailto:keri@ibans.com)*





# IBANS Young Broker Network



Mark Anderson, B.Comm., CAIB  
Chair, Nova Scotia YBN

After recently finishing up another fantastic week at the Halifax “Fire and Ice” 2016 Convention I find myself looking back at all of the great people I have met over the years through different insurance world gatherings either via the conventions, events or industry related groups. I’d like to take the opportunity to recognize two of these groups that have been doing some phenomenal work representing the local insurance industry as well as donating a lot of time and money to local charities.

The first group I’d like to spotlight is the Nova Scotia Pond of the Blue Goose Organization. The Blue Goose organization itself was started in 1906 in Green Lake County Wisconsin and the Nova Scotia Pond was formed in 1955. The main goal of the group is to raise donations for its two main charities: Nova Scotia Special Olympics and the Parker Street Food and Furniture Bank. Throughout the years they have raised thousands of dollars for each of these charities on top of hundreds of hours in volunteer time spent working with these charities.

I spoke briefly with long term serving member Archie Gillis. Archie has been with the Blue Goose for over 50 years and is the Deputy Most Loyal Grand Gander for Atlantic Canada, he gave me some insight on the membership of the group:

“Blue Goose is a insurance fraternal organization promoting fellowship, character

and charity. One of the key works of the Order is charity. The majority of members are employees of insurance companies, agents/brokers, adjusters, defense lawyers, service companies to the industry. Accounts regularly employed by insurance companies. Employees of companies providing repair, restoration and or replacement of property following an insured loss, medical rehab..... You can see it is very diversified, if you service our insurance industry. Currently we are 125, and are in a membership drive.”

The bulk of the donations are formed from their five major events which include a Christmas celebration, curling day, golf tournament, Lobster Bash and their annual hockey tournament. I have had the opportunity to participate in the hockey tournament and I have to say it is without a doubt one of my favorite events of the year. The tournament has had teams from all four Atlantic Provinces and is held in a different province each year.

As Archie has mentioned, they are actively looking for new members (both male and female). I highly encourage all of you to check out their website to register for any upcoming events and to potentially look at becoming a member of this great organization.

(<http://www.bluegoosenovascotia.org/index.html>)

The second group I’d like to discuss is the NSIWA (Nova Scotia Insurance Women’s Association). What a dynamic, active group that has been doing some amazing work on behalf of our industry. I have been to a few of their events in the past but after doing some reading and talking with current President Tamara Higgins I have gained a whole new appreciation for the time and effort they have put forth and the numerous achievements they have accomplished.

The group was initially formed in 1960 with its main purpose of “broadening the education of our members, new employees coming into the industry and to assist all members to become more responsive to the needs of their employers and themselves.” The group has done charity work for multiple associations with the main charity of

choice being the Canadian Cancer Society. Since forming the group 56 years ago it is estimated they have raised and donated over \$200,000 for the Society which is an incredible feat. They have accomplished this through numerous industry events with one of the largest being the annual Wine and Cheese function. This event will be held on February 9, 2017 so mark it on your calendars as it is always a fantastic time.

A new campaign being launched by the group is the “Insurance Information Campaign.” The campaign is currently running now and runs until the end of December, with a series of events aimed at informing the general public on insurance issues that plague the consumers. Some of the upcoming events include a classroom discussion on vehicle distraction, a seminar on the key fire safety and prevention items as well as a public information booth at the Sunny side Mall in Bedford that will be held on Tuesday November 29th.

For news and information on upcoming events and information on joining please visit their website at [www.nsiwa.com](http://www.nsiwa.com)

I know I speak on behalf of hundreds of people when I say THANK YOU to both of these groups for all the time and effort they spend on such meaningful causes. ■

Mark may be contacted at (902) 463-5500 or via email at [manderson@abcinsurance.com](mailto:manderson@abcinsurance.com).

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# IBANS Executive Director's Report

## *Playing by the Rules*



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

The expression, “you give an inch and they will take a mile,” certainly applies to banks operating in Canada. On October 10, 2016, Thompson’s World Insurance News reported OSFI were clarifying sales rules because Canadian banks were offering insurance they were not permitted to sell. The type of insurance in question is; comprehensive credit insurance (CCI), a policy which provides insurance to a seller of goods or services against a loss incurred due to the non-payment for goods or services sold to a purchaser located in or outside Canada. The banks, however, are allowed to sell export credit insurance (ECI) which cover an exporter’s loss under the conditions that the loss is due to non-payment by a purchaser outside of Canada. By the banks selling CCI they are in contravention of the Bank Act.

This example is not the first time banks have challenged the spirit of the Bank Act we only have to look back a few years when Canadian Banks were selling property and causality insurance from their websites. Insurance brokers will always remember fondly Minister James Flaherty for upholding the spirit of the Bank Act by introducing legislation which prohibits banks from selling P&C insurance from their websites.

The above example also highlights another positive and that is the relationships our brokers have developed with MPs across

Canada. It is the broker’s ability to be the consumer advocate and explain to MPs the importance of advice and choice for consumer’s which has given them credibility with elected officials. The Trudeau government and its’ 2016 budget announced the Bank Act extension which gives a two year grace period until 2019 when a comprehensive legislative review will occur. Over the next three years a broader policy debate will take place with many stakeholders including the banks pushing their agenda on Parliament Hill.

To prepare for this review we will continue to do what brokers do best and that is develop relationships. As brokers we have experienced a positive reception with our elected officials because we put what is best for the consumer first. Consumers are at the heart of all the discussions we have with MPs because our clients are their constituents and as public officials serving Canadians they also put the people’s needs first.

IBANS has been fortunate to have long standing relationships with Nova Scotia MPs and this is a direct result of our grassroots advocacy. For our Association to be successful we rely on membership involvement. Grassroots communication of concerns has the greatest impact when shared with local representatives. When we speak with MPs what do they want to know? They want to know: local statistics,

real life stories like the recent flooding in Sydney, Cape Breton and what actions they can take to support brokers.

On a final note, two things have changed significantly under the Trudeau government which we need to be mindful of: (1) provinces and cabinet ministers will count again and (2) he will listen to all MPs, this is a big change from the previous government. This change means the conversations we have with MPs will reach the Prime Minister and have the ability to influence policy decisions. We have our work cut out for us but we know what is important and what we must do: communicate clearly, concisely and frequently enough that our elected MPs know our message and what we stand for. Canadians “best insurance is an insurance broker”. ■

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



## Holiday Wishes

*On behalf of the board and staff of the Insurance Brokers Association of Nova Scotia we wish everyone a safe and happy holiday season.*

*All the best in 2017.*





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# The evidence overflows: *Canada needs a national flood strategy*



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

The pictures in the news in early October said it all:

Cars and houses that appeared to be sitting in lakes.

Giant holes where sidewalks used to be.

Raging rivers that are usually trickling creeks.

This past Thanksgiving, remnants of Hurricane Matthew brought wind gusts of more than 100 km/h to parts of Cape Breton and Newfoundland and Labrador, as well as record-breaking levels of rainfall. Sydney, N.S. saw 225 mm and Gander N.L. was hit with 124 mm in short time frames. States of emergency were declared in several municipalities.

To quote Federal Public Safety Minister Ralph Goodale when he watched video of floodwaters rising in one Sydney neighbourhood: “Holy cow.”

To give a sense of what homeowners were going through, the media reported that a flood hotline by the Cape Breton Regional Municipality received 400 calls within the first three hours of operation from people whose homes or basements had been flooded.

Both provinces have filed requests for emergency funding from the federal gov-

ernment. The industry has been managing sewer back-up claims, but undoubtedly a good deal of the damage will not be covered by insurance – either because it wasn’t available, or wasn’t purchased.

It’s an old story in Canada, and one that is playing out with greater frequency all the time.

For me, the timing of the event was sadly appropriate as I had spent the month before touring the region speaking to conferences, chambers of commerce and government committees about climate change and the need for a national flood strategy in this country.

Whenever I (or anyone else at IBC) speak about this issue, the questions and messages are always the same:

## **What’s the problem?**

Water has overtaken fire as the number one cause of property insurance pay-outs. At the same time, government has also seen a huge spike in pay-outs for floods. Since the seventies, Disaster Financial Assistance Arrangement (DFAA) payments have been escalating dramatically. The federal Parliamentary Budget Officer, in a February report, estimated that disasters will cost the federal government about \$900 million per year over the next five years. Three quarters of this amount will be due to flood.

The trend is painfully clear, and the events of this past October are just the latest reminder.

## **What’s the solution?**

The solution is a national flood strategy that will better prepare Canadians both before and after the rains pour down and the rivers overflow. This strategy needs to be a public-private partnership, and must involve all three levels of government.

As part of the strategy, IBC is proposing a national flood organization that will:

- administer insurance to high-risk homeowners;
- improve on coastal, pluvial, and fluvial flood mapping to help assess risk

and prioritize mitigation efforts; and,

- lead consumer education efforts.

That organization or entity would be overseen by insurers and governments, and would be run by insurers. It would be structured to reduce DFAA liabilities at both the federal and provincial levels.

There is a precedent. In April of this year, the United Kingdom launched Flood Re: an organization equipped to deal with insurance for the highest risk properties in Britain. In Canada, a comparable organization would also serve as a central clearinghouse of flood risk data to insurers, municipalities, and perhaps even the real estate community to help price risk and to increase consumer awareness.

## **Would this just be switching responsibility from insurers to government?**

Nope. Just the opposite. Insurers and privately delivered flood insurance would play a central role in the strategy.

Insurers have already begun to demonstrate their willingness and capacity to take on more flood risk as some of them have begun to offer residential flood insurance. As brokers well know, up until a year and a half or two years ago, there were no overland flood insurance products available in the country.

Though not widely available yet, we do estimate that eventually private industry will be able to insure 90% of the homes in the country.

It’s the remaining 10% that are the question. A national flood strategy as described above would incorporate a mechanism to also protect these homes that are at highest risk of flooding. The industry is committed to doing its part but there will be need for government support to help cover the 10%.

## **What’s next?**

Next is to educate and empower homeowners to mitigate risk, such as the Home Adaptation Audit Program being conducted by the University of Waterloo. This program has inspectors go into homes and assess, based

on about 50 different criteria, the flood preparedness of that home. The homeowner then gets a list of recommendations on how they could better prepare their home against flood risk. We have also partnered with the Ecology Action Centre in this region on smaller project.

This is just one idea to illustrate the critical point: we need to build a culture of flood risk mitigation in this country.

Consumer education and flood coverage that uses risk-based pricing will give homeowners the knowledge and incentive they need. In addition, we need more investment in public and water sewer infrastructure, and better land use planning by municipalities.

#### How can I help?

There are many heartbreaking stories from the residents of the Thanksgiving Day

flooding events. IBC is fielding calls from many of those who are impacted, and we know that brokers are too.

Conversations with brokers are incredibly important for a couple of reasons.

The first boils down to the information homeowners need from you. Part of this will require you to familiarize yourself with the new flood insurance products on the market. Also, as you well know, coverage around water damage is complicated. Help clients understand what they can get coverage for and what they can't.

And when they say no to coverage options, make sure they sign a waiver that shows the option was available and that they turned it down. It's important after a flood event like we recently saw in Cape Breton and N.L., because the availability of government funds hinges on whether insurance was available or not. Governments

recognize that when insurance is available, it ought to be purchased.

Second – raise awareness with fellow leaders in your community about the industry's push for a federal flood strategy, including a mechanism to insure those at highest risk. IBC is speaking to the federal, provincial and municipal governments at every opportunity, but this needs to be a multi-pronged and grassroots effort.

It won't be easy to create something as complex as a national flood strategy, but it would improve life for governments, our industry and all Canadians. Let's raise our collective voices to help make it happen. ■

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

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# Insurance Broker, Meet Your New Assistant – The Chatbot



Grant Patten  
Digital Media & UX Specialist, CSIO

Chatbots are computer programs designed to simulate natural conversation with human users, and they're increasingly being used by innovative companies in the insurance industry to improve customer service. Facebook founder Mark Zuckerberg made waves in April 2016 when he declared the popular Messenger app was open for chatbots. Companies can now setup their chatbots inside Messenger and other third-party messaging apps, allowing users to engage with any company's bot via those apps to ask questions and receive basic service.

The chatbots, in turn, use sophisticated programming to understand the user's request, provide exactly the required information, and do so in a way that is conversational and natural. Customers could potentially complete entire transactions this way, using their instant messaging apps to research and purchase almost anything they do via regular apps and websites today. Most importantly, chatbots could potentially access a user's entire profile and account history, using that information to understand the context of any given query and provide increasingly customized service.

## Chatbots and Insurance

Facebook's announcement of bots for Messenger is a significant step toward the possibility of creating an automated insurance agent that is convincingly lifelike because Facebook's technology incorporates DeepText, which is a sophisticated natural

language processing engine. And people already like to text a lot – Messenger has more than 900 million monthly active users. So, there is a clear opportunity to build chatbots to quickly and efficiently address the needs of insurance customers.

Will customers really interact with chatbots for purchasing insurance in the future? One company, Spixii, based in England, is already developing chatbots for the insurance space. A sample conversation between the platform and Rick, a beta tester needing travel insurance, looked like this:

**Spixii:** Where are you going?

**Rick:** I'm going to Le Mans next month.

**Spixii:** Do you mean the 24 hour race on the 18-19th June? That sounds cool, Rick. I see the long-range weather forecast is looking good for the race. Let me ask you about your travel plans. When will you go out to France?

And so on. The chatbot not only knew what information it needed to underwrite the policy, but was able to obtain it in a conversational manner, identifying and discussing relevant information about events and the weather much like a human would.

## Opportunities for the P&C Industry

But, of course, chatbots cannot serve as a replacement for insurance brokers. This technology should be regarded as a potential complement to brokers, not necessarily a competitor. From discussions with brokers, we know that the vast majority of calls from customers – whether they are related to personal lines or small commercial lines – are to either make very basic policy changes, or to ask a question that would be easy to answer with just some basic contextual data about the caller. E.g., policy endorsements such as adding or removing a vehicle, requesting a certificate of insurance or asking a question related to current coverage. Simple inquiries like these could very quickly be addressed by chatbots inside a messaging app such as the one powered by Facebook.

“If you think about it, the insurance application process is entirely designed for a chatbot, as the process of filling out a

traditional application is just a series of standard questions and answers,” comments Andrew Bartels of PSAdvisory.com, a Salesforce.com consultant focused on the insurance industry. “Rather than filling out a form, the customer could chat with a bot, which would collect the information and then potentially generate a quote. If at any stage the bot encounters a set of non-standard questions that it cannot answer, the conversation could then be transferred to a broker either in real-time or the chatbot could schedule a future touchpoint with the broker.”

Meanwhile, the broker, customer service representative, or employee normally dealing with such an inquiry can be free to handle more cognitively demanding tasks that a chatbot cannot do so easily. In this regard, chatbots actually have the potential to make brokers and their employees more efficient.

As the technology evolves, chatbots could eventually reach the level of sophistication to also serve as an automated assistant to underwriters. Chatbots could potentially calculate automated underwriting functions based on dynamic data input, which would be a step up from the limited rows and columns of today's actuarial spreadsheets. As the customer provides data to a chatbot, that bot could quickly communicate the information to an underwriter who ultimately makes the recommendation on whether or not to insure.

The potential for chatbots to fulfill many customer needs is significant. As our industry seeks to transform the customer experience, building various web portals and mobile apps for customer use, it should investigate the possibilities of chatbots as well. Learn about other emerging technologies that are relevant to the broker channel by visiting CSIO.com. ■

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Statistics Canada November 2015  
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# Lessons From The Past

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

“Those who cannot remember the past are condemned to repeat it” – George Santayana

It may seem strange to read an article about what precautions you should take when facing a hardening market. Currently, it may not seem that much has actually changed with regard to rates or the ability to obtain coverage in the marketplace. However, since there is no predetermined moment when exactly the market will shift, it seems reasonable to revisit past lessons learned during hard market conditions which may have long faded from our memories - particularly when some of the lessons learned resulted from the failure to follow procedures that should be utilized in any market conditions. Over the next few months we will publish several articles to jog your memory of what went wrong in the broker's world during the past hard market.

One of the conditions we saw in the hard market was a change in the customers' buying habits as a result of increased insurance costs. While this change in buying habits was driven by increased insurance costs, we see similar changes during times of economic downturn when consumers face budget concerns.

During a hard market and similarly during a downturn in the economy, the insurance customer may approach purchasing insurance in a manner similar to pre-paying gasoline at a station pump. The customer may come to the broker and insist they only want or need a set amount or type of coverage. Despite the broker's better judgment, a sale may be made of a policy that is not quite adequate for the customer's needs.

What follows is just one example of a lesson learned from a broker whose customer was trying to save a few premium dollars. A local merchant contacted the broker to obtain coverage on a building he purchased. The broker obtained property coverage in for set amount of coverage based on a value which the customer insisted was adequate enough. The policy was renewed

for several years and limits were increased by the carrier to account for inflation. After approximately 5 years of renewals, the building was totally destroyed by fire and the carrier paid their limits.

However, there was a shortfall in the amount of coverage on the building. The customer stated that the broker never advised him that he was underinsured. The broker denies this. The broker says she had several conversations with the customer, advising her client that he was most likely underinsured and that the client was not interested in increasing the limits.

Unfortunately, no letters to the customer were sent documenting the broker's advice and while there were some notes found in file from the first meeting indicating that the broker was instructed to obtain a set amount of coverage, the notes were sketchy and somewhat ambiguous. Thus, the matter became a credibility issue, totally dependent on which individual the jury believed. Over six figures were paid in settlement of this claim.

What was the lesson that should be learned from this bit of history? Documentation of the customer's request and the broker's recommendation should be made both at the initial sale and during subsequent renewals.

Another phenomenon experienced during economic downturns or when insurance rates rise, is that clients will want to reduce, eliminate or will intentionally lapse coverage they previously carried. A customer who may have carried umbrella insurance in previous years, or who may have had a floater for certain valuables, will decide the extra coverage is no longer worth the expense. They request the broker cancel coverage, reduce limits, or increase deductibles. While this will save the customer money in the short run, when a loss occurs, the broker may find that the customer has conveniently forgotten why the coverage changed.

A manufacturer had a CGL and umbrella policy secured from his broker. The manufacturer ceased operations filing Chapter 11. The policies were cancelled for nonpayment of premium, while reorganization took place. No CGL or umbrella

policies were in effect for approximately ten months until the manufacturer began operations again. During the gap in coverage, a purchaser of the manufactured product suffered a facial laceration when using the product. Damages in the underlying products liability case were substantial. The manufacturer argued that our insured told them the items they had already manufactured were covered and that they did not need to maintain the liability coverage until manufacturing operations began again. Our insured was sued. There was no documentation indicating any discussions the broker may have had with the manufacturer regarding coverage or lack thereof. A large settlement was paid on this claim.

During times of economic downturn or a hardening market, it is understandable that consumers may have to make choices contrary to the recommendations of their broker. When the policyholder takes a position contrary to your professional assessment, explain and document the scope of any coverage changes requested. If the coverage chosen is a reduction from prior coverage, ask the policyholder to acknowledge the change request in writing and retain the documentation as a permanent part of the file.

Learn from the lessons of others, so the past will not be repeated. ■

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# 6 rewarding ways to recognize employees

*Thanking your staff is good business.*



*Stephane Dorais*  
Vice President Commercial Banking, BMO  
Financial Group

There's a good reason 81 per cent of companies currently have a recognition program or plan to implement one - it can have a big payoff.

According to the 2015 Employee Recognition Report from SHRM® and Globoforce, 90 per cent of organizations surveyed said their program, when aligned with company values, positively affected employee engagement. What's more, 68 per cent of organizations said it helped fuel retention. Employee engagement is good business that doesn't need a big budget to be effective.

Consider establishing or adding one (or more) of these six rewards to your recognition program - and thank your employees for a job well done:

**1. More time off:** Providing additional vacation days doesn't directly cost your company anything - and may help prevent absenteeism. Thirty-eight per cent of employees have called in sick when they're actually feeling well, according to a 2015 CareerBuilder study. Twenty-seven per cent said they just didn't feel like going to work, 26 per cent wanted to relax and 21 per cent felt they needed to catch up on sleep.

**2. Flex schedules and working remotely:** Most employees would greatly appreciate having the flexibility to arrive a bit late or leave a little early to take kids to

appointments or take care of other personal matters. In addition, many would enjoy the flexibility of being able to work from home occasionally.

In fact, 64 per cent of companies said telecommuting had a positive impact on morale and the ability to attract and retain talented employees, according to a BMO Bank of Montreal poll of Canadian business owners.

Furthermore, 24 per cent of women polled in BMO's third annual International Women's Day study said flexible time could help them balance their lives more effectively. Other notable requests included better benefits, family emergency days and additional vacation time.

**3. Time and resources for employees' philanthropic interests:** According to Statistics Canada's Volunteering in Canada report, 67 per cent of Canadians said lack of time was the biggest obstacle to volunteering. Employers can help by providing volunteer opportunities and resources - which can boost employee satisfaction. Volunteer Canada suggests that corporate volunteering is a win-win: employees can develop new skills and get to know their coworkers (80 per cent of employer-supported volunteers say volunteering together helps strengthen their relationships with colleagues), while companies may be able to expand their profile and network in the local community. For more tips, visit [volunteer.ca/esv](http://volunteer.ca/esv).

**4. Employee Training:** Consider building employee training into your budget each year, which will allow you to set up team workshops, bring in experts for lunch and learns, and offer to subsidize relevant courses and conferences, for example. Offering developmental training can be a draw for new hires, and it can help remind employees that you believe in their abilities and want to help them grow.

**5. A simple thank-you:** According to SHRM/Globoforce's 2013 employee recognition report, 71 per cent of companies said appreciation expressed by a direct supervisor had the most positive effect on employee engagement at their organization. Now, what better reason to thank your employees for a job well done?

**6. Fulfilling projects:** When an employee goes above and beyond, the first step is to let them know. You can then show your appreciation by giving them greater autonomy and more interesting assignments. Promote good work with more good work - and employees will feel energized and ready to tackle tasks that come their way.

For more tips on boosting your business, visit [bmo.com/life](http://bmo.com/life). ■

*Stephane may be contacted at (506) 853-5760.*

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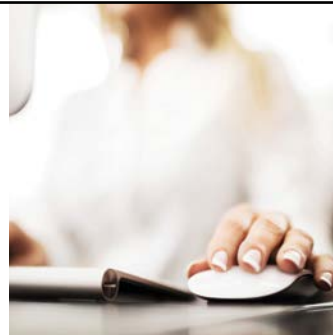


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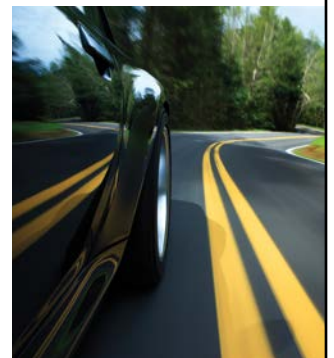
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# Anderson McTague 50 Years at Lloyd's

The success and longevity enjoyed by Anderson McTague of Saint John, New Brunswick, has not come by accident. Recognized recently as Canada's longest standing M.G.A. coverholder for Lloyd's of London, reaching 50 years, Anderson McTague has cemented itself as one of Canada's stalwarts in the insurance industry.

Lloyd's of London has been a pioneer in the insurance industry and has grown over 325 years to become the world's leading market for specialist insurance. Recognizing the need for such an innovative marketplace, Chuck McTague has always valued his relationships with Lloyd's.

Anderson McTague, founded in 1937 as J.A. Anderson Insurance, has stood the test of time because of its ability to change with the times, its connection to the community and its dedication to servicing its supporting broker force. By doing this, the company has set a high bar in the market place. The company became Anderson Insurance in 1949 and 27 years later, with the addition of Charles McTague, became Anderson McTague.



*Chuck McTague, President, Anderson McTague and Inga Beale, CEO of Lloyd's of London*



*Anderson McTague Team and Lloyd's Underwriters and Brokers*



*Chuck McTague, Amanda McTague and Inga Beale*



*Colleen Lang, Darrel Keezer, Amanda McTague, Inga Beale, Gregor McAvity, Chuck McTague and Chris Penney*

“We feel that our five-year plan has now finally hit stride,” said company president Chuck McTague, who joined his father in the business in 1982. “We wanted to invest in a computer system that will allow for efficiencies in terms of workflow and at the same time, give us more control of our day-to-day business. We also wanted to rebrand our company to reflect a modern image, one that is flexible and solution driven.”

**The proof is in the pudding.**

Over the past three years, Anderson McTague has posted double-digit growth targets while at the same time maintaining a service level second to none in the Atlantic Canadian marketplace.

The only thing that might bring McTague more pride than the success of his business is his four daughters - Amanda, Jessica, Carissa and Brittany - and wife Suzanne.

Anderson McTague has also done its part in a stagnant economy, almost doubling its workforce from 16 in 2013 to 27 in 2016 with their two offices located in Saint John, New Brunswick and St. John’s, Newfoundland.

When word spread of the recognition received from Lloyd’s, the congratulations poured in.

Stephen Merrick, a casualty underwriter, at AEGIS London works directly with Ander-

son McTague. He offered congratulations to McTague by saying “This is real testament to your commitment to the market and certainly the exemplary job you do on behalf of your partners here at Lloyd’s, representing us with impeccable service levels and underwriting standards which deliver exceptional results over the long term. Your continuous support and the professionalism and integrity you and your staff exhibit is highly valued by the market. Here’s to the next 50 years for Anderson McTague and Lloyd’s!”

Integrity is something McTague puts plenty of stock in. Another underwriter, Andrew Wadsworth, with ATRIUM echoed Merrick’s thoughts.

“Anderson McTague remains a true Independent MGA and that independence shines through in their service ethic, and dedication to providing an exemplary professional service, to their many commercial clients. That independence also enables us to work with the key decision makers in the business, an opportunity that is so quickly disappearing in the world of insurance consolidation.”

“Having both owned a small independent brokerage as well as being senior management in a 53 office brokerage I can say that Anderson McTague have always been by my side,” said Andrew Walker, Broker Principal with Ray Fredericks Insurance, a member of Huestis Insurance Group.

“The last five years have been a blur but when you force yourself to slow down and take a look at what Anderson McTague has achieved, it is a very humbling feeling to say the least,” McTague said. “I am exceptionally proud of the entire team. Their collective efforts have been amazing. Our recent acknowledgement by Lloyd’s of London as the longest standing Lloyd’s M.G.A. in Canada can only be achieved by working together as a team.

“The insurance industry is like many others in that you have to plan and begin executing that plan now to lay the groundwork for the another 50 years in Lloyd’s and Atlantic Canada.” ■



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# Data Management for Brokerages: Welcome a Better Mousetrap

*Don Purchase*

*Senior Business Development Manager, Stage2Data*

Convention and Innovation go hand in hand in every aspect of life, including in the life of Brokerages.

Convention tells us to keep things the same.

Innovation urges us forward.

Brokerages are embracing innovation when it comes to online quick quotes. Even telematics are beginning to find favor in many brokerages as a new and exciting way to determine driver behavior.

The area of data management has been less quick to turn from Convention to Innovation.

Conventional approach to data management is using tape or external hard drives to backup essential brokerage data. Manual data backup, or the "original mousetrap", still works although it is clear that it falls short on meeting many compliance requirements and fails and at alarming rate.

The new, proven and more efficient data management mousetrap for brokerages is Cloud backup products offered by your IBANB Affinity Partner, Stage2Data.

As the affinity partner to the majority of Canadian Insurance Broker Associations we are in a unique position to witness the push and pull of convention and innovation in the area of brokerage data management.

Convention or old mousetraps often seem comforting because they are what you know. Innovation on the other hand is the unknown. That's why having a trusted Cloud partner who is extensively knowledgeable on brokerages needs is essential. Finding a new solution that meets your budget is paramount. Choosing one that is future-proof is also important because you want it to flex and grow as your brokerage moves through the next decade.

Cookie cutter Cloud solutions are not often flexible so they are not a better mousetrap. Your new mousetrap needs to be only as large as you need it to be with the option of expanding as you grow. In response to this demand for flexibility, Stage2Data has created Broker Flex Private hosting which gives brokerages the benefits of the Cloud with none of the risks. Truly, a new mousetrap, Broker

Flex is deployed within your infrastructure and is fully compliant, it offers no large capital purchases and it's fully managed infrastructure.

Is your brokerage in convention or innovation mode? If you realize that your current data management mousetrap (manual backup), isn't working as well as you need it to, it is time to consider moving to a mousetrap that although new, is also affordable and simple to transition to.

In the same way that brokerages have embraced Innovative steps such as quick online quotes, many will make the move to Cloud backup for their data management. A few years from now brokerages will not remember how they managed

with the old mousetrap, how they lived with the anxiety and failure rate of manual backups. They will look back and wonder what took them so long to be compliant and in the "Cloud".

When you decide it's time to test out the better data management mousetrap be sure to contact a partner that understands Brokerages specific needs. Make the smart move from convention to innovation and relax knowing that your new mousetrap is indeed better than the old one in every way. ■

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



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# Claims and Dispute Resolutions

By Kyla Russell and Gregory Hardy

Canada has seen a variety of catastrophic events in the past couple of years—ice storms in Quebec, wildfires in Alberta, flooding in Nova Scotia, and more. The news which follows such events inevitably includes an article on whether those affected have insurance coverage. Some people will have coverage, some won't, and sometimes there just isn't any coverage for that loss. A denial of coverage can lead to a dispute between an insured and their insurer.

Learning that one doesn't have coverage can be difficult at the best of times, but after experiencing a major loss, it can be devastating for an insured. An insurance dispute, however, does not necessarily mean litigation. There are other avenues of assistance an insured can explore to help resolve a dispute with her insurer. An insurance broker or agent should be prepared to explain these options to the insured client.

An insurance broker or agent, especially one based in the community, is often the insurance professional that the insured client knows and the one that the client will ask for assistance. Helping a client through the claims process or offering guidance on the dispute resolution process provides good customer service and helps the broker or agent build a positive reputation in the community.

## Provide an Explanation and the Policy

If an insured client approaches his broker or agent with concerns about a coverage denial, the broker or agent should try to explain to the customer the reasons for the denial. If the broker or agent cannot explain the reason for the denial, the broker or agent should direct the insured client to someone who can, such as a claims supervisor of the client's insurer.

The broker or agent should also ask the client if he has a copy of his insurance policy. The insured client would have received a copy of the policy at some point in the past, but in the midst of the chaos of a catastrophic loss, that policy may have been misplaced or ruined. The insured client will need the policy during the dispute resolution process. Insurance policies are the legal contracts between the insured and the insurer and include the rights and responsibilities of both parties. Coverage is determined based on the wording of the policy.

A broker or agent can also direct the insured client to one of the independent agencies which have been established to help insurance consumers with further explanation or assistance.

## Insurance Bureau of Canada

The Insurance Bureau of Canada (IBC) has a Consumer Information Centre whose independent staff can answer questions about the claims process, technicalities of policy wording, and coverage interpretation. IBC can even provide direction to the insured client if the client wants to proceed with a complaint. The Atlantic office of IBC is located in Halifax.

## Insurer Ombudsperson

Another option when an insured client is in dispute with her insurance company is for the broker or agent to advise the client that her insurer has an ombudsperson whom she can contact. An ombudsperson might have the title of complaints liaison officer or something similar. It is the ombudsperson's job to investigate and address consumer complaints in a fair and reasonable manner.

## General Insurance Ombudservice

If the dispute does not get resolved through any of the above options, the broker or agent can then advise the insured client to request the insurer's position in a written letter and direct the client to discuss the matter with the General Insurance Ombudservice (GIO). The GIO is an independent organization, created in 2002. Its mandate is to help Canadian insurance consumers resolve disputes or concerns with their insurers in a fair and impartial manner. Members of the GIO include most federally licensed and several provincially incorporated insurers.

## Superintendents of Insurance

If the GIO is unable to resolve the dispute, the last option before an insured client contacts a lawyer is for the insured client to contact a federal or provincial Superintendent of Insurance. Superintendents of insurance regulate the business of insurance within a province. Clients can also contact a Superintendent of Insurance if their insurer is not a member of GIO.

## Legal Advice

Lastly, if none of these options provides a resolution for the insured clients, then the broker

or agent should recommend that the insured client seek independent legal advice to explore their legal options. It should be kept in mind that if an insured wants to bring a legal action to resolve an insurance dispute, there is a defined window of time, known as a limitation period, for doing so. The limitation period will vary depending on what province the insured lives in.

## A Final Word

Information on the process for resolving an insurance dispute is available online, including the contact information for the organizations listed in this article. In a time of crisis, however, an insured client often turns to someone who can provide assistance and answers. Furthermore, an insured client may not be internet-savvy or might not have access to internet services. A broker or agent can provide good customer service and help an insured client through a stressful time by explaining the dispute resolution process to the client. A broker or agent should have the necessary contact information for the organizations mentioned above and the ombudspersons who can provide the insured client with further direction. This information should be easily accessible and readily available so the broker or agent can pass it on to the client. ■

*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 2016 - 2017

## DECEMBER

5	IBANS: How to Optimize your LinkedIn Profile (Part 1)	Webinar
7	National CAIB/CPIB exams	Various Locations
8	PEI Insurance Industry 'Meet & Greet'	Charlottetown, PE
12	IBANS: How to Optimize your LinkedIn Profile (Part 2)	Webinar
15	NBIWA Christmas Mixer at the 3 Mile	Saint John, NB

## JANUARY

16-21	IBANS: CAIB 3 Immersion	Halifax, NS
17	IBANB Board Meeting	Fredericton, NB
29/30	IBAC Board Meeting	Toronto, ON

## FEBRUARY

8	National CAIB/CPIB exams	Various Locations
20-25	IBANS: CAIB 4 Immersion	Halifax, NS
28	IBANB Board Meeting	Fredericton, NB

## APRIL

4	IBANB Board Meeting	Fredericton, NB
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## MAY

3	National CAIB/CPIB exams	Various Locations
11	IBANB Convocation	Fredericton, NB
16/17	IBANB Insurer Forum/Reception	Fredericton, NB
(TBC)	IBANB Board Meeting	

## JULY

5	National CAIB/CPIB exams	Various Locations
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# PFS Welcomes Wendy Whitehead.

Wendy has joined our team as Director of Business Development at PFS (Premium Finance Services). Her responsibilities will include strategic business development as well as marketing to support the PFS growth agenda.



She has over 17 years' experience in the insurance and financing industry, most recently with a national finance company.

Best described as a leader with drive and creativity, Wendy thrives on developing solutions for the most challenging of situations.

A proud mother of four sons and active in her community;  
Wendy is a welcome addition to our PFS team.



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