

Atlantic INSURANCE BROKER



MARKETING
TIMES ARE
CHANGING

EMERGING
LEGAL ISSUES:
CANNABIS
LEGALIZATION

WHY STANDS
MATTER IN
COMMERCIAL
LINES

THE ROAD TO A
STABLE AUTO
INSURANCE
SYSTEM



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Message from the President IBANB

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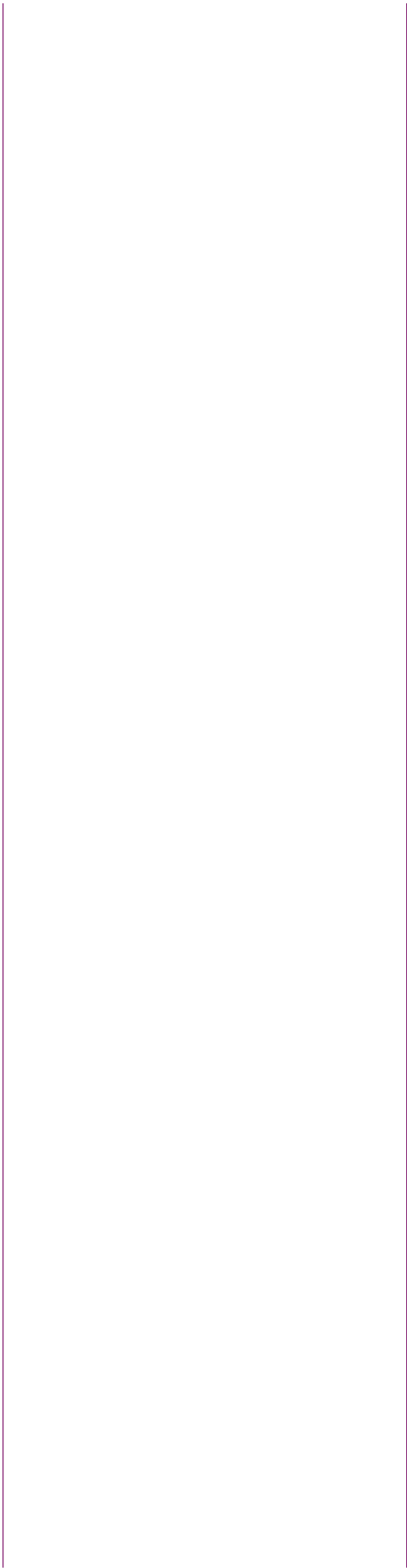
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IBANB Board of Directors



*LtoR: Brandon McGee, Chris Russell, Blake Anderson, Joanne Deveau-Murphy,
Andrew Page, Brian Schryer, Robert Kimball and Andrew McNair*

Missing from photo: Stephen Halsall, Scott Embree

At our Annual General Meeting in Fredericton, members of the Insurance Brokers Association of New Brunswick chose the following members as their 2018-2019 Board of Directors.

Executive:

Chairman	Brian Schryer, CAIB (Hons), AIPC
President	Robert E. Kimball, CAIB (Hons), AIPC, CRM
Vice President	Andrew Page, CAIB
Treasurer	Blake Anderson
Governor	Stephen Halsall, BBA, CRM, FCIP, CCIB, CPIB
CEO	Andrew McNair, CAIB, CAE

Directors:

Chris Russell, BBA, CAIB (Hons)
Joanne Deveau-Murphy, CAIB (Hons)
Brandon McGee, CAIB
Scott Embree

Message from the President IBANS

Explaining the “Why”



*Darren Lipsett, BComm, FCIP, CRM
President, IBANS*

As I write this message today, the market in Nova Scotia, and farther afield, is a challenging one. We are seeing decreased capacity, product withdrawals, broker relationships changing with certain carriers, and underwriting guidelines tightening as we attempt to return to profitability. Are these tougher times? Absolutely. Despite that, we need to be diligent, we need to communicate with clients to educate them, and we also need to advocate in constructive dialogue with our insurer partners where we feel our clients need that support. So how will we do this? Quite simply by explaining the “why”.

As brokers, one of our many value propositions is our understanding of the market. We know why things are changing, we see it in our everyday activities, and we are on the front line with the consumer. We don't always enjoy the challenges that come with a changing market, but we understand the rationale, we listen to our carriers, we see how things are progressing, and we can share that with our clients. Someone who has never had a claim of any nature, be that an automobile accident or otherwise, and also does not understand the mechanics of insurance, should not be expected to understand industry challenges. It's our job to help them understand it, and relate that to their individual circumstance so that the change in their own policy premium is somewhat justified.

Explaining the why is also an incredible opportunity to demonstrate value. I have al-

ways believed if we win business on price, we also lose it on price; and as we all know, long-term clients who appreciate value are more cost effective to manage than those who do not. This is a tough one for all of us, given the commoditization of personal lines products with offerings of direct writers. Some clients' main motivation is price, but more often than not, it's about service and advice. This changing market gives us the opportunity to talk with our clients about what's happening around them, and help them understand why that impacts them. This conversation is an investment in time, but also an investment in enhancing a client relationship. We should want to communicate with our clients and have the opportunity to educate them before they call the competition. Setting the tone of open dialogue also makes it easier for us the next time there is a challenge that impacts that client. Those of us can have these conversations openly and honestly, will come through the market changes less impacted than those who do not. It's in our best interest as brokers who represent the consumer to be there not only when times are good, but also when they are tough.

The changing market cycle is nothing new to our industry. That said, the methodology of rating today is much more complex, and big data moving forward will hopefully aid in proper pricing commensurate with the risk moving forward. Stabilizing results won't only come from pricing changes, but also product amendments that lessen the severity of the market swing, and allow us to operate on a more even keel. We deal with a product where the true cost is not known until after the fact, which makes it difficult to pivot into a position of profitability. For now, while the market is in a state of flux, we carry on with what we know to be true one account at a time and help our clients through the cycle.

So let's explain the why. Our industry and our business will without a doubt be better for it in the long term. ■

*You may contact Darren at
(902) 543-7222 or via email at,
darrenlipsett@bridgewaterinsurance.ca.*



IBANS Board of Directors



LtoR: Christy Silvestri, Director, Pam Hipson, Director, Bruce Macdonald, Vice President, Darren Lipsett, President, Aneill McCaull, Director, Gina McFetridge, Chairperson, Tara Blenus, Director, Missing from photo: Blair Armstrong, Treasurer

IBANS hosts Annual President's Breakfast and AGM

On September 25 IBANS hosted their Annual President's Breakfast and AGM at Ashburn Golf Club. Thank you to everyone who joined us to celebrate the successes of IBANS over the 2017/2018 year. Special thanks to Amanda Dean, Vice President Atlantic Region, IBC for her presentation at our President's Breakfast.



Gina McFetridge (L) IBANS Chair, presents the C.D. Fraser Memorial Scholarship to Raya Donkin, Archway Insurance, who is accepting on behalf of her daughter, Kaya Hazel.

Happy to have members of the Nova Scotia Insurance Community join us for our President's Breakfast

*LtoR:
Amanda Dean, Vice President IBC Atlantic
Darren Lipsett, President, IBANS,
Gina McFetridge, Chair, IBANS,
Jennifer Calder, Deputy Superintendent of Insurance*



Message from the President IBAN



Jason Sharpe, CAIB, CIP
President, IBAN

As we enter a new year I have had the opportunity to reflect on my time as President which came to an end in November at our Annual General Meeting. I can say with all honesty that over the course of the last 12 months it has been my honour and privilege to serve the members of the Insurance Brokers Association of Newfoundland and Labrador.

2018 was challenging and busy, but a productive year. I would like to highlight some things that we accomplished.

- Last year our board decided that we needed to look at the services and value we were providing members. We had a small volunteer board and one staff that primarily provided administrative support. As an alternative approach, we decided to develop a partnership with IBANS, who had staff with knowledge related to running an Association and the skill set to get the job done. Change is hard for everyone and some members were skeptical about outsourcing to another province, however, after one year under our belt, I can now say with 100% confidence that this was one of the most strategic and valuable moves IBAN has ever undertaken. Just to name a few of the benefits of this change; we have expanded our offerings in education, enhanced communication, and have a greater understanding of our financial position. All of which has placed the board in a better position to provide advocacy and clarity of the broker advantage to consumers and members.

- We relocated our offices in May to the Terrance in Churchill Square. The move allowed us to continue to have a home base in NL with an office, classroom space, and storage but at significant savings.
- Newfoundland changed its name to Newfoundland and Labrador in 2001. However, our name still remained as the Insurance Brokers Association of Newfoundland. It's not that we did not recognize that there were member brokers that had offices in Labrador, it was just always something that was on the to-do list but never undertaken. This year we are proud to announce that we are officially the Insurance Brokers Association of Newfoundland and Labrador. To avoid confusion, we have decided to continue to use the acronym IBAN with the N representing Newfoundland and Labrador, but have adopted a new logo.

- We successfully hosted the 2018 Atlantic Insurance Broker Convention in St. John's. There were some events that had over 350 people attend, and some of the nightly events had close to 250 full delegates register. We had nothing but positive feedback from the industry. A huge thank you to the organizing committee that worked with me on the convention. They are: Sharon Shea (Chair), Bill Hickey, Jeremy Cheater, Adam Nolan, Keri Foley, Debbie Paul, and Corrine Zink. A job well done!

- Last but certainly not least, are our efforts in the ongoing auto insurance review. In the last 12 months IBAN has done a position paper and submitted it to government, we developed a website with information and our recommendations called autoinsurancenl.ca, we created a short 3 minute video educating the public and government officials of our opinions and views, and we gave a presentation to the Public Utilities Board during the hearings in the spring giving our position. Changes need to be made in auto insurance. We feel this review can achieve:

- A sustainable auto insurance environment
- A pro-consumer reform of our insurance market



On November 2, IBAN held their Annual General Meeting at the Comfort Inn, St. John's, and elected their Board of Directors for 2018/2019

(L to R) Kent Rowe, Wedgwood Insurance, Basil Crosbie, Crosbie Job Insurance, Adam Nolan, Munn Insurance, Kelly Hickman, South Coast Insurance, Jason Sharpe, Steers Insurance, Jeremy Cheater, Steers Insurance and Keely Coombs, Cal LeGrow Insurance. Congratulations to Kelly Hickman, on her appointment as President, and welcome to the newest Board Member, Keely Coombs.

- An improved auto insurance product

- A long-term competitive market that delivers an affordable product to more drivers with quality coverage

The most difficult topic to navigate was, of course, our opinion with the debate of cap vs deductible on soft tissue injuries. This was a difficult topic for us because as brokers we wear a lot of hats in the insurance industry. We understand the issue of sustainability with the current product and we would like to support the idea of the cap for our insurer partners and for the results of the industry overall. However, as brokers, we have to look into the eyes of our clients. Is the consumer losing coverage by putting a cap on minor injuries? Of course, they are, but how high will the rates have to go to make it sustainable? The government will have to decide what is more important to the public. Do they want a more sustainable product with stable rates or do they want to have a product that takes care of the person regardless of the seriousness of their injury? Our mandate is to make sure everyone has the facts. We want to make sure everyone is educated on what the pros and cons are of each option. As brokers, we will sell any product that is ultimately decided best for the industry.

Some of the recommendations that were clear in our reports were the following:

- Reduce the number of uninsured drivers by assigning license plates to individuals and not

YBNL Escape Night

vehicles, and by requiring the disclosure of cancelled policies;

☑ Increase the mandatory liability minimum to \$1,000,000;

☑ Mandate winter tires and inspections for older vehicles;

☑ Improve and mandate section B benefits with a focus on impactful rehabilitation;

☑ Allow consumers to show digital proof of insurance and to process claims through their own insurer in the event of a no-fault claim.

So, as you can see it has been a busy year. I feel we accomplished a lot and left ourselves in a good position for the year ahead. It will be another challenging year politically as we face potential auto reform and backed by a federal election in the fall. We will also have challenges with changing weather patterns, new disrupters to our industry and new technology that is being updated daily. Nobody said this industry is easy; if it was, everyone would be doing it.

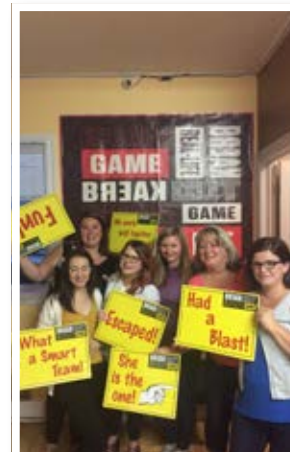
The Association is in good hands as Kelly Hickman takes the helm. Kelly will be the first female president in over 15 years and we look forward to her leadership, passion, and focus that will keep us moving forward in the right direction.

I would like to thank everyone in our industry for the overwhelming support and confidence I received during my term as President. I am truly grateful for the opportunity.

I'm looking forward to my new role as Chairperson. With only 13 members it's difficult to step away knowing that there is not a large pool of people to draw on to replace board members. In NL a 2-year commitment could turn into 10 or more. The people involved do it because we care for the industry and the broker channel. To me, it's very little to give back to an industry that has been so good to me and my family. We were joking the last meeting about how long people are committed to this board. It's like the Eagles song, Hotel California; "You can check out anytime you like, but you can never leave." I am just grateful I checked in. ■

Jason can be reached by phone at (709) 570-1471 or by email at jasons@steersinsurance.com.

On August 16, 2018 our YBNL hosted a great event at Break Out NL. Participants immersed themselves in a story-line that required logical thinking, teamwork and outside the box ideas and solutions. Thanks to everyone who joined us.



A BIG thank you goes to our sponsors: Platinum – Intact, Aviva Gold – Travelers, Silver – RSA, Bronze – Northbridge, BMO

Message from the President IBAPEI



David Cooke, BSc, CAIB
President, IBAPEI

It is hard to believe winter is just around the corner already. As unfortunate as that is, it certainly is a very exciting time to be working in the insurance world. For an industry that has been historically slow to change, it is now rapidly changing at every corner. From the new and rapidly proliferating risks, technology, to the questioning of the future of wholesale brokers... is there a future for us? How does a broker remain relevant? One could question if everything is up in smoke for us (that is a Cannabis legalization joke, everything is up in smoke at every corner). There is a future for us and there are more opportunities than there ever has been. Of course there are many threats for us, however, with every threat comes an opportunity.

Nonetheless, brokers do face many challenges. There is so much more for us to do today with less time to do it. From understanding rapidly changing and emerging risks such as cyber, Cannabis, risks associated with climate change to adapting to technology and artificial intelligence. Some of these risks are especially difficult to sell to a client, given they are new, a client sometimes does just not see the exposure or they do not understand it. Cyber is a great example of this. Every business out there has a cyber exposure of some sort, yet one-third of Canadian businesses report not carrying cyber coverage. The largest reason for this is that most small business owners do not perceive the risk. This is in large part due to the perception of only larger businesses being attacked. Unfortunately, attacks on small businesses are on the rise as cyber criminal's shift their focus from profitability to vulnerability. It is all about effort vs. return. There is also issue that

for the businesses that do have an IT department, they have the perception that they have the best systems in place and may perceive such coverage as in insult to their capabilities. Unfortunately, 95% of breaches are a result of human error and that no business can be 100% secure from breaches. For other businesses, the issue is cost. New insurance for small businesses simply isn't in the budget and for the businesses that do have cybersecurity in the budget, should it be spent on more IT or cyber insurance?

However, being that cyber is a tough sell, the cyber threat is expected to worsen with everything becoming more digitized. Fortunately, brokers now have an additional asset that should help with the uptake of cyber policies. With the introduction of the Personal Information Protection and Electronic Documents Act (PIPEDA) on November 1, 2018, Cyber Insurance has never been more important. Under PIPEDA, it is now a federal requirement for businesses to report breaches. It is really a 3 part notification obligation where for any breach, businesses now must notify affected individuals, the Office of Privacy Commissioner (OPC) and any government or organization that can help to mitigate or reduce the risk of harm as a result of the breach. Affected businesses must explain what happened, why it happened, and what's being done or what will be done and failure to do so could result in fines up to \$100,000. Most importantly, all of this info will be public and if it is not managed properly, a business could face additional financial penalties, PR damage, legal defense costs as well as settlements. This highlights the need for businesses to develop an incident response plan. Brokers need to outline the new federal requirements to their clients. However, I think to approach this topic effectively, brokers need to move away from insurance talk and move more towards risk advisor talk, we must talk in their language as business owners. I think that we need to ask more tough questions. If your business has a breach, how would you handle the event? What would you do? Who would you contact? What would that cost? How would you notify clients? Do you have the cash flow to cover a \$100,000 fine? Do you have legal defense costs in your budget? I think it is paramount to let the client discover on their own through such questions how much time and money something like this can cost as opposed to telling the client they are exposed and they do need coverage. In my opinion, if I have not kept my client up at night, then I haven't done my job.

I would like to end by thanking Helen Hyndman for her hard work and dedication as IBAPEI Pres-

ident and wish her the best! I would also like to welcome Mary Beth McInnis back to PEI as she had left us for a short period to work as a broker in Ottawa. Finally, for the first time, the PEI YBN now has two people on its board with Mary Beth serving as Vice-Chair. She will be taking over as Chair in May and is now also our BIP representative. We both look forward to growing the YBN here further together. Happy Holidays to you all and wishing you all a prosperous 2019. ■

David may be reached at (800) 566-5666 ext. 4826 or via email at, dcooke@cooke.ca.

Changing of the Guards! IBAPEI Election of Officers



The Insurance Brokers Association of PEI held their Annual General Meeting on October 30, 2018 in Charlottetown, PEI. The following is the slate of officers for the 2018 – 2020 term.

President

David Cooke, BSc, CAIB

Past President

Helen Hyndman, BSc, CIP, CAIB

1st Vice President

Nancy Fullarton, BA, CAIB (Hons)

2nd Vice President

Mark Willson, CIP

Treasurer

Susan McInnis

Secretary

Karen Doiron, FIIC, CCIB

Directors:

Skip Beastro

Blake Craig, BBA

Mark Hickey, CIP, CAIB

BIP Representative:

Mary Beth McInnis

YBN Representative:

David Cooke, Mary Beth McInnis

Professional Development Representative:

Karen Doiron

Political Action Representative:

Mark Hickey

2018 PEI Annual Awards Banquet

The Insurance Industry Convocation Dinner was held in Charlottetown, PEI on October 30, 2018. The Insurance Brokers Association of PEI would like to congratulate the graduating class of 2018!! Your accomplishments are something to be proud of – education is an important part of what makes you a true insurance professional and a knowledgeable advisor for your clients.

IIPEI graduates included:

FCIP

Faustina Murray – PEI Mutual

CIP

Colby Callaghan – PEI Mutual

Thomas Clark – PEI Mutual

GIE

Kali Bernard – Hickey & Hyndman

MacKenzie Marchbank – PEI Mutual

Brittany Quigley – PEI Mutual



Left to right – Faustina Murray (FCIP), PEI Mutual Insurance Co., Colby Callaghan (CIP), PEI Mutual Insurance Co., Jeff Goy, Chairman of the Board for Insurance Institute of Canada, Thomas Clark (CIP), PEI Mutual Insurance Co., and Brittany Quigley (GIE), PEI Mutual Insurance Co. (Missing from photo – Kali Bernard (GIE), Hickey & Hyndman Insurance, MacKenzie Marchbank (GIE), PEI Mutual Insurance Co.)

The Top CIP Student

PEI Mutual Insurance Company sponsored the award for the Top CIP Student. The award went to Jeff Trainor of PEI Mutual Insurance Company. Congratulations Jeff!

In the photo: (left) Blair Campbell of PEI Mutual Insurance presenting the award for Top CIP Student to (right) Jeff Trainor of PEI Mutual Insurance



The Top Graduate

IBAPEI is pleased to sponsor an education award for the Top CIP Graduate. The recipient of this year's award is Colby Callaghan, CIP – PEI Mutual Insurance. Congratulations Colby!

In the photo: (right) David Cooke, BSc, CAIB, President of IBAPEI presenting the award for Top Graduate to (left) Colby Callaghan, CIP, PEI Mutual Insurance

Marketing Times are Changing



Doug Daley
Vice President of Sales and Marketing, Kiers Marketing

Nine years ago, in August of 2009, I wrote an article for this magazine titled 60 Ways to Market Your Business. For fun, I recently read it again and realized just how much marketing has changed in that short time.

As brokers in today's competitive market, you should be looking at how you are marketing yourself in 2018 compared to 2009.

In 2009, the question - how are you marketing your business now - was probably answered newspaper, radio, Yellow Pages and direct mail. How do you think that might fly today?

In my 2009 article, I did actually list 60 different ways to market your business. Here is a short snippet of what was on that list that you were probably doing then, as well as a list of things that were not on the list in 2009 or were really new back then.

2009....

Newspaper advertising
Television advertising
Radio advertising
Business cards
Brochures
Direct mail
Reports and white papers
Phone – on hold messaging
Telemarketing
Calendar
Prospecting letter

Take one boxes
Broadcast fax

Your 2018 list of marketing initiatives probably looks more like this...

Facebook boosting and ads
Online advertising
Search engine optimization (SEO)
Mobile friendly website
YouTube
Kijiji
Google Ad Words
Email marketing
Podcasts
E-zines

So, the marketing methods are different but the overall marketing goals still remain the same.

The key, however, is to have a plan. Research shows that consistently using a marketing plan generally increases sales by an average of 30% over similarly sized competitors not using a marketing plan. That really is a big number. With a little hard work, you could use smarter marketing to grow your business.

You know that doing just one thing on the list is not going to work for you. You have to have a mix of many different methods to successfully market your company. Even though some of the items on the 2009 list are old school, they still can be effective. For example, newspaper is not a bad idea in a smaller community that is serviced by a weekly paper. The older demographic still reads a daily newspaper. A calendar will still work if done properly. I still see lots of business people using desk calendars.

Old reliable marketing tools still work very well, just the delivery method needs to be changed. For example, a customer survey or questionnaire

would have been faxed or a sent as a pdf to fill out in 2009. Customer feedback is still important only now; however, we send it through programs like Survey Monkey or Constant Contact. Referral programs are still very powerful, only now it can be done with an email or explained in a video.

A marketing plan is about creating the right mix. Don't try to do too many at first. Take your time and do four or five things well this year and four or five next year. In a few years, you will be a marketing dynamo in your market. But remember, have a plan.

A solid marketing effort will result in more sales, less client turnover and a more predictable revenue flow. The value of your business will increase as your marketing program begins to bring in new clients and retains more existing clients. ■

Doug can be reached at ddaley@kiers.com or by visiting www.kiers.com.

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IBANB CEO Report



Andrew McNair, CAIB, CAE
Chief Executive Officer, IBANB

Fall has traditionally been a busy time for IBANB, and this year hasn't been any different. The IBAC AGM was held in beautiful Halifax, Nova Scotia on October 5th where Chris Floyd from Waterloo, Ontario was inducted into the role of President of our National Association. IBANB had Brian Schryer step into the role of IBAC director and Robert Kimball will be our observer at the National level. Thank you both for stepping up to represent IBANB at the National level.

The IBANB Annual General Meeting was held October 25th at Kingswood Lodge in Fredericton, which saw Robert Kimball take over the reigns as President of IBANB. I would like to take this opportunity to congratulate and thank Robert for stepping into this important role; Robert's enthusiasm and personable way are a testament to what brokers are all about and how well liked they are in their communities...for many reasons, including how much brokers do for the communities in which they live! I look forward to working with Robert over the next year to make sure that IBANB continues to do the work we do for brokers throughout New Brunswick. One highlight of the day was having Robert's family join us for the meeting and his induction into President. To take it a step further, it was his father Bob Kimball who did the induction of the board. And if that wasn't enough, it was his daughter's birthday that day, so everyone sang happy birthday to her at the meeting. It was a true testament to how

much the industry is very much family, both literally and figuratively.

To continue along a similar vein, the 'changing of the guard' theme was something that I noticed as being quite prevalent at our recent convention in St. John's, Newfoundland. Throughout the years, I have been attending convention and I often see many of the same faces, both on the broker side and company side of the industry; however, this year was quite different. I missed seeing many 'faces of the past', but also saw many completely new faces, as well as many familiar faces that hadn't been at convention in the past. This resonated with me! I am seeing a 'changing of the guard' as we see many young brokers moving into either management or principal roles within brokerages. This hasn't happened overnight, but this year is looking like the year for significant change. To me, this is exciting because as we witness the rate at which our industry is changing, especially on the technology front, we need to have people in 'decision making roles' who want to embrace change in order to prepare for their own future. Young brokers who are becoming decision makers in brokerages will be the ones to experience the impact of today's changes. To use a quote that seems quite appropriate:

"It is not the strongest of the species that survive, nor the most intelligent, but the one most responsive to change" - **Charles Darwin**

Change will continue to happen and a lot of the change happening within our industry right now involves the need for brokers to be, in the words of Charles Darwin, responsive to change. This time last year, the IBANB board and Young Broker Network executive had just been through our Strategic Planning Session to chart the course for the next few years at IBANB. The results of that planning session were a plan that has taken us back to the four important pillars of what IBANB continues to do: Member Relations; Government Relations; Broker Education; and Consumer Education. By continuing down these important paths with the great group of brokers we have around the board table, we will no doubt continue to see the Broker Distribution Channel thrive in New Brunswick.

In closing, I would like to wish each and every one of you a Merry Christmas and Happy New Year. I trust you will take some time to enjoy family and friends over the holiday season.

Thanks for reading! ■

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



Thank you

THE INSURANCE BROKERS ASSOCIATION OF NEW BRUNSWICK GRATEFULLY ACKNOWLEDGES THE ON-GOING SUPPORT OF OUR CORPORATE PARTNERS IN THEIR SUPPORT OF THE BROKER DISTRIBUTION CHANNEL.



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IBANB Young Broker Network



*Jeff Daniels BComm, CAIB
Chair, New Brunswick YBN*

We are so excited to present to you, your YBN Executive for 2018/2019. As you can see, we are welcoming back to the committee; Jeff Daniels, Andrew Jones, and Vanessa Duguay. In addition, we have our newest member Ryan Cain!

Thank you to all who support YBN throughout the year, and continue to support us into the next. Between networking at IBANB events, co-hosting gatherings, or being a voice of our YBN network, we look forward to working with you over the next year. We cannot wait to see you all in the New Year, and watch out for information on our Winterfest 2019!!

Jeff Daniels, BComm, CAIB – GoToInsurance.ca: Cambridge McKnight

Jeff 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 GoToInsurance. He originally wanted to travel after university but a reception position needed to be filled for the summer while a staff member was on maternity leave, and he has not looked back since! He is currently working as Manager and Commercial Lines producer in the Fredericton Offices. He is also a member of the Canadian Coast Guard Auxiliary and Chair of the New Brunswick Young Brokers Network.

On the weekends he enjoys anything and everything in the Great Outdoors.

Andrew Jones, CAIB - Jones Insurance Service Ltd.

Andrew 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. 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.

Vanessa Duguay – Kent and White Insurance Ltd.

Vanessa 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 almost two years. 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. She is heavily involved in recruiting new brokers to the industry and is always eager to be involved in YBN events.

Ryan Cain – Cain Insurance Services Ltd.

Ryan was born and raised in Fredericton, NB. After graduating from The University of New Brunswick in 2017, Ryan began his Insurance career at Cain Insurance Services Ltd as a Personal Lines Broker following many members of his family. Since then, he has joined the Commercial Lines Team at Cain while completing his Master of Business Administration (MBA) degree in Sales Management & Leadership; all while studying to complete his CAIB designation! During his spare time, he enjoys traveling, boating, and snowmobiling. He is currently Treasurer of the YBN and is keen in promoting the field of insurance to other young professionals. ■

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ELITE FORCE

IBANS Young Broker Network



Zach Armstrong, CAIB
Chair, Nova Scotia YBN

With a hardening market comes great opportunity. It has been brokers' position for years that all we are looking for a fair playing field with the banks' direct insurance. They have been able to operate at an underwriting loss just to gain their market share. They were insuring young drivers much lower than they should with hopes of writing the entire family. Times are changing, and it has opened up opportunities for brokers. The banks are tightening up their rules and raising rates. If a client doesn't fit into their box, they send them on their way. It doesn't work like that with the brokerage system. We are with our clients through the good times and the bad. If one of our insuring partners can't write our client anymore we find them someone who will. Insurance products are being increasingly complex in both coverage and in rating. This is where the value of the broker comes in with tailor-made products for clients unique situations. Our diverse product lines are giving us an advantage as the banks tighten up.

With advancements in technology, it is important for brokers to be proactive in their approach to marketing, sales, and servicing their clients. Social media can create great opportunities and threats to a broker's reputation. Having a comprehensive social media strategy is essential for success for the modern brokerage. Many clients now prefer to do business via email. Having workflows in place for E-signatures, digital liability cards, and efficient email correspondence will open up a new market segment that had traditionally gravitated towards direct writers. There

is an entirely new generation that now owns their own vehicles or is buying their first home. With the direct writers tightening up their rules the doors have opened for brokers to take back more of the market share, but we must be proactive in recognizing the needs of the modern client. There will always be a place for the traditional broker experience of sitting down with a client face to face. All I'm saying is why can't we be great at both?

2018 was a great year for our committee. We had our highest level of attendance in both our curling and golf events. Our second annual broker Olympic social night looks to be a hit again this year too. We would like to thank our sponsors, company partners, and brokers for coming out and supporting us. None of our events would be possible without your participation. These events are great opportunities to have a little fun, network with your industry peers and getting to know them on a more personal level. Each year we send two committee members to Ottawa to participate in Hill Day. Our discussions with Senators and Members of Parliament in Ottawa were very impactful discussing the governments continued support of the bank act, flood zones and the legalization of cannabis. While in Ottawa, we

also participated in the National Young Broker Forum where YBN members from every province shared their experiences, challenges and creative ideas; one common theme in all provinces was how to bring new talent to our industry.

One of the primary focuses for the YBN is to bring value to both our broker partners and their employees. During the past four years that I have been a member of the YBN committee one of the main struggles we have had is finding a way to help bring new talent to our industry. This year's big project will be developing a High School outreach program to work with guidance councilors to present our industry as a career option. Over the next year will we be reaching out to select schools interviewing councilors on how we can present our industry to students. We hope to get into the classrooms to educate students on what a great career option the insurance industry is. With technology moving as fast as it is, and ever more complicated products becoming available, bringing bright new minds into the industry is more important than ever. ■

You may contact Zach at (902) 462-1122 or via email at, ZachArmstrong@aamunro.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 2019.



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IBANS/IBAN Professional Development Report

Working Together for a Common Goal – To Educate Brokers



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

“Coming together is a BEGINNING. Keeping together is PROGRESS. Working together is SUCCESS” - Henry Ford

One thing broker association staff across this country have in common is a strong goal - To educate brokers. This doesn't just mean to license brokers, as licensing tools vary from province to province, but rather to keep the learning process first and foremost in their minds and provide current education to assist brokers in their changing environment. Although this may sound straightforward, it is not a simple task.

The scope of how we educate brokers has changed. The learning process is unique and different for every student. To accommodate this, we need to continue to offer various styles of learning. Self-study, which has generally been a popular method, is not enough for many brokers. They need to have interaction, be in a classroom setting, or be able to ask questions. However, there are challenges to this.

1. Time. Brokers can't necessarily afford (figuratively and/ or literally) to be out of the office for a week to complete a course.
2. Distance. While Nova Scotia and Newfoundland & Labrador aren't Canada's biggest provinces, courses are held in the cities of these provinces, thus making it hard for a significant number of

brokers who reside outside of the city to attend.

3. Commitment. It's not that brokers aren't committed, in fact, they are the opposite, but committing to an immersion is cutting into both work and personal time, and not everyone is in a position to be absent for a week or more.

So, how do we resolve these challenges? We work together.

When IBANS began working with IBAN in early 2017, there were many trials to overcome; with education offerings being a main one. Did we continue to offer separate classes, immersions, seminars and webinars from Nova Scotia? Or, try to suggest similar offerings for both provinces. The answer is, we have done a combination of both options.

What has collaborating allowed us to accomplish?

1. The opportunity to offer students in both provinces a variety of options regarding the method of study for CAIB – keeping in mind, every student has a preferred method of delivery.
2. Decreased costs – a prime example would be webinars. We can hire top-notch instructors and presenters as the

cost is divided, plus there are savings on event space, meals, snacks, travel, etc.

3. A sense of comradery – students can meet and interact with other students from a different province. They have the opportunity to learn, grow and develop relationships, which is key in this industry.

These are just a few of the many ways that our collaboration works. The fact that the Atlantic provinces have developed a committee, with members from each of the four provinces, to discuss ways in which we can all collaborate and share resources/ideas/income and work more as a unit. We are all members of the Insurance Brokers Association of Canada, following the same guidelines around marketing, education, and advocacy for the broker channel. We are not competitors or rivals – what benefits members in one province, should benefit members in all provinces.

To conclude, using Henry Ford's quote as a model, we have come together, we are keeping together and finding success as we work together. ■

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

Holiday Wishes

On behalf of the board and staff of the Insurance Brokers of Newfoundland & Labrador we wish everyone a safe and happy holiday season.

All the best in 2019.

 Insurance Brokers Association of NL
iban



IBAN Congratulates 2018 CAIB Graduates

On November 3, IBAN was thrilled to celebrate our 2018 CAIB graduates at the Comfort Inn, St. John's. This year, IBAN had 11 graduates from the CAIB program. During the evening, we also presented the 2018 IBAN Scholarship to Hannah Roswell, daughter of Marie Roswell, Sunco Insurance. Colin Malone, CAIB (Hon) from Munn Insurance was our Top CAIB Graduate. Thank you to Peter Braid, CEO IBAC for joining us for this special evening.

Many thanks to Leona Flemming and the Convocation Committee for all of their efforts to make this a very special night for our graduates.



IBANB Professional Development Report

THESE driving distractions put you at risk of fine or accident - are you guilty of these?



Becci Taylor, BBA
IBANB Marketing and Program Coordinator

If you are caught using a handheld device while driving - whether it's for talking, texting, taking video or anything else - you can be fined \$172.50 and lose three demerit points in New Brunswick. Is this enough to stop people from doing it? This article comes to you after it took me two hours to get to work this morning in our first snowpocalypse of the season; snow was crazy, highways weren't plowed, a train of traffic going 60 km/hr, and I was passed by someone videoing the snow. Yes, you read that right...

Driving While Distracted: It's not just texting anymore.

The evidence is now coming through, that this is a major, major distraction and cause of accidents and fatalities every day. This is not just a New Brunswick or even Canadian issue, this is a global problem. Countries around the world have added laws to try to tackle this, but the penalties vary dramatically by country. In the United States, which does not have a national law against the use of a handheld phone while driving, there are major differences by state; which blows my mind. Fines for texting and driving, for instance, can be as low as \$25 in places like South Carolina and as high as \$750 in Utah. In that state, a driver caught texting could also face up to three months in jail!

More than 30 countries around the world have made it illegal to use a handheld device while driving, according to the US Department of Transportation. Which to me still seems low,

when you think there are 195 countries and estimated that over 1 billion passenger cars travel the streets and roads of the world today... So I decided to investigate (yes, Google was my friend on this dreary cold snowy Wednesday).

In Oman, drivers caught using a handheld device can face up to 10 days in jail. They also face a maximum fine of 300 OMR, which is approximately, \$1012 Canadian dollars, which some still consider as too high?

Other countries with relatively high fines for first-time offenses include Bermuda (\$500), Trinidad and Tobago (about \$225), Qatar (about \$137) and the Philippines (\$100). In Trinidad and Tobago, drivers could also face imprisonment for up to three months. In the Philippines, four-time offenders (because the first three slaps on the wrist weren't effective enough) could be awarded a \$400 fine and lose their driver's license.

Sweden, which has fewer motor vehicle crash deaths than other countries, including the United States, does not ban the use of cell phones while driving. Instead, it puts its energy behind efforts to raise awareness of the risks of distracted driving, according to a report by the World Health Organization (WHO), which for some when money isn't an issue, would be better suited, right?

Legislation specifically banning texting while driving is also becoming more common in some parts of the world. In Buenos Aires and Argentina, writing or reading texts while driving can result in fines between \$5 and \$500, and five points added to the driver's license, with licenses revoked after 20 points, according to the WHO report.

Last summer in the UK, a horrific crash garnered national headlines: A driver scrolling through music on his phone failed to notice how traffic had come to a halt and crashed into a car at 50 miles per hour (80kms), instantly killing a mother and three children. (The driver was sentenced to 10 years in prison.)

It's clear that it's not about fines and penalties anymore, but people need to know that they can't get away with distracted driving and need to see drivers getting caught doing it for behavior to change. The laws are much worse for im-

paired driving – why is this not treated the same?

If you see someone drinking in a bar and then getting up to drive home, people will react to that. We all will comfortably tell a friend that they don't want them to drive if they have been drinking, whereas for people it would seem a bit odd to react to somebody pulling out a handheld phone.

Canada is enjoying its lowest impaired driving rates in history, but watch out: with distracted driving on the rise, looming marijuana legislation, and technology advancements, Canadian drivers might be swerving into more road hazards than ever.

The Canadian Automobile Association (CAA) found that distracted driving is a factor in four million crashes every year in North America. In three provinces, distracted driving is doing more damage than driving under the influence. Newfoundland and Labrador, Ontario, and Manitoba reported crashes caused by distracted driving equaled or beat out impaired driving crashes, a 2015 TIRF report states.

Ontario is home to both the lowest and highest fines, ranging from \$490 to \$1,000. Texting was the most common cause of distracted driving in the province. The CAA states that if a driver texts they're 23 times more like to be involved in a crash or near collision.

So, I think I've ranted on long enough and given you some food for thought to share amongst your peers, I hope the person this morning filming has a moment of clarity and realizes it was foolish, but just in case anyone doesn't know, here are some simple ways to prevent distracted driving;

- Plan your route
- Put your cell phone away
- Advise your passengers to be quiet
- Avoiding eating and drinking
- Turn down the music
- Place purses, backpacks, and coats in the trunk
- Get enough sleep before driving
- Switch drivers every few hours for long drives

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Viewpoint



*Chris Floyd, President
Insurance Brokers Association
of Canada (IBAC)*

First, let me say that I am excited and honored to serve as President of the Insurance Brokers Association of Canada (IBAC) for the 2018-19 term. IBAC and its Member Associations have worked very hard over the past year executing upon a defined strategy that was unanimously supported in the fall of 2017, and we have seen some major milestones and achievements.

In June of this year, the Federal Government passed Bill C-74 which was an omnibus bill that contained provisions upholding the separation of the pillars of banking and insurance. This means that the long-standing prohibition of banks selling property and casualty insurance from their branches, including the internet will be maintained. The next review of the Bank Act will be in 2023.

The government is now developing regulations regarding fintechs and seeking input on open banking. These items will keep the topic of distribution of insurance products front and center for IBAC over the coming year. We are pleased with our ability to communicate with the Minister of Finance, his key staff, and other decision-makers. IBAC supports innovation and the modernization of the banking sector, however, we will always look at it through the lens of the consumer and continue to advocate for their best interests.

The second milestone of this past year was the renaissance of the Broker Identity Program (BIP). Hopefully by now, you have seen the new BIP logo and the new national advertising platform, 'Before the Quote'. The goals of the program remain the same – to educate politicians and consumers on what insurance brokers do and the value we add. As community builders who advocate on behalf of consumers across this country, we are critical to the fabric of our communities. The basis for the new platform acknowledges the evolution of consumers in this fast-paced online environment and encourages them to take a pause and seek professional advice from a broker before buying insurance online. You will again see the commercials prominently on live news, sports, and public affairs television programming. In addition, a robust digital campaign will support the program and also include the important commercial element. We know it's not all about home and auto; brokers are truly differentiated with our expertise in commercial insurance too.

This is a pivotal time for our profession, as technological advances continue at a faster and faster pace. The introduction of advanced analytics and artificial intelligence

will be disruptive to both consumers and broker distribution. As an association, we see this as an opportunity to reinforce the broker value proposition and ensure that the principles of being a broker will be integrated into these new platforms. IBAC's position is that technology can enhance broker operations, but not replace them.

The national education programs that IBAC offers through its Member Associations - CSIP, CAIB, CCIB, and CPIB - are all under pressure to be offered in a digital manner. CAIB, our flagship program, will see a tremendous overhaul in the next 14 – 18 months with curriculum being updated and the programs being digitized. Online CAIB exams are launching this December through a joint effort with the Insurance Brokers Association of Ontario. All very exciting as we take education to the next level.

I look forward to building on this momentum over the coming year, as we work together to support and promote the insurance broker profession. ■

Chris may be reached by email at ibac@ibac.ca.



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Over the past 30 years our iconic logo has become a symbol for insurance brokers that conveys trust, security and integrity. We are pleased to introduce its evolution; updated to resonate in the digital age. Watch for it as part of our exciting new advertising campaign, "Before The Quote", launching this fall.

Au cours des 30 dernières années, notre logo emblématique s'est transformé en symbole pour les courtiers d'assurances. Il est synonyme de confiance, de sécurité et d'intégrité. Aujourd'hui, nous avons le plaisir de vous le présenter modernisé, bien branché sur l'âge du numérique. Soyez à l'affût! Vous le verrez dans « On se calme! », notre passionnante campagne de publicité qui s'amorce cet automne.



Emerging Legal Issues: *Cannabis Legalization*

By Kyla Russell and Gregory Hardy

As you may have heard, on October 17, 2018, recreational cannabis consumption and growth was legalized in Canada. Consumption and growth for medicinal purposes have been allowed since 2001.

Despite having more than a year to adjust to the idea of cannabis legalization, many questions remain as to how recreational cannabis use will impact Canadians, including questions about how recreational cannabis affects various insurance - home, automobile, commercial, life, health, disability, and travel. Some answers may not be known until cannabis legalization has been in place for months, or even years and various patterns and trends become known. It is important for brokers and agents to realize that there are insurance issues surrounding cannabis legalization. How insurance consumers will be affected will depend on what coverage is available under various policies, and policies may be rewritten to expand or narrow coverage. Coverage may also be affected by how the law is enacted by provincial governments.

While the federal government announced the legalization of cannabis, the provincial governments have control over how cannabis is sold, where cannabis sellers and stores are located, and how stores will operate. The provinces also have the ability to add further restrictions to the sale and use of cannabis, including lowering possession limits, increasing the minimum age for consumption, restricting where cannabis may be used in public, and setting added requirements on personal cultivation.

The topic of cannabis legalization is broad, which limits us from discussing some impacts of cannabis legalization, but we address a few things to be aware of that can affect home, automobile, and commercial insurance.

Home Insurance

The growth and consumption of cannabis use in a private residence, on private property, can result in a cancellation of insurance coverage, not because of any illegality, but because of associated health and safety risks. Recreationally, four cannabis plants can be grown per household. Whether four

plants is considered a grow-op remains a matter of debate. Medicinal cannabis users can grow more than four plants based on current medical cannabis regulations.

People growing cannabis may modify heating, electrical, or water systems to provide the necessary set-up to grow their plants. These modifications create a greater risk of fire, flooding, and even personal injury. Some insurers may also consider the smoking of cannabis in a private residence an increased fire risk. The humidity required to grow cannabis plants successfully, and the fumes that cannabis plants emit, can also lead to an increase in mould growth. Mould is often an exclusion under insurance policies.

The increased risks associated with cannabis can result in an increase in premiums or the loss of insurance coverage. In rental situations, cannabis growing and smoking could result in a loss of insurance for the landlord, the tenant, or both. Even though cannabis is now legal, landlords still have the right to set rules about growing and smoking cannabis in and on their properties.

Automobile Insurance

Like alcohol, cannabis is considered an intoxicant. Consuming cannabis and then driving can result in an impaired driving charge. Police officers around the country are receiving drug recognition expert training, and there is a saliva test that detects THC, which is the psychoactive ingredient in cannabis that produces the high.

An impaired driving conviction can result in significant fines, possible jail time, and a loss of one's driver's license. From an insurance perspective, an impaired driving conviction can result in the loss of insurance and may require having to obtain insurance through an insurer that provides high-risk policies. Whether an insurer is willing to continue to provide coverage following an impaired driving conviction or whether the insured has to get a high-risk policy will undoubtedly result in extraordinarily high premiums for a number of years.

If a collision occurs when the driver is impaired, coverage for any damage to the vehicle is likely to be denied. If a collision

involves another party, any claim for damages may not be covered. In other words, the driver and owner of the vehicle may be fully responsible for themselves for any property or personal damages.

Commercial Insurance

Companies that are producing, selling, and dispensing cannabis also has to be aware of what coverage they have available to them; for example, whether they can access product liability insurance. Commercial cannabis businesses will have to assess whether they have sufficient coverage for theft, product recall, and product contamination, which are potentially large risks for them and which also might come with hefty premiums.

For companies who are selling online, they have to consider cyber liability coverage, as they are dealing with clients' personal information, including credit card and identification information.

A Final Word

As with anything new, cannabis legalization will have growing pains as it becomes part of the Canadian mainstream. As people adjust to cannabis legalization, there will be more questions than answers, but it is important to remember that just because one is allowed to consume or grow cannabis, either recreationally or medicinally, it does not mean that the consumption or growth will not have possible consequences. ■

Kyla Russell and Gregory Hardy are lawyers at C3 Legal Inc. C3 Legal Inc. is a modern insurance defence law firm that takes a fresh look at services for the industry.

Disclaimer: The content on this article is provided for general information purposes only and does not constitute legal or other professional advice or an opinion of any kind. Readers are advised to seek specific legal advice by contacting members of C3 Legal (or their own legal counsel) regarding any specific legal issues. The article was current as of its original date of publication, but should not be relied upon as accurate, timely or fit for any particular purpose.




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Why Standards Matter in Commercial Lines



Monica Hanna,
Business Analyst, CSIO

Commercial lines are evolving: The broker channel is moving forward with implementing commercial lines data standards. This development promises many broker benefits, including speeding up the process of quoting, underwriting, and servicing commercial policies.

CSIO data standards are well established in personal lines, and as a result, the workflow is very different from commercial lines. In personal lines, broker management system (BMS) vendors and carrier systems use the standards to exchange policy information and eDocs, meaning much of the work to analyze and underwrite policies is handled electronically behind the scenes. Policy information is downloaded directly to the BMS, and eDocs automatically attach to the appropriate client file.

Typically, workflow in commercial lines is much more manual, with little consistency in how brokers need to submit client information to different carriers when obtaining quotes. Some carriers have online portals, while others require brokers to submit a form over email. In some cases, brokers type out an email, resulting in more work for commercial underwriters. Further, there is no commercial data download, so your BMS does not automatically populate with the policy data it needs to create a client file and commercial eDocs must be processed and attached manually.

“The time has come for commercial lines to match to the consistent and efficient workflows we have in personal lines,” says Darren Lipsett, President at Bridgewater Insurance Agency and President of the IBANS Board of Directors. “Standards

mean brokers can do more work in their BMS, reduce double-entry, and spend more time servicing clients – bringing them to commercial lines would be a major win for the industry.”

Industry consultation

CSIO’s XML data standards for commercial lines are up-to-date, mature and ready to be programmed. To help understand the path forward in implementing commercial lines data standards, CSIO commissioned the Conference Board of Canada to conduct extensive industry consultation through a broker focus group, phone interviews with carrier executives and vendors, and a survey of brokerages.

The research found that over 90% of brokers said they are more likely to work with carriers who have implemented data standards. Use of the standards would enable consistent workflow, faster and more accurate information exchange and reduced double-entry. However, the study also found that due to both the complexity of commercial risks, and the investment required to program the standards, broad industry support is needed to ensure successful adoption among carriers, vendors and brokers.

The Conference Board ultimately recommended a phased approach, beginning with an inclusive industry effort to define a common strategy for the implementation of commercial lines data standards.

Developing a minimum data set

In Summer 2018, CSIO launched a working group focused on advancing the implementation of commercial lines data standards. The working group includes broker representation through the Insurance Brokers Association of Canada (IBAC) as well as participation from 12 carriers across Canada:

- American Insurance Group (AIG)
- Aviva Canada
- Economical Insurance
- Gore Mutual
- Heartland Farm Mutual
- Intact Insurance
- Northbridge Insurance

- RSA Canada
- Saskatchewan Mutual Insurance
- SGI Canada
- Travelers Canada
- Wawanesa Insurance

The working group’s objective was to define the minimum data elements that carriers have in common for underwriting commercial packages. This minimum data set is not an industry form, but rather a starting point for carriers and vendors to program commercial lines standards: over the long-term, the data set should reduce future development time, investment and effort industry-wide.

“We see the benefits of data standards in personal lines every day – reduced double-entry, less paperwork, faster quotes, and improved customer service,” says Kim Opheim, Broker Technology & Innovation Consultant at IBAC. “In arriving at a minimum data set with the participation of so many diverse carriers, we are one step closer to transforming commercial lines workflow in a similar way for the broker channel in Canada.”

“This working group is a fantastic example of what our industry can achieve when we work together and collaborate,” says Brian Warkentin, Assistant Vice President at Aviva Canada. “Data standards will allow us to digitize a number of commercial insurance transactions in the future. The progress we made in a few months has the potential to benefit the entire broker channel for years to come.”

Supporting implementation of standards

CSIO is working closely with BMS vendors to provide detailed walkthroughs of the proposed minimum data set, supporting their efforts and those of carriers to move forward with implementation.

Further, CSIO is establishing a certification program for commercial lines, promoting the efficient, seamless exchange of policy data by recognizing carriers and vendors that have implemented the standards in accordance with industry best practices.

Benefits for brokers

Once carriers and BMS vendors program the minimum data set, commercial brokers should see immediate improvements in their daily operations. Like their personal lines counterparts, commercial brokers will be able to perform more tasks in their BMS and develop consistent workflows that apply to different carriers, reducing variation that can lead to human error. Commercial standards will also automate aspects of the underwriting and rating process, resulting in faster quotes – especially for package policies.

The minimum data set will also streamline the commercial eDocs experience by enabling download of basic policy data, creating a client file in the BMS. eDocs will eventually be able to automatically attach to the correct file without manual intervention, resulting in further cost and time savings for brokers.

In turn, brokers will be able to serve their customers more quickly and efficiently than before, with policy data and eDocs at their fingertips.

“I am very encouraged by the level of support this project has in the broker channel – the collaboration between so many carriers and vendors will benefit our entire industry,” adds Rodney Munro, VP Operations at A.A. Munro Insurance. “Ultimately, it helps us conduct business more quickly and accurately as well as serve customers that much better. If you’re a commercial broker, you should be very excited.”

CSIO will continue to collaborate with its members to implement the minimum data set, which will serve as the basis for improving the ease of doing commercial lines business within the broker channel in Canada. ■

Monica may be contacted at (416) 360-1773 ext. 2316 or via email at, mhanna@csio.com.



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

Newfoundland and Labrador (NL) has an important opportunity to make a positive change for all motorists in the province. The auto insurance system in NL is broken and needs to be reformed to bring premiums under control and introduce more choice to the market again.

Drivers in NL pay the highest auto insurance premiums in all of the Atlantic provinces. This is due to both a higher frequency of claims and a higher average claim size. The combination of these two factors means that insurers are making claims payouts in amounts that are 21% more for each vehicle in NL than they are in the neighbouring Maritime provinces. However, I recognize that this is not news to the brokers in NL as they hear about the cost of auto insurance from their customers every day.

The steady increase in claims costs in NL has created a market of shrinking choices for drivers and significant losses for insurance companies. In the last five years, insurers of private passenger vehicles in NL have had an average return on equity of -6.8%, the worst in Canada. But let's be honest, the average driver doesn't care about industry results in the province – nor should they. However, the impact of these results has led to far fewer choices for consumers when it comes to finding an insurance company: In NL, the top four insurers have nearly 88% of the auto insurance market. By comparison, in the Maritimes, the top four insurers have only a 52% share of the market.

With so few choices, higher-risk drivers in NL may have trouble getting insurance. With a high percentage of drivers in Facility Association – or worse, driving without insurance at all, customers are definitely seeing the im-

The Road to a Stable Auto Insurance System in Newfoundland and Labrador

Insurance Bureau of Canada's recommendations to the Board of Commissioners of public utilities would keep premiums under control and help introduce more choice into the market

part of a market where a few companies are sharing in the high claims costs. The lack of insurance company options in the province also means that drivers are missing out on innovative insurance solutions that could help keep premiums under control. For example, no insurer in the province currently offers a usage-based insurance option.

From early June to late September, members of the NL Board of Commissioners of Public Utilities (PUB) hosted a hearing aimed at collecting information for the government's auto insurance review. The PUB heard from interested stakeholders – including Insurance Bureau of Canada (IBC) – about the need for auto insurance reforms.

IBC made four main recommendations:

1. reduce and stabilize premiums by introducing a \$5,000 cap on pain and suffering awards for minor injury claimants,
2. improve health outcomes for people injured in motor vehicle collisions by introducing pre-approved treatment, doubling the amount of Section B coverage and making this coverage mandatory,
3. make it easier for people to repair and replace their damaged vehicles by implementing Direct Compensation Property Damage (DCPD) as it exists in the other Atlantic Provinces, and
4. facilitate competition and innovation by allowing insurers to compete on price, product and service offerings through much needed rate regulation reform.

As an intervenor in the province's consultation process, IBC also submitted a final report to the PUB that focused on correcting the larger, of many, inaccuracies that were presented during the hearing. The findings from the PUB hearings will go to the Minister of Service NL later this year. Legislation is expected to be introduced in the 2019 spring session of the House of Assembly.

Unfortunately, many drivers in the province are still confused about why their premiums have continued to go up and don't know what sources of information they can trust. IBC undertook a public opinion survey of drivers in NL and found that nine out of ten people support the government review of the auto insurance system. However, the survey also found that 85% of drivers in the province believe, incorrectly, that insurance companies are getting rich from the high cost of premiums and that insurers operating in the province are profitable.

The good news is that the survey also found broad support for one of IBC's key recommendations: the introduction of a cap on pain and suffering awards to those suffering minor injuries.

As brokers, you are the main point of contact with the insurance industry for many drivers in the province. You play an important role in helping to educate them about how auto insurance works – a job that is challenging in this environment. You also hear the impact of the premium quotes that you have no choice but to offer given the high rate of claims in the province.

The situation will not improve until the provincial government makes legislative changes. To help make this happen, encourage your customers who are upset about their premiums to get informed, and, write their MHA. Their voice is important to ensure that any measures taken by the government are able to be translated by the industry into a more sustainable product. The numbers don't lie. Change is needed.

Without major reforms, drivers in the province could be left stranded at the side of the road with a dwindling number of options and higher premiums.

For more information on IBC's involvement in the PUB auto insurance review, visit betterautoinsurance.ca. ■

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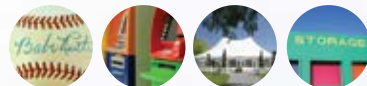
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CALENDAR OF EVENTS 2018-19

NOVEMBER

3	IBAN Convocation	St. John's, NL
4	IBANB CAIB 1 Immersion	Fredericton, NB
5-10	IBANS CAIB 2 Immersion	Halifax, NS
9	IBANB CAIB 4 Immersion	Fredericton, NB
22	Meet the Underwriter Night hosted by YBN	Fredericton, NB
28	IBANB Fundamentals of Insurance exam	Fredericton, NB
29	NBIWA Christmas Dinner	Saint John, NB

DECEMBER

5	National CAIB/CPIB exams	various locations
6	E&O Loss Control	Webinar
12	IBANB Fundamentals of Insurance exam	Fredericton, NB

JANUARY

17	PowerTalk: "Driverless Cars"	Webinar/Seminar
22	IBANB Board Meeting	Fredericton, NB
27-29	IBAC Board Meeting	Toronto, ON
30	IBANB Fundamentals of Insurance exam	Fredericton, NB

FEBRUARY

6	National CAIB/CPIB exams	various locations
11	IBANS CAIB 4 Immersion	Halifax, NS
21	PowerTalk: "The role of the restoration company..."	Webinar/Seminar
21	YBN Curling Funspiel	Sackville, NS
27	IBANB Fundamentals of Insurance exam	Fredericton, NB
TBC	YBN 3rd Annual Winterfest	Location TBD

MARCH

21	PowerTalks Presents: "Client Relations"	Webinar/Seminar
27	IBANB Fundamentals of Insurance exam	Fredericton, NB

APRIL

1-30	Insurance Broker Month	Nova Scotia
4	IBANS Graduation & Aspire Awards	Halifax, NS
11	PowerTalk: "Cyber Security"	Webinar/Seminar
17	IBAC BIP Meeting	Toronto, ON
17	IBANS MLA Dinner	Halifax, NS
24	IBANB Fundamentals of Insurance exam	Fredericton, NB
25	CAIB 1 Immersion	Fredericton, NB
30	CAIB 3 Immersion	Fredericton, NB
30	IBANB Board Meeting	Fredericton, NB
TBC	Insurer Forum	Fredericton, NB

MAY

1	National CAIB/CPIB exams	various locations
26-27	IBAC Board of Directors Meeting	Ottawa, ON
28	Hill Day	Ottawa, ON
29	IBANB Fundamentals of Insurance exam	Fredericton, NB
TBC	IBANB Convocation	Fredericton, NB



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