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Value Proposition

IBAA's new president Paul VanderHooft aims to promote association value



Convention Photo Gallery

A Vision for Alberta's P&C Industry Part 2

Stop the Insanity!
Is the claims process too painful?

and more—



June-July 2018
Photo by Tracy Grabowski

Cdn Publication Mail Registration 400 8149



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THE ALBERTA BROKER

June–July 2018

The Alberta Broker is the official publication of the



3010 Calgary Trail,
Edmonton, AB T6J 6V4
T: 780.424.3320 • 1.800.318.0197
F: 780.424.7418 • www.ibaa.ca

President Paul VanderHooff
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Published six times annually by:

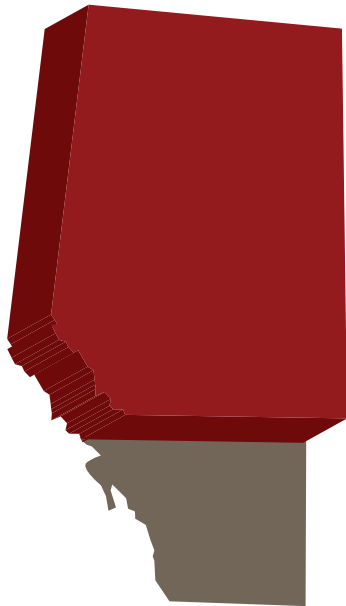


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The Alberta Broker accepts articles about the insurance industry and its people. Letters to the editor are welcome. The opinions and viewpoints expressed in The Alberta Broker may not necessarily be those of the publisher, the association or its members.

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NORTHERN EXPOSURE

BROKER NEWS

- Crystal Clear Insurance Brokers Ltd in Grande Prairie joined the Excel Insurance Group as of May 1.
- Congratulations to Sheila McCarthy. After 17 years with Western Financial Group, Sheila is retiring to spend more time with her husband and do some travelling.
- Laura Felderbergarnbur stepped in as branch manager at Western's Barrhead branch as of May 1.

INDUSTRY PARTNERS & PROFESSIONAL ORGANIZATIONS

The International Order of the Honorable Blue Goose annual convention will be held in Edmonton, July 11–13, at the Westin Hotel. Nearly 200 “ganders” and guests are expected to attend this event.

COMPANY NEWS

- There are a couple of changes over at SGI. In January, SGI welcomed Laurel Liber as senior commercial underwriter and, in April, Sara Clark as senior auto claims adjuster.
- Congratulations to Julie Moore who celebrated her 10-year anniversary with SGI in April
- In March, Kyle Robinson made the move from the broker side to the company side, joining Aurora Underwriting Services.

CONDOLENCES

We are sad to announce the passing of Francis “Gary” Best on April 30, 2018. Gary had an amazing 60-year career as an independent insurance adjuster. He owned his own adjusting firm of Gary Best & Co. Adjusters for many years. He recently retired in January 2018, at the young age of 80. He was a 57-year member of the Blue Goose International and served two terms as most loyal gander and past most loyal gander. Gary also enjoyed over 40 years of curling with the Blue Goose and insurance industry leagues. Our condolences to Gary’s wife Joan and family.

2018 BROKER CONVENTION DEBRIEF

My mission “should I choose to accept it,” was to pose as an insurance industry professional and infiltrate the meetings in place at the Banff Springs hotel. The IBAA convention was set up a bit differently this year, with many seminars being presented to allow brokers to accumulate the majority of their continuing education credits at this one event. The seminars took place every day from Sunday through to Wednesday. From the comments I heard, this was a very welcome change.

The weather cooperated (finally) and the golf tournament was enjoyed by the many golfers. After many, many, many years of coordinating the golf tournament, Bryce Dzenick is stepping down as organizer. Thank you Bryce for your dedication to this event.

The Peace Hills welcome party was enjoyed by all. I never saw so many

sleeve tattoos show up in such a short time!

Keynote speaker, David Chilton, was well received. He had great stories from his years in business and of course his time on *Dragon’s Den*. It was wonderful he could speak beyond his allotted time due to the following speaker being unable to attend.

I was unable to infiltrate the broker-only town hall meeting; security was too overwhelming. Everyone looked stunning at the president’s gala. It was great to see all the incoming board members recognized for pledging their commitment to their association and its members. They were inducted by none other than Scott Treasure, a past IBAA president who currently serves as president of Insurance Brokers Association of Canada. Has everyone been able to get the glitter off them from standing too close to Bonnie Kluthe?

The tradeshow was fantastic—who knew adults could get so excited by all the giveaways. My favourite: the mooing cow! Thanks to all the vendors. Finishing off the networking events was the hospitality night. I think everyone was having fun—I hit my wall and had to go to bed early! (After I had one moose milk night cap.) There is such a thing as having too much fun! Here’s to another successful IBAA convention.

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VALUE PROPOSITION

2018-19 IBAA President Paul VanderHooft Aims to Promote Association Value

by Annette Hubick

Paul VanderHooft is a unique breed of IBAA president. Unlike many (any?) of his predecessors, VanderHooft is neither a broker principal nor member of a family that owns an insurance brokerage.

Born in Winnipeg and raised in East St. Paul, a community just outside Winnipeg, Paul pursued a career as a business analyst with Dun & Bradstreet after earning his honours bachelor of communications degree from the University of Manitoba (later, he would go on to earn both his CIP and CAIB). After Dun & Bradstreet moved its operations to New Brunswick, Paul was without work and so, like many before him, he “fell into” insurance. A few of his colleagues had found jobs in the insurance industry so he decided to “give it a shot,” joining Wawanesa as an underwriter and moving to Calgary. “I was engaged to be married to Kelly and I did not want to go into marriage unemployed.” Later, when the couple decided to start a family, they chose to move to Lethbridge, where Kelly’s family lived. Building on his insurance industry experience, Paul became an insurance broker—first with Robinson Agencies, then McKillop Insurance and Hunt Insurance, which is now part of the Westland Insurance Group.

Paul did not envision getting so deeply involved in the association when he first started attending IBAA events in his local area. But, as they say, timing is everything. Shortly after joining Hunt Agencies, the brokerage’s principal, Ken Dueck, started making his way through the IBAA executive. “During Ken’s tenure I learned more about our industry than I ever could have by just working in a CSR or producer role,” Paul contends. “It was these deeper conversations and Ken’s mentorship that got me thinking in the direction of serving IBAA in a greater capacity. I knew I had more to offer and was very happy when Ken and his partner Bobbi agreed to let me serve.”

Paul recognizes that this type of support is, unfortunately, unique. When addressing the IBAA membership after being elected at the April annual general meeting, he acknowledged that a number of broker principals wrestle with the idea of letting their talent serve in other capacities. “I would suggest that this is short-sighted,” he said. “I believe allowing and encouraging your best staff to get involved is more rewarding than detrimental. Showing faith in your people and supporting them in endeavours that are bigger than your own firm will

pay off. You will find staff to be both more engaged in their industry and in your firm as well.”

In conversations with fellow board members and IBAA staff, Paul says that one theme kept emerging: brokers sometimes struggle to understand the value of their IBAA membership. “To me, this is alarming and something that needs to be rectified,” he says, deciding that this issue will underscore his term as president. “My year forward will be about engaging brokers to understand what they feel would add value to our organization and finding meaningful ways to implement those suggestions.”

No doubt, this effort and all his other presidential duties will keep him very busy—this in addition to his work at the brokerage, tag-teaming with his wife Kelly (who is the owner and principal designer at Urban Studio Interior Design) to chauffeur his kids Brayden (16) and Hannah (14) to their various activities. Paul enjoys golf and camping in his spare time, of which there is precious little, so I was very pleased that Paul took the time to answer my questions so that *The Alberta Broker* readers could gain insight into IBAA’s new president.

What do you like best about being an insurance broker?

I like that every day holds something new—a new client relationship, something new to learn, a new opportunity to teach a client something. I also like the variety of people and businesses that I deal with every day.

Least?

It will sound cliché, but I actually still enjoy coming to work every day. Clients who can’t move past a conversation about price still drive me up the wall though.

What is your role/responsibility at your brokerage? Do you still work directly with clients?

I am the commercial lines manager for Westland’s Lethbridge division. We presently have 23 employees in our branch, 10 in our commercial department. My role is to mentor and give my team members everything I can to help them succeed. To do so, I continue to work with clients so that I don’t lose touch.

Your business philosophy?

Operate as a trusted advisor and provide great service—the sales will follow.

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How do you try to distinguish your brokerage from the competition?

High-level knowledge along with speed of delivery to customers. (This obviously resonates with clients—with 119 Google reviews, the brokerage boasts an impressive 4.9-star rating.)

What's been the greatest challenge you have faced as a broker and how did you overcome it?

Recognition that I don't, and likely can't, know everything there is to know about insurance. Not sure I can overcome this one, but I keep reading and learning as much as I can.

We chatted and I ended up writing that small office package for him. A few short years later, I wrote a policy for something like his 22nd or 23rd commercial policy. I remember thinking that I need to find a few more clients like him! He's since moved on from all those businesses, and I'm back to only having his home and auto. Recently, he told me that he always appreciated that I never treated him differently through the whole time I've known him.

I can remember working through a fatality automobile insurance claim. There were lots of strong emotions, allegations and even some attempt at litigation. I have no desire to go through that again but I use that claim as an example with automobile insurance clients all the time and I think they come away with a better understanding

should get involved. Over the years I was involved at our local council level in Lethbridge and then found myself as the Lethbridge representative on the IBAA board. I enjoyed the deeper-level conversations about issues that our industry is facing and found myself gaining a deeper understanding and broader knowledge of our industry. In turn, this has helped me immensely when explaining the state of our industry to clients and co-workers. I couldn't help but want to continue.

What skills and abilities do you bring to the role?

I like to think that I'm a careful and considered listener. I take time to learn the information and seek out expert-level knowledge on topics when shaping my opinions and positions.



Have you ever made an insurance claim? How was the experience? Did you learn anything from it?

I have had the unfortunate experience of making a few claims but also the good fortune to learn from all of them. Patience and diligence are key to a good outcome. It's important to remember that everyone involved is human and can make mistakes. Take the time to listen to the clients, do some extra homework if necessary and don't forget to advocate for your clients.

Complete this sentence: "If I was an insurer, I would..."

... recognize that brokers deserve the lion's share of our support. There is an empathy piece that I don't think artificial intelligence and digital solutions will ever truly be able to replace.

Recount one or two stories of dealings with clients that stand out in your memory.

I recall a client that had come in looking for a small office package during a time when I was feeling a little overwhelmed, being newer to the commercial side of the business.

than if they were dealing with someone that hadn't experienced that first hand.

Did you have any mentors and what did you learn from them?

Ken and Bobbi Dueck would probably be my longest-serving mentors in the insurance business—I've known them since they hired me at Hunt Insurance Agencies in June 2006. Over that time, I have learned an awful lot about insurance but also a good deal more. I truly believe that I have been very fortunate to have learned the insurance business from these two. It's always been fascinating to watch and listen to the two of them independently think through a problem and look at it from multiple different angles and yet often come to the same conclusion. The biggest thing I've learned is that there are multiple facets to most issues and many different ways to think about things, but often times the best solution is the one that everyone arrives at together.

Why did you decide to run for IBAA president?

I've always believed that if you are passionate about something, you

What experience have you gained as a member of the board and executive committee that will help you be an effective association president?

For me, letting others have their say and express their thoughts and opinions as a means to understanding is probably my greatest strength, and I think being on the board for the past six years has helped me develop that further. I think I'm respected for taking a balanced approach on most things.

What have you learned from each of your predecessors that you would like to incorporate as IBAA president?

Gerry Baert—talk more with people and get them engaged.

Julia Marshall—everyone deserves to be heard. Don't dismiss an opinion before you've heard it.

Robyn Young—be assertive but make sure you know your stuff. Principles matter.

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What was the greatest insight into IBAA that you gained by joining the board/executive?

There are so many moving parts to our industry. Sometimes keeping them all straight and understanding how it all works together is a daunting task. Thankfully, with all the smart people around the board table, in the office and in the membership at large, I don't have to be the smartest person in the room; I just need to be humble and recognize when I'm not.

How have you and your brokerage benefited from your personal involvement on the IBAA executive?

I think that a deeper knowledge of the industry and greater network of colleagues from across the country and from different sectors of the industry have made me more valuable to my brokerage. My network of people that know more than I do has grown substantially, and being able to call someone up for advice or answers is pretty fantastic. I've also earned some friendships that I'll cherish long beyond my time on the IBAA board and executive.

How does your brokerage benefit most from your association membership?

Probably our largest benefit comes from advocacy. Although we're a fairly large regional brokerage, we are not naïve to think that we carry enough sway with politicians all on our own. Government advocacy is something that IBAA has been doing since the beginning. It is something that we do very well. Indeed, one might say that we do it so well that our members take it for granted that they do not have to compete with banks for insurance business. And this might be part of the reason that seeing value in IBAA is difficult for some of our younger and/or newer recruits to the industry—they've never known any different.

What are the key legislative/regulatory issues that IBAA is dealing with? What do you expect on the political front?

The Bank Act is open for discussion again in 2019. We will need to focus on this in the coming year. I think also that climate change and national approaches to flood and earthquake will pick up steam over the next few years.

What are the emerging issues/trends with consumers, what will the impact be on brokers and how can IBAA help its members navigate them?

A younger generation of consumers is choosing to forgo traditional asset purchasing such as automobiles and homes. Instead they are opting for

“Value in our organization is going to come from members getting involved, not an office and board dictating what they think is valuable.”

transit, Uber and the sharing economy. Traditional insurance products are going to have to be given a good shake so that they better protect today's consumer norms. IBAA needs to stay on top of these trends and push our insurance partners and members to have proactive and collaborative conversations on these trending issues.

What are the emerging issues/trends with insurers and what will the impact be on brokers?

I think that key issues that members will be focusing on are tied to insurance companies adopting multichannel distribution systems and how to ensure that their technological approaches are accessible not just to insurance companies but to brokers as well. Artificial intelligence and digital delivery solutions are both a threat and an opportunity in our business. We need to sort out how to make the most of the opportunities.

What issues will you focus on during your term as IBAA president?

Strengthening the value proposition of IBAA to its members and increasing membership engagement. IBAA may need to be more pointed about asking those member brokers how they envision themselves participating more fully.

Why are these issues most important?

It is frustrating to hear from members and non-members alike that they struggle to see the value in membership. We've always touted our government lobby efforts and education offerings to members, but lately I'm hearing that those may not be enough for today's broker principals. Part of the frustration is that a good number of “non-principal” brokers are denied the opportunity to fully participate in the association (thereby stifling a generation of valuable ideas) because their employers are concerned their talent will be poached by competitors. More than ever, new employees are looking for meaningful and rewarding employment. I think empowering them to be part of the conversation in shaping our industry going forward is a no-brainer. Also, a number of brokers who regularly complain but have lots of excuses for not engaging in the association.

Value in our organization is going to come from members getting involved, not an office and board dictating what they think is valuable. Good organizations listen to their members. Truly great organizations have members that get involved! Involvement could be anything from participation in local events, to visiting your MLA or MP on issues important to IBAA, participating on IBAA committees, or to stepping up for a board position. Really, it's about engaging at a level higher than you have previously.

I'm looking forward to having more conversations about creating value for the membership. I'm looking even more forward to having conversations about how an involved membership can create value for one another.



20 QUESTIONS FOR THE PREZ

If you could meet anyone, alive or not, who would it be and why?

Jesus. Believer or not, I would have to think that would be a life-changing experience.

What super power would you like to have?

Invisibility

What's your favourite app?

Lately, Scrabble

If you could see one concert, who would it be?

Tragically Hip, again



What's your guilty pleasure TV show?

The Blacklist and anything Marvel

If we're buying, what are you having for dinner?

Surf & Turf

Weddings and children aside, what is the coolest experience you've ever had?

Winning our junior high volleyball championship. We were serious underdogs. I can still remember a number of moments from that season 30 years later.

Who was your childhood crush?

Alyssa Milano



What's tops on your bucket list (that you have yet to do)?

Travel to Europe

What would people be surprised to learn about you?

I skipped a grade in elementary school.

What's your dream car?

Porsche 911



What's your culinary specialty?

Barbeque, and that's a stretch

If you didn't do what you do for a living, what would you be?

Pro-golfer. Good thing I do what I do.

What are your pet peeves?

Being late; poor spelling and word pronunciation

If you could build a house anywhere, where would it be?

Oceanfront, somewhere warm

What's your snack food guilty pleasure?

Nachos

What's your favourite ice cream flavour?

Almost anything, but when I can't make up my mind, I'll default to black cherry. I have a reputation among the IBAA executive members to insist on ice cream after we share a dinner together.



If you could go anywhere in the world on vacation, where would you go?

Europe or Australia

At which single store would you choose to max out your credit card?

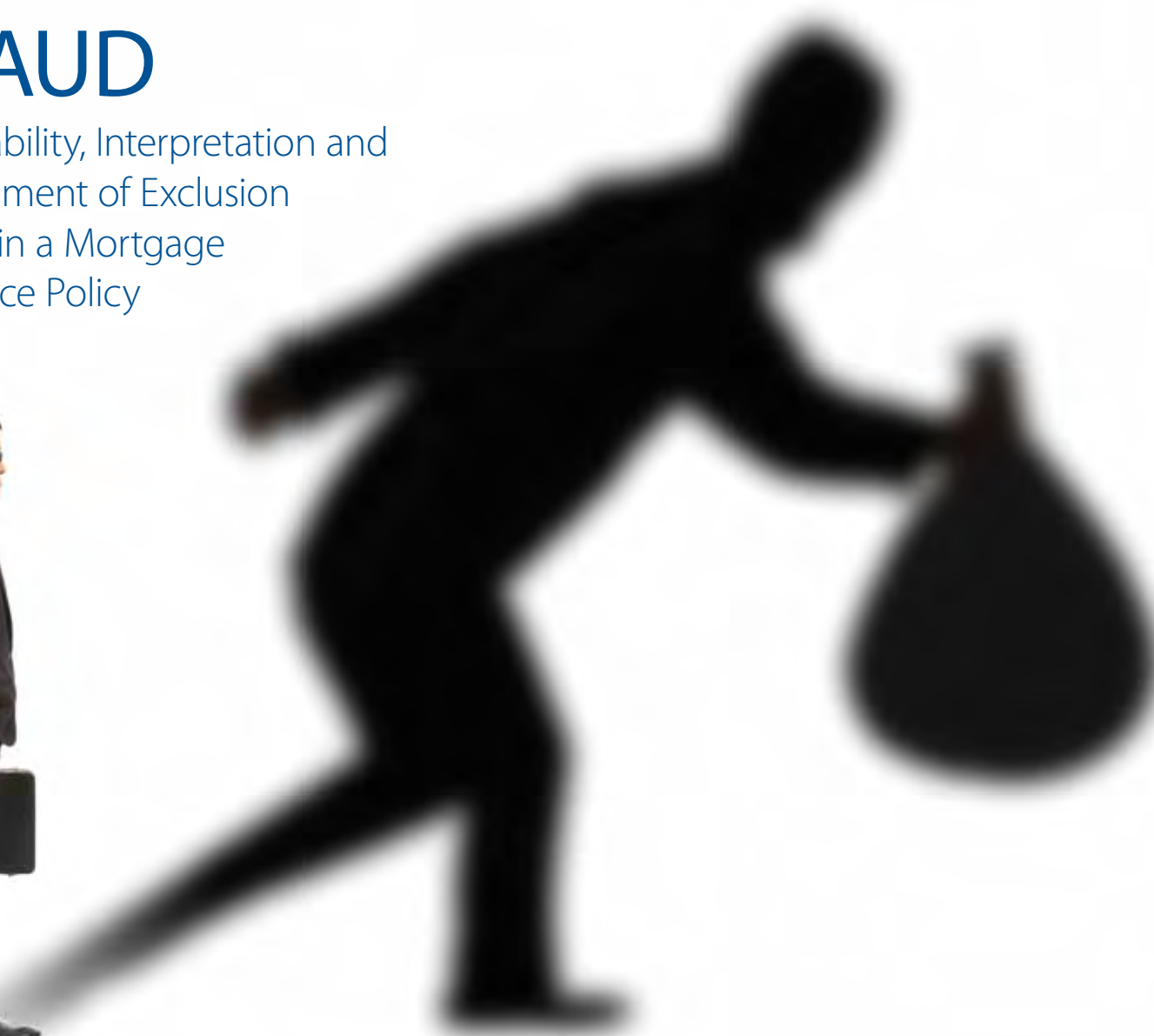
Something golf related

If you could speak to your 20-year-old self, what advice would you give?

Life will throw you curveballs, don't be afraid to swing.

MORTGAGE FRAUD

Applicability, Interpretation and
Enforcement of Exclusion
Clause in a Mortgage
Insurance Policy



With the cost of house ownership in major cities on the rise, mortgage lending, whether through a conventional institution (such as a bank) or a private lender, has become necessary in order for most Canadians to afford to buy a residence. With increased lending there have been increased incidences of mortgage or title fraud, which has affected not only individuals but also lawyers and banks who have become victims of fraud in what seemed to be a legitimate mortgage or purchase and sale transaction.

In an effort to secure and protect against fraud, insurance companies offer mortgage insurance policies. Like most insurance contracts, a mortgage insurance policy outlines what it covers and what it excludes. To determine when a loss is covered or if an exclusion applies, the court must consider the plain meaning of the words of the contract. Only if the words used are ambiguous does a court apply the principles of contractual interpretation, including a review of the context of the policy, the reasonable expectations of the parties and whether the results are commercially reasonable.

In a recent Canadian decision relating to interpretation of an exclusion clause in a mortgage insurance policy, the

Ontario Court of Appeal (“ONCA”) in *Nodel v. Stewart Title Guaranty Company* (“*Nodel*”) confirmed that interpretation of standard-form contracts is subject to review on a standard of correctness. In addition, the ONCA interpreted an exclusion clause requiring the mortgage proceeds to be paid directly to the borrower to not apply to avoid coverage if the mortgage funds were paid to the borrower’s lawyer in trust for the benefit of the borrower.

In *Nodel*, a man posing as John Colarieti (the “borrower”) sought a sizeable loan from Mr. Karl Nodel (“Mr. Nodel”) for investment purposes. Mr. Nodel agreed to loan the money which was secured by a second mortgage on a residential property in the borrower’s name.

Mr. Nodel hired a lawyer, Mr. Isaac Singer (“Mr. Singer”) to arrange mortgage security and mortgage insurance and to close the transaction. Mr. Singer obtained mortgage insurance from Stewart Title, which included coverage for mortgage fraud.

On closing, Mr. Singer paid the mortgage money to the borrower’s lawyer, Mr. Bryan Dale (“Mr. Dale”), in trust. Mr. Dale paid the money

to a third party at the direction of the borrower. The money and the borrower disappeared.

Mr. Nodel instructed Mr. Singer to file a claim with Stewart Title for coverage under his mortgage insurance policy. Stewart Title refused, relying on an exception in the policy to deny coverage. The exception clause at issue is in clause 2 of schedule B to the mortgage insurance policy, which provides as follows:

2. Notwithstanding anything else contained within this Policy, in the event of the proceeds of the Insured Mortgage are paid to any person or entity other than: i) to the registered title holder ... then the Company can deny coverage and shall have no liability to the insured for any matters that involve the allegation of mortgage/title fraud.

Stewart Title took the position that given the mortgage funds were not paid directly to the borrower, but rather to the borrower’s lawyer in trust, the exception applied and there was no coverage for Mr. Nodel’s lost mortgage funds.

Mr. Nodel sued his lawyer Mr. Singer, who commenced a third party claim against Mr. Dale (the

borrower’s lawyer) and Stewart Title. LawPro, the insurer for both Mr. Singer and Mr. Dale, settled with Mr. Nodel and assumed the claim against Stewart Title. LawPro and Stewart Title agreed to settle their dispute relating to insurance coverage by an application by LawPro for a declaration that the title insurance provides coverage for the losses Mr. Nodel incurred. The judge in the Superior Court held that the exception did not apply and that coverage was provided. Stewart Title appealed to the ONCA.

The sole issue to be decided by the ONCA was whether the Superior Court judge was correct when she held that the exception was not triggered by payment of the mortgage funds to the borrower’s lawyer in trust for the borrower.

The majority of the ONCA held that because the ordinary meaning of the words “are paid to” could have multiple meanings, the wording of the exception was ambiguous. The exception arises either where money is paid beneficially to someone other

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than the borrower or where money is handed over to someone other than the borrower.

The ONCA went on to hold that money paid to a trustee of a person is considered payment to the individual to whom the payment is owed based on the juridical nature of a trust. The ordinary meaning of the words used in the exception does not resolve the issue of its proper interpretation as the term “paid” refers to a transfer that is in fulfillment of an obligation, but the term in the policy “are paid to” refers to transfer to an individual, which may not be in satisfaction of an obligation.

Stewart Title’s argument, that only money transmitted into the hands of the registered title holder provides for coverage, would effectively nullify the insurance fraud coverage provided by the policy, as no mortgage fraud could ever occur if the funds were paid directly to the registered title holder.

As the terms used in the exception were ambiguous and the plain and ordinary meaning of the words used did not clarify their appropriate interpretation, the ONCA looked at (a) the context of the policy, (b) the reasonable expectations of the parties and (c) the reasonable commercial results.

The term “are paid to” more naturally refers to the effect of a transfer rather than simply a description of the act of transmitting money. The reasonable expectations of the parties would be the payment of mortgage money to the borrower’s lawyer in trust. In addition, coverage denied when payment of mortgage funds was made to the borrower’s lawyer in trust would produce an

unreasonable commercial result, since ordinary commercial practice for real estate transactions involved making payments to lawyers in trust.

The majority of the ONCA held that the exception would apply if the proceeds of the mortgage were transferred beneficially to any person or entity other than the borrower in the transaction. Payments in trust to the borrower’s lawyer do not fall within the exception, since at law, trust payments are payments to the

CONTRA PROFERENTEM

Contra proferentem rule is a rule in contract law which states that any clause considered to be ambiguous should be interpreted against the interests of the party that requested that the clause is included. *Contra proferentem* rules guide the legal interpretation of contracts and are typically applied when a contract is challenged in court. In the case of most insurance contracts, the *contra proferentem* rule would direct the court to rule against the insurer if a clause in the contract is vague.

Source: *Investopedia.com*

borrower who can call for the funds at any time. The appeal was dismissed.

However, Nordheimer J.A. in the dissent disagreed that the wording of the exception clause was ambiguous. The words “are paid to” and “registered title holder” have to be understood in the context of the contract. As the main commercial

purpose of the mortgage insurance policy was to protect against fraud, the term “registered title holder” must be understood as meaning the person holding him/herself out as having title. The plain meaning of “are paid to” relates to transfer of an amount to another. Furthermore, Stewart Title was permitted to restrict by way of contractual wording to whom the payment was to be made on the basis that it believed a payment through a lawyer could increase the risk of fraud.

As, in his view, the mortgage funds were paid in breach of the policy, the dissenting opinion held that Stewart Title was entitled to deny coverage and LawPro would have had to pay Mr. Nodel for his loss.

This decision is important for actions involving litigation of mortgage insurance contracts and their exclusion clauses. Given the court’s conclusion that interpreting standard form insurance contracts is a question of law subject to correctness, the court’s opinion will guide the interpretation of similarly worded clauses in other policies. It further clarifies the scope of a mortgage insurance policy, the nature of the risks it responds to and when the risk will be excluded. Given the dissent

by Nordheimer J.A., an emphasis on clear policy wording capable of only one ordinary meaning is critical if an exception clause is going to be upheld. *Contra proferentem* will apply against an insurer whose insurance policy is not clearly drafted and the insurer will also bear the burden of proving that an exception to coverage applies. #



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A VISION FOR ALBERTA'S P&C INSURANCE INDUSTRY

Part 2: Enabling Innovation

The American composer John Cage said, "I can't understand why people are frightened of new ideas. I'm frightened of the old ones."

It was in that spirit that Insurance Bureau of Canada (IBC) and its members kicked off 2018 with a substantive discussion around crafting a vision for the property and casualty (P&C) insurance industry in Alberta. With the industry facing serious cost pressures and unprecedented technological change, now is not the time to accept the old ways of doing things. We need fresh thinking. The discussion focused on four themes:

1. Regulation
2. Innovation
3. Natural catastrophes
4. Relationships

In the last issue of *The Alberta Broker*, I focused on regulation. This

edition is about the second item: innovation.

Consumers are embracing technology faster than ever before and incorporating it into their day-to-day lives; and they expect businesses and governments to enable them to do so. It is incumbent on our industry, and those who regulate it, to meet this demand.

In our pre-budget submission to the Alberta government, IBC called on the government to address cumbersome rules and regulations that have not kept pace with our rapidly changing world. Here are a few examples of changes we believe make sense to serve Albertans better.

Electronic Proof of Automobile Insurance

People are using their phones to pay bills, deposit cheques and board airplanes, so it is no great leap that

they would expect to have the choice to show proof of car insurance in the same way.

Almost every jurisdiction in the U.S. allows electronic proof of insurance, but we have been slow to adopt it here in Canada, primarily because of concerns regarding privacy. Specifically, the concern relates to an individual who gives his or her electronic device to a law enforcement officer to show proof of auto insurance being vulnerable to that officer searching other content on the device.

This can be overcome. Several U.S. jurisdictions have prescribed additional privacy protections in their insurance legislation that expressly outline the scope of law enforcement's authority when checking proof of auto insurance on an electronic device.

Here in Alberta, we continue to urge the government to issue a bulletin that allows electronic proof of insurance and we are also

recommending that the government make a privacy provision in the Insurance Act that is similar to provisions that have been used in the U.S.

Usage-Based Insurance

Currently, consumers in 49 U.S. jurisdictions have 10 or more insurers offering usage-based insurance (UBI). One popular UBI program comes from the insurer Metromile, which offers a per-mile rate for every mile driven, applied to a low monthly base price. Individuals who drive fewer miles, pay less for insurance. Those who drive more, pay more.

This is an impressive example of how an innovative insurer, given the freedom, can provide consumers with an entirely new way to manage their auto insurance.

UBI opens an ongoing dialogue between drivers and their insurance representative. Drivers can regularly see information about their driving performance and how it is affecting their auto insurance costs. UBI also gives them more control because their usage patterns, mileage and driving behaviour can directly influence their premium. There are societal benefits as well, because UBI encourages safer driving habits.

Alberta is one Canadian jurisdiction that permits insurers to offer UBI. However, there are heavy restrictions on its use, with insurers being able to use UBI only to offer discounts on their traditional pricing formulas. Insurers cannot use the data about individuals' actual driving habits to determine premium prices.

IBC continues to advocate for fewer restrictions on the ways in which consumers can be enrolled in a UBI program and the ways in which

insurers can use the data collected through the UBI device to price insurance.

“With the industry facing serious cost pressures and unprecedented technological change, now is not the time to accept the old ways of doing things.”

Regulatory Sandbox

An idea that I mentioned in my last article, but one worth repeating, is the concept of a regulatory sandbox. Regulatory sandboxes allow for innovative product and service ideas—such as UBI and electronic proof of insurance—to be tested in the real market on a time-limited and small-scale basis. This framework enables companies to experiment safely while

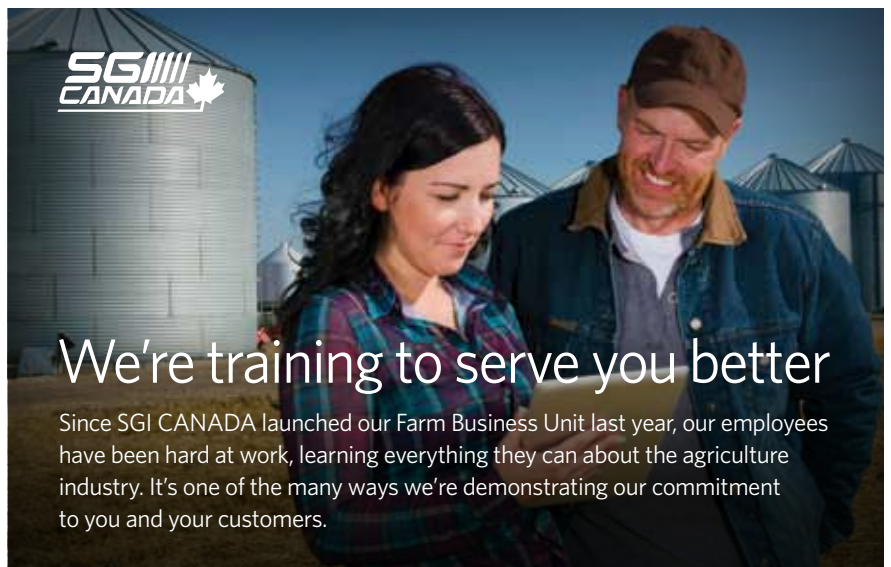
giving regulators the opportunity to identify the laws and regulations that need to be modernized.

Understandably, governments and regulators want to be certain that new ideas will benefit consumers before giving a full green light. Regulatory sandboxes give everyone a chance to explore a new concept safely. Call it prudent innovation. Ontario has announced that it will establish a regulatory sandbox, and we hope that Alberta will follow suit to be at the forefront of this global trend.

Brokers have an essential voice in the conversation around a vision for P&C insurance in Alberta. **If you have ideas, please share them with me at AlbertaIdeas@ibc.ca.**

Next month I'll share thoughts on the third theme: natural catastrophes.

BILL ADAMS
Vice President,
Western & Pacific,
Insurance Bureau
of Canada



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YOUR HARD-AT-WORK DUES



Ah, summer, we breathe in the new, exhale the old and, of course, face membership dues as the fiscal year comes to an end. How do those dues help the association to serve you?

IBAA BOARD

All board members contribute their voluntary time and effort, but their out-of-pocket board expenses still need to be covered.

We are excited to welcome the new and returning board members and sad to say goodbye to a few past board members. Thanks are due for their service to IBAA and our members. We look forward to another busy and exciting year!

The executive committee will see some changes. Due to circumstances beyond our control, we unfortunately say goodbye to Tim Gassner. He will be thoroughly missed, and we hope he will be able to rejoin the executive should his circumstances change in the future. We will also soon be saying goodbye to Julia Marshall. Julia's acumen as well as her kind, compassionate demeanor will be missed by the office, the executive and the board alike. Surely, her wisdom will still be sought in the future.

On a much more positive note, we welcome Chad Leibel to the executive. Chad's cutting-edge thinking and initiative will serve the association well.

In the 2017 AGM, IBAA revamped the board effective this fiscal year. Now, our 13-member board will be comprised of eight directors, four executives and the Professional Young Insurance

Brokers president, who is elected by IBAA voting members under the age of 40. All the directors, the vice president and the president elect are now elected by all IBAA voting members. The past president and president positions are assumed by the current president and president-elect.

This new board and board structure will be a tight and dynamic group, enabling us to reach out, serve and engage IBAA members more effectively than before. Our government and industry advocacy, broker-focused education, member benefits and consumer campaigns aim to keep the broker channel strong as we face changing industry conditions.

GOVERNMENT RELATIONS

Government relations, an intangible that is difficult to evaluate monetarily, is really the *raison d'être* for the association. Over the past few years, government relations has become very busy, particularly at the provincial level.

As I write this column in May, we are a little over a year out from a provincial election. It promises to be a hard-fought contest with the usual surprises in store, including perhaps the overall outcome.

Licensing Equivalences

The most important issue facing brokers at the provincial level is licensing examination equivalencies. For those who are not aware of the issue, Alberta is one of the only provinces that does not allow the Canadian Accredited Insurance Broker (CAIB) or the Chartered Insurance Professional (CIP) designations to be considered equivalent to the licensing exam process. This initiative started in

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RSA INSURANCE 

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2014 with a proposal for a regulatory change placed on the finance minister's desk in early 2015, before the last provincial election. The proposal has the full support of all stakeholders including the Alberta Insurance Council, the General Insurance Council, the Insurance Bureau and the Insurance Institute, as well as significant support from the Canadian Association of Direct Relationship Insurers. It is one of the few proposals that will be before government that has the full support of the regulator and the regulated.

The purpose is to bring Alberta in line with other provinces and to offer an alternative to the regulator's licensing program. IBAA continues to work with determined patience in order to get these equivalencies passed.

Auto Claims Costs

On another front, the rising cost of auto claims is threatening insurance premiums. The association worked with other stakeholders, including the Insurance Bureau of Canada, to clarify the Minor Injury Regulation and continues to press for updates to the Diagnostic and Treatment Protocol Regulation to control these costs.

Bank Insurance Sales

At the federal level, we are eighteen months away from a federal election, again with an uncertain outcome. Between now and the election in the fall of 2019, the federal Bank Act comes up for renewal. The brokers associations across Canada continue to take the position that financial institutions should not have the ability to retail insurance at the point of granting credit.

Insurance Brokers Association of Canada (IBAC) has taken nothing for granted. Banks are facing a potential long-term existential threat from fintech that would, in part, render banks irrelevant due to bitcoin and blockchain technology. As a result, banks are

attempting to broaden the permitted activities of financial institutions within the Bank Act. IBAC and IBAA, along with sister associations across Canada, continue to advocate with federal MPs and senators to ensure that fintech provisions in the Bank Act and other related legislation are not a back-door entry for financial institutions to retail insurance out of their branches.

"IBAA has undertaken a robust advertising program on billboards, buses, bus shelters and other media to drive the consumer to those member brokers who are displaying the BIP symbol."



INDUSTRY RELATIONS

Advocacy doesn't stop at the provincial and federal governments but also reaches out to insurance regulators and industry stakeholders. The association actively engages our insurer partners as well as the Insurance Bureau of Canada (IBC) in representing consumer and broker interests. In addition to individual meetings with our insurer partners and IBC, the IBAA executive meets with insurance company executives, and IBAA hosts a sponsor dinner for our insurer partners and other sponsors.

PROFESSIONAL DEVELOPMENT

High-quality professional development is essential to the success of both the individual broker and the broker industry as a whole. All brokers are required to take 15 hours of mandatory continuing education in order to maintain a licence in Alberta. In addition, many brokers want to remain at the top of their game and devote more than the minimum time to professional development.

Whichever the case, IBAA offers an increasing variety of immersion courses, online courses, seminars, videos, webinars and other formats to

meet a variety of education needs and better serve its members. Over the last year, the association has been reaching out to member brokers to inform them of our professional development offerings including the increasing number of in-house training seminars.

IBAA and the other provincial associations are working with IBAC to revamp the Canadian Accredited Insurance Broker (CAIB) designation. Revisions to the course content and method of delivery will make CAIB the designation for insurance brokers and keep pace with current technology. On demand online CAIB exams should be available in the near future. Revision to course content is a huge undertaking and is well underway. Expected completion date is 2021. The result will be a robust product.

One significant benefit to members, aside from the superior quality of the courses, is the significant cost reduction in member pricing. Here, one can calculate in real dollars the value of a membership in IBAA.

ERRORS & OMISSIONS, CYBER AND BUSINESS BOOSTERS

Through its wholly owned subsidiary Sage Advisor Resources, IBAA offers a variety of services and products. The company continues to offer errors and omissions insurance through Swiss Re/Westport. This errors and omissions product is one of the most comprehensive for brokers in the business and is offered exclusively to IBAA members at a very competitive rate. While the program is already one of the best offerings in the business today, IBAA continues to work with Swiss Re to improve it.

A significant new product available through Sage is the cyber insurance program for member brokers. This simple, cost-effective product has been "flying off the shelf" since its introduction earlier this year.

Sage's vendor partners can help boost your bottom line with savings for

IBAA members, their clients and their staff. The products include financial boosters, productivity boosters, technology boosters, client boosters and profit boosters. For example, some finance products include discount banking through BMO, financing through First Insurance Funding and other financial services. The many other products and services available as member benefits are continually being updated. Check out the IBAA website (ibaa.ca) for further details.

THE BROKER IDENTITY PROGRAM

The Broker Identity Program (BIP), developed in 1989, uses the insurance broker symbol of the bipper as a registered trademark to differentiate brokers from other insurance professionals and to reinforce recognition of the insurance broker profession among consumers. The BIP “symbolizes quality insurance—knowledge, choice and professional unbiased” advice so that consumers can “rest easy” knowing their brokers are

on their side. This symbol has become one of the most recognizable corporate symbols in Canada and is the envy of many insurance brokerage and agents organizations worldwide.

Currently, IBAC is in the final stages of updating the BIP symbol to give it more of a 21st-century look. This new look will be introduced later this year.

IBAA has undertaken a robust advertising program on billboards, buses, bus shelters and other media to drive the consumer to those member brokers who are displaying the BIP symbol. New items include social media clips.

COMMITTEES

The IBAA board committees are considerably more robust than in the past. This year’s AGM changed the nominations committee to a governance committee. This committee will review the bylaws every year and will also perform the duties of the previous committee.

Two other committees that have been very busy are the technology and communications committees. The tech committee has been working on BMS projects as well as doing research into company-partner technology as it relates to ease of use for brokers.

All associations including broker associations have challenges communicating to their members. IBAA is not an exception in this area and as a consequence the communications committee has been busy trying to come up with improvements. Over the next few months look for further changes to the IBAA website to make it more user friendly as well as improvements to email communication and social media.

Every year, IBAA strives to provide more value for its members. Have a super summer everyone!

GEORGE HODGSON
CEO
IBAA
GHodgson@ibaa.ca



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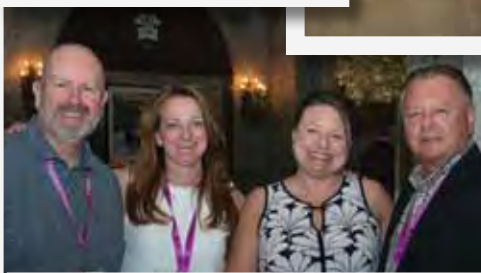


MISSION: CONNECTING

At the Convention in Banff in May, IBAA's intrepid photographer, Tracy Grabowski, caught special agents on film debriefing and using enhanced interrogation techniques that may, or may not, have involved a cocktail.



The 2018-19 IBAA Board of Directors



SPECIAL TRAINING

Agents engaged in various intelligence gathering sessions and did recon at the tradeshow.



BMS Panel: Reid Holzworth, Stacey Miranda, Doug Anderson, Donna Abramson. Moderator: Sherif Gemayel



Raed Kadri



Bill Adams, IBC, Western Vice-President



Dr. John Pomeroy



Dr. Mike Flannigan



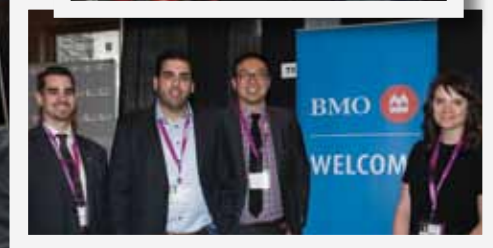
David Sorensen, Deputy Superintendent of Insurance Regulation



David Chilton



Scott Treasure IBAC President





Chinook

COUNTRY REPORT

BROKER NEWS

Movers and Shakers

- Greg Desbrow left Aon to move to Gallagher Energy Risk Services as an account executive.
- Anna Vaillancourt of Calgary's Silvercrest Insurance, officially retired. Congratulations, Anna! Diane Jones will assume her role and responsibilities.
- Tony Consalvo, regional branch manager at BrokerLink, is now responsible for the BrokerLink Highfield branch in addition to his current branches: Flint Road and Medicine Hat.
- Also at BrokerLink, congratulations to Tracey Hildebrand for stepping up for a secondment role at the Rocky View and Beltline branches.
- Lindy Funk, formerly an account manager at Western, joined Rogers Insurance Ltd.
- Wendy Moore- Whaley, formerly of Haggett & Rogers Insurance/ Remax Insurance Professionals, moved to Link Insurance Agency
- Magda Nelson, previously with Willis Towers Watson, also joined the Rogers Insurance team as a marketer.
- Congratulations to Nuera Insurance Inc. and SGI on their new investment relationship as of April.
- Shield Insurance Group was recently acquired by BrokerLink

Location, Location, Location

- Blue Circle opened a branch in Edmonton.
- Western General's Calgary south office moved from Macleod Trail to Midpark Way S.E.

- Aon will be enjoying its new Calgary location in the Eau Claire Tower on 3rd Avenue S.W.
- Central Insurance Group's Hanna office has been closed.

COMPANY NEWS

- Welcome back to Calgary Aliya Naqui! Aliya who is a property casualty underwriter joined the Calgary team from Aviva Markham.
- Congratulations to Stephanie Coull on her move to Aviva from Travelers. She will take on the new role of people consultant for the western region.
- Also from Aviva, Denis Gagne was promoted from senior employee relations consultant to senior manager, group investigations & forensic audit. This sounds like an interesting role; congratulations, Denis.
- Andy Lai, formerly of Travelers, accepted an executive underwriting position at Northbridge Insurance.
- Michael Hammel, formerly of Aviva, will be assuming a business development role at Royal Insurance.
- Please also join me in congratulating Rick Howe, vice president, claims at Intact Insurance in declaring his intention to retire. Replacing him will be Rosa Nelson current Intact VP of sales and business development.
- Also retiring from Intact Insurance is property casualty underwriter David Lai.
- Intact regional vice president Farid Virji will be handling the southern Alberta territory alongside his

northern Alberta colleague Albert Pol.

- Tom Reid, executive director, broker digital strategy left Aviva Canada. He continues to serve as chairman of Ski Jumping Canada. Don't forget about the charity golf tournament to benefit Canadian Ski Jumping on July 5 at Valley Ridge Golf Course!

Partner News

Tracey Paish former client experience advisor for Keal Technology moved to April Canada as a broker development representative.

GIVING BACK

As this is the post-convention issue, it seems appropriate to acknowledge the great work being done by IBAA in supporting Ronald McDonald House. According to Mitch Holst, the chairman of the IBAA charity committee, Ronald McDonald House was chosen because the charity has a connection in every community across Alberta. This aligns closely with the commitment of insurance brokers to become a part of the grassroots of the community in which they do business. In addition, many association members have personally used Ronald McDonald House facilities when supporting family members through illness. Throughout the year, IBAA offers support not only monetarily but through volunteerism. Most recently, the board spent the day in Edmonton cooking breakfast and making sandwiches and cookies for the families in residence. At the 2018 convention, brokers, insurance company representatives and industry partners

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gave generously at the president's gala after viewing a touching video that highlighted the important work being done. The total contributions have not been posted yet, but last year your generosity raised \$10,000 from convention; with an annual amount of \$44,000 being raised. The year before \$30,000 was raised. The committee is happy with the success and growth of the annual initiatives and hopes that the amount raised will continue to grow each year. A worthy cause—well done everyone!

WORK-LIFE BALANCE— THE (MOOSE) MILKMAN RETIRES

Bryce Dzenick officially retired from Crawford & Company in November 2010, but he has continued on contract with a more flexible workload.

One thing that he has continued faithfully is his work at convention organizing the golf tournament and production of the ever popular moose milk. Sadly, this is officially his last year. Kelly Albert, national account executive for

Crawford and Company, commented on Bryce's overall dedication and that "Bryce is tremendously liked by his customers and colleagues."

When I spoke with Bryce, he told me that the moose milk tradition started out small 40 years ago at the Banff Springs hotel with Leonard Hirst & Miller. At the time, they had plenty of rum but no milk shakes so they had to order them from room service. Later, they started bringing their own blenders and then, as demand for the drink grew, they just started taking over the hotel kitchen!

The golf tournament started with a CIAA meeting in Red Deer at which

it was decided that it made sense to network with brokers at a common convention. When the convention was moved from November to May, and a golf tournament was proposed, Bryce and group approached then IBAA executive director Harold Baker to volunteer. They have been organizing the tournament ever since—22 years!

When I asked Bryce what his favourite part of convention was this year, he enthusiastically declared "the weather" but then added that he enjoyed "the fellowship and the fact that everything seemed to go off without a hitch." Last year they had plenty of moose milk left over but this year they almost ran out. I am thinking that everyone was probably thirsty after debating the challenge of auto profitability! Regardless, Bryce thought that running out of moose milk was an excellent problem to have.



Bryce Dzenick & Kelly Albert serving up the crowd pleasing Moose Milk.

Kelly Albert will be taking over Bryce's duties, but Bryce thinks it would be fun to return to convention for more moose milk in the future. He said that the years

were "most enjoyable and that he has met many nice people along the way." Thanks again, Bryce. I know you have contributed to many good memories as well as many lost memories from the moose milk.

2018 IBAA CONVENTION— MISSION DEBRIEF

See pages 22–25 or the 2018 convention photo gallery—Ed

Another successful convention, with a secret mission twist! Congratulations to the organizers! How did everyone do with their Phishing Mission 007? I have not yet heard of anyone bombing but you can let me know.

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The weather for the golf tournament this year was fantastic—not a cloud in the sky. What a great opportunity to get outside after such a long winter season! The low gross winners were Sherry Bignell of BFL Canada and Seiji Miyazoe from Young & Haggis Insurance Services. The CIAA trophy for low net was won by Kris Plett of Lakeview Insurance Brokers.

In speaking with several association members, the favourite parts of convention this year were once again the Peace Hills party, the moose milk, the networking opportunities, the ability to share concerns with colleagues/company representatives as well as the excellent training opportunities.

Mitch Holst of Saunders Insurance felt it was one of the more successful conventions given the attendance, and while it was noted that the weather was a big distraction, many of you echoed that sentiment. As past president of the young brokers association, Mitch was impressed with the number of young broker leaders from other provinces who attended. Delegates from Saskatchewan, Manitoba and Ontario actively participated this year. An increase in attendance of new association members was also noted by Rob Sims of Sims and Associates Insurance, who mentioned that he “enjoyed meeting many new association members this year.”

The favourite of most that I spoke with was the keynote speaker, David Chilton. Mitch Holst told me that he enjoyed Chilton’s perspective on what defines successful business people. Other convention training favourites were the technology sessions. Scott Romans, who is chair of the IBAA technology committee, noted that the technology sessions were full and that “technology is a topic that many were interested in discussing. Brokers have many challenges today and being aware of, and engaged with, technology is part of the solution” said Scott.

A new event this year was the CEO speed dating panel. Many of you felt that often you interact with

your business development reps to get information on strategy and direction so the opportunity to go right to the CEO was important for management, brokers and customer service representatives. The CEOs also benefitted by hearing directly about the challenges and opportunities at the grassroots level. Many commented that since many of the CEOs are from out of province, it was important for them to get a regional perspective on industry trends and challenges. Barry Haggis from Young & Haggis Insurance Services commented that he was “impressed with all the conversations” he had during the sessions.

The broker-only town hall meeting was also mentioned by many as being important due to the conversation around the challenges experienced with the auto line of business. I suspect there will be many more conversations on this topic in the coming months!

MISSED BUT NOT FORGOTTEN

I wanted to dedicate this edition’s column to Jacob Leicht. Jacob passed away tragically as a result of the Humboldt Broncos bus crash. He was 19 years old with a great deal to offer, and I feel that the world is much less without him in it, without all who

died as a result of that terrible day. The outpouring of condolences and support from across the country really helped the families, and many people commented on how everyone found common ground here, through hockey, through being a parent or just being human. Prior to the accident, I found myself moving at the normal 100 miles an hour, ridiculously growling at the TV or my phone—an active participant in the polarization that pervades our society today. Since then, I have slowed down a wee bit and have really tried to take the time to look for that common ground that we all have in politics, in business, as well as in our personal lives. As successful, hardworking Canadians, it might not be realistic to ask us to slow down to the ideal pace, but during your business transactions and in your personal life, I invite you to just take a moment, think of Jacob and look for that common ground with others. You will be amazed at the difference that a small pause can make.

Thanks to everyone who contributed to the column this month. I appreciate you! 🙏

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STOP THE INSANITY

The Claims Process
Should Not Be More
Painful Than the Loss

As an association, IBAA is responsible to represent not only brokers but also the brokerage channel to consumers. The claim is often the only proof consumers have that the broker has sold them the correct coverage and that the company will be there for them in times of distress. This article reveals a consumer's perspective on one of the largest events to hit Albertans in the past several years—the Slave Lake fire. The story below is not about anything we did wrong. It merely relates how it feels to be a consumer who has lost everything when the claims process comes calling.

I had occasion to be in Toronto for two days of excellent meetings and all

the walking I could handle during a balmy 18 C degree spell in February. My flight home started off all right, a pretty full flight with few empty middle seats. My phone needed a charge, so I intended to plug it in on the flight—alas, a really old plane with no USB access! Oh well, I figured I'd just watch TV instead since the plane had screens. Alas, the flight attendant announced that the plane was experiencing an issue with the satellite TV, and the TVs were broken anyway! Okay, I thought, I'll just rent a tablet. Alas, all the tablets were dead from the night before—no way to charge them in time! I had to double check that I was on the right plane, since it was starting to feel like all the experiences I

have had on that other major Canadian airline. Nope, I was definitely on WestJet.

I was sitting next to a lovely couple, returning home from a brief break in Toronto. He had meetings and she did some shopping. As it turns out, they had lost everything in the 2011 Slave Lake wildfire. While I had some exposure to the 2016 wildfire aftermath in Fort McMurray through IBAA, I was merely a voyeur and had not had the chance to talk to anyone that suffered a total loss. I was very sad for them because I cannot begin to imagine what it is like to rebuild your entire life. They have two children, one in university now and one starting next year, who would have been quite young (10 and 12) at the time.

I'll call these folks Dan and Sarah, although those aren't their real names. Dan owns his own business, and Sarah was at home raising the children at the time of the fire. Obviously, the loss was a shock. When they had to evacuate, Sarah walked out with just a Tupperware container in her hand, for no reason she can remember. Luckily, they had their own alternate accommodation—a vacation property not far away—so they were well fixed to wait things out. It had a small main building and a trailer for the kids. In the winter, Dan made sure to shovel a path between the two, but it was a cold, albeit short, walk.

The biggest shock to them was not the actual fire, but the claims process. First of all, they had no time even to collect their thoughts before an adjuster wanted a list of everything they owned. When they expressed their confusion, the adjuster offered to meet with them, walk through the blueprints and have them recount what was in each area of the home. Dan and Sarah described the process (“A” is the adjuster and “C” is the client):

A. Can you tell me what was in the front hall closet?

C. Coats and shoes, some ball caps and maybe some other small stuff.

A. How many coats?

C. I am not really sure. There are four of us, so probably a couple each, maybe one or two sweaters.

A. What kind of coats?

C. What do you mean?

A. Were they short, long? Winter, summer? Light or heavy? Raincoats?

C. I don't really remember. I would have to think about it for a while. We need to sit down and try to visualize everything in the house and try to remember that way.

A. That's why I am here. How about the shoes? How many were there for each of you? Sneakers, dress shoes, boots?

C. I can't remember, we would have to talk about it with the kids.

A. (Sigh) Okay, how about we talk about the living room. Maybe bigger pieces of furniture would be easier to remember.

What did you have in the living room?

C. It's a big room so we had two couches, two chairs, an area rug, a big square coffee table, four end tables and four lamps. We also had some knickknacks, but I don't really care about all of them.

A. What kind of couches and chairs were they?

C. Do you mean style or colour?

A. What brand name? Where did you buy them?

C. We bought them at Finesse and McElheran's in Edmonton. We bought the tables at Leon's and the lamps were bought up here.

A. How much did you pay for them?

C. I don't remember. I'd have to think about it. We have had them for about eight or so years.

A. Let's talk about the kitchen....

"The biggest shock to them was not the actual fire, but the claims process.... We really felt like we were reliving the fire all over again."

Three hours later, Dan and Sarah were frustrated and exhausted. They had no idea how many cans of soup, containers of peanut butter, tubes of toothpaste and amount of sugar, flour, salt, pepper and spices they had. They would likely never remember, yet they felt the adjuster was not only relentless in her questioning but also did not believe everything they were telling her. As Sarah said to me, “I have a ton of clothes. I like to shop. I have so many shoes and lots of costume jewelry. Do I remember every little piece, every earring? No. Besides, I didn't want to replace everything anyway. We really felt like we were reliving the fire all over again. We were so lucky that we had somewhere to stay. We didn't have to have the insurance company pay for rent. We were also fortunate in not needing advance funding, but we still felt raw every time we talked to the adjuster.”

As it turns out, seven years later, Dan and Sarah still go to look for some

item and realize that it likely went up in the fire, but they didn't remember to list it. They aren't upset about that particular loss, since they figure, if it took them this long to notice it was gone, it wasn't important.

While they were telling me their story, I thought about those in Fort McMurray now facing this same issue. I also remember how forward-thinking I felt the company I worked for was when I was a claims manager back in the late 1990s. When I handled a couple of total-loss house fires, we started to look at how we adjusted certain claims differently. I remember in particular one house in the interior of Northern B.C. The rebuilding materials were tough enough to get, let alone the contents replacements. The fire occurred in October, and the insureds were hosting their daughter's wedding the following August in their home. Getting it built in time was a must, and some materials would have to be flown in so they were onsite to continue the build at every warm-weather opportunity available. The client

wanted to make some changes to the room configurations, which was fine since it was on the same size foundation and actually made the build easier. The issue was the contents replacement.

When clients have a total loss of their home, many items are impossible to replace (for example, summer clothing in winter), and remembering everything that they own is equally impossible. Try writing your own list sometime. You'll forget the towels, or sheets or how many garden tools and hoses you had. What about the half-full bag of fertilizer or potting soil in the garage?

In order to make life easier for this couple and to have the house ready for the wedding, we asked them how much of what they owned would they decide not to replace. Maybe it was old, or broken or destined for Value Village. We used this method with two

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cases. One client said 20%; the other said 25%. We asked the clients if they would be happy to have us cut a cheque for 80% of the contents limit right now so they could replace the contents at their leisure. Of course, the answer was “yes.” The client signed a release and did not have to worry about schedules of loss. Did I believe that they had a houseful of furniture? Yes. Did I care whether they replaced 10 pairs of earrings with one necklace? I sure didn't. I also didn't care if they decided to replace two small TVs with one big one. I knew for a fact that they would be replacing what they had—furniture, clothing, food, linens, etc.

When I hear all the reminders about time running out in the wildfire claims for the Wood Buffalo region, I completely understand that some homes will not be rebuilt in time. Rebuilding 1,900 structures in two years is a mammoth task. However, if the issue is the contents claims, I think delayed settlement is shameful. In just two claims, we saved a total of \$120,000 by settling them as I described. Furthermore, the contents portion was settled in two months instead of two years. We saved our clients huge headaches by not making the claims process more painful than the claim itself. In addition, the clients renewed their policies and one sent us a lovely bouquet of flowers, thanking us for ensuring his family was not another claims horror story to talk about at their next dinner party.

Difficult clients and difficult claims will always crop up, and not every claims model will work for every claim. Still, claims are the reason folks pay their premiums. A little creativity can go a long way to improving our image, managing our costs and making us heroes in the industry at the same time. #

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MENTORING MATTERS



A mentor is an experienced and trusted advisor. These traits definitely define my friend, co-worker and mentor for the past 10 years, Holly Astill. Her recent announcement that she is retiring has made me reflect on what it means to be a mentor. Many aspects of being a mentor go hand in hand with being an insurance broker.

First and foremost, being a positive influence is a necessity for mentoring. Negativity spreads like a wildfire when released.

Making the commitment to be there to guide and support people in the good times and the bad is key to being a successful mentor. Sometimes mentoring takes a lot of time out of your life, so you need to want to do it.

Having all the knowledge in the world in a certain area of expertise doesn't necessarily make you a good mentor. You need people skills, positive communication skills, managerial skills and the ability to work well as team. My mentor has helped me expand my communication skills immensely,

especially when it comes to dealing with unhappy customers.

Another feature of mentorship is putting your friendship before your mentorship. You need to be able to have a solid friendship with your mentee for the mentorship to work. Holly has been there for me through all my trials and tribulations—from when I was bounding in excitement to have passed my licensing level one exam to when I needed a friend with a shoulder to cry on when my aunt passed away.

Having patience, taking responsibility for your actions and those of your mentees, sharing your knowledge with the younger generation and being available are also important traits to being a mentor. Even though Holly is retiring, she has assured me that I can call her any time. I plan to take her up on that offer and have her number on speed dial.

Another aspect of mentorship is introducing your mentee to others in the same field. Such introductions could be as simple as going to meet-the-broker nights and introducing all your underwriters.

Mentors also take responsibility for their own growth and development. Celebrate your little wins when mentoring. Not everything has to be a huge success to count.

Even though you should be friends with those you mentor, you must also challenge excuses. I have given my fair share of excuses and respect my mentor for calling me out on them. This accountability will only help mentees to learn more in the end.

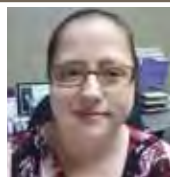
Being a mentor may not be an easy job, but it is a very rewarding one (so I'm told). As I am only six years into my broker career, I haven't encountered the mentor stage yet. Being a mentee has been a great experience as I have had an amazing teacher/friend/co-worker to be by my side. I will miss seeing her everyday more than words can describe. One day, if I become half as good as a mentor as she has been to be me, I will consider that a success. 🙌

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