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## HOT FUN IN THE SUMMERTIME

Tips to Prevent Your  
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## THE ALBERTA BROKER

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Paul VanderHooff

# President's Message

Every year, Canadians commiserate and complain about the never-ending winter. It's a pastime almost as Canadian as hockey (except maybe in Victoria). Indeed, how many of you here in Alberta recall how cold it was this past February and early March? Maybe the unseasonal cold is a distant memory already, but scroll back through your social media accounts and you'll be quickly reminded about how dreadful we all thought it was and how no end seemed in sight.

Fast-forward and today you're reading *The Alberta Broker* magazine. Most likely the snow is nearly gone, the sunshine is warm and snow plows have been replaced by street sweepers. Amazing how quickly things can change! So quickly that sometimes we don't even notice that the long insufferable seasons have passed and a new reality has sprung.

As I sit down to write my last message as president of your Insurance Brokers Association of Alberta, I can't help but feel that this past year has been one long winter of discontent about the state of affairs in our province. Over my twelve months in this position, conversations in Alberta have been flavoured by significant depression in certain parts of our economy, much higher than usual unemployment rates in certain regions of our province and a general sense of frustration with both our provincial and federal governments. Within our insurance community, discussions have been dominated by the difficulties in automobile insurance, the growing tension between insurance companies and brokers, the inability to help consumers caught in the middle and the sustained difficulties that our employees (and employment candidates) are having passing their licensing exams.

While the above may sound a little bleak, I can assure you that it is temporary. At the age of 43, I am certainly not as seasoned as some of the presidents that have gone before me. I readily admit that I have not seen as many cycles in our industry as some of you have. However, I can say with certainty that in each of my 43 years spring has always followed winter. A new reality arrives, life is refreshed and

people are reinvigorated. As time moves forward, memories of winter fade and are replaced by new hopes for tomorrow.

With elections looming both provincially and federally, I feel the winds blowing a renewed sense of optimism. True, an election is never a guarantee that things will change quickly or even at all. Yet an election is the perfect opportunity to take stock of how far we've come, determine where we need to go and plan for how we're going to get there.

Over the past year, our association devoted considerable effort with respect to the automobile insurance rate cap. Our IBAA staff, executive, board members and members at large spent significant time writing letters and directly meeting with MLAs and their staff. We've worked collaboratively with Insurance Bureau of Canada representatives and had numerous conversations with broker members and insurance company personnel. All in all, we did manage to push the government into allowing for an additional 5% rate filing. Small steps, sure, but they are moving in the right direction!

This article is my last opportunity to address the Alberta broker community in this fashion. As such, I want to make a plea to all member brokers to get more deeply involved in our industry and our association. IBAA needs to have the broadest of perspectives and this requires the involvement of brokers from as large a cross section of our profession as possible. We need brokers that are principals and employees,

“Our collective success depends on people like you and me caring deeply enough to be engaged”

general brokers and specialists, brokers in personal lines and commercial lines, brokers in large and small firms. We need brokers savvy with technology and those savvy with marketing. In short, we need people like you to continue making IBAA as great an organization as it can be. I

truly believe that we are stronger working together and can achieve exponentially more than any of us can in isolation. Please consider getting involved with a local IBAA or PYIB event, volunteer for a committee, let your name stand as a board member and maybe even serve on the executive. Our collective success depends on people like you and me caring deeply enough to be engaged.

Finally, I want to thank you all for the opportunity to serve as your president for the past year. It has truly been a privilege and an honour. While I would have liked to tackle and accomplish much more, I am proud of the work IBAA has done over the past year. This experience has been one I won't soon forget. Serving on the board is an education in and of itself—one you cannot get from a textbook. The friends I've made across this country will be friends for years to come—friendships forged by common experiences and common ground. I leave this position changed and humbled.

Thank you,  
Paul



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## What's going on behind the scenes at IBAA?

### GOVERNMENT RELATIONS

- IBAA is preparing for the upcoming provincial election by having meetings with as many candidates as possible. We encourage our members to attend election events in their own constituencies and meet their candidates so that all parties become aware of the auto issues that insurance brokers are facing. The key message is the negative impact that the rate cap ultimately has on consumers and the Alberta economy.
- Materials outlining our biggest issues (auto insurance and licensing equivalencies) are available for brokers to drop off at candidate offices.
- **BROKER VOLUNTEERS NEEDED to drop these materials off with MLAs and candidates on an ongoing basis to ensure our message is loud and clear.** Contact us: [ibaa@ibaa.ca](mailto:ibaa@ibaa.ca).
- IBAA broker volunteers have been visiting Alberta candidates for at least the three major political parties.
- We are working with IBC on an auto campaign for brokers to notify consumers and enlist their help—postcards for handing out to clients are available for brokers.

### INDUSTRY RELATIONS

- The 2018–2019 report on our annual insurer meetings can be found under Broker Tools on [www.ibaa.ca](http://www.ibaa.ca) (member login required).
- IBAA launched *The Delcarations Page*, a quarterly newsletter on IBAA's government and industry relations activities.

### PROFESSIONAL DEVELOPMENT

- In March, we launched an elite Brokerage Leadership at Its Best twelve-month video-conference series for IBAA-member brokerage principals, managers, and members planning to become such.
- For fall 2019, IBAA will be developing online courses for brokers who want the convenience of access outside office hours on demand—stay tuned for more details.
- CAIB online exams are still in the pilot phase but are expected to be available by fall 2019. Brokers will no longer be required to write exams at a local exam centre. Exams will be written in broker offices, with an office proctor, online and on demand.

- Our Level 2 workbook is nearing completion, and we will be looking to start overhauling our Level 3 materials later in 2019.
- Equivalencies—we are no closer to a solution and anticipate that the election will push the acceptance of CAIB for licensing in Alberta further down the list of government priorities, even though it represents a clear win for the government at no cost and with no ramifications at the polls.

### MEMBER SERVICES

- IBAA continues to look for valuable services that help brokers and their staff take advantage of preferred pricing to help save \$\$ while increasing the efficiency of their brokerage operations.
- This spring, we will be introducing an AI-powered insurance assistant (chatbot) through ProNavigator. We also plan to launch legal expense coverage. Watch for upcoming notices.
- Check out the membership section of our website for offers on the following services:
  - **ATB**—group programs for brokerage offices and staff are only for new accounts.

continued on page 8

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### IBAA BOARD OF DIRECTORS

- Chad Leibel resigned as IBAA president elect in February. Elections were held, and Vicki Livingstone is finishing the term of the 2018–2019 President Elect. Congratulations Vicki!
- The IBAA AGM is scheduled for April 30, when the 2019–2020 board will be elected and members will update the IBAA bylaws, along with other business. IBAA board positions will be active on May 6 at the IBAA convention. The PYIB AGM is scheduled for April 17, when the PYIB board (elected March 25–April 13) will be active.
- In March, your board took part in a cooking event at Ronald McDonald House in Calgary, making breakfast for parents and children staying at RMH to be close to their sick children/siblings in the Alberta Children’s Hospital.
- RMH is our charity of choice again this year and we encourage members to get involved through donations or offers of help. Nothing can be more devastating than facing the loss of a child to a serious or terminal illness. RMH makes it possible for families to be close by while their children receive treatment and to obtain professional counselling to help manage a painful crisis.
- IBAA president Paul VanderHooft, PYIB president Jonathan Brown and IBAA CEO George Hodgson visited many brokers throughout the

province from January 22 to March 26. For those who could not make this presidents’ tour, a webinar was held on March 28. Thank you to all the brokers who attended and shared their visions for IBAA. Your involvement boosts our strength.

### CONVENTION MAY 5–8

- Welcome to all the attendees and exhibitors. Thank you to our sponsors. We hope everyone enjoys themselves, makes great connections and learns a lot. If you couldn’t attend, we hope you will next year.



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- Lucy Baptista
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- Penny Forbes
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# HOT FUN IN THE SUMMERTIME

## Prevent your clients from getting burned

by Karen Bushie

**T**he weather's changing and the skies are bright and sunny. Chances are your clients have visions of summer fun in their heads and aren't even remotely thinking about how their summer choices could impact their insurance protection. Enter the broker.

A change of season is your opportunity to shine, demonstrating the expertise you offer as a professional insurance broker (with the added bonus of a built-in proactive contact opportunity). The time is now to reach out to your clients to ask, "So what are your summer

plans?" Their answers will lead to more questions so you can offer the best advice and peace of mind.

For most clients, summer is the most exciting season of the year. They get so caught up in making the best of a short season, insurance is the last thing on their minds. Knowing that, it should be top of mind for you as a broker. Help them breeze through summer without a care in the world!

Check out these sensational tips to help you get them prepared before the hot weather hits.



# COTTAGES



- Do your clients have a seasonal residence? If so, do they ever rent it to others?
  - How do they choose a renter, by Kijiji or AIRBNB, other sites? Some of these sites offer “insurance” to owners. It’s important for clients to understand what is or isn’t covered (or is limited) by those third-party programs to uncover gaps.
  - Where an insurer agrees to rental of the cottage, there is no theft coverage if theft is done by tenant.
  - If your clients rent out their seasonal property, coverage is restricted to fire, explosion, water damage and smoke.
- Are there outbuildings like boathouses, garage or sheds?
- Is your client aware of coverage exclusions (Coverage for certain risks, such as water damage or vandalism, may be more difficult or expensive to arrange, due to part-time occupancy. Common exclusions to secondary and seasonal home insurance policies include sewer backup and damage to, or loss of fences, food in a freezer, garden equipment and outdoor plants, trees and shrubs.)

# BOATS

- Do your clients own a boat? Are they aware that their homeowners’ property policy limit restricts the amount payable for an unscheduled boat to a limited value?
- Does your client have water skis, tubes or fishing gear? Are they aware that these are not covered under watercraft accessories? Do

they require a sports equipment floater?

- Who will be operating the boat? Do they have their boat licence?
- Is your client aware that there are limitations to where the boat may be used (e.g., there may not be coverage if your client takes the boat to the coast for the weekend and puts it in the ocean.)



# HOMES WITH WHEELS ON LOTS



- Is the mobile home a new unit?
- Is your client’s mobile home, RV or tiny house a seasonal dwelling or is it the principal residence?
- If it is a seasonal residence, is it accessible year round?
- Does your client keep a golf cart at the property? Golf carts at seasonal parks are not automatically covered.

## RVs



- Does your client know there is no contents coverage unless it is specifically added to the policy where said contents are usual to the RV?
- Is the RV parked in area that is susceptible to rodents (e.g. parked in a field or on farm land)? Rodent coverage may be available, but not all insurers will include this coverage.
- Is your client aware that liability only extends from the towing vehicle while RV is attached to that vehicle?
- Do your clients own a motorhome? If so, do they take it to the U.S.A.? If so, for what time frame? Are they snowbirds? Are they going to leave their unit in the U.S.A. as a seasonal residence?
- Are they aware there could be mileage limits or restrictions in leaving their unit in U.S.A.?
- Does your client rent the RV to others? If so, where do they advertise? Do they book with renters directly or through a third-party service like WheelEstate, and are there any gaps in coverage to said service's insurance plan, if any exists? Where will the RV travel to?

## CAR RENTALS

- Are your clients planning on renting a vehicle this summer? If so, they may want to increase their liability limit in the event they are in an at-fault accident.
- It is recommended to have an SEF 20 Loss of Use endorsement and 27 Legal Liability for

Damage to Non-Owned Automobiles endorsement.

- Another point to think about is where your client will be renting the car? Other than Canada or U.S.A., rental vehicles are not covered with SEFs 20 and 27.



## QUADS



- Do your clients own a quad? Who is driving it? Where do they use the quad: private premises, crown land, other places?
- Are they aware of exposures not only to the property itself but also for liability to others or others' property?
- Are they securing the keys when not in use? (Loss prevention tip to avoid theft of unit.)
- Are they aware that there is no coverage when you take an ATV through bodies of water and the unit sinks (e.g., over a lake in winter or through a river or creek in summer).
- Do your clients ever take their quad mud bogging? Are they aware of risks of getting stuck in muskegs? The cost of equipment "rescues" is not covered.

continued on page 18



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## VACANT HOME



- Does your client plan on taking a vacation away from home this summer? If so, a recommendation is to turn down your hot water tank to the vacation setting.
- Depending on time of year, your clients may want to turn off their water supply while away to minimize risk of water damage unless they have radiant floor heating.
- Are your clients going to be away on vacation for more than 30 days? They may not have coverage for theft while property is unoccupied.

## MOTORCYCLES

- Are your clients aware of theft prevention measures when owning a motorcycle? For example, the motorcycle handle bars should be locked in position when not in use or an anti-theft apparatus should be used.
- Do your clients like to take their motorcycle on the track? Are they aware that coverage is restricted when taking the motorcycle on a race or speed test with personal motorcycle insurance? They may want to inquire about securing the appropriate specialty coverage for these instances.
- Is your client planning to take the motorcycle on an out-of-country road trip? As with vehicles, coverage does not extend outside of Canada and the U.S.



## EVENTS



- Are your clients going to serve liquor at their event? If yes, they may require a host liquor liability policy if coverage is not included in their venue rental agreement
- Is your client going to hold a kid-friendly event? Are they going to have bouncy castles, etc.?
- Are your clients planning any house parties or BBQs this summer? They may face possible liquor exposure for guests. How are the guests getting home?
- Does your client set up at farmers markets to sell any goods during the summer months?

**KAREN BUSHIE**

*Director of Professional  
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TIM WOODRUFF

*Las Vegas, Nevada - Co-Owner*



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# IBAC Launches Technology Project



*Chris Floyd, IBAC  
President*

On January 29, 2019, the Insurance Brokers Association of Canada (IBAC) launched the next phase of the IBAC data exchange project. Chris Floyd, president of IBAC, set the strategic direction for insurance brokers across Canada, observing that serving the modern digital consumer can only be accomplished with efficient and accurate data exchange

between insurance companies, broker management systems (BMS) and brokers. Mr. Floyd called for cooperation and the sharing of intellectual property (IP), where practical, and reminded software vendors and insurers that over 38,000 brokers are watching for meaningful progress.

Addressing a capacity crowd of insurers, vendors and brokers from across Canada, Kim Opheim, IBAC's lead on broker innovation and technology, outlined the data exchange problems facing today's broker. These include multi-step and error prone policy changes and time-wasting

double entry processes that continue to drag transaction efficiencies down. In addition, portals that take brokers out of their management systems contribute to inefficient workflows and the high cost of training frontline staff on multiple systems.

Today, data transmission capabilities are no longer seen to be a competitive advantage; exchanging data between trading partners efficiently and seamlessly is "table stakes" in today's digitized world. Building on that perspective, what is required now is for all stakeholders to move quickly on data exchange projects and achieve a critical mass of adoption. The best



way to accomplish this is through collaboration and the sharing of expertise.

To operationalize this concept, IBAC is establishing the data exchange working group—an industry-wide partnership comprised of brokers, vendors and industry stakeholders that will work towards the development and use of a new reusable data services (RDS) library and testing facility.

What's different about IBAC's data exchange project is the sharing of reusable services between trading partners. Instead of individual vendors and insurers reinventing the wheel over and over again, a single insurer and vendor partner will work together to develop a transaction such as "first notice of loss" (FNOL) or "new business." This transaction will then be placed in a RDS library accessible by other CSIO member insurers and vendors to use in their own environments.

With demonstrated success and accelerated output, momentum will grow toward widespread contribution and utilization of the RDS library, further advancing real-time connectivity across the industry.

At the technology kick-off event, Gina McFetridge, IBAC technology committee chair, moderated an insurance carrier panel discussion. When asked about sharing reusable services, the panelists were quick to point out that this isn't about sharing insurers' secret sauce. It is about sharing end-point connectivity and standard insurance transactions between insurers and broker management systems.

Participants on the vendor panel, moderated by Catherine Smola, CEO of CSIO, affirmed their commitment to data exchange principles and the RDS concept. They also pointed out that reusable services are working now and suggested that insurers should avoid building proprietary application programming interfaces (APIs). A

special guest at the event, Lynne Von Wistinghausen, VP technology and operations at Marsh Canada, emphasized the need to change the client experience, reflecting that there is a direct correlation between ease of doing business and growth.

Peter Braid, IBAC CEO, concluded the kick-off event with a call to action. "With IBAC's convening power to bring partners together to develop

solutions, we can achieve increased adoption of CSIO standards and significantly enhance broker-insurer connectivity," said Braid. "What's been missing in the past is the will of industry participants. Today we clearly heard that the will now exists. Let's seize the momentum and move forward together."

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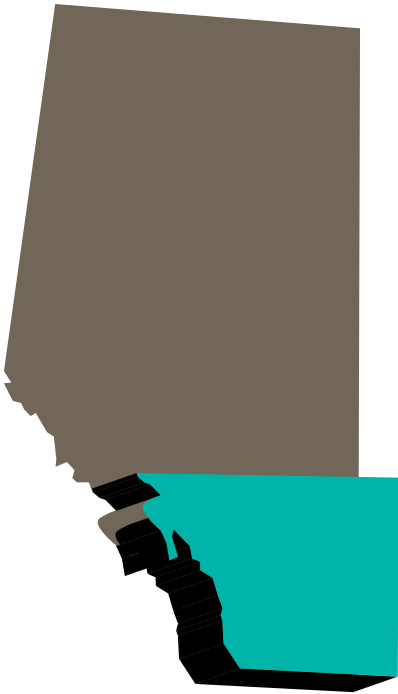
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# Chinook

## COUNTRY REPORT

### BROKER NEWS

- BrokerLink moved its Village Mall location to the old Platinum Insurance location.
- BrokerLink also merged its 11 Avenue SW Calgary location into its Glenmore location.
- Inspire Insurance Services has a new Calgary location, moving to Crowfoot Crescent NW.
- Lijdsman Insurance Inc. expanded into Cereal, Alberta, by purchasing Halpenny Agencies. The Cereal location will remain open.
- Petra Blundell, formerly of Royal Insurance, is now the vice president of operations at Sharp Insurance.
- J. Lundy Findlay & Son in Vulcan was recently acquired by Shearer Agencies Ltd.

### COMPANY NEWS

Congratulations to Donna Brown of Intact Insurance who retired on March 1, 2019. She celebrated 44 years with the company! Donna will continue to serve our community through her work with Women in Insurance Cancer Crusade (WICC), Vauxhaul Academy of Baseball and Hospice Calgary.

In other company news:

- Darryl Whitehead will replace Allan Mackenzie as Intact's claims ombudsman. Allan retired in January after 32 years with Intact.
- James Johnson left RSA to work as a senior underwriter at CNA.
- Neil Burns of Intact Insurance will move to BrokerLink as a commercial manager while Stephen Fredrickson moved from his role as a unit manager to commercial insurance manager.

- Meaghan Harwood regional sales manager at RSA returned from maternity leave in February.
- Joseph Brunton accepted a personal insurance manager role at Intact Insurance while Marlessa Ackerman is the new commercial auto manager for Intact Insurance.

### INDUSTRY PARTNERS

Crawford & Company has a new chief client officer: Greg Smith.

*Thank you to all who contributed to this issue's column! For those attending the convention, I wish you an eXceptional eXperience!*



**MICHELLE HAMMEL**  
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# eXperience

## IBAA CONVENTION GUIDE May 5–8, 2019

**eXpand knowledge (sessions)** ..... 21–22  
Gain valuable information and insight into insurance industry issues and business improvement opportunities (not to mention your annual 15 mandatory education credits)

**eXpand connections (events)** ..... 23  
Get to know your fellow brokers as they gather exchange information and celebrate achievements while enjoying fantastic food and having fun.

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# eXpand knowledge



## SO YOU'VE BEEN CANCELLED— NOW WHAT?

*Sunday, 1:00–2:30 pm*

What should you do after an insurance company cancels your brokerage contract? Join **Thom Young** to look at industry practices and how to balance industry and regulatory requirements with keeping your people happy through tough times in the insurance marketplace.

- Do you find a single insurance market to take the entire book (rollover), or do you market each policy individually?
- How do you weigh what is best for your brokerage versus what is best for the customer?
- What are the regulatory requirements, and how do you ensure that they are met?
- How will this cancellation affect your customers' experience with your brokerage?
- What impact will there be on your staff during this time?



## APPRECIATION AT WORK THE "PAY" THAT EVERYONE IS LOOKING FOR

*Sunday, 2:45–3:45 pm*

79% of employees who quit their jobs cite lack of appreciation as a key reason for leaving. Certified "appreciation at work" facilitator **Oliver Baezner** will share

how to take your company's culture to a new level of satisfaction by learning how to improve morale to higher levels previously not thought possible. Founder and owner of Sonic Breakthrough Coaching®, Oliver brings 25 years of experience in leadership and management roles with some of Canada's largest corporations including Energizer Canada, Canadian Tire, Shoppers Drug Mart and Big Rock Brewery.



## FLOOD MITIGATION & STRATEGIES

*Sunday, 4:00–5:30 pm*

Flooding has been a critical concern for many businesses—including yours and your clients'—with costs for repairs and loss of service time in the billions of dollars. **Stephen Gill** (CEO) and **Tiffany Largey** (COO) of Flood Risk Canada and Flood Risk America will demonstrate how to

prepare your facility for a potential flooding emergency, understand the importance of knowing your property's flood vulnerability and correctly assess your true flooding risk.



## KEYNOTE: THE BROKER OF 2030

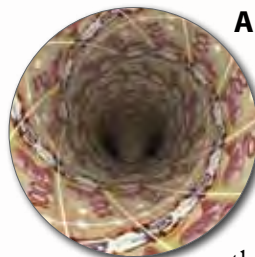
*Monday, 9:00–10:00 am*

We are living in the age of the customer—an age where a personalized omnichannel customer experience is the standard—an age where every business is a "digital business." As business leaders, we are forced to

ask ourselves, "Am I future ready?"

Digital transformation is much more than digitizing paper-based systems or metricizing wait times. It's about predicting customer needs to spark more personal and more meaningful conversations. It's about embracing a digital-first culture that protects our people.

Join **Andrew Au** as he explores how we can use technology to create strong customer relationships and drive business valuation.



## ARE WE AT THE END OF THE ECONOMIC CYCLE?

*Monday, 10:30–11:30 am*

While current cyclical/structural forces point to slower growth, the economic expansion still has legs.

What will be the driving forces of the Canadian economy going forward?

**Stéfane Marion**, Chief Economist and Strategist, National Bank of Canada and National Bank Financial, will share his expertise and insight.



## LUNCH WITH THE SUPERINTENDENT

*Monday, 11:45 am–12:45 pm*

What are the key issues from the Government of Alberta's perspective and how they might be addressed? Answering these questions during lunch will be **Darren Hedley**,

Superintendent of Pensions, Insurance and Financial Institutions, Treasury Board and Finance.



## NATIONAL PERSPECTIVES: ALBERTA'S INSURANCE MARKETPLACE

*Monday, 1:00–2:00 pm*

**Don Forgeron**, CEO of Insurance Bureau of Canada, will share insights into Alberta's insurance marketplace followed by a "fireside chat" with **Peter Braid**, CEO of Insurance Brokers Association of Canada.



# eXpand knowledge



## **BROKER TOWN HALL**

*Monday, 2:15–3:15 pm*

Have your say and gain insight from your peers. **Caleb Maksymchuk** will moderate the open discussion forum on a variety of topics important to insurance brokers. Caleb is chief operations officer of Ravenhill Agencies and a PYIB past president. (Brokers-only session)



## **GROW YOUR BROKERAGE**

### **THIS YEAR 10–20% BY LEVERAGING DIGITAL**

*Tuesday, 8:00–8:45 am*

Through real-life examples, **Dave Vass**, VP Innovation at Trufla, will share the latest insights into consumer preferences and how brokers can leverage these preferences to turn digital leads into clients.



## **KEYNOTE:**

### **BE BOLD, BE BRAVE, BE EXPERIMENTAL— THE EXPONENTIAL BROKER**

*Tuesday, 9:00–10:00 am*

Disruptive innovation is forcing everyone to re-imagine their clients' experiences and business models. How do we survive?

How do we disrupt ourselves as brokers before someone else does? How do we deliver better experiences to our clients? Today, we need to be bold, brave, and experimental. We can keep up only if we foster a relentless culture that promotes experimentation.

In this awe-inspiring talk, **Shawn Kanungo** provides a bold road map for the future and introduces the concept of the Exponential Broker. He explores how we can take unexpected approaches to innovation to remain competitive and relevant.



## **HUMANIZING THE DIGITAL EXPERIENCE**

*Tuesday, 10:15–11:15 am*

The consistent thread for every company that wants to build a tribe of raving fans is simple. Stop thinking “digital technology” and start creating “emotional relevance.”

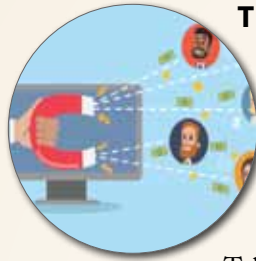
Join Excalibur Insurance's **Jeff Roy** as he takes you under the hood and shares his team's path to humanizing the digital experience. Learn how they carved out their brand and how they implemented a multi-faceted digital strategy to evoke emotional relevance as a fundamental element of their customer journey.



## **EVOLVING THE EMPLOYEE EXPERIENCE**

*Tuesday, 11:30 am–12:30 pm*

While many brokers become consumed with the client experience, we forget to fuel and engage our own people internally. When people feel valued beyond a paycheck, the customer also feels the love and energy. Excalibur Insurance's **Una Roy** will share her organization's successful employee attraction, retention and engagement strategies.



## **THE INSURANCE CUSTOMER LIFE-CYCLE AS A DIGITAL EXPERIENCE**

*Wednesday, 8:30–10:00 am*

Millennials are the largest generation in history and want a digital insurance experience. Are you ready?

Take a walk through today's customer expectations (with a focus on millennials) with the SGI CANADA Customer Experience Team and explore the five distinct stages of the customer life-cycle to understand the specific digital needs in each of these stages.



## **EMBRACING DIGITAL TECH & AI IN INSURANCE**

*Wednesday, 10:15–11:15 am*

When Uber promises a car is going to arrive in 3 minutes, it does. Businesses like Uber have created expectations that have changed the way consumers look at insurance.

Third-generation insurance professional **DJ Farnworth** of Pro-Navigator will share how insurance brokers can embrace digital technologies and AI to surpass these consumer expectations and empower their team at the same time.



## **WANT FRIES WITH THAT?**

## **CROSS-SELLING & UP-SELLING SKILLS**

*Wednesday, 11:30 am–1:00 pm*

Do you have what it takes to cross sell and up sell insurance products effectively to new and renewing clients? Cap off your convention experience by attending this upbeat and interactive session with **Jo Anne Mitchell**, founder and owner of Effective Training & Communications Plus.



# eXpand connections

## GOLF TOURNAMENT

*Sunday, 10:00 a.m. shotgun start*

Connect with industry friends and Mother Nature as you challenge “the Springs,” renowned for its panoramic beauty. The 32<sup>nd</sup> annual IBAA golf tournament will take place at the magnificent Fairmont Banff Springs Golf Course.



## TRADE SHOW

*Tuesday, 12:30–4:30 pm*

eXplore this one-stop-shop of organizations that serve insurance brokers and their clients. Make the most of this opportunity to find out what’s new in their world and to let them know how they can help you in yours.

Many exhibitors offer great draw prizes, and the winners will be announced at Hospitality Night. Not to worry, IBAA will have some amazing prizes to give away throughout the trade show.



## PEACE HILLS PARTY

*Sunday, May 5, 7:00 p.m.–midnight*

Can you feel the heat? Disco fever is set to take over the Peace Hills Party—the convention’s kickoff social event. Feel free to don your platform shoes, flare pants and glitter anything and come eat, drink and boogie the night away.



## HOSPITALITY NIGHT

*Tuesday, 6:00–9:00 pm*

Connect with industry partners and peers in a relaxed, social atmosphere while enjoying great food. New this year: the announcement of tradeshow exhibitor draw prizes.



## PRESIDENT’S GALA

*Monday, 6:00 pm*

Share the eXcitement as Vicki Livingstone celebrates the beginning of her terms as 2019–20 IBAA president. The President’s Gala begins with a champagne reception and professional photos (photos start at 4:00 pm), followed by a sumptuous dinner and delightful entertainment. Brokers are eligible to win some amazing draw prizes.



## AFTER PARTY

*Tuesday, 9:00–10:30 p.m.*

You’ve enjoyed food, drink, conversation and laughs at the Hospitality Night—now what? Put on your dancing shoes and hit the club scene at the SGI CANADA After Party.





# eXperience opportunities

## BOOTH COMPANY

77	Afirm
58	Altitude Communications
52	Applied Systems Canada Inc
73	April Canada
41	Aurora Underwriting Services
42	AMI Autoglass Maintenance Inc
38	BMO Bank of Montreal
49	BDO Canada LLP
24	Beazley Canada
61	Belfor Property Restoration
26	BII Web App
13	Brokercore
22	Burns & Wilcox
76	CAFO
69	Cansure
4	Catalytic Tech
55	Centre for Study of Insurance Operations
46	Chubb Insurance
51	ClearPay
31	CSN Collision Centres
5	Custom Software Solutions
30	DAS Canada
18	DKI Canada
40	Echelon Insurance
6	EMRG Canada
71	ENCON Group
57	Ensure Training & Education
66	Enterprise Holdings
79	First Call Restorations
32	First Insurance Funding of Canada
16	FirstOnSite Restoration
59	Fix Auto Canada & Novus Auto Glass
11	General Insurance Ombudservice
9	GMS Health & Travel Insurance
74	Goose Digital
1	Guardian Risk Managers
28	Hole In One Direct
62	IFS Insurance Premium Financing
7	IHG
10	InsureLine Marketing Systems

## BOOTH COMPANY

36	K&K Insurance Canada
15	Leavitt Group
70	Mayken Hazmat Solutions
33	Merlin Underwriting
27	Milnco Insurance
45	Modern PURAIR
68	National Bank of Canada
35	NIRIX
3	On Side Restoration Services
82	Opta
37	Optiom
47	Pacific General Underwriting Management
48	PAL Insurance Brokers Canada
65	Paul Davis Restoration
81	Pathway
44	Pembridge Insurance Company
64	Policy Works
17	ProNavigator
23	PuroClean Canada
8	PYIB
56	Rainbow International Restoration
25	Restoration 1
63	Sedgwick
75	ServePro
53	ServiceMaster Restore
43	SGI Canada
21	SNAP Premium Finance
2	Sonic Breakthrough Coaching
54	Special Risk Insurance Managers
29	SUM Insurance
50	Swiss Re Corporate Solutions
78	T&L Adjusters
20	The Guarantee Company of North America
72	Total Exteriors Ltd.
34	Trans Canada Insurance Marketing
14	Travelers Canada
19	Trinity Underwriting
39	Trufla Technology
67	TuGo
12	Whitelaw Twining
60	Zywave





# eXperience schedule

## REGISTRATION

Located in the convention centre.  
Sun. May 5: 1:00 pm–5:00 pm  
Mon. May 6: 7:30 am–4:00 pm  
Tue. May 7: 7:00 am–4:30 pm

## LOCATIONS

The Van Horne Ballroom, President's Hall and Theatre are located in the conference centre. All other event rooms are in the main hotel.

## DRESS CODE

Sessions & Hospitality Night: *casual/business casual*  
Peace Hills Party: *casual or disco-era*  
President's Gala: *semi-formal/formal*

## SUNDAY, MAY 7

### GOLF TOURNAMENT

10:00 am, Shotgun Start *Banff Springs Golf Course*

### SO YOU'VE BEEN CANCELLED: NOW WHAT?

1:00–2:30 pm *Thom Young*

### APPRECIATION AT WORK: The "Pay" that Everyone Is Looking for in Today's Work Environment

2:45–3:45 pm *Oliver Baezner, Sonic Coaching*

### FLOOD MITIGATION & DEMONSTRATION

4:00–5:30 pm *Stephen Gill & Tiffany Largey, Flood Risk Canada*

### PEACE HILLS PARTY

7:00 pm–Midnight

## MONDAY, MAY 6

### BREAKFAST BUFFET

7:30–9:00 am

### KEYNOTE: The Broker of 2030

9:00–10:00 am *Andrew Au*

### ARE WE AT THE END OF THE ECONOMIC CYCLE?

10:30–11:30 am *National Bank Chief Economist, Stéfane Marion*

### LUNCHEON

11:45 am–12:45 pm *Video greetings from sister associations and Address from Superintendent of Insurance Darren Headley*

### NATIONAL PERSPECTIVES: Alberta's Insurance Marketplace

1:00–2:00 pm *IBC CEO Don Forgeron & IBAC CEO Peter Braid*

### BROKER TOWN HALL

2:15–3:15 pm *Brokers only*

### PHOTOS

4:00–7:00 pm

### PRESIDENT'S CHAMPAGNE RECEPTION & GALA

6:00–7:00 pm *Champagne reception*

7:00–9:30 pm *Gala*

## TUESDAY, MAY 7

### BREAKFAST 7:30–9:00 am

### DIGITIZING BROKERAGES

8:00–8:45 am *Dave Vass, Trufla*

### KEYNOTE: Be Bold, Be Brave, Be Experimental: The Exponential Broker

9:00–10:00 am *Shawn Kanungo*

### HUMANIZING THE DIGITAL EXPERIENCE

10:15–11:15 am *Jeff Roy, Excalibur Insurance*

### EVOLVING THE EMPLOYEE EXPERIENCE

11:30 am–12:30 pm *Una Roy, Excalibur Insurance*

### TRADE SHOW & STROLLING LUNCH

12:30–4:30 pm

### HOSPITALITY NIGHT

6:00–9:00 pm *Exhibitor Prize Draws*

### AFTER PARTY

9:00–10:30 pm *Hosted by SGI Canada*

## WEDNESDAY, MAY 10

### BREAKFAST 7:30–9:30 am

### THE INSURANCE CUSTOMER LIFE CYCLE AS A DIGITAL EXPERIENCE

8:30–10:00 am *SGI Canada Customer Experience Team*

### EMBRACING DIGITAL TECH & AI IN INSURANCE

10:15–11:15 am *DJ Farnworth, Pro-Navigator*

### CLOSING THE GAP, CROSS- & UP-SELLING SKILLS

11:30 am–1:00 pm *Jo Anne Mitchell*

# PEOPLE DON'T QUIT THEIR JOB, THEY QUIT THEIR BOSS

8 Ways to Ensure That Your Talent Won't Quit YOU

by Dottie Hart



**W**hy do people leave their jobs? Study after study shows the main reason employees jump ship is a bad manager. And while you might think of a “bad boss” as one who sexually harasses employees or terrorizes them with a hair-trigger temper, it’s rarely that extreme, says James Manktelow, coauthor along with Julian Birkinshaw of *Mind Tools for Managers: 100 Ways to Be a Better Boss*. Bad (and mediocre) bosses usually have good intentions; they’re just poorly trained. “... you must do everything possible to create a company where employees want to stay. And you, as a manager, really do have a hand in almost every aspect of how your employees perceive their job—from how meaningful the work is to how stressed out they are to how supported and appreciated they feel,” says Manktelow.

In other words, being a good boss is a tall order. Indeed, Manktelow

says management is an “unnatural act” because it requires us to behave in a way that goes against our innate desire to be in control and the center of attention. Doing a good job of it requires good training, the right tools and lots of feedback—and very few managers get these things.

Becoming a great boss requires lots of hard work and a vast and diverse array of skills—the book has 100 of them, which were identified in a survey of 15,242 managers and professionals worldwide. This research was conducted by James Manktelow, founder and CEO of MindTools.com, and professor Julian Birkinshaw, deputy dean for programs at London Business School.

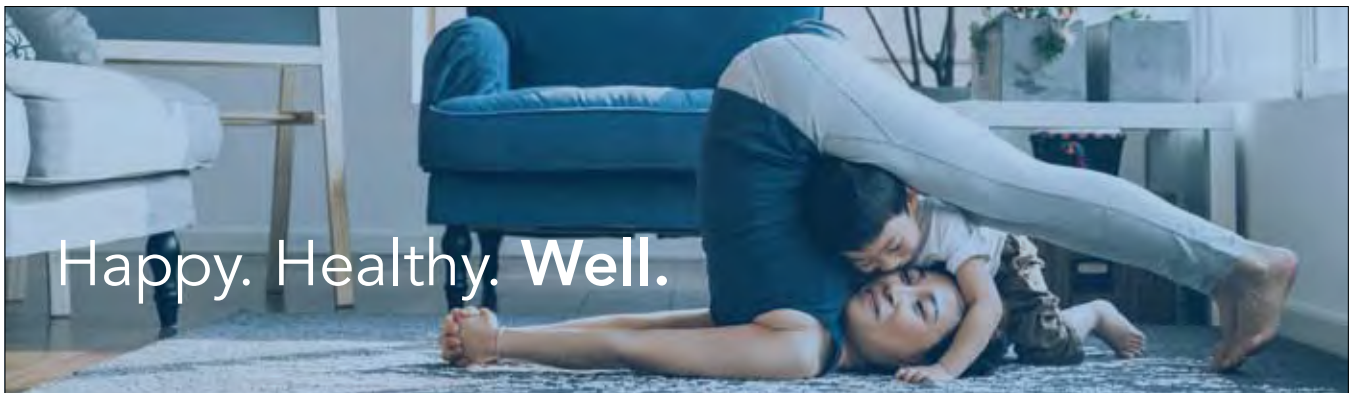
Here are a few of their tips for what you can do to create the kind of workplace culture that will attract the best and brightest—and just as important, keep them from leaving.

## Work effectively with people from different generations

While you shouldn’t overemphasize the differences between baby boomers, generation X and generation Y, neither is it a good idea to ignore them. For instance, if you are a baby boomer managing a group of gen Y employees (a.k.a. millennials), don’t resist their preference for working virtually or through microblogging sites (they think email is very old school), and be more proactive in giving recognition and praise.

## Learn to listen carefully and intensely to employees

In their survey, the authors found that 65.9 per cent of managers think careful listening is one of the most important methods you can use to understand and motivate people. It helps you understand what upsets the people who work for you so you can



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help clear these things away. It also helps you appreciate what excites and energizes them so you can help them shape their work in this direction

Active listening—where you make a conscious effort to hear not only the words another person is saying but to understand the complete message being sent—helps make employees feel heard. “Being a good listener to your employees doesn’t just happen,” says Birkinshaw. “You have to structure opportunities for this into the day.”

### Give effective praise and recognition

The authors discovered that 54.8 per cent of survey responders see giving praise as one of the most important ways of getting the best from their people. They also point out that Gallup has identified significant increases in helpfulness, cooperation, punctuality, attendance and length of service associated with receiving regular praise. Walk around looking for opportunities to give praise. Be specific about what you’re praising and do it in an appropriate way—some people love public praise while others are embarrassed by it. And be sure that praise is honest and proportionate. Insincere praise will weaken trust.

### Help people develop self-confidence.

People want to feel good about themselves and their abilities, and they want to be successful at work. When you build your employees’ self-confidence, you’ll help them achieve both goals. One good strategy is to create “mastery experiences” for them. You set small goals for them that allow them to demonstrate to you and themselves that they have mastered a skill—then you can move on to set progressively harder challenges.

### Learn how to give good feedback

In the authors’ survey, they found that 66.9 per cent of respondents

believe giving high-quality feedback is the most important thing you can do to develop good people. Yet it’s very easy to give feedback badly. If you do, it can backfire and damage your relationship with the people you are managing. The authors say you need to give feedback often—vastly preferable to saving it all for the dreaded “annual review meeting”—and give more positive feedback than negative. With

“... you, as a manager, really do have a hand in almost every aspect of how your employees perceive their job.”

negative feedback, stick to hard facts and don’t generalize. Otherwise you end up trying to justify your subjective views, which the other person may well challenge, leaving them feeling aggrieved and angry.

### Know how to motivate on an individual and a team level

“We focus heavily on one classic approach, Frederick Herzberg’s

motivation-hygiene theory, because it offers immediate, practical advice,” says Birkinshaw. “Herzberg observed the things that make people dissatisfied with their jobs are *not* the same things that make them happy with them. You first need to find out exactly what is making people unhappy and *then* you can work on positive motivators like how work is done and how jobs are designed,” he explains.

“Because so much work is done in teams, it also makes sense to address motivation at that level,” he adds. “If you can get a handle on the common motivators for people on your team, you can structure the way they interact with each other, which in turn will help them get the best out of their work.”

### Engage their passion with transformational leadership

To get the very best work from someone, you must engage their passion and sense of meaning in life. This is what truly keeps people at their jobs. The *Mind Tools for Managers* authors cite the concept of transformational leadership, first introduced by James MacGregor Burns in his 1978 book, *Leadership*. He



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defined transformational leadership as a process where “leaders and their followers raise one another to higher levels of morality and motivation.”

Bernard M. Bass later developed the concept of transformational leadership further in his 1985 book, *Leadership and Performance Beyond Expectations*. Manktelow and Birkinshaw recommend following Bass’s four main directives for becoming a transformational leader:

- Lead by example.
- Stimulate people intellectually.
- Help your people grow as individuals.
- Inspire them with a compelling vision of the future.

### Handle poor performance right away

Don’t let it fester. When you don’t deal with poor performers, it puts a lot of pressure on other team members. This can cause high performers to leave. Poor performance has two basic sources: low motivation and low ability. There are many ways to deal with the former, including smart job structuring, support, feedback and coaching. For ability issues they recommend the “Five Rs of Performance Improvement” from David Whetten and Kim Cameron’s book, *Developing Management Skills*: resupply, retrain, refit, reassign, release.

“The same skills that collectively make a person a great boss also create a deeply engaging culture that nurtures and excites employees,” says Manktelow. “You might even call it an unquittable culture. This is the Holy Grail for any company and not just during times when a talent war is heating up. No company can outperform competitors if its employees just don’t want to be there.”

*For more information, go to [www.MindTools.com](http://www.MindTools.com) or refer to the book Mind Tools for Managers: 100 Ways to Be a Better Boss.*



# ONE INDUSTRY TWO PROBLEMS HUGE OPPORTUNITY

**A**lberta's auto insurance industry—which includes insurers, brokers and agents—is facing two daunting problems. The first problem is no surprise to anyone paying attention to industry results: We're losing money. We're delivering a product with costs that far exceed what we're collecting in premiums. In fact, for every dollar insurers collect in premiums from Alberta drivers, they pay out as much as \$1.30 in claims, operating expenses and taxes. This is unsustainable.

Problem number two? Our customers don't care about problem number one. Many have not yet seen the impacts of problem number one due to regulatory restrictions and, even if they are aware of it, they consider it an industry problem and not theirs.

All of us in the industry need to work together to reconcile these issues, as the serious financial situation that the industry is dealing with will have an impact on consumers—in some cases it already is. Furthermore, the industry requires public policy changes to solve problem number one and governments don't tend to make big changes without the public's backing or call for action. How do we resolve these issues together? Let's explore each more closely.

## **Problem #1: We're Losing Money**

Auto insurance in Alberta hasn't always been a losing proposition for insurers and drivers. For years, Albertans enjoyed affordable auto insurance and a sustainable product.

Premiums were under control. At the heart of this success story was a government-imposed cap on minor injury claims settlements that kept the cost of claims under control. Our province's insurance system and rates were the envy of many provinces.

Then came a court ruling that narrowed the injuries that fell under the minor injury pain and suffering damages cap. The cost of settling claims began to soar. The government's imposed 5% cap on rate increases for private passenger vehicles meant that insurers would continue to lose on claims payouts without any hope of collecting enough in premiums to cover their costs. Now let's throw in the fact that today's vehicles, with their complex technologies, are very expensive to repair. These factors add up to a crisis situation for our industry.

## Problem #2: Consumer Support Is Conditional

It isn't just insurers who are suffering in this environment. Consumers are too. They're beginning to worry about affordability, availability and non-renewals. However, they will support legislative and regulatory changes that remove costs from the system if, and only if, they can see how these changes will benefit them.

We must ensure that any and all proposed changes to the auto insurance system benefit consumers and that they're behind them.

As partners in the property and casualty insurance industry, we want that too. In all of the industry's advocacy efforts to government (before, during and after elections), we focus on Albertans and what they need. Our business puts the interests of the consumer at the forefront all the time, why wouldn't our advocacy efforts?

When it comes to insurance, consumers want change they can get behind, change that benefits them. They want convenient, affordable services tailored to their individual needs and circumstances. They want and deserve more choice and customization. It exists now in their

communication, transportation and entertainment worlds, just to name a few. Why not from their insurance provider?

Drivers must keep a pink paper slip in their wallets as proof of insurance but can show a boarding pass on their cellphones to fly anywhere in the world.

This opportunity would allow our industry to provide consumers with

“(Consumers) will support legislative and regulatory changes that remove costs from the system if, and only if, they can see how these changes will benefit them.”

a product they have come to expect, and while we are working on these changes, we could introduce cost-saving measures too. Surveys show that the price of insurance is a (if not “the”) top priority for insurance customers.

The opportunity to deliver this product is possible. Removing outdated and cumbersome regulations will allow us to better serve our customers. We

can deliver an up-to-date product at an affordable price, and an opportunity awaits our provincial government to facilitate this.

## Everybody Wins

This is how we reconcile the industry's two problems. Bringing Alberta's insurance industry into the 21st century and delivering cost-saving measures is a win-win-win.

Government decision-makers win because they are delivering legislation and regulation that benefit Albertans. Brokers, agents and insurers win because we are able to provide products that are in lock-step with consumer expectations at an affordable price.

Most importantly, Albertans win. They have the products they want, the conveniences they expect and premiums at prices they consider fair. Well, perhaps that last point is a bit of a stretch. Consumers rarely welcome their premiums regardless of price and, as a consumer, I understand that.

**CELYESTE POWER**  
Vice President,  
Western (Acting),  
Insurance Bureau  
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# Top 10 Ways to Protect Yourself Against Phishing Attacks

by Roderick Bauer

It's hard to miss the increasing frequency of phishing attacks in the news.

## What is Phishing?

Phishing attacks use seemingly trustworthy but malicious emails and websites to obtain your personal account or banking information. The attacks are cunning and highly effective because they often appear to come from an organization or business you actually use. The scam comes into play by tricking you into visiting

a website you believe belongs to the trustworthy organization, but in fact is under the control of the phisher attempting to extract your private information.

Phishing attacks also make the news with high profile ransomware incidents. Ransomware invades a user's computer, encrypts their data files, and demands payment to decrypt the files. Ransomware most often makes its way onto a user's computer through a phishing exploit, which gives

the ransomware access to the user's computer.

The best strategy against phishing is to scrutinize every email and message you receive and never to get caught. Easier said than done—even smart people sometimes fall victim to a phishing attack. To minimize the damage in an event of a phishing attack, backing up your data is the best ultimate defence and should be part of your anti-phishing and overall anti-malware strategy.



## How Do You Recognize a Phishing Attack?

A phishing attacker may send an email seemingly from a reputable credit card company or financial institution that requests account information, often suggesting that there is a problem with your account. When users respond with the requested information, attackers can use it to gain access to the accounts.

The image to the right is a mockup of how a phishing attempt might appear. In this example, courtesy of Wikipedia (<https://en.wikipedia.org/wiki/Phishing>), the bank is fictional, but in a real attempt the sender would use an actual bank, perhaps even the bank where the targeted victim does business. The sender is attempting to trick the recipient into revealing confidential information by getting the victim to visit the phisher's website. Note the misspelling of the



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words "received" and "discrepancy" as *recieved* and *discrepency*. Misspellings sometimes are indications of a phishing attack. Also note that although the URL of the bank's webpage appears to be legitimate, the hyperlink would actually take you to the phisher's webpage, which would be altogether

different from the URL displayed in the message.

## Top 10 Ways to Protect Against Phishing Attacks

1 Always think twice when presented with a link in any

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kind of email or message before you click on it. Ask yourself whether the sender would ask you to do what it is requesting. Banks and reputable service providers won't ask you to reveal your account information or password via email. If in doubt, don't use the link in the message and instead open a new webpage and go directly to the known website of the organization. Sign in to the site in the normal manner to verify that the request is legitimate.

**2** A good precaution is to always hover over a link before clicking on it and observe the status line in your browser to verify that the link in the text and the destination link are in fact the same.

**3** Phishers are clever, and they're getting better all the time, and you might be fooled by a simple ruse to make you think the link is one you recognize. Links can have hard-to-detect misspellings that would result in visiting a site very different than what you expected.

**4** Be wary even of emails and message from people you know. It's very easy to spoof an email so it appears to come from someone you know, or to create a URL that appears to be legitimate, but isn't.

For example, let's say that you work for roughmedia.com and you get an email from Chuck in accounting (chuck@roughrmedia.com) that has an attachment for you, perhaps a company form you need to fill out. You likely wouldn't notice in the sender address that the phisher has replaced the "m" in media with an "r" and an "n" that look very much like an "m." You think it's good old Chuck in finance and it's actually someone "phishing" for you to open the attachment and infect your computer. This type of attack is known as "spear phishing" because it's targeted at a specific individual and is using social engineering—specifically familiarity with the sender—as part of the scheme to fool you into trusting the attachment. This technique is by

far the most successful on the internet today.

**5** Use anti-malware software, but don't rely on it to catch all attacks. Phishers change their approach often to keep ahead of the software attack detectors.

**6** If you are asked to enter any valuable information, only do so if you're on a secure connection. Look for the "https" prefix before the site URL, indicating the site is employing SSL (Secure Socket Layer). If there is no "s" after "http," it's best not to enter any confidential information.

**7** Avoid logging in to online banks and similar services via public wifi networks. Criminals can compromise open networks with man-in-the-middle attacks ([https://en.wikipedia.org/wiki/Man-in-the-middle\\_attack](https://en.wikipedia.org/wiki/Man-in-the-middle_attack)) that capture your information or spoof website addresses over the connection and redirect you to a fake page they control.

**8** Email, instant messaging and gaming social channels are all possible vehicles to deliver phishing attacks, so be vigilant!

**9** Lay the foundation for a good defence by choosing reputable tech vendors and service providers that respect your privacy and take steps to protect your data.

**10** When it is available, always take advantage of multi-factor verification to protect your accounts. The standard categories used for authentication are 1) something you know (e.g., your username and password), 2) something you are (e.g., your fingerprint or retina pattern), and 3) something you have (e.g. an authenticator app on your smartphone). An account that allows only a single factor for authentication is more susceptible to hacking than one that supports multiple factors.

## Protect Others

It's important to also be a good internet citizen and help reduce phishing and other malware attacks by notifying the organization being impersonated in the phishing attempt or by forwarding suspicious messages to the Canadian Anti-Fraud Centre. Some email clients and services, such as Microsoft Outlook and Google Gmail, give you the ability to easily report suspicious emails. Phishing emails misrepresenting Apple can be reported by sending an email to [reportphishing@apple.com](mailto:reportphishing@apple.com).

## Prepare for the Worst

The best way to avoid becoming a victim is to be vigilant against suspicious messages and emails, but also to assume that no matter what you do, it is very possible that your system will be compromised. Even the most sophisticated and tech-savvy of us can be ensnared if we are tired, in a rush, or just unfamiliar with the latest methods hackers are using. Remember that hackers are working full-time on ways to fool us, so it's very difficult to keep ahead of them.

The best defence is to make sure that any data that could be compromised by hackers—basically all of the data that is reachable via your computer—is not your only copy. You do that by maintaining an active and reliable backup strategy.

Files that are backed up to the cloud are not vulnerable to attacks on your local computer in the way that local files, attached drives, network drives or sync services like Dropbox that have local directories on your computer are.

In the event that your computer is compromised and your files are lost or encrypted, you can recover your files if you have a cloud backup that is beyond the reach of attacks on your computer.

*Roderick Bauer is content director at Backblaze ([www.backblaze.com](http://www.backblaze.com))*



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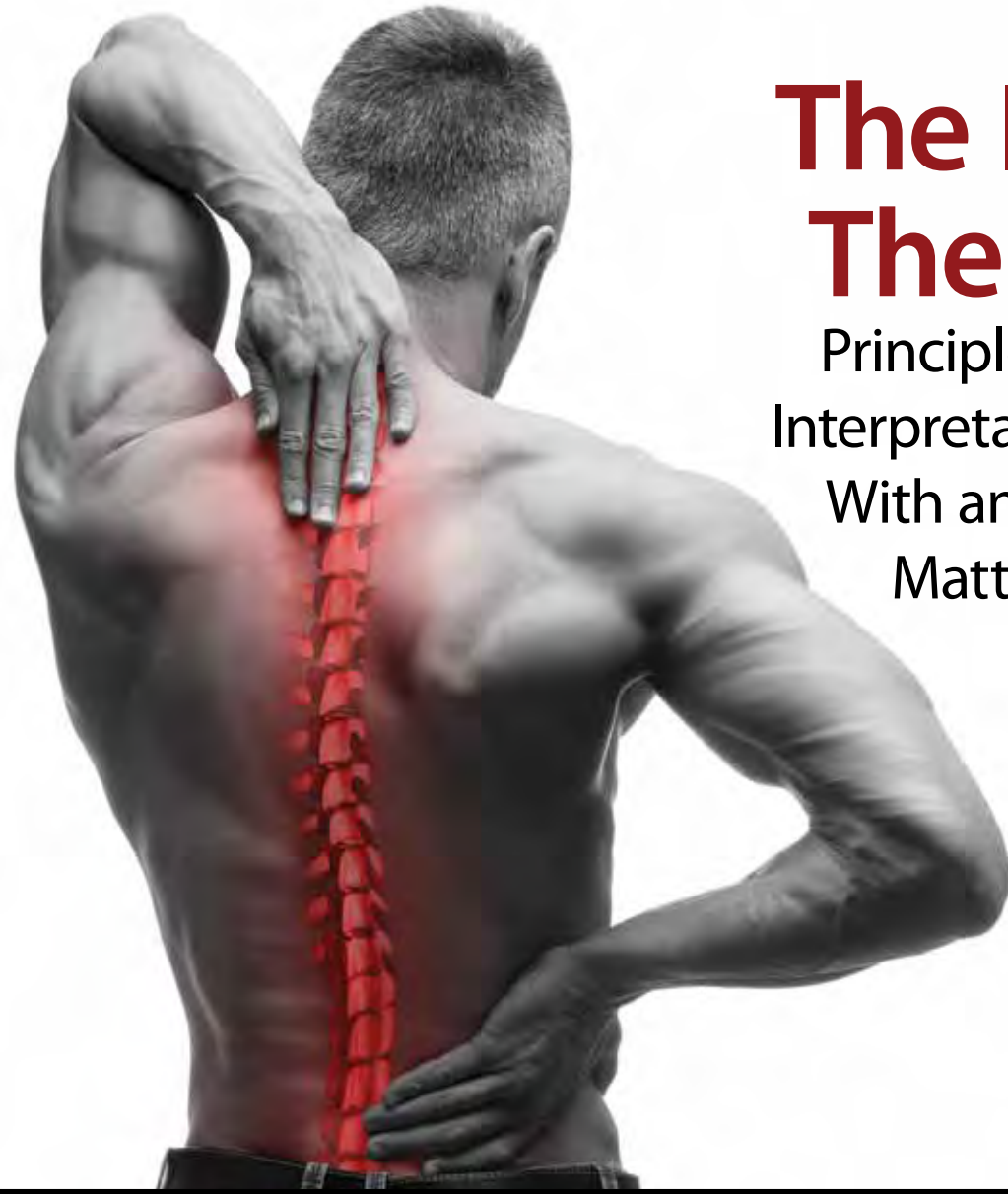
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# The Injured & The Restless

Principles of Contractual Interpretation Leave Insured With an Uphill Battle for Mattress Coverage

## Interpreting Contracts

The general principles of contractual interpretation require a decision-maker to read the contract before them as a whole, giving the words used their ordinary and grammatical meaning, in a manner consistent with the surrounding circumstances known to the parties at the time of formation of the contract. While remaining faithful to the actual language of a contract and without deviating from those words, the decision-maker may consider surrounding circumstances (often called the “factual matrix”) to aid in contractual interpretation.

## Standard Form Contracts Are Unique

These principles are set out by the Supreme Court of Canada (the “Supreme Court”) in *Creston Moly Corp v Sattva Capital Corp*<sup>1</sup> and they apply broadly. However, subsequent to *Sattva*, courts disagreed on whether the interpretive principles articulated in that decision also applied to standard form contracts—some appellate courts said they did, some said they did not. As a result, two years later, the Supreme Court clarified in *Ledcor Construction Ltd v Northbridge Indemnity Insurance Co*<sup>2</sup> that standard form contracts (e.g., insurance contracts) are unique and must be treated as an

exception to the general principles from *Sattva*. The Court in *Ledcor* observed that the interpretation of standard form contracts has precedential value, since the same language will appear in similarly worded contracts across jurisdictions, and there is no meaningful factual matrix that is specific to the parties that could assist with the interpretation process.

## Interpreting Insurance Contracts

As such, insurance contracts have their own unique set of interpretive principles that differ in meaningful ways from the general principles of contractual interpretation that apply at large. The principles that apply to insurance contracts were summarized by the Supreme Court in *Progressive Homes Ltd v Lombard General Insurance Co<sup>3</sup> of Canada*:

1. When the language of the policy is unambiguous, the court should give effect to clear language, reading the contract as a whole.
2. Where the language of the policy is ambiguous, the court should:
  - a. prefer interpretations that are consistent with the reasonable expectations of the parties, so long as such an interpretation can be supported by the text of the policy;
  - b. avoid interpretations that would give rise to an unrealistic result or that would not have been in the contemplation of the parties at the time the policy was concluded; and
  - c. strive to ensure that similar insurance policies are construed consistently.
3. If and when the above rules fail to resolve the ambiguity, the court should construe the policy *contra proferentem*, i.e., against the insurer, with the corollary that coverage provisions are interpreted broadly and exclusion clauses narrowly.<sup>4</sup> The cumulative result of these

Supreme Court decisions is a firm and established interpretive framework within which courts will determine the meaning of provisions in standard form contracts of insurance.

## An Alberta Case

Alberta's standard automobile policy, the SPF 1, is a standard form contract. It is not negotiated between parties on a clause-by-clause basis, as, in fact, content is stipulated

by provincial legislation. More specifically, Section 573 of Alberta's Insurance Act enables the Automobile Accident Insurance Benefits Regulation, which in turn provides the specific language for Section B Accident Benefits ("Section B") of the SPF 1.

A recent Alberta decision puts the interpretive framework for insurance contracts into practice with respect to a provision of Section B.



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In *Rahall v Intact Insurance Company*,<sup>5</sup> the Plaintiff, Mohamed Rahall (“Mr. Rahall”), sued the defendant, Intact Insurance Company (“Intact”), on the basis of the latter’s refusal to pay for an Intellibed mattress (the “mattress”). The claim centred on the interpretation of provision 1(b) of subsection 1 of Section B of the SPF 1, which reads:

(1) *In respect of...*

(b) *injuries...*

*all reasonable expenses incurred within 2 years from the date of the accident as a result of those injuries for necessary medical, surgical, chiropractic, dental, hospital, psychological, physical therapy, occupational therapy, massage therapy, acupuncture, professional nursing and ambulance services and, in addition, for other services and supplies that are, in the opinion of the insured person’s attending physician and in the opinion of the Insurer’s medical advisor, essential for the treatment or rehabilitation of the injured person.*

Mr. Rahall argued that Intact breached the terms of his SPF 1 policy, and he applied to amend his original claim to include a claim for bad faith against Intact. At the same time, Intact applied for summary dismissal of the entire claim on the basis that it lacked merit.

In her decision, Judge Corbett reviewed the facts underlying the claim. Mr. Rahall had been in a motor vehicle accident in October 2017 and, as a result, sustained personal injuries. He was covered by his SPF 1 policy with Intact at the time and was accordingly entitled to Section B benefits. In February 2018, Mr. Rahall contacted Intact to ask about coverage for the mattress, which he intended to buy, and was told that coverage was limited to medical supplies that were essential to his rehabilitation, which the mattress was not. Mr. Rahall indicated that he had a letter from his physician, Dr. Salem, to the contrary.

Intact persisted in its denial of coverage for the mattress under Section B, and Mr. Rahall sued. Intact then scheduled an appointment for Mr. Rahall with Dr. Greidanus, a certified independent medical examiner. After assessing Mr. Rahall, Dr. Greidanus was of the opinion that Mr. Rahall would not

coverage for the mattress. Further, Mr. Rahall was up against a number of persuasive precedents that interpreted provisions that were substantially similar to provision 1(b).

Judge Corbett reviewed the law as set out in *Ledcor* and *Progressive Homes* and, applying it to provision 1(b), found no ambiguity in its language. After also considering the precedential case law on similar provisions, she concluded: “These authorities confirm my view that the policy would only cover the mattress as ‘essential for rehabilitation’ by Dr. Salem if Dr. Greidanus agreed with that recommendation. Dr. Greidanus did not agree with Dr. Salem that the mattress was ‘essential’ for Mr. Rahall’s ‘rehabilitation.’

In my view, there is no issue of merit requiring a trial. ... The policy clearly requires both Dr. Greidanus and Dr. Salem to agree on this point for the mattress to be covered.”<sup>6</sup>

Granting Intact’s application for summary dismissal, Judge Corbett then considered Mr. Rahall’s application to amend his original claim to include a claim for bad faith. Unfortunately for Mr. Rahall, his application to amend was denied. Although there was no significant procedural impediment to the amendment, there was a substantial substantive one. Judge Corbett found that, even though the breach of the duty of good faith is an independent cause of action, it could not exist without an underlying breach of the policy. Therefore, because she had



... insurance contracts have their own unique set of interpretive principles ...



needed the mattress because his injuries from the accident had resolved, and the exam did not show any further impairments.

Arguably, on these facts, the writing was on the wall for Mr. Rahall, and his claim was bound to fail. First, the policy wording is clear and unambiguous: Section B would only cover the mattress if both the insured’s physician and the insurer’s advisor were of the opinion that it was essential for the rehabilitation of the insured. Although Dr. Salem opined that it was, Dr. Greidanus disagreed. As the policy wording is conjunctive, requiring both opinions to be favourable, Mr. Rahall had failed to meet the plain requirements for

## Contra Proferentem

(Latin: “against [the] offeror”) also known as “interpretation against the draftsman,” 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.

Source: investopedia.com

found that Intact did not breach the policy, she also held that there was no claim for bad faith.

## The Challenge for Insureds

The decision in *Rahall* provides a good example of how the principles of contractual interpretation apply to standard form contracts of insurance. It also illustrates the unique challenges that insureds face when arguing over coverage. When compared to the interpretation of contracts generally, insureds in coverage disputes have fewer tools at their disposal with which to argue against the words written in their policy. For instance, there is no real “factual matrix” or “surrounding circumstances” to consider while assessing the language of a contract and the intention of the parties—the policy wording dominates. Further, the weight of precedent is high. Courts have more persuasive (and potentially binding) judicial commentary at their disposal than may exist in other contexts. Unfortunately for Mr. *Rahall*, the plain wording of provision 1(b) and the direction of decisions in similar cases positioned him for an uphill battle that he was not ultimately able to win.

## Seem Unfair?

If this ruling seems unfair, it is important to remember a few things. For instance, the policy wording is legislated and comes from the Automobile Accident Insurance Benefits Regulation. Through this legislation, insurers have been given the right to obtain their own advice on the matter and the right to play that legitimate advice as a trump card (though this is no *carte blanche* for issuing denials, as insurance contracts are contracts of utmost good faith). In cases like these, insurers are entitled to the benefit of a right granted through clear policy language because, on

the flip side, when policies contain unresolvable ambiguities, insurers will have to bear the burden of *contra proferentem*.

- <sup>1</sup> 2014 SCC 53, 2014 CarswellBC 2267
- <sup>2</sup> 2016 SCC 37, 2016 CarswellAlta 1699
- <sup>3</sup> 2010 SCC 33, 2010 CarswellBC 2501
- <sup>4</sup> *Ibid* at paras 22–24
- <sup>5</sup> 2019 ABPC 11, 2019 CarswellAlta 101
- <sup>6</sup> *Ibid* at paras 73–74



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# Summertime, and the Living Ain't Easy for Brokers

**S**ummer, that amazing time when we trade our parkas and winter boots for tank tops and sandals. While many embrace the fun in the sun that summer brings, it also brings challenges for insurance professionals.

With summer comes the dreaded “H” word. Hail is a leading cause of

claims and insurance payouts almost every year. This unpreventable loss affects rates, people and property like no other. Weather in Alberta has become increasingly expensive, leading to more than \$5 billion in payouts between 2010 and 2017. Some insurance companies are even starting to offer extra money in the event of a

loss to help cover the increased cost of replacing the damage with hail-resistant materials such as cement-board siding and rubber roofs. Do our clients know about that coverage and understand what it means in the event of a loss?

We also see an increase in recreational activities. Personally, I



love heading to the lake to fish or sitting around a fire with friends, but, professionally, I worry whether my friends and clients know what they're covered for. Is the truck used to pull the trailer a work truck? Does the company allow the driver to pull a trailer? Some companies have given work trucks to employees for personal use as well as commercial use but have advised their employees that they will not cover losses involving trailers the company does own. What does that mean for your clients? Hopefully they'll call to their broker to understand the ramifications of pulling that trailer. What about the limits of liability? Not all recreational trailer policies are created equal. Does the liability extend only to within the trailer, or does the liability extend to the entire campsite? If the trailer has to be left in a campsite by a river when the roadways become impassible with a trailer, is overland water covered? The question comes down to how is this trailer is used and where the clients are taking it.

Some companies have limited use by underage operators on boats and all-terrain vehicles. Other companies, however, follow the marine code

for boats, meaning that operators as young as twelve could be operating small, low horse-powered boats. Which coverage do your various clients need? Have they been matched with the best market? Even though summer is our busy season, we need to have these conversations to ensure both our clients and ourselves are covered.

We're also seeing a change in the way people travel. While people used to stay in hotels, short-term home rentals have become increasingly popular. So popular that some companies have also started to offer coverage for short-term rentals. It's our job to ensure that clients understand all the risks. Even the way they advertise the rental can affect their coverage since many policies require advertising to be on a website that is exclusively for rentals (e.g., Airbnb). Advertising independently on Facebook Marketplace or Kijiji may void their coverage. (Airbnb may promote through these social sites, but the client cannot create the listing.) Without obtaining the appropriate coverage and conforming to all the conditions, our insured could face a huge bill if the claim is denied or

declined, and we could face an E&O claim.

Another point of contention could be liability limits. Is \$1 million enough on a personal policy, especially if clients are driving kids and their friends to the beach for the day? I think we can all agree that \$200,000 isn't. Liability limits are a year-round function. When was the last time you had that discussion with your clients? Umbrellas are an awesome option for clients (and not just to keep out of the sun). Policies like these can help by placing limits on vehicle rentals for clients that travel and increasing liability for clients with multiple vehicles and properties.

Insurance in our current market and climate isn't easy. It comes down to taking the time, even in the busy summer season, to ensure that our clients understand and have the best coverage and policies in place to fit their lifestyle.

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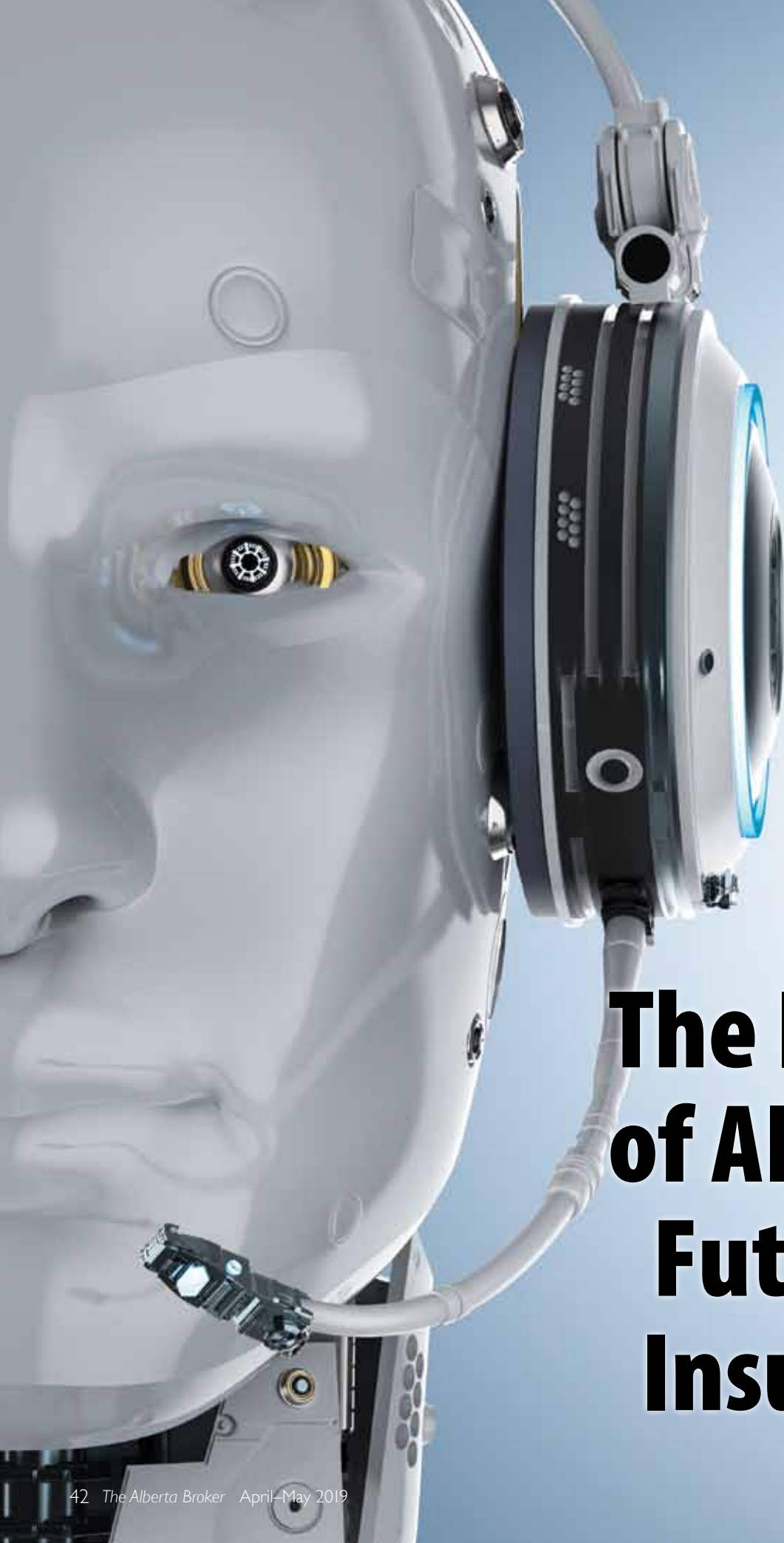
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# The **IMPACT** of AI on the Future of Insurance

by Catherine Smola

Your smartphone's alarm marks the start to a new day. You ask your Alexa smart speaker to play music suggested for you and glance at your Fitbit data from yesterday. While the coffee's brewing you scan the news, curated for you, on your smartphone. You settle into your favourite chair to quickly answer a few emails and schedule appointments using your Google Assistant app.

Before you've left for work, you've used Artificial Intelligence (AI) 10 or more times.

It's no surprise that consumers today expect insurance to offer the customization and ease that AI brings to so many other interactions.

The demand is only growing as technology changes drastically in the next decade. By 2020, over 20.4 billion "things" will be "connected." A recent report by global management consulting firm McKinsey, "Insurance 2030—The impact of AI on the future of insurance," predicts that by 2025, buildings constructed with 3D-printed components could be a reality. By 2030, 25% of cars on the road may be self-driving. Within a decade, we could be using autonomous farming equipment and enhanced surgical robots.

## AI Will Transform Insurance

According to McKinsey, AI will take insurance from a current state of "detect and repair" to "predict and prevent," transforming every aspect of the industry in the process. "It will shift risk pools, change customer expectations, enable new products and channels."

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## This Newest Revolution Is Already Underway

In fact, insurance companies are already using AI. While it's generally been back office usage, it's quickly moving to the forefront of experiences according to a report by Accenture, a global professional services company, "AI-How Smarter Technologies Are Transforming the Insurance Industry." Insurers are using drones and apps to assess damage and streamline claims. They are relying less on tables and trends and are assessing real risk using telematics to tie actual driving habits to risk—and then to rates. Interactions are changing thanks to chatbots that assist customers and digital coaches that walk brokers through new products.

## Endless Data Means Unlimited Personalized Experiences

All of these connections create a treasure trove of data about each of us. While there's far too much data for humans to make sense of, it's just what AI needs to "get to know" each of us and create a profile of our health, habits and preferences.

There are many advantages for brokers:

- You'll have data that allows you to know your client—and even your prospects—and really understand their needs, even if you only see them once a year.
- You'll spend more time on building relationships and less time on paperwork and prospecting that can be automated effectively with AI.

- Your customers' experience will be enhanced through AI that efficiently takes care of routine customer service tasks.

Consumer benefits include:

- Truly personalized products, with pricing based on how safe or risky each person's behaviour is, rather than general aggregated data.

You'll spend more time on building relationships and less time on paperwork and prospecting that can be automated effectively with AI.

- Telematics and other connected devices will provide the data to recommend the right product bundle, at the right cost. And it will adjust as their lives change.
- Claims that are less time-consuming and more convenient. A smartphone app can send pictures of damage to a vehicle, for instance. Rather than a manual, in-person inspection, AI will inspect and pay out a claim. And AI will keep track of all claims data, making it faster and easier to spot anomalies.

## What Does it Mean for the Insurance Industry

Clearly the pace of change, personalization, product categories and pricing are all going to increase

rapidly. Relationships will change but with the added bonus of depth and knowledge in our interactions. The ability to analyze the influx of data will bring the benefits of AI to consumers, brokers and carriers sooner rather than later.

Technology is only part of the solution. Working together is going to be the key to adopting AI in insurance. The exponential increase in data across devices and platforms is going to make data standards and coordinated projects ever more important for anybody with a role in this industry.

Companies like Element AI, a CSIO member, are rapidly bringing AI to insurance solutions. Recently named one of the fastest growing Canadian tech companies, Element AI was founded in 2016 by entrepreneur Jean-François Gagné and world-renowned deep learning pioneer Yoshua Bengio. Its vision is to partner with academic and business communities to turn collaborative research into products that solve real world problems. Charles Dugas, head of insurance of Element AI is the keynote speaker at CSIO's 2019 Members' Meeting on April 16. His presentation: "AI: Setting the Stage for Systems of Intelligence," describes how AI is reshaping the insurance landscape and how organizations can build future systems based on their current needs.

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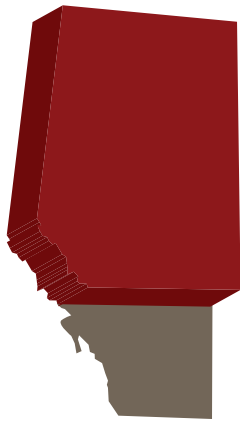
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# NORTHERN EXPOSURE

## BROKER NEWS

- Congratulations to MBS Insurance Brokers Ltd. who celebrated its 50th anniversary April 2, 2019. Peter Marusin and Doug Biggs started Marusin/Biggs Insurance Brokerage in April 1969. They then purchased Sorenson Insurance and changed the name to MBS Insurance Brokers Ltd. The current owners are Dale Nilson and Jeff Hughson.
- Caliber Insurance Brokers is proud to announce it raised \$250.50 and 130 lbs for the Edmonton Food Bank. With any food or monetary donation, donors put their names in for a draw for a basket of wine, glassware, \$100 Joey's restaurant gift card and a pair of club seats to the January 10 Oilers game. This is the 4th year the brokerage has raised funds for the food bank. The winner of the basket was Lindsey Schroeder from Portage Mutual Insurance.



Lindsey Schroeder,  
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- Insurance Discounts Ltd. in Sherwood Park welcomes new employee Cathy Desnoyers.
- Congratulations to Leighton Ringrose on his retirement after 35 years in the industry. Leighton ran his own brokerage, Leighton Insurance, in Provost. In 2017, he sold to Stalco Insurance, where he continued to work until his retirement at the end of February.
- Challenge Insurance was acquired by BrokerLink in January, and on February 1, Lloyd Sadd acquired Pratt, Lambert and Brown and its subsidiary Mybrokers.ca.

## COMPANY NEWS

As of January 2019, Ingrid Butler-Sieben moved to Aviva Canada as broker relationship manager. Over at SGI, Brent Sierpinski joined its ranks in December in the position of commercial property underwriter.

## INDUSTRY PARTNERS & PROFESSIONAL ORGANIZATIONS

- Ken Reed joined Whitehall Investigations Canada in the position of accident reconstruction and crash data recovery (CDR) specialist covering all of Alberta. Whitehall Investigations Canada also announced the appointment of Tyler Argus as investigations manager for Alberta and Prairie provinces.
- The Edmonton Insurance League hosted its annual Sip and Slip on February 2. They held a silent

auction and 50/50 draw with all proceeds being donated to WICC.

- On January 31, CEP-Sintra announced the acquisition of Baker Materials Engineering to consolidate its position as Canada's largest forensic engineering firm. This addition to the CEP-Sintra family gives the company the capacity to better serve its western and national clients with over 20 experts in Western Canada.
- On March 5, ClaimsPro announced its acquisition of Alberta-based New West Adjusters (NWA).
- New West Adjusters is an independent adjusting firm that has been providing claims services to the insurance industry throughout Alberta since 2004. The media release stated, "With a very localized presence, partnering with NWA enables ClaimsPro to add more capacity to its talent base in Edmonton."

## BIRTHS

Congratulations to Hailie and Josh Wispinski. On February 1, they welcomed their first child, darling daughter Adalyn Claire Wispinski. Hailie is Most Loyal Gander of the Blue Goose Edmonton Pond and works with Wawanesa.

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