

# BROKER

THE ALBERTA

THE BROKERS ASSOCIATION OF ALBERTA

## CRISIS MANAGEMENT

Tackling the Auto Challenge

Talking to Customers  
About Wildfires

Taking Our Message to  
Parliament Hill

Teaching Teens  
About Insurance

and more—

Member deals  
are waiting  
for you



Head to the  
back cover to  
find out more!



August–September 2019

Cdn Publication Mail Registration 40018149



**...WHAT NOW?**



**LYDALE®**

Disaster Clean-up & Construction Services



**24/7  
EMERGENCY**

EDMONTON, AB  
780-822-1200

CALGARY, AB  
403-571-1200

SASKATOON, SK  
306-934-6116

REGINA, SK  
306-751-4868 |

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



# contents

FEATURE  
**CRISIS MANAGEMENT**  
Tackling the Auto Challenge



# 08

# 18



POLITICS  
**PERSONAL DELIVERY**  
Taking the Broker Message to the Hill

IBC INSIGHT  
**PREPARING AND RESPONDING TO WILDFIRES**



# 22

# 26



PYIB PERSPECTIVE  
**GETTING SCHOOLED**  
Brokers Arming Teens With Insurance Knowledge

LEGAL-EASE  
**YOU CAN'T ALWAYS GET WHAT YOU WANT**  
Insured Demands Video-Recorded Medical Exam



# 28

## departments

04 PRESIDENT'S MESSAGE

21 IBAA COURSE CALENDAR

06 NORTHERN EXPOSURE

24 CHINOOK COUNTRY REPORT

16 IBAA AT WORK

## THE ALBERTA BROKER

August–September 2019

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** Vicki Livingstone  
**Chief Executive Officer** George Hodgson

Published six times annually by:



3 Deacon Lane, Sherwood Park, Alberta T8H 1M7  
T: 780.945.1934 • E: AlbertaBroker@LinkPR.ca

**Publisher and Editor** Annette Hubick  
**Advertising** Michele Schuldhuis 780.910.2601 Michele@LinkPR.ca

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.

Material in The Alberta Broker may be reproduced with the credit to the author and the following: "Reprinted from the Insurance Brokers Association of Alberta's magazine - The Alberta Broker (date)." Please send a copy to the publisher.



Vicki Livingstone

# President's Message



What can I say? IBAA's May convention started with a snow storm and ended with a tropical party, which included a mechanical shark that is still being talked about!

The start to my term as president has been very busy. We heard a lot of talk at the convention about things that could be done to help in the fight with the auto insurance crisis in Alberta. I am happy to report that soon after the convention, we struck up the Government Insurance Regulatory Review Task Force (GIRR). The task force is comprised of 10 volunteers representing various industry perspectives. GIRR's main mandate is to gather information for a white paper that will outline proposed changes to auto insurance regulation. Thankfully, a lot of the work was already well underway, as we set an ambitious goal to have the white paper ready to present the week of July 8. We continue to work diligently to make auto insurance available and affordable to the consumer while maintaining a sustainable product for the markets. We also aim to reduce regulation and get more people working in the industry.

Brokers have an important role to play in achieving the task force's goal, especially in the area of of consumer education. As brokers, a huge part of our role is educating our customers so they understand insurance and how it both protects and impacts them. We are not just selling a product; we are also selling a service. In order to service our clients effectively, we have to understand what is happening in our industry and why the markets are making the drastic changes that they are. We can provide this service best by educating ourselves and in turn educating our clients. Clients can then help advocate with government. Have your clients go speak to their MLAs about the problems

they are having obtaining coverage or getting payment plans. Gather a few fellow brokers and go visit your MLA. Get the word out to government that it's time for a change

to auto insurance in Alberta! We stand a stronger chance at effecting change if we form a united front.

I am very excited about the progress we are making. A lot of work is still to be done with auto insurance in Alberta, and it will not be done overnight, but we have a good start and will continue to work with our clients, our markets and the government over the coming months.

"Brokers have an important role to play in achieving the task force's goal, especially in the area of of consumer education.."

**Creating links**  
between you and your market

**Whether you need us to create one link or the whole chain, think ...**

**LINK PR**

**Your off-site, in-house professional marketers**  
Proud publishers of *The Alberta Broker*

**ANNETTE HUBICK** E: Annette@LinkPR.ca T: 780.945.1934  
**MICHELE SCHULHAUS** E: Michele@LinkPR.ca T: 780.910.2601



# MUTUAL FIRE INSURANCE

## Introducing **Mutual FarmPROTECT**

*The Innovative Solution for Tomorrow's Farmers*

At Mutual Fire Insurance, we know that our insureds have unique operations with different needs. The next generation is connected, innovative, and environmentally conscious: FarmPROTECT is designed for the future of farming.

Learn more about FarmPROTECT at:  
[mutualfirebc.com/FarmPROTECT](http://mutualfirebc.com/FarmPROTECT)

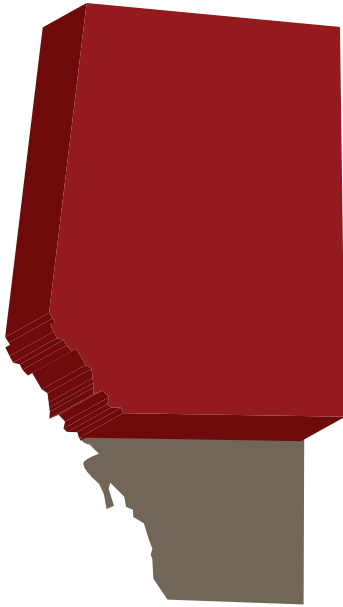
[info@mutualfirebc.com](mailto:info@mutualfirebc.com)  
[mutualfirebc.com](http://mutualfirebc.com)

Follow Us



This is a general description of coverage available. Actual policy conditions govern. Subject to risk acceptance. The Mutual Fire Insurance logo and trademarks are administered by The Mutual Fire Insurance Company of British Columbia.





# NORTHERN EXPOSURE

## BROKER NEWS

- June brings lots of reasons to celebrate at Caliber Insurance Brokers. Celebrating employee anniversaries in June were Gavin Radzick (two years) and Cheryl Ogilvie (3 years), while the brokerage itself marked four years in business.
- Demers Insurance in Bonnyville was purchased by Navacord (Lloyd Sadd), with Guy Demers buying shares in Navacord and staying on as president and CEO (and managing shareholder) of Demers Insurance.
- In May, BrokerLink purchased JDR Athabasca from Tailor Made Insurance.
- Tailor Made Insurance is pleased to announce the purchase of Insurance Discounts Limited. Previous owner Sid Knippel will be retiring from the business, and the rest of the staff will continue to provide service for their clients.
- Rogers Insurance acquired A-WIN Insurance effective March 1, 2019. A-WIN remains a subsidiary of Rogers Insurance and business continues as usual.

## INDUSTRY PARTNERS & PROFESSIONAL ORGANIZATIONS

Summer is a quiet time for our associations, other than on the golf course. The Insurance Professionals of Calgary is hosting a golf tournament at the River Spirit Golf Club on August 15. Visit their website for registration info. Watch your IBAA website for the local council golf tournaments.

## RETIREMENTS

Congratulations to Bob McCracken on his retirement (a sure thing this time) effective June 6, 2019. Bob retired from Aviva after working in the industry since 1968. That's

51 years! Over those 51 years, Bob was employed by 10 different companies, worked in about every position possible in the industry and moved nine times. Bob had a couple of stints out of the industry working for a pulp mill in Campbell River in the 70s and after his first retirement in 2009, he worked at the Home Depot. That's some career! Congratulations, Bob—you deserve to relax and enjoy the next chapter of your life story.

**TRACY FATA**  
Regional Underwriting  
Manager  
Portage Mutual  
[TFata@PortageMutual.com](mailto:TFata@PortageMutual.com)



**SGI CANADA**

## Meet the Farm Business Unit

At SGI CANADA, we're making the farm insurance experience better. Our Farm Business Unit is a dedicated team of experts committed to serving you, our brokers, and your farming and ranching customers.

**SGI CANADA's Farm Business Unit**  
Protecting farmers while they feed the world.

[sgicanada.ca/farm](http://sgicanada.ca/farm)



**THERE'S NOT AN APP FOR THIS**



**HAGERTY**  
FOR PEOPLE WHO LOVE CARS

INSURANCE. DRIVERS CLUB. CAR VALUES. ENTERTAINMENT. THE SHOP.  
🇨🇦 Drive with us. Hagerty.ca | 888-338-7942 | Local Broker

When making and model year as well as the property of their respective owners and do not represent any dealer. Not every specialty car of comparable value is available with Hagerty. © 2017 Hagerty Group, LLC. All rights reserved. Determine financial acceptance, membership and pay. And by non-insurance affiliates of The Hagerty Group, LLC. Hagerty, the Steering Wheel logo and HAGERTY, FOR PEOPLE WHO LOVE CARS, is a registered or business law trademarks of The Hagerty Group, LLC. © 2017 The Hagerty Group, LLC.





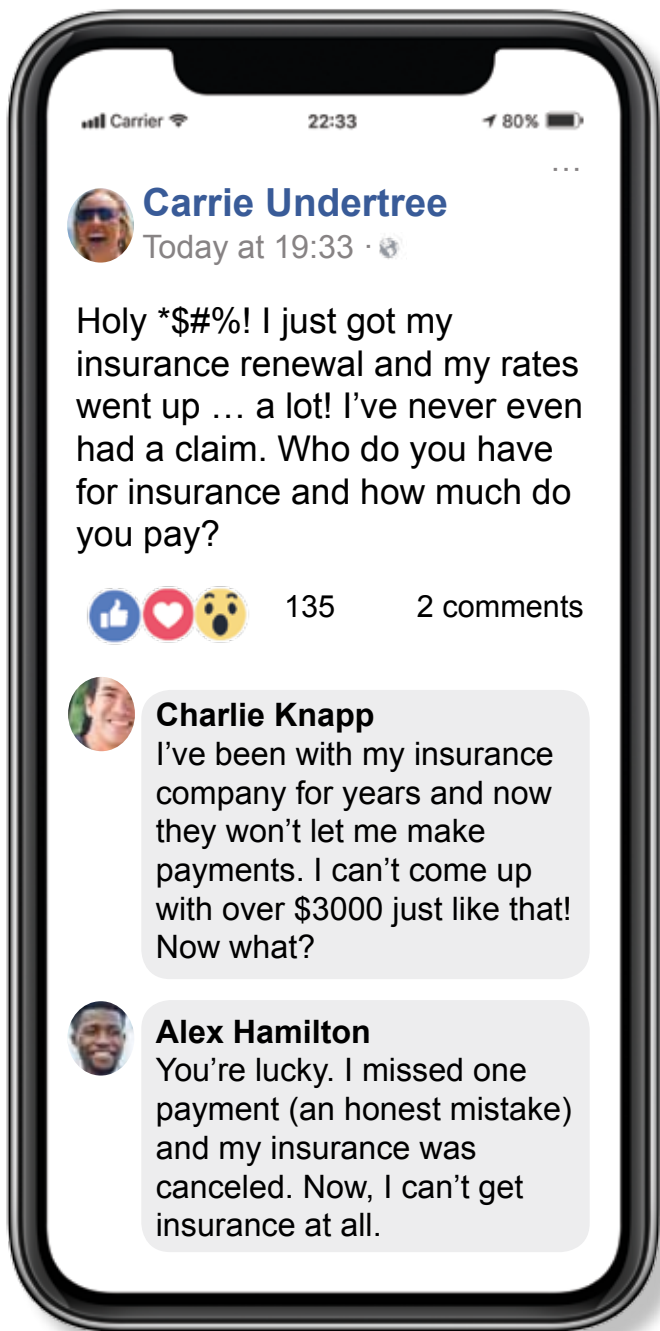




# CRISIS MANAGEMENT

Tackling the Auto Challenge

*by Annette Hubick*



Scroll through community Facebook group pages and you'll see variations of the above posts several times a week. People are frustrated and angry and they're not just expressing their frustration in social media; brokers are getting an earful, too. "Complaints are way up," says Jody Lohr, IBAA president elect. "I would say our managers spend 40 per cent of their day on this." Barry Haggis, Young & Haggis Insurance, confirms the uptick in call volume. "We used to get maybe three or four phone calls per week from people complaining about their premiums increasing with no claims. Recently that number has jumped to about 10 calls per day. We spend more time re-quoting and re-writing clients just to keep them in our office than we ever have."

Not only are brokers busy trying to service their current clients, the amount of prospective client quote inquiries

is skyrocketing. "Our office receives an overwhelming number of calls per day from consumers looking for access to payment plans and/or coverage that they are not able to get on their current policy," says Trevor Sodergren, Broker Age General Insurance.

While one would think a constant stream of new client prospects would be manna from heaven, the fact of the matter is that the business can be difficult to place. "Our offices used to write over 85 per cent of the business that we quoted and now, if we provided quotes for everyone who called, we would be lucky to close on 20 per cent," Sodergren shares. Time spent on that other 80 per cent is essentially wasted. "The challenge is identifying which clients you can help before your brokers spend an overwhelming amount of time 'trying' to help someone," he says.

Whether in mainstream or industry media, for the past two years, insurers have been sounding the alarm that the government-imposed cap on premiums, combined with increased claims costs (both physical damage and bodily injury), is unsustainable. People and vehicles are getting more expensive to repair and those costs are outstripping premium revenues. In response, many insurers are employing strategies to mitigate their losses and reduce their risk exposure.

"We are experiencing pressure from the insurance carriers to write less new business with that company, unless the customer is absolutely perfect. Tactics being used include full payment up front (so no premium financing), reduced coverage (most often no physical damage to be offered) and also complicated pre-approval processes designed to motivate our staff not to bother with that insurance company," says Douglas Morrow, Excel Insurance Group.

Sodergren offers examples of more subtle roadblocks such as, "... stricter guidelines on the insured producing vehicle inspection reports and removing the insurer rates from quoting systems so brokers don't even know what the insurer would offer for rate." It's the new reality, says Ravenhill Agencies' Caleb Maksymchuk. "The companies do not want to write one piece of new auto business—plain and simple. We are currently not able to actively seek new business and are being selective of those we even start a quote for."

But it's not just new clients who are experiencing tough treatment. "We are also seeing similar tactics being used for existing customer renewals; only the very best clients are seeing smooth renewal processes, with premium financing and full coverage," says Morrow. Insureds, who've been conditioned to receive renewal notices and pink cards and just keep paying monthly, are understandably shocked when they're being asked to reapply for the same insurance they've always had.

continued on page 12



# HELPING CANADIANS UNDERSTAND RISING INSURANCE RATES



**\$1.9 billion**

in insured losses over 2018 due to severe weather across Canada

Source: Insurance Bureau of Canada, 2019



**\$30 billion+**

per year spent across the P&C industry to manage and respond to fraudulent activity

Source: Insurance Information Institute, 2017

**\$70**

**vs.**

**\$520**

in average costs for maintenance and repair of one GMC vehicle (2007 vs. 2014)

Source: Consumer Reports, 2017



steady increase in housing prices in large Canadian cities such as Vancouver and Toronto, from 2010 to 2016

Source: CMHC, 2018

**\$5.2 billion**

per year on average claimed for home insurance in Canada from 2010 to 2013

Source: Insurance Bureau of Canada, 2015



It's a tough time for Canadians as the cost of home and auto insurance is going up. In a hard market, brokers play a critical role in helping consumers understand their options. Working with our broker partners, our goal is to educate Canadians with easy-to-understand information so they can make smart, confident decisions. Go to [economical.com/rateincreases](http://economical.com/rateincreases) to learn why rates are going up, and share the link with others.

**Insurance can be better**

[economical.com/rateincreases](http://economical.com/rateincreases)

PROPERTY | AUTO | BUSINESS

**economical**<sup>®</sup>

Economical Insurance includes the following companies: Economical Mutual Insurance Company, Family Insurance Solutions Inc., Sonnet Insurance Company, Petline Insurance Company. ©2019 Economical Insurance. All Economical intellectual property belongs to Economical Mutual Insurance Company. All other intellectual property is the property of their respective owners.

continued from page 10

I've spoken to hundreds of insurance brokers over the years, and almost all of them have said that the most rewarding aspect of their profession is the opportunity to provide solutions and peace of mind to their clients. Having to say, "Sorry, we can't help you," goes against their *raison d'être*. "... we have been saddled with the difficult task of not being able to meet our customers' needs. We are explaining and apologizing to our clients for things beyond our control and for problems for which we have no ability to solve," says Thom Young, Lundgren & Young.

## SIDE EFFECTS

IBAA president Vicki Livingstone is concerned about the increased demands on front line brokers. "My staff are reviewing, quoting and calling on every renewal, whereas in the past they were able to check over the renewal and quote or call only if there was a large increase or missing or new coverage that needed to be offered. This is causing a lot of extra work, and they are now struggling to keep up with their duties, which could mean things are getting missed and potential E&O exposure."

This highly demanding workload along with having to deal with an increasing number of unhappy clients can also have an impact on staff retention. "We have lost some young talent that went to different industries," reports Sharp Insurance's Shaun Driscoll. "They were new in their careers so were not as invested in insurance as older brokers. Getting and keeping young talent has been difficult." Jody Lohr agrees, "People are burning out, leaving for different roles, no longer wanting to be in sales. But, in the same breath, no one with experience is looking for jobs rights now."

And customers are getting it from both sides, says Thom Young.

"Claims departments are grossly understaffed and unable to find budgets for additional staff due to the losses being incurred. We routinely see two-to-three-week delays before our customers' claims are even acknowledged and months often go by before adjudication of even basic

"The challenge is identifying which clients you can help before your brokers spend an overwhelming amount of time 'trying' to help someone."

claims," he says. Not only does this make for unhappy clients, it puts another strain on the brokers already stressed workload. "Every broker I talk to is exasperated by the amount of work a simple claim report entails with two or three follow-ups and reporting back to the insureds that there's nothing they can do as the insurance company is swamped."

Other industries are being impacted by the auto insurance crisis, too. For example, auto dealerships lose business when a client can't get section C coverage for a \$70,000 new vehicle or it comes with a \$5,000 deductible. The purchaser can't get financing, and the deal falls through.

To say that the "auto crisis" is the number one issue on the minds of most insurance brokers would be a gross understatement. By all accounts, the topic dominated the discussions at the broker-only town hall meeting at May's IBAA convention. Despite all the prior work IBAA had done with the government on this issue, IBAA members wanted pressure ramped up. In response, on June 5, IBAA announced the formation of a task force aimed at developing sustainable solutions to Alberta's current auto insurance crisis.

## TAKING ACTION

The mandate of the task force is to ensure consumers have access to effective and affordable automobile insurance while maintaining a viable automobile insurance market in the province. The task force is chaired by IBAA board member Trevor Sodergren and IBAA president Vicki Livingstone and is made up of seven other IBAA member brokers from across the province. In July, the task force presented a white paper to Associate Minister of Red Tape Reduction Grant Hunter. The paper recommended changes to current automobile insurance regulations on such issues as exam equivalencies, electronic pink cards and the lifting of the auto premium cap.

"What everyone needs to be aware of is that this is not the worst it can get," says Maksymchuk. "The first thing that needs to happen in a multi-step, multi-stakeholder plan is for government to remove the rate cap and allow insurers to rate for liability accordingly so that they can at least break even." Douglas Morrow adds, "The five per cent rate freeze is the symptom not the cause. Fix the soft tissue cap as a priority and that will take a lot of pressure off. If carriers can see a path forward in good faith, with government correcting the obvious problems, a lot of these issues will ease. In the absence of that good faith 'fix,' expect insurance companies to continue to respond in kind with ever tougher rules."

While he's pleased to be involved on the task force, Sodergren stresses that individual brokers have an important role to play, too. "Take time out of your schedule to physically go see your MLAs and push them for reform on our current situation," he asks.

continued on page 14



# IBAA is moving!

As of September 3, 2019, you will find us at the address shown below. Our phone and fax numbers remain the same.

103, 9830 42 Ave NW  
Edmonton, Alberta T6E5V5



**TOP 10 COMMERCIAL  
APPETITE**

REMEASURED

**COMING SOON!**



Contact our Commercial Lines Team today at:  
Northern AB: [nabcomp@phgic.com](mailto:nabcomp@phgic.com)  
Southern AB: [sabcomp@phgic.com](mailto:sabcomp@phgic.com)

[PEACEHILLSINSURANCE.COM](http://PEACEHILLSINSURANCE.COM)

## COMMON PROBLEMS & SOLUTIONS

As everyone knows, effecting regulatory change takes time; but the problems of insureds, and the brokers who serve them, cannot be paused while the powers that be develop solutions. What are brokers supposed to do in the meantime? What follows is a compilation of responses from several brokers who answered my request for advice on a variety of auto insurance issues.

### Access to Payment Plans

- Utilize a third-party finance company. Caution: brokers still need to be selective about which clients they are giving access to financing. If they are placing too much ‘bad’ business with a market they do stand a chance of having that contract cancelled.
- Offer in-house financing to some clients.
- Remind them of the perils of driving uninsured or underinsured.

### Cannot Add Drivers to Commercial Auto Policies

State facts and ask clients to have potential employees come with abstracts.

### Coverage—Unable to Get Collision or Comprehensive Coverage

- Logical market—combine other policies to offset the auto.
- Call underwriters directly to plead your client’s case and come up with a resolution (limited success).
- Refer clients to other brokers or direct writers who might consider them.
- Have the client call the MLA from the broker’s office so we can put pressure on the government to make changes.

### Customers Resistant to Credit Scoring

Point out the benefits to having the insurance company know the customer better and be able to further customize the policy.

### Higher Deductibles on Renewal After One Claim

Try to explain to the client that you won’t be able to move them after one accident, so this is what it is.

### Increased Premiums (especially for the long-term clients who have clean policies)

- Explain the reasons, touching on the problems facing the industry. Give them the facts.
- Encourage them to go to their MLAs or the superintendent of insurance.

### Renewal Applications on Existing Business

- Look to rewrite first. If you can’t rewrite, then have the client complete the renewal application.
- If it’s due to a loss of market and you can’t place the client reasonably, or at all, refer the client to a broker that has a contract with that insurer.

## SAGE ADVICE

All the brokers I consulted agreed that in terms of managing this crisis

## THE RATE RIDDLE

I understand the concept of insurers not wanting to take on new business or introducing tougher underwriting rules because of simple economics: taking in less money than you are paying out is not good for business and increasing market share of an unprofitable industry is difficult to justify to shareholders.

Although I’m not “in” the industry, I’ve been writing for, and associated with, it for over two decades and consider myself more educated than the average insurance consumer. This is not my first hard market rodeo, yet I was finding it challenging to wrap my head around this rather oxymoronic scenario: how can insurers be lamenting a rate cap and at the same time, consumers are being hit with “rant-worthy” rate increases? Thank you, Thom Young of Lundgren & Young for taking the time to try to enlighten me. He offered a few examples that provided insight to me:

- Although an insured may be in the same rating class, the class he or she is in has been re-categorized.
- In a normal market, when the rate board approved an insurer’s seven percent rate increase, higher-risk insureds may have received rate increases of nine or ten per cent while premiums for low-risk drivers may have only increased by two percent or less. With the five per cent rate cap, the increases are being applied across the board— every client is paying more, with good drivers paying a disproportionate share.
- Insurers have been canceling brokerage contracts resulting in large books of business being rewritten by a new market, under its new rating categories, often at substantially higher rates. “We’re talking \$20 million books in more than a few cases,” Young shared, adding, “This was unheard of in previous hard markets.”



with one's current client base, being proactive is paramount. "Call clients BEFORE the client receives the renewal and is mad about it. The client will more than likely still be angry but at least they will know you are working on their behalf," advises Livingstone. Sharp Insurance tackles this task selectively. "We are reaching out to clients on the renewal to advise price increases that are 15% or higher," says Driscoll. "Be honest with the client what is happening and why it is happening. Offer to cross sell any other insurable product that you do not have to take advantage of all discounts to try to lower the price as much as possible."

Thom Young advises not to forget the other part of the equation: your staff. "Look after your employees. They are working harder than they ever have and their efforts need to be acknowledged. They will do a better job for your customers if you do. Keep your employees and customers informed about what is occurring and why."

Of course, there's another key player in the brokerage's business: the insurer. Sodergren opines, "Brokers have to be selective and work with their insurers to make sure the business they are writing is a good fit for the insured, the insurer and the brokerage. Concentrate on retention versus absorbing the business that your markets do NOT want."

Remember those Facebook posts I mentioned? In addition to responses they garner such as, "Call Jane at ABC Brokerage. She saved us a ton of money," there are also a variety of replies like, "My broker told me it's because of all the wildfires," and "My guy said it's because of lawyers." These statements highlight the fact that there's a big education task ahead, for both the industry (so that the messaging is consistent), and the consumer.

The challenge of simplifying and communicating such a complex issue is complicated by the fact that, like it or not, the notion that insurance companies are not making any money is often met with cynical disbelief (cue eye roll emoticon). This reality underscores the opportunity, and duty,

of brokers to be the ones to educate and advocate for their clients. "Brokers need to understand WHY these challenging times are happening. Once they have a clear understanding they can better explain this to their clients," says Livingstone, adding that members can turn to IBAA as a great resource for key messages.

For all this doom and gloom, Thom Young contends that his long career in the industry has shown him that this too shall pass. "We are on the way out of this. The negativity in the

marketplace, unlike budgets, will soon correct itself. The light at the end of the tunnel is not an oncoming train, and sunshine always follows the night!"



**ANNETTE HUBICK**

*operates Link PR Incorporated, a marketing and communications consulting firm, and is*

*the publisher/editor of The Alberta Broker.*  
[Annette@LinkPR.ca](mailto:Annette@LinkPR.ca)



## ***Big or small, we're ready to take care of all your farm insurance needs.***

**Contact your marketing rep  
or underwriter:**

**1-800-661-3625**



*Facing the storm with you*



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

### GOVERNMENT RELATIONS

By the time you read this article, our Government Insurance Regulatory Task Force (GIRR) will have presented a white paper to the Alberta government, detailing phase one of our recommendations for dealing with some of the critical issues in the Alberta insurance industry. The paper details how these changes will not only help the government achieve its mandate but also alleviate the issues facing stakeholders and, most importantly, the Alberta consumer. We also hope that the government will have made decisions on the less complex issues like electronic documents, pink cards and exam equivalencies.

#### Equivalencies

Responding to the new government's mandate to get Albertans back to work, we hope to have the new government provide the AIC with the authority to recognize equivalencies such as CAIB and CIP for general insurance licensing exams. Insurance Brokers Association of Canada and Insurance Institute of Canada have spent time and money ensuring their study materials for these designations are of the highest quality. Each designation has an excellent reputation

for educating insurance students, as evidenced by their acceptance towards licensing in most Canadian jurisdictions. With the approval of these equivalencies, many educated, talented people in Alberta would be welcomed into the insurance industry for an interesting, challenging and lucrative career.

#### Auto in Crisis

Consumers are ultimately suffering in the current auto market. Too many factors are contributing to a broken Alberta auto system: the grid, rate cap, regulatory bureaucracy, the product itself, the minor-injury definition, pre-judgment interest calculations, injuries treated with cash and not medical programs, increasing vehicle repair costs and many more factors too numerous to list.

The GIRR white paper addresses all the issues we need to consider when coming up with a solution. Meeting the government's mandate to cut red tape, get Albertans back to work and come up with cost-effective solutions, your peers on the task force have worked to offer a viable solution to help put auto insurance back on the road.

#### Pink Cards

We hope that electronic pink cards will be quick fix with the new Alberta

government. They are a no-brainer. Enough said!

### PROFESSIONAL DEVELOPMENT

#### Important News about AIC Licensing Exams!

Starting in January 2020, all level 1 licensing students will be required to pass a certification exam in order to qualify to write the Alberta Insurance Council (AIC) level 1 licensing exam. Certification will apply regardless of the course provider. IBAA will be developing supplemental online study materials and quizzes to facilitate the process. The pass mark for all quizzes will be 100%. The certification exam will require a 90% or better passing score in order for students to be certified to write the AIC level 1 licensing exam. Students who do not pass all the quizzes and achieve 90% or better on the practice exam will not be certified to write the AIC exam. Without certification, students will no longer be able to write licensing exams through AIC.

#### Look for Our New CAIB 1—Coming Soon

Our new CAIB 1 is due for rollout this quarter and we are really excited to have a fresh new look and updated

content. The old CAIB 1 was getting tired and so much has changed since it was first introduced that it was due to be retired and replaced with a newer version. CAIB 2, 3, 4 will follow within 6–18 months of the release of CAIB 1 (although we are working hard to get them to you sooner).

### **New Online Courses—Accessible 24/7**

IBAA staff have been working hard to load our new learning management system (LMS). We expect to have the first course ready by the end of September 2019. The LMS will allow students 24/7 access to cost-effective online courses anywhere in Alberta. We will be delivering the same quality of courses online as we do with our classes—complete with quizzes, puzzles and online fun.

## **MARKETING**

### **BIP Branding**

IBAA continues to run ad campaigns using various media throughout the province. We have just finished a run on CTV Calgary sponsoring *Consumer*

*Watch* throughout the day for eight weeks. We will be mirroring our Alberta campaigns after the national “Before the Quote” campaign. We will also be reviewing broker websites to ensure the BIP is featured. If you don’t have it on your site, you can access an electronic copy in the “Broker Tools” section of our website (member login required).

### **Charity**

Last issue, we reported that IBAA brokers had raised \$94,846 for Ronald McDonald House since we launched the charity in 2016. A week later (June 7, 2019), we heard that the total has risen to \$127,134. Way to go, brokers! These contributions raise the public image of brokers as members of the community who care about the well-being of their clients and truly have their best interests at heart.

### **Communications and Email**

Most often heard phrase from our brokers? “No, I don’t remember seeing anything from IBAA about that.” Well, we sent it to you. Did you delete it? Ignore it? Unsubscribe? Have you moved to a new brokerage and not

updated your profile? **Or, are you over subscribed?**

Have you asked to receive a copy of every email from IBAA? Then, maybe you are getting way too much. Why not delegate someone in the office to be responsible for the IBAA Education updates? Have someone else responsible for reviewing the monthly Bipler and summarize the important highlights. (*However, the link to The Alberta Broker is included in the Bipler, so be sure to check that out.—Ed.*) Owners/Managers should at least be reading the Declarations Page (quarterly government-relations update) and everyone should read the CEO’s Desk (critical issues from George Hodgson). You don’t have to subscribe to everything we send. We all get overwhelmed with email, so review your subscriptions and pick and choose what’s relevant to you. You’d be amazed how much easier life is when you read only what’s necessary—you always know what’s important. It’s simple to review your subscriptions. Just click the link in one of our emails or go to your IBAA profile and click on “manage email preferences.”

**We’ve given birth to a brand new digital strategy!**



And we’ve named our baby “CansureTech”. Quote, Bind, Issue 24/7!

[portal.cansure.com](http://portal.cansure.com)





# PERSONAL DELIVERY

Taking the Broker Message  
to the Hill

*By Jody Lohr*

**H**ill Day—when representatives from broker associations across Canada travel to Ottawa to meet with MPs and government leaders—is one of my top three favourite things we get to do as the IBAA executive (and PYIB president). It really brings into perspective what IBAC and the provincial associations are doing at the federal level for us as brokers and how we, as individuals, are a part of that. Also, the city of Ottawa and the parliament buildings are beautiful!



**IBAA Hill Day Team Alberta**

*L to R, back row: Paul VanderHooft, IBAA past president; Scott Treasure, IBAC chair of the board; Vicki Livingstone, IBAA president; Mitch Holst, IBAA director; Kevin Lea, PYIB president  
front row: George Watkin, IBAA CEO; Robin Young, IBAC vice president  
Jody Lohr, IBAA president elect; Julia Marshall, IBAC director; Barry Haggis, IBAA director*



Robyn, Scott, MP Ron Liepert, Mitch, Barry, Jody

This year's Hill Day was held on May 28, and it was my fourth time on this trip. This year we discussed the Bank Act, the economic impact of brokers and natural disasters along with "the Big If" public awareness campaign.



Kevin, Paul, MP Pat Kelly, Julia, Barry

In most of our meetings, our information was well received by Alberta MPs and senators. (I can't speak for the rest of the provinces, as brokers meet with their own provincial representatives.) I would say the responses follow a 10/80/10 split. The first group is as passionate about our asks as we are, the middle group are fully supportive and fighting the fight for our consumers and then the last group are those for whom I feel our message is new or who may be indifferent.



Robyn, Prime Minister Justin Trudeau



Jody, Vicki, MP Kerry Diotte, Scott George





Mitch, MP Rachael Harder, Paul



Mitch, Kevin, MP Earl Dreeschen, Vicki, Julia, Barry

The biggest concerns we hear from the MPs and senators focus on how brokers can make the marketplace better for consumers and provide employment options. Some of them really do just want to talk about the fundamentals of insurance, ask for help with their claims or policies or have questions on behalf of customers.

It's imperative that brokers are involved in developing relationships with government officials and personally delivering our messages. This either helps promote positive change or prevents negative change from happening (as in the case of the Bank Act). Currently, the act supports our message that in order to protect consumers, insurance should not be sold at the point of granting credit. However, we can't get complacent so that whenever the act is up for review, our position prevails.



Barry, Julia, Kevin, MP Arnold Viersen, Vicki, Mitch



Barry, Julia, MP Ziad Aboultaif, Scott, Paul

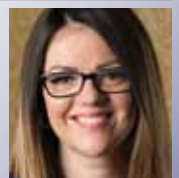


Barry, Scott, Paul, Julia,



Senator Scott Tannas, Jody, Paul, George

We hope our biggest leave-behind was the message that we are experts on general insurance, that consumers need to manage risks and, as brokers (either representing our associations or our brokerages), we are always available to respond to their and their constituents' concerns to help them find solutions— that's what we do best..



**JODY LOHR**  
IBAA President Elect  
[Jody.Lohr@landy.ca](mailto:Jody.Lohr@landy.ca)





# ibaa courses

More classes at [ibaa.ca](http://ibaa.ca)



## WEBINARS

Garage Auto	Sep 18
Crime & Fidelity	Sep 24
Reinsurance Fundamentals	Sep 25
The Grid: Getting the Steps Right	Sep 26
Fundamentals of Financials	Oct 1
Financial Literacy	Oct 8
Insuring Unique Properties	Oct 15
The Automated Vehicle: Immediate & Short-Term Insurance Implications	Oct 16
How to Insure Non-Owned Auto	Oct 23
Errors & Omissions	Oct 24
Effective Commercial-Lines Account Renewal Process	Oct 29
Preparing for Winter	Oct 29
Social Media & Cyber Libel	Nov 13
Commercial Building Bylaws & Related Insurance Solutions	Nov 14

## 1 LICENSING

Calgary Immersion	M-F, Sep 16-20
Calgary Immersion	M-F, Nov 4-8
Edmonton Immersion	M-F, Oct 21-25
Edmonton Immersion	M-F, Nov 18-22

## 2 LICENSING

Calgary Immersion	M-F, Oct 7-11
Edmonton Immersion	M-F, Sep 23-27
Edmonton Immersion	M-F, Nov 18-22
Live Online (evenings)	M-F, Sep 23-Oct 3

## DESIGNATION EXAMS

<u>2019</u>
Sept 11
Oct 23
Dec 4
<u>2020</u>
Feb 5
Apr 29

## CAIB FAST TRACK 2 & 4

	<u>SATURDAYS</u>
CAIB 2	
Calgary	Sep 21-Oct 19
Edmonton	Sep 21-Oct 19
CAIB 4	
Calgary	Nov 2-30
Edmonton	Nov 2-30

## CAIB ENSURE TRAINING ONLINE 1 to 4

CAIB 1	Monday evenings	Sep 16-Nov 25
CAIB 2	Tuesday evenings	Sep 17-Nov 26
CAIB 3	Wednesday evenings	Sep 18-Nov 27
CAIB 4	Thursday evenings	Sep 19-Nov 28

# Preparing and Responding to Wildfires



**W**ildfires are a very real and present danger to Albertans. The summer's dry, hot weather means that once a wildfire starts, it can spread quickly, burn intensely and wreak havoc on a community. As I write this, Alberta is in the midst of what's already been a very active fire season. We've seen widespread fires threaten areas where people live, and thousands of Albertans have been evacuated from their homes.

It seems as though our province has become more prone to this type of chaotic event over the years. Some of the most high-profile and disastrous wildfires in Canada have happened in Alberta within the last decade. We all remember the fires that devastated Slave Lake back in 2011. In 2019, three years after the fires that ravaged Fort McMurray in

2016, we are still dealing with the aftermath of that disaster. And this spring's fires in northern Alberta have been all over the news.

These events are costly. The fires that struck Slave Lake were responsible for insured damage of \$588 million, and the Fort McMurray fires caused the most insured losses of any single event in Canadian history, costing \$3.9 billion.

"In the middle of a wildfire disaster, misinformation can spread as quickly as the flames that threaten people's homes."

When we talk about costs, we're not only speaking about dollars and cents. Wildfires have a tremendous effect on the lives of the people in the

communities they hit. As insurance professionals, it's not only our job to help people get back on their feet after a disaster, but also to ensure that they're prepared before a disaster, such as wildfire, arrives at their door.

Brokers excel at establishing relationships and often do so by positioning themselves as resources for their clients. A great way to add value to customer relationships is by providing tips and advice that will help consumers be more prepared for an event such as a wildfire.

## **Provide a primer on the policy**

In the middle of an evacuation, many consumers find they are unaware of their coverage. We have been working as an industry to provide consumers with primers on their insurance coverage and brokers are key to this work. For

example, many consumers are unaware that for wildfire:

- Virtually every home insurance policy covers damage caused by fire, even if the fire began on a neighbour's property.
- Consumers are eligible for "additional living expenses" (or ALE) to cover the cost of alternate accommodation and living expenses if they are unable to return to their home during or after an evacuation.
- There is no such thing as an "act of God" exclusion on a home policy, and insurers routinely pay for damage resulting from natural disasters, such as a wildfire.

In the middle of a wildfire disaster, misinformation can spread as quickly as the flames that threaten people's homes. Providing consumers with brief, easy-to-remember points can provide some clarity if the worst should happen.

## Encourage making an emergency kit

Besides reviewing what their policies cover, we also encourage consumers to partake in an activity that they can do before a wildfire even happens, such as assembling an emergency kit. During many wildfires, residents are forced to flee their homes, sometimes at a moment's notice. Brokers should encourage customers to have emergency kits ready. Provide a list of items to include, such as non-perishable food, enough drinking water for at least three days and copies of important documents, including medical information, identification and any insurance policies.

## Let them know we'll be there

As insurance professionals, we typically go beyond simply paying for damage after a wildfire has struck. We act as second responders and mobilize as quickly as possible to deliver emergency support to people in

need. IBC, on behalf of the industry, takes steps to embed with emergency management officials as a means of getting information to the residents of an affected area. In many situations, such as the fires in Fort McMurray, IBC deploys its Community Assistance Mobile Pavilion (CAMP). CAMP is a scalable operation, and we deploy it in proportion to the size of the crisis.

Our goal during a crisis is to make CAMP a hub where residents and evacuees can have their insurance questions answered. We clear up myths, help people figure out what steps to take next, provide financial assistance to customers and help get the claims process started.

Our representatives distribute printed insurance information directly to residents and work with media to dispense useful, relevant updates to the people affected by a disaster. We also leverage online platforms such as IBC's website and Facebook, Twitter and our

consumer information centre to engage with affected community members. At times we only deploy "virtual" CAMP, which aims to do the same thing but through digital platforms only.

It's important for customers to know that if they need to deal with the consequences of wildfire, we'll be right there with them. Making it a habit to speak to our customers more regularly about what their insurance options are and how we're able to help during a disaster can go a long way in making a difficult situation just a little bit easier. We continue to see more and more severe weather and we are all in it together to ensure Albertans are prepared and can respond accordingly. 🇨🇦

### CELYESTE POWER

Vice President, Western  
Insurance Bureau  
of Canada  
[cpower@ibc.ca](mailto:cpower@ibc.ca)



## AN EXTRA LAYER OF PROTECTION

With Wawanesa's Personal Umbrella Policy, your clients can now receive more protection above their personal liability coverage. It's available as a stand-alone policy – exclusively through brokers across Canada.

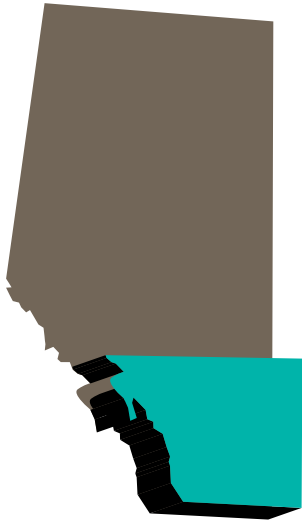
Contact us to learn more. [wawanesa.com](http://wawanesa.com)



**Wawanesa**  
Insurance







# Chinook COUNTRY REPORT

## BROKER NEWS

- Alex Auer, formerly of BrokerLink, moved to Intact Insurance as the new business development manager for Novex.
- Hub International acquired Calgary's Del Fisher Insurance.

## COMPANY NEWS

- Marg Fast of Intact Insurance has taken on a new Intact role as consultant, operational performance.
- John Billis, formerly of Travelers, is the new national director of loss prevention for Intact Insurance.
- Jerome Chionglo moved on from Aviva Canada to take on a new role at RSA as a trading underwriter.

## INDUSTRY PARTNERS

Celebrating a new location is IICRC-certified restoration firm, Paul Davis. The Calgary office grand opening was held at Heritage Park, and I was able to spend some time with Dan Nielsen, formerly of Procom Insurance. Dan is now at Paul Davis and is enjoying the change from insurance broker to a career in restoration.



L to R: Paul Lucerelli, SVP commercial, RSA Canada; Donna Ince; SVP personal, RSA Canada; Dr. Greg Powell

Paul Davis Red Deer, under the leadership of Greg Davey, has successfully operated in the Red Deer area for over 16 years. Greg and his management team will now bring their strong leadership skills and extensive restoration industry knowledge to the Calgary marketplace.

Davey, who is a recipient of multiple awards, including the Red Deer Chamber of Commerce Business of the Year and Canadian Paul Davis Franchise of the Year (seven times!), employs more than 40 A-players. He and his team aim to practice continuous improvement to ensure business development and positive change while providing extraordinary care to their customers.

Scott Ure, general manager of Paul Davis Red Deer, will also serve as GM of the Calgary operation. He has extensive operational experience in the restoration field and insurance industry knowledge. Scott is known as a “customer service” professional and is a multi-year recipient of the Paul Davis Canada Associate of the Year award.

In other news:

- Congratulations to Kelly Albert of Crawford & Company on his promotion to vice president, national account executive.
- Congratulations to Epic Roofing and Exteriors for its recent invitation to join the Owens Corning Roofing Platinum Preferred Contract Network. This achievement requires a workmanship inspection, securing minimum general liability coverage and the ability to meet financial stability and customer service standards.

## GIVING BACK

In May, Intact launched its new community impact program, making it easier for employees to donate and volunteer their time within the community. The program includes matching donations and providing \$20 donations for each hour volunteered by employees. The program is tracking successfully, resulting in 1,274% more donations than last year! Well done, Intact, for making it easy for employees to give back to the community.

RSA hosted its STARS charity golf tournament in June, raising \$50,000 for this important organization. A long-time supporter of STARS, RSA has raised over \$587,740 over the years. Also helping support the tournament this year was Paul Davis,

Onside Restoration, FirstOnSite Restoration, Service Master, Lindsey LLP, Belfor, Puroclean Canada, SI Advisors, Lloyd Sadd and Opta. A shout out should also go to Patti Gibson of Westland Insurance who donated her \$810 50/50 winnings back to STARS. Congratulations to the tournament winners : Morris Blatz (T&L Adjusters), Chris Zambo (T&L Adjusters), Matt Cruikshank (HUB International) and Marty Fiegehjen.

Thank you to all who contributed information. Your assistance is appreciated, as always!

**MICHELLE HAMMEL**  
*Director of Strategic  
 Business Development*  
 Intact  
[Michelle.Hammel@intact.net](mailto:Michelle.Hammel@intact.net)



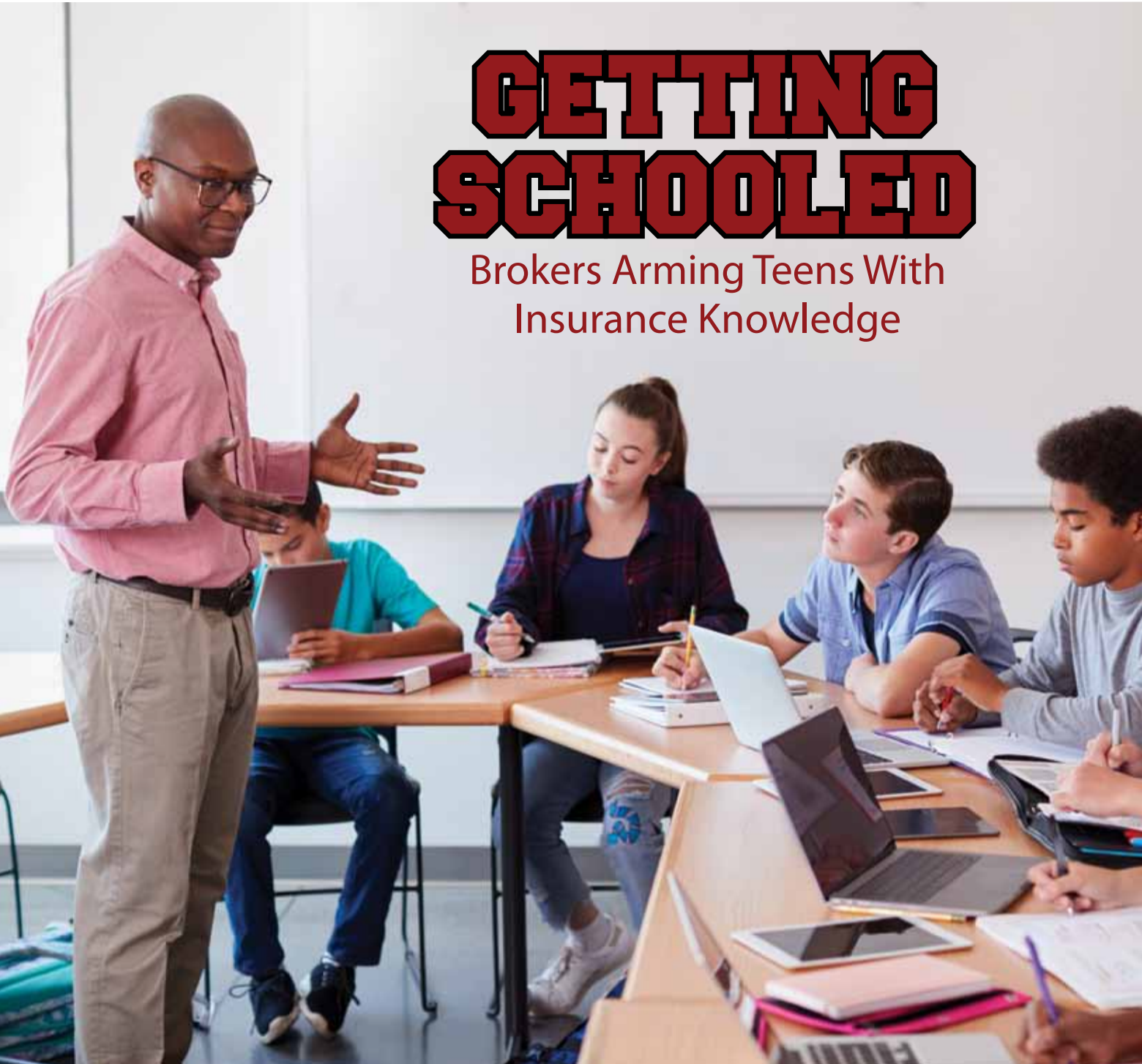
The BMO broker financing program is well entrenched in communities throughout Alberta and remains a market leader in meeting local broker capital requirements. Our team is spearheaded by seasoned individuals who have worked directly in the Property & Casualty space. We're eager to learn more about your financing requirements and assist with all stages of the life of your brokerage including succession, acquisition, working capital and equity recapitalization needs.

**BMO**  
 We're here to help.™

At BMO, we remain firmly committed to supporting the independent broker distribution channel.

# GETTING SCHOOLED

## Brokers Arming Teens With Insurance Knowledge



**I**nsurance is a tough job right now—we all know that. While we can't do much to fix strict regulations or rate increases, we can educate clients, as well as teenagers who will soon become insureds.

As a young broker, and a broker in general, I believe that arming kids with the knowledge needed to make informed decisions is vital to the broker channel model and the insurance industry as a whole.

Young people can struggle with the cause-and-effect nature of the insurance industry. The difficulty is by no means a reflection of intelligence or cognitive reasoning but due to life experience. Insurance education is especially important in the hard market, with restrictions in coverage due to tickets and claims, some of which may not even be at-fault claims. The other face of this coin is what *isn't* covered by insurance. Do teens understand what could



happen if they go racing or lend their vehicle to friend who then has an accident? Are they aware of potential liability for that accident? Do they really understand the cost that goes hand in hand with the danger of impaired driving?

I find many young people surprised by the surcharges that companies apply after tickets. The defensive driving course may give them demerits back on their licence, but it does not bring their insurance rate back down.

I've also had many young people be surprised by the severity of distracted-driving tickets. When faced with numbers in black and white, versus reminders about ethical behaviour, the sense that distracted driving is a bad thing to do really hits home.

How do we connect with these kids? We might be able to reach out when we are writing the policy, but heading into schools can be a great opportunity to plant the seeds of responsible insurance habits and the benefits of the broker channel. What better person to be able to answer questions and explain coverages than, well, someone like you? Coverage and rules are ever-evolving, so parents, friends or other adults in their lives may not know all the ins and outs or understand the new rules in place. High school curriculum requires a career and life management course, and most schools actively look for experienced professionals willing to come in and talk to the kids.

In my focus on the importance of insurance education, I don't mean to say that kids are not informed. Many have done their research and are aware of the costs. They may not know what the grid is, but they know the government in Alberta has limited the amount they have to pay. Some know the difference between comprehensive and collision and what is needed to be legal on the road.

If you ever get the opportunity to go in and chat with students in class or go to a career fair, take it! The best way to drive interest to the broker channel (for consumers or as a career) is to educate, inform and put the spotlight on what we have to offer.



**LEXI ENGEL**  
PYIB Director  
LEngel@  
SylvanAgencies.com



## President & CEO Announcement



The Board of Directors of Saskatchewan Mutual Insurance Company (SMI) is pleased to announce the appointment of Shelley Willick as President & CEO effective July 15th, 2019 to succeed retiring CEO, Laura Wiebe.

Shelley has extensive insurance and finance expertise in the property and casualty insurance business. Hired

by SMI on June 27th, 1994, she was promoted to VP of Finance & Administration in 2009 and to Senior VP of Operations overseeing underwriting, marketing, claims and business intelligence activities in 2017. Shelley obtained her Bachelor of Commerce degree from the University of Saskatchewan in 1989, her Chartered Professional Accountant designation (CPA, CA) in 1992 and in 2018 completed the Queen's Executive Program.

Following an extensive CEO search process we are pleased to congratulate Shelley on this promotion and look forward to continuing to work with her to ensure SMI's ongoing and future success.

SMI is a federally regulated property and casualty insurance company operating successfully in Alberta, Saskatchewan and Manitoba with annual direct written premiums of \$76.6 million. As a mutual, the Company's Policyholders have voting rights and annually elect the Board of Directors that oversees and sets strategic direction for the organization. SMI has prospered for over 110 years, providing security and service to its many policyholders.

For more information on SMI, please visit [www.saskmutual.com](http://www.saskmutual.com).



# You Can't Always Get What You Want

Insured Demands  
Video-Recorded  
Medical Exam



## The Case

In *Greenidge v Allstate Insurance Company*, the insured, Jenine Greenidge (“Ms. Greenidge”), sued her insurer, Allstate Insurance Company (“Allstate”), after Allstate terminated Ms. Greenidge’s Section B accident benefits under Alberta’s Standard Automobile Policy SPF No. 1 (“SPF No. 1”).

Following a motor vehicle accident, in which Ms. Greenidge suffered whiplash and temporomandibular joint (“TMJ”) injuries, Ms. Greenidge made a claim under Section B of the SPF No. 1, and initially, Allstate made payments to Ms. Greenidge for her claim. However, when Allstate requested that Ms. Greenidge attend an independent medical examination, Ms. Greenidge refused to do so unless she could video-record the examination. Allstate’s chosen examiner’s policy was not to permit the recording of evaluations, and when Ms. Greenidge insisted, Allstate ceased to provide further benefits on the basis that Ms. Greenidge had breached her policy.

The parties agreed to put certain key questions before the Court in a “trial of issues.” Justice Neilson heard the matter at the Alberta Court of Queen’s Bench and he considered whether Ms. Greenidge’s refusal to attend an examination without a videographer justified Allstate’s discontinuance of benefits and whether Allstate should have accommodated Ms. Greenidge’s request.

## The Law

At the center of the dispute was the wording of special provisions 4 and 6(b) of section B of the SPF No. 1. These provisions, like all of section B, are prescribed by the Automobile Accident Insurance Benefits Regulations to the Insurance Act. The provisions read as follows:

*(4) Medical Reports—Subject to provision (4.1), the insurer has the right and the claimant shall afford to a duly qualified medical practitioner named by the insurer an opportunity to examine the person of the insured’s person when and as often as it reasonably requires while the claim is pending, and also, in the case of the death of the insured person, to make an autopsy subject to the law relating to autopsies.*

*(6) When Moneys Payable –*

*... (b) No person shall bring an action to recover the amount of a claim under this section unless the requirements of provisions (3) and (4) are complied with, nor until the amount of the loss has been ascertained as provided in this section.*

Justice Neilson began his analysis with a review of basic principles. First, he acknowledged that insurance contracts are contracts of *uberrima fides*—that is, contracts of utmost good faith—because of the

vulnerability that each party has to the other: insurers rely on insureds to provide all material information relevant to risk and loss, and insureds rely on insurers as the ones

“Although our focus is often trained upon insurers as the gatekeepers to compensation, it is important not to lose sight of insureds’ responsibilities.”

## Promoting the broker profession starts with you.

If you are a Risk Management or Insurance program alumnus from one of Alberta's post secondary institutions, and would like to help connect PYIB to the faculty, please contact:

Jen Mohler (Calgary)  
jmohler@cjcampbell.ca

Jennifer Hamilton (Edmonton)  
jhamilton@firstfoundation.ca



that ultimately hold the purse strings. Pursuant to their implied obligation of utmost good faith, insurers must “act both promptly and fairly when investigating, assessing and attempting to resolve claims made by [their] insureds,” said the judge. However, the judge added that this duty of good faith cannot be construed as an obligation to pay on every claim that the insured makes; rather, the duty simply requires that, when refusing payment, insurers do so with “reasonable justification.” An insurer could breach its duty by demonstrating a bias in its selection and use of experts or by placing unjustified conditions on the payment of benefits.

Next, Justice Neilson reviewed the law on the interpretation of insurance policies as recently summarized by the Alberta Court of Appeal in *Cardinal v Alberta Motor Association Insurance Co.* In that case, the Court of Appeal had specifically stated:

*If the language of an insurance policy, when read as a whole, is unambiguous, effect should be given to the clear language ... An ambiguity requiring the use of rules of construction must be real. That is, the words of the provision must be reasonably capable of more than one meaning having regard to the entire context of the provision.*

...  
*An ambiguity cannot be created by external means such as reading in an element not present on a plain reading of the provision. As there is no ambiguity, there is no need to resort to interpretation rules such as the reasonable expectations of the parties or contra proferentem to construe the insuring agreements. It is normal for insurance policies to contain exclusions and the fact that some claims are thereby removed from coverage does not, in itself, give rise to unfairness.*

Applying these principles to section B, Justice Neilson found that special provision 4 gave an insurer the right to have the insured attend a medical examination by a practitioner of its choosing, and correspondingly, the insured must afford that practitioner an opportunity to examine the insured. Nothing in section B restricted the insurer’s choice of practitioner or the manner in which the practitioner conducts their examination. In this case, Justice Neilson found nothing unfair about insisting that Ms. Greenidge undergo an examination according to the protocol of the examiner selected by Allstate. Special provision 4 of section B was unambiguous. As such, Allstate’s position on video-recording the examination was “reasonably justified.”

Furthermore, Allstate had not acted unfairly in discontinuing benefits. Since Allstate’s policy on video-recording the examination was reasonably justified and Ms. Greenidge had refused to attend the mandatory examination, Allstate was also reasonably justified in denying coverage.

Justice Neilson also distinguished medical examinations under section B from those undertaken in the context of

litigation and the *Alberta Rules of Court* and, in particular, rule 5.42(1)(b). Under rule 5.42(1)(b), a person being examined may indeed elect to video-record the exam, as Ms. Greenidge intended. However, Justice Neilson found that it was inappropriate to import the *Rules of Court* into section B where the legislature, in drafting section B, had not demonstrated any intention to do so.

Finally, Justice Neilson found that special provision 6(b) was also unambiguous and that, unless an insured had complied with special provision 4, the insured could not bring an action to recover “the amount of a claim.” Special provision 6(b) did not permit an insured to distinguish between “sub-claims” for specific injuries, and as such, even if Ms. Greenidge’s non-compliance with special provision 4 related only to an examination for her whiplash injuries, she was nevertheless barred for an action related to her TMJ injuries, since all were part of the same claim.

On appeal, Ms. Greenidge argued that Justice Neilson erred in finding that special provision 4 mandated the insured’s attendance at the examination. Rather, she argued, she had discharged her obligation to “afford an opportunity” to be examined by being willing to attend if the examination was video-recorded. The Court of Appeal unanimously disagreed, holding that the “practitioner must be allowed to conduct the examination in accordance with the practitioner’s protocol, otherwise the insurer’s right to select the practitioner may be nullified. The insured is obliged to attend an examination by the practitioner selected by the insurer in accordance with the practitioner’s protocol.”

## The Take Away

Like any contract, an insurance contract is premised upon a *quid pro quo* and a mutual exchange of obligations—a give and take. Although our focus is often trained upon insurers as the gatekeepers to compensation, it is important not to lose sight of insureds’ responsibilities. Where, as here, the insureds’ responsibilities are clear and plain, the courts will hold the insureds to account and not stray from the wording of the policy. Greenidge confirms that insureds’ compensation is not unconditional: if they fail to comply with clearly-stated policy conditions for coverage, insurers, acting with reasonable justification, will have the right to deny or discontinue coverage.



Sara.Hart@dentons.com

**SARA E. HART &  
DAVID COWLEY-SALEGIO**

are lawyers with Dentons  
Canada LLP and practice in the  
professional liability insurance area.



David.Cowley-Salegio@dentons.com



# YOUR SPECIALTY MGA

**PAL thanks our Valued Alberta Brokers!**

## **HOSPITALITY PROGRAMS**

Host Liquor & Special Event Liability  
Weddinguard  
Server Liability  
Performer Liability  
Event Planners  
Caterer Liability  
Exhibitor/Vendor & Kiosk Liability

## **CONTINGENCY PROGRAMS**

Event Cancellation/Non-appearance  
Prize Indemnity - **Hole in One**

## **UNIQUE PROPERTY COVERAGES**

**NEW** PAL's Collectables Program  
Contents in Storage  
ATM, VLT & Vending Machines  
Miscellaneous Property

**Automatic Rates and Instant Policy Issuance available for most PAL products online!**



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







# Just Sign In!

## SAVINGS INCLUDE:

- Save \$\$\$ on new and used vehicles at **Go Auto**
- Reduced bank rates, fees, mortgages, loans and finance rates at **BMO Bank of Montreal**
- **Perkopolis** savings on entertainment, air travel, car rentals, restaurants and much more.
- **Mynmax** monthly mobile phone costs starting at \$39.
- And so much more!

Your member deals are waiting for you at [ibaa.ca](http://ibaa.ca)

