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THE INSURANCE BROKERS ASSOCIATION OF ALBERTA

YOUNG BROKER SPECIAL REPORT

Moving on up ...

**Aiming for
Ownership**

**Motivate
Millennials**

**Moving from
Peer to Boss**

**8 Tips to Improve
Work-Life Balance**

**10 Traits of Successful
Business Owners**

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THE ALBERTA BROKER

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Jody Lohr

President's Message

Why I believe being a young broker is where it's at ...

Insurance is sexy, right?

Typically, we get into this industry either by family or fluke. I come from the fluke side of things and I have never looked back. Getting into this industry as a young insurance broker gave me the ability to develop my own path and determine what I wanted from my career. I have worked hard and have found my happy place in my career. I've provided myself financial stability, developed professional and personal relationships that will last a lifetime and, most importantly, I've figured out what I want to be when I grow up. More than ever, I believe it is the young brokers' time to shine.

We (although I am close to no longer being a "we") bring a powerful level of knowledge that we have a responsibility to use at our own brokerages. Millennials and gen Zs (those born between 1995-2010) bring a close relationship with technology, insight into the buying and business trends of our peers, an understanding of how the "older" generations want to purchase and a greater appreciation for work-life balance and mental wellness. Ultimately, we have the drive to succeed, improve and provide a better future for ourselves.

It can be tricky navigating the path to becoming an insurance broker. I started out as a receptionist who knew nothing about insurance. I knew I had a pink card in my vehicle because that was the law and someone took money out of my account every month for me to keep that pink card. Through a drive to learn, and with the support of my peers and managers, I slowly gained an understanding of insurance company vs insurance broker and more product knowledge. Due to my interest in the subject matter and my history of customer service, it became pretty obvious I was meant to venture into sales as an insurance broker. I was

on the typical path of personal lines to commercial lines. I loved it. I loved learning the product, closing the deal, building those relationships with my clients ... I loved the continuing education and learning more about why we sell what we sell and how to make sure I was providing the right opportunities and advice to my clients.

My advice for anyone who chooses the path of sales is that you need to find your happy place—you need to figure out what makes you excited to get up in the morning to sell. What is your crème de la crème of product that you will know inside out and could provide broker-level advice in your sleep? Sales is about your passion and the power of the product you sell. Are you the best farm broker out there? Awesome! Find your niche and sell. Be proud of the policies you are selling and the fact that your customers

"I loved it. I loved learning the product, closing the deal, building those relationships with my clients ... "

are taken care of. Build trust with your customers so that they are willing to refer you to their friends and family (and, don't forget to actually ask for the referral). Also, the more you know, the better insurance broker you will be. Make sure to educate yourself on the latest trends and policies.

Finally, work smart not hard! Sales success is about finding that sweet spot between retention and new business (both from current and new clients). Although I loved a new sale or closing that deal, the peace of mind that comes from client retention with respect to daily workflows, work-life balance and my income was where it was at for me. All young and new brokers will need to work this out for themselves and determine their own path in sales, but my advice is: make the choice and work hard to be the best advisor you can be for your customers.

We are pleased to announce that Perkins Professional Search and Pathfind have combined their talents and strengths into one, allowing us to continue in providing top-notch service to all our new and existing clients.

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We cannot wait to see what new adventures you go on Barb and on behalf of all of your colleagues, clients, friends, and candidates, thank you so much for all that you've done!

-The Pathfind Team



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What's going on behind the scenes at IBAA?

It's been almost six months since we have been able to work together in the IBAA office. We officially returned to the office on September 8, 2020, with a view to adhering to all required safety protocols. That means masks and hand sanitizer ad nauseum. Oh well, small price to pay for staying healthy and on the right side of the grass!

Like most of you, we at IBAA are SICK of COVID-19!!! It's so wearying not being able to just walk through the office and sit down to talk to a co-worker. We are lucky, however, that we were totally prepared to work remotely at the drop of a hat and stay in touch with members through all of this. While we will be masking up to see visitors, it's still nicer than Zoom or a phone call.

What have we been doing at IBAA?

Although this column might be short, I can assure you, we have been keeping super busy. We have focussed on getting ready for September, so other than offering a couple of classes and CAIB exams in the summer, you wouldn't have seen much of what we are doing.

ADVOCACY

The big ongoing project is providing our thoughts on insurance reform to the Alberta government. Apparently,

the committee didn't really give the government anything to sink its teeth into, so we are answering lots of questions right now and reiterating our recommendations in order to help move the process forward once more.

IBAA has also been involved in the move by some of our insurer partners wishing to move to a paperless world, which IBAA wholeheartedly supports. However, any move in this direction must be mindful of broker relationships with, and the needs of, the consumer as well as Alberta insurance regulations. IBAA recently took this issue up with the Alberta superintendent's office, based on strong feedback from our members.

Ask anyone under the age of 50 and you will likely find that paper is an obsolete part of our ancient history; however, that's just wishful thinking. A lot of consumers, many of whom are elderly, do not have access to a computer and still need paper. Eliminating paper doesn't service this segment of society and only increases the likelihood of an E&O claim. We just aren't there yet, and these folks still pay premiums, which translates to the bottom line. The superintendent recently took the stand that you can't simply stop sending paper out and that documents are still necessary for those who rely on them.

IBAA will continue to watch this issue. While we champion less paper, there are still issues to overcome before we are truly paperless.

EDUCATION

IBAA has a solid line-up of webinars again this year and is offering most of our CAIB courses online. We are having some hiccups bringing our CAIB online exams to life, but we are working diligently to make it happen for fall 2020. We have been approached by industry partners who have education programs to offer and we will be partnering with them to bring you a whole new selection of topics.

If you keep an eye on our online learning system, you will see it gradually being populated with courses in which brokers have expressed an interest but are not offered anywhere else.

It can be tough working remotely, especially if you are new to the industry, and it presents unique challenges that can translate just as easily to a phone call or email in the office environment. Without any way of asking for guidance in person from a manager, supervisor or co-worker, questions still need to be fielded, so we are looking to provide tools to help brokers wherever they are stationed.

Something new this year is having PYIB sponsor some of our offerings. We are thrilled to partner with PYIB and bring some new topics from their perspective. As always, we really want to thank all the sponsors that make our education courses possible. Without funding from members and sponsors, we wouldn't be able to bring quality programming for continuing education credits to the table.

If you don't see something on our roster that you wish to know more about, please reach out to us. Our online system provides us with a way to offer you relevant education on a 7/24 basis anywhere in Alberta, with a more flexible price point to keep it affordable.

MARKETING

If you have been checking out our Facebook or Instagram pages, you

may have noticed our first series of safety videos. We cover various topics like ATVs, mountain biking, water safety and motorbikes—all the toys of summer. We will be producing these for various seasons and topics, and they will be available for members to use on their own social media pages at no charge. We will be loading them onto the members-only section starting in the winter of 2020, or sooner, if they are ready. Check them out and see what you think. We'd love to get your feedback.

ERRORS & OMISSIONS PROGRAM

As the market tightens, more and more of our E&O competitors are withdrawing from the market. That's why we deal with Westport, Swiss Re's Canadian arm. We began our program

with Westport the last time the market tightened because it promised to stick with us, and our members, even under tough circumstances. Well, here we are again, and Westport has no plans to withdraw from the market this time either. If you are facing an issue with your E&O carrier, we are happy to take a look and see what we can do for you. We don't sell based on price; we sell based on quality of product, expertise and claims service. Westport has the most robust coverage package available and we are proud to have it as our E&O partner.

Until the next issue, IBAA hopes you stay safe and healthy!

JANIS LOSIE
Chief Operating Officer
 IBAA
JLosie@ibaa.ca



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October 7

November 4



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TECH Q&A

Industry Leaders Discuss Challenges

CSIO hosted a webinar in June on broker connectivity with panelists Graham Haigh, VP, broker distribution with Wawanesa Insurance, Pete Tessier of the Insurance Podcast and VP, sales and marketing for BSI Insurance, and U.S.-based millennial broker Sydney Roe, CMO at b atomic, an insurance technology company. The discussion was thought-provoking and delved into application programming interfaces (APIs), industry challenges and communication between brokers and carriers. We asked our panelists to continue the conversation by responding to some of the questions they didn't get to during the session.

Getting business leaders on board with modernizing legacy systems can be complex due to the large resource commitment required. What can brokers say to their leadership team and how can they convince insurer partners to advance broker connectivity?

Haigh: Don't think of it as investing in technology. It's all about the customer experience, which will drive business success in the future. If you, as an insurer or broker, don't provide it, someone else will.

Alternatively, you can just hire more people and try to deliver on an enhanced customer experience that way, but that's a difficult argument to make. Insurers who don't invest will be surpassed by those who do. Speaking from a large insurer's perspective, we're assessing our broker's capabilities to operate in the future and only investing effort in the ones who can.

Tessier: Ask this question every time you talk to your insurance representative, fellow brokers, industry associations and your BMS vendor: What are they doing about broker connectivity? It sounds simple, but if brokers remain



Graham Haigh



Sydney Roe



Pete Tessier

persistent with their industry partners to give the direction of where change should happen, they can shape change. Make it clear with your partners that this is a strategic goal and your desire to work with partners who are aligned in progressive change to improve the customer experience.

Roe: Show them how your mutual customer is suffering because of lack of connectivity. Show the data on:

- Time it takes to get a quote to a prospect because of the 50 additional supplemental questions that are emailed
- Number of phone calls to get accurate information about the status of a claim
- Lifetime value of a customer whose experience with Carrier A is x times faster than Carrier B
- Invaluable time spent on carrier portals and duplicate entry instead of selling and deepening relationships

Management cannot ignore the data. Data speaks truth. And if a company does choose the path of ignoring truth, well, then you have your answer.

How do we develop APIs, when commercial lines (CL) data standards have low adoption?

Roe: While finding a common language through data standardization is helpful, it's no longer absolutely necessary. The root of data standardization came from a need for companies' systems to be connected so that data could be passed back and forth automatically (instead of being updated manually).

Data is really just a bunch of fields and objects. For example, if a field is labeled as "Phone" in System 1 and "Phone#" in System 2, an error will be generated when exchanging data. This setup necessitates that we all agree on terminology, aka "data standards."

APIs, however, are a different animal as the focus is on the data structure. They are dynamic, real-time and can be

tied to singular objects or fields. If one company has Data Structure A and another company has Data Structure B, an API can pass AND translate the data in between the two companies' systems. Think of the difference between taking a bus and driving a vehicle you own. A bus system requires everyone agree upon pre-defined stops before anyone gets on the bus; an individually-owned car does not have these limitations.

Tessier: Personal lines has all the efficiencies to streamline underwriting and rating so it's easier to build efficiencies or APIs. Whereas in commercial lines, companies have to work with business partners to develop niche offerings that require the industry to have some proverbial skin in the game to do this. The hard part is sharing information with others who are committed to streamlining workflows and building solutions to improve the customer experience.

Haigh: Without commercial data standards, you can create and

integrate APIs, but there's no scale and 'brokering' would be limited. If a broker picked a single company to work with and integrated only with their data needs, you're all good. It's once you want more companies to integrate with, then standards become critical. As an industry we need to work on CL data standards now, and we've seen progress on this initiative with CSIO. Let's keep it going.

Finding technology that allow brokers to access valuable data can be daunting. With so many solutions out there, how do you select one?

Tessier: Start by defining the problem. Make a list of all the data issues, ideas, queries that you want to figure out and then prioritize from simple to complex. Choose the first problem you want to solve and seek out a solution for that. Now, look at the second problem, if the first solution worked, see if it can be expanded and try it again. No one ever built the perfect all-in-one solution right from the beginning. Start small, get results, test results, expand and repeat.

Haigh: Experiment! Run small scale implementations and pilots. If it works on a small scale then look to go further. Business evolves, there's no guarantee that what you pick will last in the medium and long term regardless of how diligent you are in your technology selection process. If you let the gap between your business and that of the leaders get to a point where it's so wide it will take years to close.

Roe: The reason we feel that technology is just a "temporary fix" is because too much insurance tech today is built to solve a small piece of the puzzle. So, tomorrow, you'll need to buy this other solution that solves another small piece. By thinking more holistically about our tech needs and less narrowly, we may find our solutions are "future-proofed."

Article courtesy CSIO. CSIO regularly hosts free, accredited webinars on digital topics, featuring industry experts and leaders. Sign up for its latest webinars at <https://csio.com/news-events/>



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- BSI Insurance Brokers
- Garriock Insurance
- Kyle Agencies Inc.
- Reider Insurance
- Sharon's Town & Country Insurance Agency Ltd.
- Village Insurance Brokers

50 Year Award Broker

- Butler Byers Insurance Ltd.

60 Year Award Broker

- Thompson Agencies Ltd.

75 Year Award Brokers

- Blythman Agencies Ltd.
- Cherry Insurance Ltd.

Alberta's Condominium Insurance Market Stepping Forward to Find Solutions

Even before the COVID-19 pandemic changed our lives and impacted our economy, consumers and insurers in the commercial insurance market were experiencing challenging conditions. At the end of 2019, Alberta condo corporations and other commercial clients voiced concerns about the affordability and lack of availability of commercial insurance, and we also saw these issues beyond Alberta, as other industries and provinces were expressing similar concerns.

However, several factors unique to Alberta have been driving our challenging market conditions. The 2019 contraction in the oil and gas, manufacturing, transportation and logistics industries led to a vulnerable economic climate. Extreme weather events have hit Alberta more often and harder than other provinces. At the time this article is being written, seven of Canada's 11 most expensive catastrophic events in terms of insured losses have occurred in Alberta. These are among multiple factors that have led to significant increases in annual commercial property claims costs over the past five years. In addition to claims

frequency, low interest rates and global reinsurance costs have caused insurers to take a more disciplined approach to commercial underwriting. Since the start of the year, Insurance Bureau of Canada (IBC) has taken steps to address this unfolding situation.

Step 1: The National Commercial Insurance Task Force

Upon hearing the concerns of consumers, IBC established the National Commercial Insurance Task Force to address their issues and the state of the insurance market. The task force has been gathering information, educating consumers, and reporting to the government, stakeholders and the insurance industry about potential solutions to the problems being faced by commercial consumers.

Step 2: Task Force Roundtables

In the first half of 2020, the task force held roundtables in Alberta and British Columbia, with more to come in other provinces later in 2020. The goals of these meetings are to probe regional market challenges and lay out courses of action to alleviate the pressure on consumers.

Alberta's roundtable, which included several stakeholders including IBAA, was held in Edmonton in February. While this event took place prior to the COVID-19 pandemic, the perspectives and potential solutions that were discussed are still relevant to what's happening now, particularly in this province's condominium insurance market.

Step 3: The Midterm Report—A Guide Forward

While COVID-19 has made it challenging to continue with the roundtables across the country, IBC has taken the opportunity to comb through the results of the meetings in Edmonton and Vancouver to create a midterm report. The report identifies different courses of action for stakeholders in the condominium insurance market as well as the overarching concerns they're facing.

The concerns of condominium corporations include the need for:

- Mandatory training of condominium corporation boards and strata council members on topics such as reserve funds, standard unit definition and risk management strategies to ensure strong governance.

- Better use of reserve funds and appropriate condo fees to pay for repairs and maintenance.
- Linking risk management best practices with customized underwriting practices so condominium corporations that have implemented them can benefit.
- A tribunal in Alberta to deal with disputes that is similar to the dispute-resolution process in BC.
- Better data collection on condominium corporation finances and risk management challenges.

Addressing these concerns is a great start in remedying some of the issues Alberta's condo corporations are facing.

What Can Governments Do?

The task force also identified solutions for the condo insurance market that require government intervention through reforms, which include:

- Amending building codes to reduce risk.
- Amending land-use planning to help decrease risk.
- Making education for condo board members mandatory.
- Requiring the licensing of condominium/strata managers.
- Mandating reserve fund studies with sufficient oversight.
- Speeding up municipal permitting processes.

What Can Insurers Do for Condo Corporations?

The midterm report also examined the challenging market from an insurer's perspective and laid out steps our industry can take. These include:

- Educating insurance representatives and condominium associations about risk management best practices.
- Sharing information and research with governments on risk and regulatory reforms.
- Providing risk management support to condominium corporations where possible.
- Educating condominium boards/councils, unit owners and prospective owners about risk management and insurance pricing.

What Can Condo Corporations Do? Step 3: The Midterm

Finally, the task force highlighted solutions for condominium corporations, which include:

- Working with their broker or insurance representative to establish effective maintenance programs.
- Educating board members and unit owners about maintenance and risk management.
- Producing adequate depreciation reports and following the reserve fund study.
- Sharing and enacting other best practices to reduce risk and potential claims

Next Steps

The task force roundtables will continue this fall, and while this work moves forward, IBC will continue to work with Alberta's condominium sector and provincial government on the proposed reforms outlined here and discussed in detail in our report, as well as to educate and communicate with condominium boards and unit owners about other best practices. Brokers

could also work to educate consumers and answer questions, as this is an area where they provide tremendous value.

One of the main lessons we've learned from the roundtables and by speaking face-to-face with so many stakeholders is that all stakeholders—governments, the insurance industry and condominium corporations—need to do more to communicate. By sharing accurate information, whether it's about condominium board governance or how condominium managers and unit owners can manage their premiums, we can all help each other cope with the current challenging market.

If you're interested in learning more about our suggestions to improve commercial insurance here in Alberta, I encourage you to contact IBC at: AskIBCwest@ibc.ca.

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THE KEYS TO THE OWNER'S SUITE

What it Takes to Own Your Own Brokerage

By Annette Hubick

**“I want to own my own
brokerage someday.**

What do I need to do?”

Inquiring minds want to know—a lot of them. According to IBAA COO Janis Losie, “This is one of the top two most-often-asked questions that the association receives.” Losie suggests a good starting point is to reach out to the Business Development Bank of Canada, which provides financing and advisory services to small and medium-sized enterprises, as well as an extensive articles and tools section on its website (www.bdc.ca). For more industry-specific and detailed insight into the considerations of purchasing a brokerage, Losie recommends a publication produced by Insurance Brokers Association of Ontario, *A Guide to Purchasing or Selling a Brokerage*.



First Things First

Developing solid technical insurance knowledge as well as skills in areas such as human resources, marketing, sales and more will be critical, “and that’s where IBAA can help,” says Losie. “We have an extensive professional development offering and are happy to work with brokers to select courses and designations that will advance them along their path to ownership.” The association offers more “non-traditional” education opportunities as well, says George Hodgson, IBAA CEO, “Taking advantage of networking opportunities offered by IBAA and PYIB can broaden your knowledge of industry trends and best practices while fostering connections that can come in handy down the road,” he says.



Dirk Bruggencate



Barry Haggis



Kevin Lea



Vicki Livingstone



Caleb Maksymchuk



Choose Your Path

There are two main paths to owning a brokerage: purchasing an existing brokerage and starting your own from scratch, each offering its own benefits and challenges. An existing brokerage can offer more financial security—contracts with insurers are in place, staff is hired and trained, the customer base is built, etc. All this comes with a hefty price tag compared to starting from scratch. Many purchase deals are structured to pay out the seller and/or lender from profits over a period of time, so it can be quite a while until you are reaping the full financial benefits of ownership.

Many industry pundits predict a mass retirement of current brokerage owners in the next 5-10 years due to their aging demographic. That’s why it’s so important to make your aspirations known. “You never know what opportunities may be revealed,” says Losie. “You may find out that the owner is planning on retiring in five years—at least you can start having the conversation.” Although brokerages are often sold to an owner’s next generation, don’t count yourself out if

you’re not a family member. For example, PYIB president Dirk Bruggencate, now a partner in Blue Circle insurance, “... started in the mailroom and worked my way up the ranks.”

Starting a brokerage from scratch means you can implement your vision from the outset—the culture, processes, target markets, service standards, marketing strategy, etc.—and curate the staff and industry partners that will align with that vision. Easier said than done says Kevin Lea co-founder of startup brokerage, Fuse Insurance. “We’ve now seen a significant hardening in the marketplace, which has led to getting contracts being even more difficult now than it used to be ... it’s probably the hardest step in starting a brokerage.”

Because of these and other challenges that startups face (e.g., cash flow), achieving success can be more challenging than buying an existing operation; however, the capital investment required is much lower. For Lea, the desire to build something unique (a fully automated online commercial platform) with his best friend, a software engineer, meant starting a brand new brokerage was the clear choice. “As the old saying goes, you can’t eat equity,” says Lea, “but I do think that that sacrifice now and the extra hard work to build this will pay off significantly in the end.”

Lea’s statement leads into the first of a series of questions I posed to a panel of IBAA members (most of them “young” brokers) who shared their insights and experiences in becoming a brokerage owner:

- Dirk Bruggencate, BlueCircle Insurance, Calgary
- Barry Haggis, Haggis & Young Insurance, Taber
- Kevin Lea, Fuse Insurance, Calgary
- Vicki Livingstone, Freeman Insurance, Innisfail
- Caleb Maksymchuk, Ravenhill Agencies, Edmonton

(Some responses were edited due to space considerations.)

continued on page 18



MUTUAL FIRE
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Define Your Why

What attracted you to owning your own brokerage? Did those expectations prove to be true?

Bruggencate: I really wanted to challenge myself and learn all aspects of the business and the industry. Being an owner still challenges me every day in our ever-changing industry. There are still many things to learn and a lot more wins to be had.

Haggis: Being in a family business, I am a third-generation broker, so it was always the plan for me to obtain ownership when the time was right. There is a strong sense of pride when I

think back to my grandfather starting the brokerage in the 60s, then my parents and uncle taking over and now my brother and I taking the reins.

Lea: One is the ability to enact decisions and have those play out to see if your strategies are successful. There is no doubt a financial aspect to it as well. There is certainly the potential that if you work hard and build things out the right way, there can be significant financial reward.

Livingstone: I guess you could say that I always expected (and was expected to) take over my parents brokerage so there were never any thoughts of “Do I want to own a brokerage someday?” I knew I most likely would.

Maksymchuk: The initial lure for me was to continue a legacy that was started by my wife’s grandfather Ray Callies. Ravenhill saw its first large growth spurt spearheaded by Ray’s son-in-law Jim Harris. I am now the third-generation partner and also son-in-law to Jim. I started in the industry a bit later in my career having finished two university degrees, teaching in England and having a career as a Phys Ed teacher. At the time, the industry was starting to erupt with change. I wanted to be part of the change and help create success for Ravenhill just as Jim has done.



The Right Stuff

What elements of your personality and skill set did you already possess that were helpful in becoming a successful owner?

Bruggencate: Self-motivation—you can’t just sit at your desk and wait for things to happen and sometimes as an owner there is no one else there to light that fire under your butt. Valuable assets like education, processes and clients don’t just drop out of the sky; you need to go become the expert and get them.

Haggis: I was raised with a team-first attitude and had the opportunity to play team sports at a high level my whole life. I think that really helped with my leadership skills and that has transferred over nicely to owning a brokerage.

Lea: I think one of the skills that benefits me in this whole scenario is knowing insurance, as a product, ice cold ... I think that’s really important to do—not just from a comfort level (in terms of) selling products to the client, but also from a perspective of showing your insurer partners and clients that you actually know what you’re doing. I also think that one of the key skills in running a business is the ability to do quality research ...

To Thine Own Self Be True

You can know the business inside and out, be a successful salesperson or even a great manager and not be a successful brokerage owner.

In an article she wrote for LegalZoom.com¹, Jane Haskins states, “Deciding to launch and run your own small business will affect you, your family and any employees you may have.” To help you figure out if you have what it takes to own your own business, Haskins says you should ask yourself these seven questions:

1. Are you truly enthusiastic?
2. Are you persistent?
3. Are you comfortable making decisions?
4. Can you handle risk without getting panic attacks?
5. Are you willing to adapt and change?
6. Can you delegate?
7. Are your personal finances in good shape?

If you answer no to any of these questions, it doesn’t mean that owning your own business isn’t in the cards; it means you know what you need to work on to set yourself up for success.

¹ Haskins, Jane. “Do You Have What It Takes to Be a Business Owner?” LegalZoom.com

You can't possibly know everything before you start, so knowing how and where to find those answers is really important.

Livingstone: Determination.

When I set my mind to something I rarely give up. Fairness and honesty. I try my best to treat my staff like family ... being fair and honest with them all.

Maksymchuk: Coaching is the new word for leadership. I found that having been part of team sports, and later coaching team sports, assisted with developing our own work team. Teaching and coaching went hand in hand, thus teaching skills and the ability to stand up in front of a "crowd" assisted when addressing a team or a room full of business/industry leaders.



Take a Hard Look in the Mirror

What qualities and skills did you need to develop to position yourself for successful ownership?

Bruggencate: Looking at the big picture. Your business is a machine, and you need to understand and work with all parts of it. From finances and the products you sell to the staff you employ, you now need to consider all of these when making decisions.

Haggis: The one thing that I am still working on is delegating tasks. I have always struggled with that. I know how talented our team is here, and it should be an easy transition to delegate certain tasks to others and know they will get accomplished, but that is easier said than done.

Lea: Time management. ... One of the other skills that I was a little surprised that I had to work on is making sure to balance my time between strategy and high-level thinking for running the company and the day-to-day minutiae.

Livingstone: I had never had a management position and was never taught any management skills in my previous positions such as writing policy and procedure, hiring and firing, accounting, etc. Education is the best way to resolve these issues. I have taken several courses along the way. I also have had to learn a little more patience and flexibility.

Maksymchuk: Other than everything? When you steer the ship you need to make long-term and short-term decisions (goals) to make sure you stay the course. Often things come up unexpectedly and you have to make quick decisions and stand behind them. Right or wrong. One thing that was hidden in the mentorship I received was how to conduct yourself in a boardroom. This is a skill that I am still developing every time I walk into one.



The Fear Factor

What were your biggest concerns before making the leap and how did you address them?

Bruggencate: Basically, the unknown and not knowing how to handle certain situations. I do best by learning as I go and observing. I am very lucky to be surrounded by a lot of exceptional people who have helped me out along the way.

Haggis: The money that can be involved is a worry, as you are putting up a lot of capital to purchase or buy into a brokerage. There will be years that go by when every penny you make will go towards the loan or whatever that may be. You need to be confident that you will be successful and be able to get any loans paid off before you will start making any real money and reaping the benefits.

10 CHARACTER TRAITS Of Successful Small Business Owners

- Driven
- Goal-oriented
- Confident
- Passionate
- Budget-minded
- Self-reliant
- Humble
- Resilient
- Focused
- Open-minded

Source: Gregory, Alyssa. "10 Character Traits of Successful Small Business Owners." *TheBalance. Small Business, Dotdash*, November 20, 2019.

Lea: Certainly, the first one that comes to mind is the financial stability. It may sound a little obvious, but it's definitely a major concern of how do you go about actually supporting yourself.

Maksymchuk: Ownership of any business comes with larger responsibilities, different issues that arise and industry challenges that were not part of my original role. The single most important thing to do is to find a mentor ... Having not gone to business school and starting later in life in the industry, my challenge rested in making sure I had enough education and knowledge to properly assess issues that arose and handle the new set of challenges that confronted me. Earning my CAIB designation was a great foundation for this.



Bumps in the Road

What unforeseen challenge did you encounter after becoming an owner and how did you overcome it?

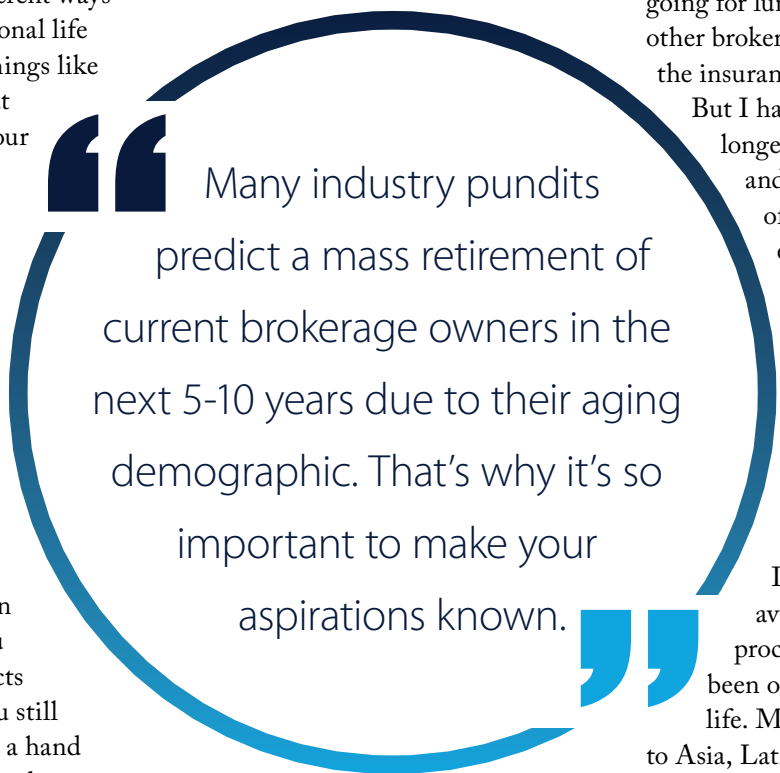
Bruggencate: Allowing work to take over my personal life. Being a brokerage owner takes a large devotion of your time and energy and can be quite stressful. You really need to teach yourself different ways of separating your professional life from your personal life. Things like exercise, vacations (without your cell phone glued to your hip) and meditation have helped me along the way.

Haggis: I was told about the workload prior to becoming an owner and that it is a lot different than servicing a book of business or writing new business. I didn't quite grasp the full understanding until after I had gotten comfortable in the new role as owner. You deal with company contracts and company relations, you still deal with clients, you have a hand in dealing with your staff and any issues they may have with a client or company. The industry is changing all the time and you need to stay on top of that and be ready to make changes in your procedures, or marketing if need be.

Lea: The process of getting our first insurer contracts was definitely harder than I thought it would be. We were able to get it done, but it did take us longer than we expected ... (by) being persistent and understanding the perspective of the insurance companies and what they look for.

Livingstone: When I left the brokerage in the 90s they had been gearing up for the future of paperless (no files) offices. When I came back

in 2009, nothing had changed. They still had all their files and even some hand-written applications. Changing all the procedures, including our operating system, was a huge challenge. I had to get full "buy-in" from all of the staff. Once they saw all the advantages of having everything on the computer and no longer hunting for files, it went pretty smoothly.



“Many industry pundits predict a mass retirement of current brokerage owners in the next 5-10 years due to their aging demographic. That's why it's so important to make your aspirations known.”

Maksymchuk: The things that keep you up at night. You can't prevent them, but you can limit them by having an amazing team and business partners, quality industry partners, great mentorship and supportive family. Without this, nothing is possible.



Great Expectations

What was your biggest misconception of ownership?

Bruggencate: The extra-curricular stuff isn't all fun and games. Don't

get me wrong, I really enjoy going to conventions, business trips and industry events, but it is a lot of work being "on" all the time, and it can be quite exhausting. Also, when it is all over with, you still have work at the office to do.

Haggis: I had always thought that owning a brokerage meant you could pop in once in a while to make sure things are going smoothly, you'd be going for lunch with companies or other brokerage owners, solving all the insurance problems of the world. But I have found myself working longer than I ever was before and it doesn't really turn off. Don't get me wrong, I enjoy it ...

Lea: "When I'm the owner, I'm going to spend as much time working remotely as I possibly want to." Wrong. I'm a big traveler. I've been to over 70 different countries. I love travel, airplanes, aviation, like the whole process of it. I have never been on less trips in my entire life. My far-flung adventures to Asia, Latin America and Europe turned into going to Edmonton and Toronto and Saskatoon ... we've traded in the all-inclusives for the Holiday Inn Express.

Livingstone: I have always said that if you have a high turnover in staff you should look to your management. This isn't always the case though. Sometimes the people leaving the organization don't have a choice due to relocation, etc. I was also guilty of thinking that if I were the owner I could come and go as I pleased. Unfortunately, in many cases, the owner is the one who ends up staying late and coming in early to make sure that everything is running smoothly.

Maksymchuk: Things need to get done inside the office and outside the office. It is all part of the larger picture. It's not easy, and you never know everything. There are many things that before ownership were not your problem; things you were never aware of. Once you are at the ownership table, they are very present every day.



Just Rewards
What has been the greatest reward of owning your own brokerage?

Bruggencate: For me it is the relationships I have developed with the awesome people I work with and have met through the industry. Ownership can give you the opportunity to experience things like conventions, broker boards or councils and the ability to work closely with

all staff in the company. We really are lucky to have such great people in this industry.

Haggis: ... when you sit back and think of how many lives you have an effect on by owning a brokerage. You have a direct hand in the experience that your clients have with your team and you offer a safe and productive work environment to your employees who know they are coming into a steady business where they can be successful and feel empowered.

Lea: Winning the award and the development of our team and their personal knowledge and growth have been the two most rewarding pieces to date. (Only four years old, Fuse recently received the Insurance Business Canada award for "Brokerage of the Year—under 10 employees.")

Livingstone: I am very proud to own a brokerage where I can keep 14 other people employed and provide

them with a steady income even when the economy is not the best. I am also very proud to be a strong member of our community and very well respected as such.

Maksymchuk: Being part of a legacy that was started long before me by someone with exceptional business knowledge and a business grown by someone with far better business and sales skills. Just being at this table is an honour in itself but being allowed to learn, coach, fail and find success without judgement and given confidence by person who wears so many hats, to me, makes being part of a family business very rewarding.



Annette Hubick operates Link PR Incorporated—a marketing and communications consulting firm—and has been the publisher/editor of The Alberta Broker since 1996.

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PEER TODAY BOSS TOMORROW

By Randy Conley

Congratulations! You've just received the news that you're getting a promotion to supervisor! You're excited, thrilled, eager to get going ... and scared out of your mind! You don't have a clue about where to start and you're nervous about how your team members will react to you now being the boss. You've worked all these years to build great relationships and friendships as a team member and colleague and now you're faced with the prospect of having to be tough, lay down the law, hold people accountable, enforce the rules, and all that other mean boss stuff. You're starting to question yourself before you even get started: Do I really want to be a manager?

Well, before you get too riled up and freak yourself out, or worse, go on a power trip and start making enemies, take a deep breath and put a plan together. Remember, someone

promoted you because he/she has confidence in you. You've also proven yourself as a high performer and that track record of success will give you credibility as you transition into a managerial role.

Success as an individual contributor does not guarantee success as a manager. Leading people is a whole new ballgame.

However, if you're like most people in most organizations, you haven't received any kind of specific leadership training to prepare you to move into the role of leading people. Success as an individual contributor does not guarantee success as a manager. Leading people is a whole new ballgame.

That's why you need a plan. Far from being a complete treatise on the subject, following are a few key steps you should consider taking as you move from peer to boss.

1 Acknowledge the Awkwardness

There's no two ways about it; moving from a friend and peer to being the boss is an awkward transition for everyone involved. That's why it's best to acknowledge it up front. Lay the cards on the table by having open conversations with your colleagues about the transition. Communicate your desire to be open and authentic during the process, all the while recognizing that some things will definitely change about your relationship. You won't be able to be "one of the guys/girls" in the same way you were before, but you will settle into new norms that will add depth and dimension to your relationship that didn't exist before.

2 Focus on Building Trust

The number one priority ... number one ... should be building trust with your team members. Every person on your team is eagerly watching your every move to see what kind of leader you will be now that you have access to more power and control. Your primary focus the first few weeks/months in your new role should be to show your team that you mean them no harm and you have their best interests at heart. That doesn't mean you let the inmates run the asylum or let them run roughshod over you. Keep enforcing the rules as needed but make it a point to not go on any power trips. Focus on acting with integrity, learning the basics of your supervisory role, building relationships with people, and keeping your commitments. If you have your team's trust, you open the doors to all kinds of possibilities. Without it, you're dead in the water.

3 Get Leadership Training

Leading and managing people requires a specific set of skills and abilities that is likely quite different from those you mastered as an individual contributor. If your organization offers formal leadership training then take advantage of it. If not, find your own through books, online courses, You Tube videos, or blog articles. There is no shortage of leadership content out there to help you become a better leader. Part of your leadership training should also be to get a mentor. Find someone you respect with a track record of success as a leader and ask if he/she would be willing to offer you insight and advice. There's nothing quite as valuable as wisdom from those who have walked the path before us.

4 Clarify Expectations And Intentions

If performance expectations aren't clear with your team members, spend some time making sure goals are clear

and people know what's expected of them. As a general rule, I think it's easier to start a little "tighter" with your team in terms of clarifying expectations and holding people accountable and then loosening up over time, versus starting too loose, have things get out of control, and then have to tighten the reins. Having said that, it's important you make sure your good intentions are expressed as well. Let your team members know that you believe your role is to serve them and help them succeed and you'll do whatever it takes to support them. Most importantly, make sure your actions align with your words. If you say one thing and do another you will quickly erode trust with your team.

5 Catch People Doing Something Right

Ken Blanchard has said that if he had to choose one thing to be remembered by as a leadership guru, it would be the value of catching people doing something right. So many positive things happen as a result of the leader reinforcing good performance: trust is built, people's self-esteem grows, team morale is improved, and good performance becomes contagious. It's a virtuous cycle – people who perform well feel good about themselves and people who feel good about themselves perform well. Catching people doing something right should be a primary focus of your leadership.

Moving from peer to boss is a career milestone for most people. It's a time of growth and opportunity and it's important to start off on the right foot. These five steps can get you going in the right direction.

For those of you who have already made this move into the ranks of leadership, be sure to leave a comment with words of advice about other things a new manager should consider. 📌

Randy Conley is the Vice President of Client Services & Trust Practice Leader for The Ken Blanchard Companies.

WHO DO YOU PROMOTE?

5 Qualities of a Good Leader

Shows empathy for others

You cannot lead others effectively for long if you're not considering their motivations and needs as much as your own.

A good listener

Often, the best way to address a situation as a leader is to ask questions to truly understand a situation before reacting or responding.

Consistent and accountable

If someone is consistent, you know what to expect from them. That predictability allows you to feel more comfortable with less oversight over them. If someone is accountable, you know that even if something goes wrong, they'll fix it or take responsibility. They won't hide from problems and they'll work hard to deliver positive outcomes.

Interested in the life of a leader

People who want to "be the boss" are destined to fail, while the servant leader has no limits to where they can go.

Committed to learning and growth

Do they take feedback well? Do they seek out hearing how they can improve? Do they read regularly? Do they look for opportunities to learn?

Source: excerpts from <https://getlighthouse.com/blog/qualities-of-a-good-leader/>

RULES OF ENGAGEMENT

What makes millennials tick, and how can you motivate them?

By Kelly Heinrich



As an employer, how can you meaningfully connect with gen Y employees and motivate them to do their best?

Emphasize teamwork.

Studies show that millennials are great team players—credit early exposure to team sports growing up and emphasis on group work in school. So, employers should look for ways to include gen Y in group brainstorming sessions where they can contribute a fresh perspective to creative problem solving. Establishing a mentoring program that pairs younger workers with seasoned professionals is another constructive way to team up sets of employees and encourage learning, understanding, knowledge transfer and collaboration.

Give frequent feedback.

Letting gen Y employees know if they're on the right track is important to keep them motivated and focused. Millennials prefer more frequent performance feedback than older generations; they want to get feedback in real time, just like they get tweets from the people they follow. It's the instant gratification and learning that pushes them to improve. Therefore, look for more immediate and informal opportunities—via email, text message or in-person—to give constructive direction or positive reinforcement. The report also indicates that the majority of gen Y employees prefer non-monetary performance rewards. Organizations should consider offering free personal days off, food, club memberships or even event tickets as a way to say, "Well done!"

Adopt new technology and social media practices.

Gen Y is more productive when empowered to use technology. If upgrading or expanding your company's technology is impossible, consider adopting a bring-your-own-device policy. Then, assuming that your organization has a social media policy, encourage your CEO and other leaders to use blogs, Twitter or corporate Facebook accounts to communicate company messages when appropriate. Leaders who regularly use mediums that resonate with younger generations will be more in-tune with their workforce, and a CEO who is active on social media can give millennials a positive example of a productive corporate social media conversation. While some firms may want to ban the use of all social media at work, millennials will find a way to get around the ban—so adoption, in tandem with a social media policy, makes more sense.

Promote work/life fit and encourage fun at work.

Gen Y is comfortable with the fact that the ratio between work and life is rarely an even 50/50 split. They want their work to "fit" the situation they're

in, such as the need to leave early to attend a course and the ability to work from home. Depending on your company's need for in-person office presence, consider telecommuting options. When it comes to flex time and workplace social activities, have an engagement strategy centred around fun. Buy a pool table for the lunchroom. Take everyone out to a movie or to lunch, so that you can get

to know your team in a more casual setting. Do whatever works for your company— just don't discount how much being social contributes to the performance of millennials.

Different strokes for different folks.

Rapid technological changes and a workforce that spans four generations make rewarding, communicating with and motivating employees more complicated than ever. Employers need

to realize that, while all employees deserve equal and fair treatment, there are generational differences. What works for boomers, for instance, does not necessarily work for gen Y employees—so stay flexible.

Kelly Heinrich is Director, Talent Management at Compugen Inc. This article first appeared in Benefits Canada.

Millennials are now the biggest cohort in the insurance industry.

The industry's demographic profile has changed significantly in the decade—even the past 5 years!

In 2007, the biggest cohort was boomers (over 40).

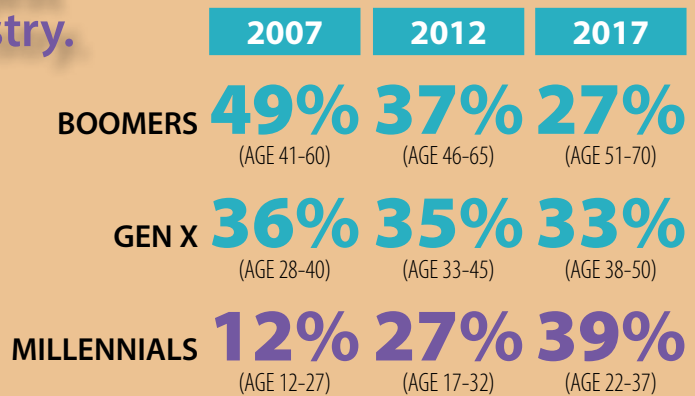
In 2017, the biggest cohort was millennials (under 40).

In comparison to the general labour market:

The industry was older and out of step in 2007.

The industry was not as old, more in step in 2012.

The industry is much younger and ahead in 2017.



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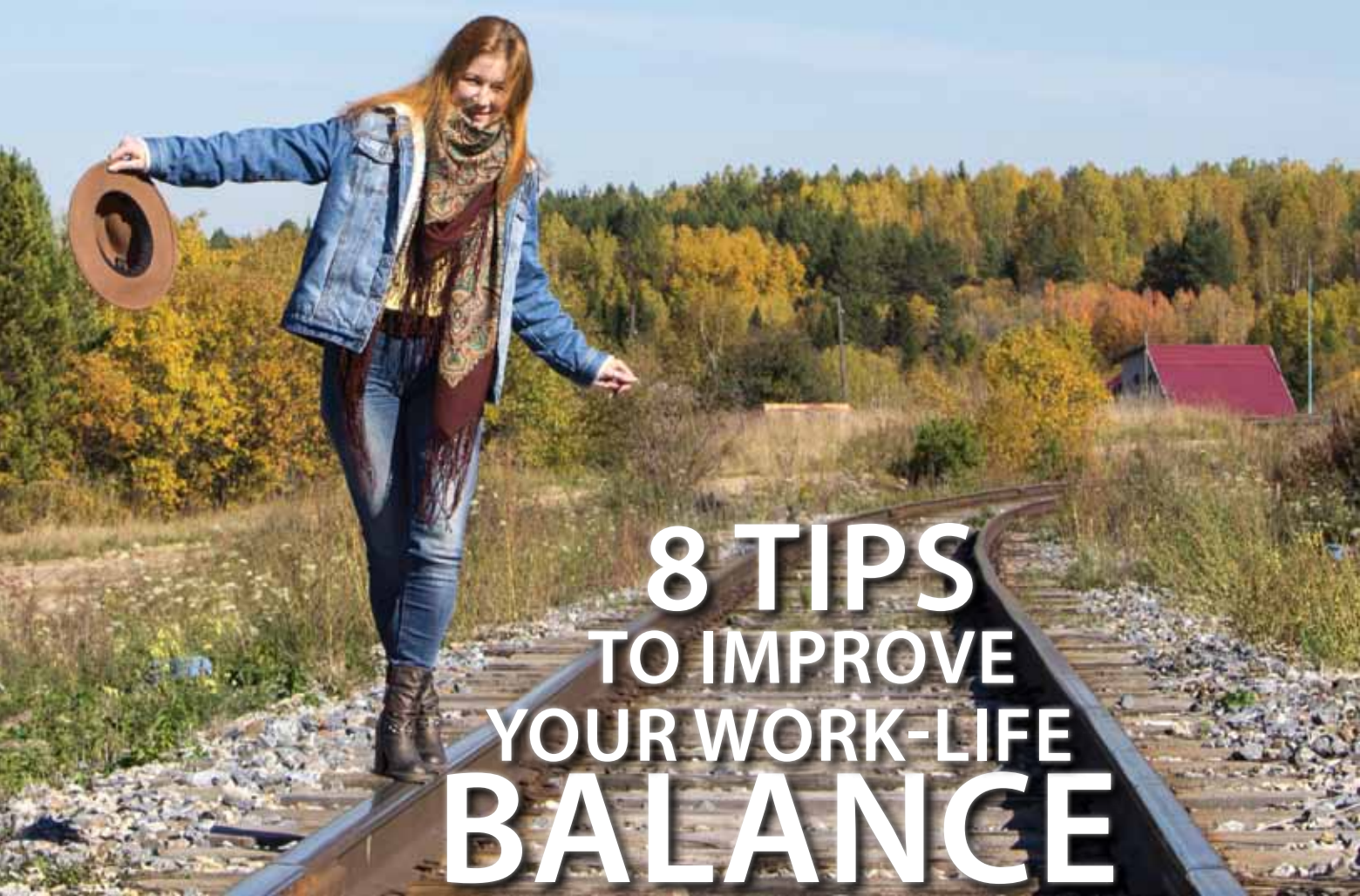
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By Marisa Sanfilippo

8 TIPS TO IMPROVE YOUR WORK-LIFE BALANCE

Often, work takes precedence over everything else in our lives. Our desire to succeed professionally can push us to set aside our own well-being. Creating a harmonious work-life balance or work-life integration is critical, though, to improve not only our physical, emotional and mental well-being, but it's also important for our career.

A good work-life balance, said Chris Chancey, career expert and CEO of Amplio Recruiting, has numerous positive effects, including less stress, a lower risk of burnout and a greater sense of well-being. This not only benefits employees but employers, too.

"Employers who are committed to providing environments that support work-life balance for their employees can save on costs, experience fewer cases of absenteeism, and enjoy a more loyal and productive workforce," said Chancey. Employers that offer options as telecommuting or flexible work

schedules can help employees have a better work-life balance.

When creating a schedule that works for you, think about the best way to achieve balance at work and in your personal life. Chancey said that work-life balance is less about dividing the hours in your day evenly between work and personal life and, instead, is more about having the flexibility to get things done in your professional life while still having time and energy to enjoy your personal life. There may be some days where you work longer hours, so you have time later in the week to enjoy other activities.

Here are eight ways to create a better work-life balance.

1. Accept that there is no 'perfect' work-life balance.

When you hear "work-life balance," you probably imagine having an extremely productive day at work, and leaving early to spend the other half of the day with friends and family. While

this may seem ideal, it is not always possible.

Don't strive for the perfect schedule; strive for a realistic one. Some days, you might focus more on work, while other days you might have more time and energy to pursue your hobbies or spend time with your loved ones. Balance is achieved over time, not each day.

2. Find a job that you love.

Although work is an expected societal norm, your career shouldn't be restraining. If you hate what you do, you aren't going to be happy, plain and simple. You don't need to love every aspect of your job, but it needs to be exciting enough that you don't dread getting out of bed every morning.

3. Prioritize your health.

Your overall physical, emotional and mental health should be your main concern. If you struggle with anxiety or depression and think therapy would benefit you, fit those sessions into your

schedule, even if you have to leave work early or ditch your evening spin class. If you are battling a chronic illness, don't be afraid to call in sick on rough days. Overworking yourself prevents you from getting better, possibly causing you to take more days off in the future.

Prioritizing your health doesn't have to consist of radical or extreme activities. It can be as simple as daily meditation or exercise.

4. Don't be afraid to unplug.

Cutting ties with the outside world from time to time allows us to recover from weekly stress and gives us space for other thoughts and ideas to emerge. Unplugging can mean something simple like practicing an instrument, meditation or reading, instead of checking work emails.

5. Take a vacation.

Sometimes, truly unplugging means taking vacation time and shutting work completely off for a while. Whether your vacation consists of a one-day staycation or a

How Managers Can Support Work-Life Balance

To help managers do a better job of supporting employees' efforts to achieve a healthier work-life balance, Robert Half Management Resources offers four tips.

1. Know what your employees are striving for. Not everyone has the same work-life balance goals. Talk to each employee about their objectives, and then determine what you can do to help them. Some employees may benefit from working remotely a couple days each week, while others may prefer altering their daily work schedule. It's important to be open-minded and flexible.
2. Set a good example. Your employees follow your lead. If you send emails at all hours of the day and night or work hard on the weekends, you staff thinks that is what is expected of them, too.
3. Let employees know what their options are. While employers typically do a good job of highlighting their work-life balance offerings to prospective job candidates, the same can't be said for communicating those initiatives to current employees. Regularly discuss with your employees the options that are available to them. Also, sit down with soon-to-be parents and discuss parental leave options.
4. Stay at the forefront. It is important to keep ahead of the curve on emerging work-life balance trends. What works today for employees might not be a good fit a year from now. Keep your work-life balance initiatives fresh and offer in-demand benefits. Plus, consider offering work-life programs.



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two-week trip to Bali, it's important to take time off to physically and mentally recharge.

6. Make time for yourself and your loved ones.

While your job is important, it shouldn't be your entire life. You were an individual before taking this position and you should prioritize the activities or hobbies that make you happy. Chancey said that achieving work-life balance requires deliberate action.

When planning time with your loved ones, create a calendar for romantic and family dates. It may seem weird to plan one-on-one time with someone you live with, but it will ensure that you spend quality time with them without work-life conflict. Just because work keeps you busy doesn't mean you should neglect personal relationships.

7. Set boundaries and work hours.

Set boundaries for yourself and your colleagues, to avoid burnout. When

you leave the office, avoid thinking about upcoming projects or answering company emails. Consider having a separate computer or phone for work, so you can shut it off when you clock out. If that isn't possible, use separate browsers, emails or filters for your work and personal platforms.


Additionally, Chancey recommended setting specific work hours. "Whether you work away from home or at home, it is important to determine when you will work and when you will stop working; otherwise, you might find yourself answering work-related emails late at night, during vacations or on weekends off."

Chancey advised notifying team members and your manager about boundaries beyond which you cannot be accessible because you are engaged in personal activities. This will help to ensure that they understand and respect your workplace limits and expectations.

8. Set goals and priorities (and stick to them).

Stick to your goals by implementing time-management strategies, analyzing your to-do list and cutting out tasks that have little to no value.

Pay attention to when you are most productive at work and block that time off for your most important work-related activities. Avoid checking your emails and phone every few minutes, as those are major time-wasting tasks that derail your attention and productivity. Structuring your day can increase productivity at work, which can result in more free time to relax outside of work.

"Work-life balance will mean different things to different people because, after all, we all have different life commitments," said Chancey. "In our always-on world, balance is a very personal thing, and only you can decide the lifestyle that suits you best." 

Marisa Sanfilippo is a freelance journalist and an award-winning marketing professional. This article is reprinted from Business News Daily.



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BROKER NEWS

- Bruce Flook was promoted to senior VP and brokering manager for AON's prairie region.
- Andrew Ramsay of AON was promoted to senior VP and account executive of energy.
- Rochelle Wilson, formerly of HUB, is the newest WFG branch manager at WFG.
- Travis Wadham moved from Rogers Insurance to HUB as a commercial account executive.
- Lindsay Loughridge was being appointed to VP, Ontario and Atlantic at BrokerLink. Transitioning from her current role as head of Alberta, Lindsay will focus and oversee the growth and operations for personal and commercial sales and service in the Ontario and Atlantic regions. Replacing Lindsay is Albert Pol former Intact Insurance regional VP Northern Alberta. Albert started his career with ING in the Netherlands before moving to Canada in 2007, where he held various positions in claims, business development and operations.
- Topley Sanders & Jepson has been purchased by BrokerLink effective July 1.
- MKMK Risk Management Inc has a new Calgary address on Symons Valley Road NW.

COMPANY NEWS

- Amanda Nordstrom will replace Albert Pol as the new Intact Insurance regional VP for Northern Alberta. Amanda has been with Intact for 14 years and has held a variety of roles with increasing responsibility in personal lines underwriting, training and business development as well as worked on several strategic and cross-functional initiatives.
- Rebecca Van Helden successfully completed the Intact commercial lines development program and now holds the position of commercial lines underwriter, property casualty.
- Intact's Arnie Zippel retired effective July 31. Arnie has over 38 years of industry experience in management, marketing and underwriting roles. He started his career at Travelers in 1982 as a senior account analyst and since that time has worked for several companies such as Economical, Citadel, AXA and Intact.
- Aviva's Take Back Our Roads safety initiative received the Insurance Marketing & Communications Association best of show award in the external corporate social responsibility campaign category. Congratulations!

GIVING BACK

Fuse Insurance, in partnership with Northbridge Insurance, ran a charity-of-the-week campaign through to the end of July. Each member of their team choose a charity to support: Heart & Stroke Foundation, Canadian Mental Health Association, Jump Math, Alberta Children's Hospital Foundation, Leukemia and Lymphoma Society of Canada, Alberta Institute for Wildlife Conservation and KidSport Calgary are among the charities chosen for support. There are many Southern Alberta charities in need of support right now either by volunteering or through donations.

Check to see how you can get involved and don't forget your insurers may have programs that can boost your community support initiatives!

Thank you to all who contributed to the "Chinook Country Report." Your input is always appreciated. 🙌

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Protecting Yourself from Cyber Risks

By ???????

Each year, a growing number of cyberattacks affect various organizations, both public and private. With the COVID-19 pandemic, many companies had to change the way they operate by asking their employees to work from home. As in every exceptional situation, malicious people take advantage of this situation. To avoid these types of attacks, it is important to be vigilant on a day to day basis.

There are many ways to protect yourself and your organization from these cyber risks, and it is everyone's responsibility to do so.

Looks might be deceiving

An unexpected message, even from a person you know, can hide a phishing attempt. This fraudulent email is a cyberattack whose goal is to steal personal information such as your login details or banking data. Through phishing, the cybercriminal can also place a virus on your computer, either as an attachment or via a link that takes you to a rigged site.

A simple measure to take to avoid cyberattacks is through the **SIT** method:

SENSE OF URGENCY: the message bets on your emotional reactions such as fear or curiosity and asks you to click on a link, open an attachment or provide personal information.

IDENTITY THEFT: Beware! It is possible to falsify the origin of the e-mail! It may appear to come from a known person or organization (like your bank), but the context does not lend itself to this and the actions requested are suspicious. These include attempts to impersonate an executive, a member of your executive committee or a supplier to obtain the performance of financial transactions without respecting the usual governance and procedures. These impersonators are very well informed and prepared, which makes their techniques very effective. Remember that none of your company's executives would contact you directly to carry out confidential financial transactions without following the procedures in force.

THINK X TIMES before replying, opening an attachment or clicking on a link. With the recent intensive use of home offices, malicious applications and

sites claim to disseminate information relating to COVID-19, and hackers may lead you to malicious apps and/or sites that are likely to suck up your data or introduce viruses into your system. Caution and common sense are a precious help in this type of situation.

Check if your computer is infected

Your computer could be infected without you realizing it. Check some things that might be signs of an attempted attack:

- Windows appear that do not look like the ones you usually have.
- You can no longer read most of your data; file names have changed.
- You can no longer access certain menus or programs.
- Your antivirus software does not display a status as usual

If you have to use your personal computer for work or if you have sensitive personal data on your private computer, it is important to be careful, as this is where cyberattacks may come from.

For users of personal computers, it is important to regularly update your operating system (Windows/ MacOS)

as well as your antivirus software. Run a frequent scan of your computer, for example every two days. These scans can take time, even several hours. It is preferable to do it at the end of the day or even at night so as not to block your work.

Pay attention to external devices

Avoid using external removable devices such as USB flash drives or external hard drives that may contain malicious files that, once on your desktop, will open the door to data theft.

Protect your cell phones!

Your cell phones are also sources of entry for cybercriminals. With the use of smart phones that have an Internet connection, your mobile has become a source of security breaches.


Here are some tips and precautions to take when using your mobile phone:

- Do not connect to just any network. Do not allow your phone to automatically access an unknown one.
- Only download applications that are available on your mobile phone's app store. If you download an application from outside this store, you may click a malicious link that will retrieve your data.
- Be just as careful when you're surfing on your mobile as you are on your computer. In this time of pandemic, beware of scams offering to help with COVID-19 and/or offering to donate. Be aware that more than 1000 applications containing malicious functions with the keywords "Coronavirus" or "COVID" have been identified.
- Deactivate your Bluetooth; use it only when you need it.
- Beware of phishing by phone, do not trust messages that try to make you reveal confidential information, especially when they are not usual.
- Beware of phishing: don't give out any personal information over the phone or by email, especially if it appears to be from your bank.

Just like on your computer, don't let your guard down and stay alert when you are browsing on your phone!

Businesses: get the right coverage

Despite all your precautions, your business is never fully protected against the risk of cyberattacks. In addition to the data leakage for which you may be held liable, a business interruption may result and lead to greater financial losses. Investing in a security system will limit the risk of a cyberattack, but will not protect you from these losses, which can put your company's financial health at risk.

Remember, we are never safe from a cyberattack. Personal data can be resold at high prices, which is why you become a target of choice for cyber criminals, especially if your computers give access to your company's data. 

Article courtesy of: Sage Advisor Resources Corp., Axis Capital and April have put together a comprehensive and affordable cyber program exclusive to the association membership. If you would like to learn more or obtain a quote, please contact Kelly Duncan at 587-921-7695 kduncan@ibaa.ca.




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Facing the storm with you



Insurer Attempts to Break the Ice on Duty to Defend Claim for Thawed Products

In our commentaries, we have often referred to the Supreme Court of Canada's 2016 decision in *Ledcor Construction Ltd v Northbridge Indemnity Insurance Co.* In that case, the court articulated the principles of interpretation that apply to standard form insurance contracts and set out how higher level courts should review the interpretations of lower courts on appeal (known as the "standard of review"). According to *Ledcor*, standard form insurance contracts attracted a specific set of interpretive principles because of their

precedential value, and for that same reason, the appropriate standard of review was correctness.

While many insurance contracts are standard form so as to call upon the edicts of *Ledcor*, not every contract of insurance will have the precedential value of a standard form. In some cases, where the insurance contract at issue is not standard form, the principles of contractual interpretation that apply to contracts at large will apply. The Supreme Court rearticulated these general principles in 2014 in *Creston Moly Corp v Sattva*

Capital Corp, and in the recent case of *Intact Insurance Company v Clauson Cold & Cooler Ltd*, the Alberta Court of Appeal considered the application of the *Sattva* principles to a non-standard contract of insurance to answer questions regarding an insurer's duty to defend.

The Facts

Clauson Cold & Cooler Ltd ("Clauson") operated a cold storage warehouse business. It purchased an insurance policy from Intact Insurance Company ("Intact") to

cover certain business risks. The “Commercial Edge Express Plus” policy (“the policy”) consisted of more than 20 forms and was about 150 pages long. The declarations page stated:

The policy declarations together with the supplementary declarations, policy conditions, forms, riders and endorsements, if any, issued to form a part thereof, completes the policy.

Included in this policy were a commercial building and contents broad form, a warehouse legal liability form, an equipment breakdown coverage—standard comprehensive form, an equipment breakdown coverage – consequential damage form and various others.

In 2016, BHJ Canada Meat Products (“BHJ”) sued Clauson for breach of contract and negligence, as did Bonduelle Canada Inc (“Bonduelle”) in 2017 (collectively, the

“underlying actions”). Both lawsuits alleged that Clauson was responsible for the proper storage of certain frozen products while those products were in Clauson’s care, custody and control, and that BHJ and Bonduelle suffered their respective losses when their products thawed.

Although Clauson maintained the policy at all relevant times, Intact ultimately refused to defend Clauson in either of the underlying actions. As a result, Clauson sued Intact, seeking a declaration confirming Intact’s duty to defend Clauson in the underlying actions.

The Decision

The law regarding an insurer’s duty to defend is fairly settled. Again, the Supreme Court of Canada has authoritatively weighed in. In *Progressive Homes Ltd v Lombard General Insurance Co of Canada*, the court stated:

An insurer is required to defend a claim where the facts alleged in the pleadings, if proven to be true, would require the insurer to indemnify the insured for the claim. It is irrelevant whether the pleadings can be proven in evidence. That is to say, the duty to defend is not dependent on the insured actually being liable and the insurer actually being required to indemnify. What is required is the mere possibility that a claim falls within the insurance policy.

This is what is known as the “pleadings rule,” because the pleadings are central. In applying this test, the court said that substance will prevail over form; that is, attention is given to the true nature of the claim, rather than the presence or absence of certain words or labels in the pleadings. In considering whether coverage could exist, the parties must apply the established algorithm:



Coverage for the open road.

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(a) was there an initial grant of coverage in the policy; (b) does an exclusion clause apply to that coverage; and (c) does an exception to the exclusion bring the claim back within coverage? Coverage provisions will be interpreted broadly, and exclusion provisions will be interpreted narrowly.

In *Clauson*, the Alberta Court of Appeal affirmed that “the duty to defend is broader than the duty to indemnify” such that the allegations in the pleadings should be given “the widest latitude” to see whether the claim falls within the policy. In its analysis, the court considered the “duty to defend” language of the policy, which read:

*DEFENCE,
SETTLEMENT AND
SUPPLEMENTARY
PAYMENTS—COVERAGES
A, B and D*

With respect to the insurance afforded by the other terms of this Policy, the Insurer agrees:

(a) to defend in the name of and on behalf of the Insured, claims, suits or other proceedings that may at any time be instituted against the Insured for any accident or “occurrence” covered by this Policy
...

The court found that the capital-P “Policy” mirrored the capital-P “Policy” of the declarations page, so the duty to defend language applies to the entire breadth of policy documents, not just those “Coverages A, B and D” identified in the heading. Since Intact failed to include more restrictive language in its drafting, the court found that Intact could not now try to enforce a restrictive interpretation. The court also noted that the entire set of documents only had one policy number attached.

Moreover, the court found:

- a) the Equipment Breakdown Coverage–Standard Comprehensive Form provided that “the insurer will pay for direct physical loss or damage to property of the ‘named insured’ and to the property of others in the care, custody or control of the ‘named insured’ for which the ‘named insured’ is legally liable, arising from an ‘accident’; and
- b) the Equipment Breakdown Coverage–Consequential Damage Form provided that the “Insurer

“
The duty to defend is broader
than the duty to indemnify.
”

hereby agrees ... To pay the amount of loss on ‘specified property’ of others which the insured shall become obligated to pay by reasons of the liability of the insured for such loss ... resulting solely from an ‘accident.’” (“Specified property” was defined to include ‘products under refrigeration.’).

Under the principles of *Sattva*, the court considered all the relevant documents together and interpreted them as a whole. Accordingly, the court decided that, “when read as a whole ... the policy language is properly interpreted to mean Intact also agreed to pay for losses experienced by third parties such as BHJ and Bonduelle, for which *Clauson shall become obligated to pay,*

for products under refrigeration at Clauson’s warehouse when that loss is due to spoilage from lack of refrigeration resulting solely from an accident.” Hence, the underlying actions, if proven to be true, would require Intact to indemnify Clauson, and therefore, Intact’s duty to defend had been triggered.

The Take-Away

Not every insurance contract will be a “standard form contract” that draws the application of the *Ledcor* interpretive principles; where contracts lack this “standard form,” judicial interpretations lack the precedential value to justify *Ledcor*’s principles, and the general contract rules of *Sattva* will apply.

The threshold for triggering an insurer’s duty to defend is very low. According to the pleadings rule, one simply asks the question of whether, if proven to be true, the pleadings give rise to a claim that would fall within the coverage granted under the relevant policy.

In *Clauson*, the insurer faced the challenge of confronting a number of stable and authoritative principles. Unfortunately for them, in this case, the law was too firm for them to chip their way through.



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