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2023-2024 President



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ALBERTABROKER

June-July 2023

The *Alberta Broker* is the official publication of the



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Edmonton, AB T6E 5V5
T: 780.424.3320 • 1.800.318.0197
F: 780.424.7418 • www.ibaa.ca

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Published six times annually by:



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

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COMMERCIAL MARKET CONDITIONS IMPROVING

HOWEVER SIGNIFICANT HEADWINDS PRESENT CONTINUED CHALLENGES

BY AARON SUTHERLAND

Commercial insurance market conditions continue to stabilize; however, the impact of the January 1 reinsurance renewal costs has led to concerns about the potential impact for property lines with high-risk exposure to natural catastrophes. Some insurer portfolios without a significant loss history saw reinsurance rate increases of 25 to 30 per cent, while other portfolios with losses saw their increases climb as high as 50 to 70 per cent.

As macroeconomic shocks such as inflation, losses from catastrophic weather events, supply chain disruptions and high interest rates continue to challenge the economy, cost pressures from increasing reinsurance rates have potential implications for insurers and are prolonging hard market conditions.

Canada's property and casualty (P&C) insurers are not immune to the challenges affecting the global economy and must adapt to continue

meeting their obligations to consumers.

Brokers are experts in navigating the complexities of the insurance market and ensuring clients have the right coverage to adequately protect against potential risks. The value they bring to commercial customers cannot be understated.

Brokers provide ongoing support and guidance to their clients by helping them understand current market conditions and how these impact the coverage and terms of each policy. In the current economic environment, this is particularly important for valuations.

Risk Strategies, one of the largest brokerages in the United States, recently published its *2023 State of the Market* report, highlighting that inflation and interest rates continue to add volatility to commercial insurance pricing. Standing out in the report was a reference to a recent building appraisal analysis that showed nearly 90 per cent of buildings appraised in 2020 and 2021 were undervalued. As a result, 68 per

cent of buildings were underinsured by 25 per cent or more and 19 per cent were underinsured by 100 per cent.

A recent white paper by TÜV SÜD Global Risk Consultants, *How Inflation Led to Property Insurance Coverage Gaps*, focused on how higher construction costs make it difficult to rebuild after a disaster. The white paper includes a handy FAQ on insurance asset valuations.

These issues underline the important role brokers serve in educating customers about the need to ensure insured property has an updated valuation.

Commercial clients may be tempted to cut their insurance coverage during tough economic times to save costs. However, outdated valuations could leave a business underinsured if repair costs exceed existing coverage limits as well as trigger coinsurance penalties on smaller claims.

To avoid being underinsured, building owners should have an

accurate replacement cost (RC) appraisal based on all the required variables (material and labour costs, debris removal expenses, building by-laws, heritage costs and others). An appraiser can look at the building and develop an RC appraisal based on today's rebuilding costs.

This snapshot-in-time appraisal can be used to keep a building's insurance values in line with the true cost to rebuild if there is a loss. The base appraisal can be used for the next three years to approximate each year's cost to rebuild the building based on the Statistics Canada Building Construction Price Index.

IBC's Advocacy and Next Steps

As our industry continues to wrestle with the challenges facing commercial insurance customers in Canada, considerable work needs to be done to foster more sustainable market conditions in the short, medium and long terms. Insurance Bureau of Canada (IBC) will continue to engage governments and key stakeholders on a number of proposals that will have a positive impact on commercial insurance affordability, including:

- Reforms to joint and several liability frameworks that will align the tort damage award a defendant pays with their degree of fault; this will allow businesses with significant liability exposure (e.g., establishments that serve liquor) to avoid inequitable financial obligations when another defendant is judgment-proof or unable to pay.
- Reforms specific to sectors experiencing more acute insurance affordability challenges, including the commercial trucking, condominium corporations, and small and medium enterprise (SME) sectors.

Meanwhile, IBC will continue to work closely with key stakeholders to ensure that commercial insurance consumers have the education and resources they need to support

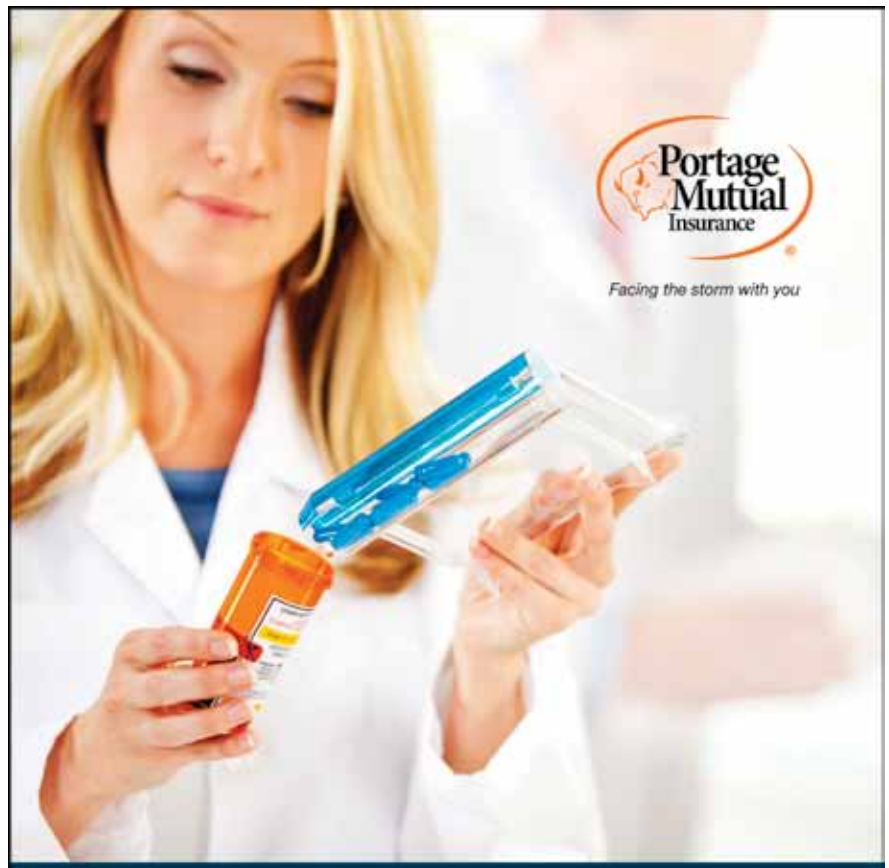
informed insurance choices. This includes offering our free risk management services and regularly publishing reports and education materials on the state of the commercial insurance market.

A New Chapter

On a personal note, I'd like to extend a sincere thanks to the Insurance Brokers Association of Alberta's (IBAA's) outgoing CEO, George Hodgson. George's support has been fundamental to our advocacy efforts

in the province over the last decade, particularly on the auto and commercial files. IBC and its members wish him well on his next chapter and look forward to continuing to work closely with IBAA on issues that impact consumers, brokers and our industry. 📧

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JONATHAN BROWN

2023-2024 IBAA President

MAKING
connections

By Annette Hubick



Jonathan Brown is a bit of a paradox. He is a self-professed country boy who spends his days in a suit. His incredible memory includes the minutia of insurance policy wordings, but you'd also want him on your team for "movie trivia night." He's a techie who's also a people person. He looks serious yet is known for his humorous wit. He also prefers to avoid the limelight yet has taken on the role of 2023-2034 IBAA president, which will thrust him firmly onto centre stage.

Born in Penticton, B.C., Brown was only three years old when his family moved to the Pigeon Lake area in central Alberta. In his early teens, Brown worked on local farms, going on to spend time in various industries including construction, oilwell drilling, meat cutting and even a stint as a Canadian Food Inspection Agency inspector before embarking on a sales career in the life and health insurance industry in 2005. Initially intrigued by its challenges and opportunities, Brown quickly realized an insurance career was also interesting and rewarding. "There is always something new and different to learn and understand," he explains, adding, "The rewards come from being able to find solutions for people and allow them to protect what matters most to them." Although Brown had elevated to the position of district manager, the role demanded a large amount of time on the road, which didn't align with his personal life. Newly married to his "incredible wife" Kirsti with plans to soon start a family, Brown decided to shift from the life and health to the property and casualty (P&C) segment of the industry. Not only would his knowledge and skills transfer, "I

also wanted to move into a more relationship type of sales role and P&C made sense to me."

Eventually, Brown found his P&C home at Peter's Insurance in Wetaskiwin, and his career has certainly delivered on the "relationship" aspect he'd been seeking. "I love the people that I get to work with. My colleagues at my office, other brokers, the association, our insurer partners and the clients that I deal with. I have met some of the best people that I have ever known through being a broker and I look forward to those that I will meet in the future." Home, auto, commercial, farm, Brown does it all and doesn't focus on a particular market or

"I believe that brokers bring the best value to the public because of our relationships and expertise, but we need to be able to focus on what we do best. We should not be spending all of our time on data entry or doing the same work over and over. If we are able to remove friction in the transaction process, we can remain competitive in a digital world and provide the exemplary service that we are known for."

industry. "This is what appeals to me so much about being a broker. Every day I am faced with a new challenge to find a solution for, especially in commercial lines—the unique complexity of various types of businesses continuously gives me something new to learn and understand."

Beyond serving a varied client base, Brown's insurance broker career has provided many opportunities to quench his thirst for learning new skills and expanding his knowledge. Over the years, Brown earned a laundry list of diplomas and certificates but achieving his Canadian Accredited Insurance Broker (CAIB) designation in 2015 is his greatest source of pride, having completed the program in two years, while working full time with young

children at home (Jonathan and Kirsti have two sons, Hunter and Cole, who are now 10 and eight years old.)

Serving as president of first Professional Young Insurance Brokers (2018) and now the IBAA certainly aligns with Brown's growth mindset, "I love the relationships that I have developed by serving the association, and I have grown through the challenges that take me out of my comfort zone," he explains. Driven by a desire to make a difference in his industry, Brown describes what he brings to the role, "I like to think that I bring a listening ear and good communication skills. I have a deep desire to understand the viewpoint of

others, even if we disagree. I also think that I have the ability to analyze and understand issues and make decisions quickly, along with a dedication to serving."

Brown asserts that his success has been a group effort and that he's

been blessed with many mentors along his journey, beginning with his parents. "They taught me about having personal character—honesty, integrity, initiative, compassion, hard work, responsibility and personal accountability—exemplified in the way they lived their lives." Over the years, Brown gleaned many valuable lessons from colleagues, both in his workplaces and at the association boards, specifically mentioning IBAA's outgoing CEO George Hodgson, "George Hodgson has also been a mentor to me along this IBAA journey and has shown us all what integrity and dedication looks like." When asked if he has any heroes, Brown replies, "My biggest hero would

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Trevor, a National Property Appraiser, is also a licensed drone pilot.

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have to be my wife. She not only puts up with me, she teaches me every day about having compassion, care and putting others ahead of myself. She is the most incredible person I have ever known, and I would not be who I am today without her.”

Looking at the year ahead, Brown describes his focus for his term as president in one word: connectivity. “Connectivity through broker technology, connectivity with our

Brown contends. “I believe that brokers bring the best value to the public because of our relationships and expertise, but we need to be able to focus on what we do best. We should not be spending all of our time on data entry or doing the same work over and over. If we are able to remove friction in the transaction process, we can remain competitive in a digital world and provide the exemplary service that we are known for.”

As IBAA president, fostering connections with government leaders

interfaces) from our systems to theirs,” says Brown, adding, “What it will take to see this become standard practice in all brokerages is for our BMS providers to implement the use of real time APIs in our BMS systems, starting with the ones that are already available for consumption and adding new ones as they become available. Our carriers will also need to continue to make access to their APIs available.” On the part of brokers, “(We) need to continue to adapt and innovate on how we provide our services to our clients,



“Over the years that I have been involved with the association, I have seen our unified voice move the levers of power in numerous ways, both great and small, and I am excited to see what we can accomplish together in the future.”

insurer partners and, most importantly, connectivity with each other through our association,” he explains.

With respect to connectivity to insurers, Brown has served as a member on the Insurance Brokers Association of Canada’s tech committee for the past few years. The committee has been working on a project to bring brokers and carriers together through the use of API connections, where brokers can work in their own broker management system and receive real-time data from their carriers. “My hope is to continue to move this project forward and see these connections going live in as many broker offices as possible during my time as president. This will require more carriers to make these available and brokers to be willing to consume them, and I hope to be a facilitator of both of these things.” This advancement in the way brokers interface with their markets is critical to the profession’s long-term viability,

and officials will also be a key aspect to his role. “Regardless of which party forms government, the freeze on auto rates is unsustainable in the long term. We need to address bodily injury costs in auto claims if we are ever going to see better and more stable rates, especially as inflation continues to impact cost in all other areas. We will continue to promote the solutions that we have put forward and will work to have the pause on rates removed.”

With the theme of the 2023 IBAA convention being “A New Era in Innovation,” our conversation moves to Brown’s views on what that exactly means for the insurance industry, for brokers and the association itself. “Our industry, as a whole, needs to incorporate and adapt in the digital world. The use of more efficient systems to conduct our business will keep us relevant and successful in the long term. The largest change will come when we are all able to communicate in real time with our carriers, through the use of APIs (application programming

especially in the digital space, while keeping our focus on the true value of the broker as providers of choice and trusted advice.” As for the IBAA, “We need to adapt our offerings to meet our member needs in the ways that they need to consume them. To achieve these objectives, we have been improving our communications and professional development offerings and we will continue to make this a priority.”

Although the plate is full and the goals are lofty, Brown is undeterred. “Over the years that I have been involved with the association, I have seen our unified voice move the levers of power in numerous ways, both great and small, and I am excited to see what we can accomplish together in the future.”

ANNETTE HUBICK operates Link PR Incorporated—a marketing and communications consulting firm—and has been the publisher/editor of *Alberta Broker* since 1996. Annette@LinkPR.ca





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JONATHAN BROWN

THE PREZ

Q

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

probably either home building or working in the oil field

What are your pet peeves?

being disorganized, slow drivers and unkind people

What's your culinary specialty?

whatever you want to eat, I will make

What three words best describe you?

decisive, sarcastic, caring

What's your fast/snack food weakness?

chips or jerky

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

hunting in Alaska

What is the coolest experience you've ever had?

meeting my wife or having our children—it's a toss-up

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

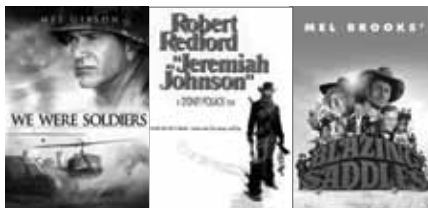
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If you could speak to your 20-year-old self, what advice would you give?

I would tell myself that life gets so much better, and to save some money now and buy a house or two while prices are low.

What are your three favourite movies?

tough to pick favorites; there are so many good ones . . . if I have to pick: Jeremiah Johnson, We Were Soldiers, and Blazing Saddles



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

Iron Maiden



What's your "guilty pleasure" TV show?

Love is Blind on Netflix



What would people be surprised to learn about you?

that I am a good chef



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

Fiji or Bora Bora, a private island with a villa over the water



What's your dream car?

1968 Chevy 3/4 ton 4x4



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

Jesus of Nazareth because he has had the greatest impact on the world



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

on a lake or a river near the mountains in west central Alberta

&

You can have one superpower—what is it?

teleportation



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

Kansas City BBQ (or any BBQ) or any Asian cuisine



Who was your childhood celebrity crush?

Salma Hayek



A

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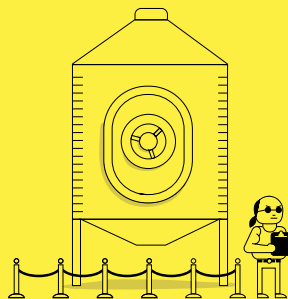
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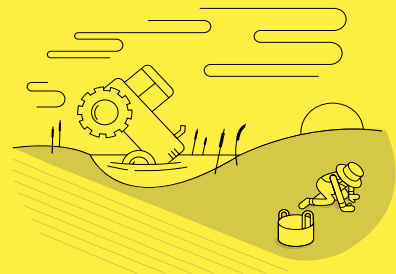
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QUESTIONS OF DENIABILITY

Is a Medical Reason Required to Deny Benefits?
When Does the Limitation Expire to Appeal the Denial?

By Sara Hart



When an insured is involved in an accident, his or her insurer pays for various medical and economic benefits. What happens when an insured returns to work full-time and his income loss benefits are terminated by the insurer? Does an insurer have to give a medical reason for termination as part of the denial? At what point does the limitation to appeal the denial by the insurer expire?

The Ontario Court of Appeal recently addressed these issues in *Varriano vs. Allstate Insurance Company of Canada* (“Varriano”).

Nunzio Varriano (“Mr. Varriano”) was injured in a motor vehicle accident on September 30, 2015. He applied to his own insurer, Allstate Insurance Company of Canada (“Allstate”), for income replacement benefits (“IRBs”) pursuant to the Ontario *Statutory Accident Benefits Schedule* (“SABS”)

Allstate paid income replacement benefits to Mr. Varriano up until December 2, 2015. On December 30, 2015, Allstate notified Mr. Varriano that his income replacement benefits would cease effective December 2, 2015, as he had returned to full-time work. On July 1, 2018, Mr. Varriano

again ceased working and applied to resume his income replacement benefits. These benefits were denied by Allstate based on their correspondence dated December 30, 2015.

On September 28, 2018, Mr. Varriano filed an application before the License Appeal Tribunal (“LAT”), disputing the decision to deny his income replacement benefits. Allstate took the position that the application was time barred as it was made more than two years after the initial benefits letter sent on December 30, 2015. The adjudicator agreed that Allstate’s termination letter met the legislative



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requirements of s. 37(4) of the *SABS* and that the limitation period commenced on December 30, 2015. Mr. Varriano sought a reconsideration of the adjudicator's decision, which was dismissed.

Mr. Varriano appealed to the division court, which overturned the decision of the LAT adjudicator. The divisional court held that Allstate's benefits letter did not meet the requirements of s. 37(4) of the *SABS* as it failed to provide a medical reason for the termination of the income replacement benefits.

Allstate appealed to the Ontario Court of Appeal. The Ontario Court of Appeal had to decide if Allstate's benefits letter met the statutory requirements and whether a medical reason had to be given to terminate benefits under the *SABS*.

The Ontario Court of Appeal noted the following when making their decision:

1. Allstate's benefits letter dated December 30, 2015, advised that Mr. Varriano's income replacement benefits would be terminated because he had returned to full-time work. The letter also outlined his right to dispute the insurer's determination. On July 1, 2018, Mr. Varriano stopped working again. He sought to resume his income replacement benefits and Allstate denied the resumption of benefits based on their December 30, 2015, letter.
2. Section 37(2) of the *SABS* allows an insurer to discontinue an insured's benefits for one of the following reasons:

37(2) An insurer shall not discontinue paying a specified benefit to an insured person unless,

(a) the insured person fails or refuses to submit a completed disability certificate if requested to do so under subsection (1);

(b) the disability certificate submitted on behalf of the insured person does not support the insured person's continuing entitlement to the benefit;

(c) the insurer has received the report of the examination under section 44, if the insurer required an examination under that section, and has determined that the insured person is not entitled to the benefit;

(d) the insurer is entitled under subsection (7) to refuse to pay the specified benefit;

(e) the insured person has resumed his or her pre-accident employment duties;

(f) the insurer is no longer required to pay the specified benefit by reason of subsection (7), paragraph 2 of subsection 28 (1), subsection 33 (6) or section 57 or 58; or

(g) the insured person is not entitled to the specified benefit for a reason unrelated to whether he or she has an impairment that entitles the insured person to receive the specified benefit. [Emphasis added.]

Pursuant to s. 37(4), an insurer has to provide notice to the insured of the reasons for the denial of benefits as follows:

37(4) If the insurer determines that an insured person is not entitled or is no longer entitled to receive a specified benefit on any one or more grounds set out in subsection (2), the insurer shall advise the insured person of its determination and the medical and any other reasons for its determination. [Emphasis added.]

A valid notice under s. 37(4) starts the two-year limitation running to bring an application before the LAT disputing the decision to terminate.

The court held that the modern approach to statutory interpretation required that the statute was to be read in its entire context and in its grammatical and ordinary sense harmoniously with the scheme and object of the Act and intention of Parliament (citing *Rizzo & Rizzo Shoes Ltd. (Re)*, [1998] 1 S.C.R. 27 at para 26.) The court determined that the divisional court's interpretation of the word "and" in s. 37(4) failed to take into account that it could be used in the several rather than joint sense. The court held that the insurer just had to provide a reason or reasons for their termination. An insurer only has to provide a medical basis for the termination if that forms part of the reason for the denial.

The court also held that the interpretation noted above met the purpose of the notice provision in the *SABS*. The Court of Appeal also held that s. 37(4) is not a coverage provision.

As the notice was not deficient, Allstate had triggered the limitation period by terminating Mr. Varriano's benefits. The appeal was allowed, the decision of the divisional court set aside, and the decision of the LAT affirmed.

This decision is a helpful reminder of the importance of an insurer being clear when providing the reasons of termination in notice letters and provides clarity on the application of s. 37(2) and (4) of the *SABS*. A medical reason is not required to terminate benefits when other non-medical reasons have been provided.

“ Allstate notified Mr. Varriano that his income replacement benefits would cease effective December 2, 2015, as he had returned to full-time work. ”

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GEORGE HODGSON

THE EXIT INTERVIEW

by Annette Hubick

“Take one farm boy. Add layers of education, accounting experience and political party involvement—alternating with a filling of integrity. Top with a generous portion of good humour and you’ve got the recipe for IBAA’s new CEO, George Hodgson.”

That was the opening paragraph to an article titled “First Impressions,” that I wrote for the August 2011 issue of the Alberta Broker to introduce IBAA’s then newly minted CEO to our readers. Isn’t it great when one’s first impressions turn out to be true and lasting? (On a personal note, over the years, I’d come to learn that “compassionate” is definitely tops on the list of adjectives that would describe George).

In March 2023, George announced his intention to retire on June 30. For the past dozen years, George Hodgson has been witness, responder, participant, collaborator and leader through tremendous change in the industry, government and the association itself. I sat down with George one last time to discuss his experience as IBAA CEO—an “exit interview” of sorts.

What skill or experience do you think served you most in your role as CEO?

There are a few skills and experiences that have served both the IBAA and me well. First, I have served in leadership roles in private industry, in a political party and in government. A member association has elements of all three and having experience in all three has been valuable.

My experience in government as well as my contacts within all three major political parties has served IBAA and me quite well. Contacts in political parties gets you “in the door.” Working within a political party has taught me how and what to communicate IBAA’s position on the issues of the day.

On the other hand, experience in government has taught me how government works. Having been on the government side of the regulatory table means that I have an understanding of a regulator’s perspective. While understanding does not necessarily mean agreeing, it does present an opportunity to influence policy and decisions.

What do you know now about this industry that you didn’t know when you started?

I did not know that insurance was as infinitely complex as it is. I don’t know of any industry that changes almost daily the way that insurance does. Nothing stands still in insurance.

What are you most proud to have accomplished in your role?

Relationships—particularly with the Alberta Insurance Council (AIC), the Insurance Bureau of Canada (IBC), the Superintendent of Insurance, the Society of Fellows, insurance companies and vendors, as well as with politicians. In some cases, it was a matter of maintaining and improving existing relationships, in others it meant establishing and growing a new relationship. I am particularly proud of the relationship with IBC as it has evolved into one of the strongest between a provincial broker association and its IBC counterpart in the country.

What was the most satisfying win for IBAA members?

Getting the government to change the regulation allowing for the Canadian Accredited Insurance Broker (CAIB) and the Chartered Insurance Professional (CIP) designations as equivalent to licensing in Alberta. I think (against the wishes of some) the fact that we advocated for both CAIB and CIP gave us more credibility on this file. It showed that we were undertaking to do this for the betterment of the industry and not just to promote our own product (CAIB).

What have been some of your most memorable moments?

FRUSTRATING

Getting the equivalencies was our biggest win, but also our biggest frustration. Everyone who was affected by this was fully supportive of the initiative. This included the Canadian Association of Direct Relationship Insurers (CADRI), The Insurance Institute and even the Alberta Insurance Council (AIC). While it was not a concern one way or the other for the

IBC, they thought that this was a good idea. In spite of all that support across the industry, it still took us six years, five premiers and four ministers of finance to get this completed. All it required was a minor change in a regulation.

FUNNIEST

Any social event with Barry Haggis; much laughter usually ensued.

FONDEST

My fondest memory will always be how well the first executive committee and management staff treated me during and following a serious family crisis, during which I was extremely ineffective at my work.

What are most looking forward to in your retirement?

I am most looking forward to spending time with my family on my farm, writing, community involvement and travel.

You've said that being IBAA CEO has been the most rewarding role in your entire career. Why is that?

There are a number of things that make this role the most satisfying of

my career. I have often stated that I have had a trifecta of good fortune emanating from my role as CEO. First, I love the work I do. I get to affect public policy in a meaningful manner and for someone who loves public policy, there is nothing better.

Second, I love the people I work with. I have had the good fortune to have worked with truly amazing people. The management and staff at IBAA and Sage are the most kind, compassionate and competent people I have ever worked with.

Third, I love the people that I work for: insurance brokers. The insurance brokerage community is made up of some of the finest people one will find anywhere. The fact that the membership has entrusted me with an almost 100-year-old association is both a great privilege and, at the same time, very humbling.

ANNETTE HUBICK operates Link PR Incorporated—a marketing and communications consulting firm—and has been the publisher/editor of *Alberta Broker* since 1996. Annette@LinkPR.ca



GEORGE & THE PRESIDENTS

What three words best describe each of the IBAA presidents with whom you've served?

MARDENE WATSON

kind
compassionate
knowledgeable

GORD COWAN

gentleman
kind
engaging

PAUL VANDERHOOF

wise
witty
knowledgeable

DEAN BAILEY

funny
informed
patient

ROBIN YOUNG

organized
informed
kind

VICKI LIVINGSTONE

compassionate
funny
diligent

SCOTT TREASURE

passionate
knowledgeable
thoughtful

JULIA MARSHALL

calm
engaging
compassionate

JODY LOHR

industrious
funny
engaging

GORD ENDERS

intense
informed
energetic

GERRY BAERT

passionate
engaging
energetic

BARRY HAGGIS

funny
knowledgeable
articulate



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IMPORTANT NOTE TO MEMBERS:

Our Website, Portal, & Payment Process is Changing!

Exciting changes are coming to our website and member portal this year. We are moving to a new member management system to provide a better user experience. Due to limitations within our old system, your CE history will not be saved during the transition. Please make sure you download and save the last four years of your CE history for your records.

We will also be adopting a faster and easier way to process payments for courses, events, and merchandise. After the change, **the 'Bill Me' option will no longer be available.** Members will be required to pay for courses upfront with a credit card. Please coordinate with your finance team to review and update your internal processes.

Questions? Email communications@ibaa.ca



UPDATE

by Linda Dolan

My one-year term as president of IBAC is coming to a close, and it has been an amazing experience. I had the opportunity to travel across Canada for a number of member association conventions and events, and the best part was meeting and talking to so many insurance brokers from coast to coast who exemplify the strong values of our profession.

It has been a very busy year at IBAC, and I'd like to update you on the progress we have made on all four pillars of our mandate.

FEDERAL ADVOCACY

As most of you know, Federal Advocacy has been the mainstay of IBAC's purpose. Our annual Hill Day took place at the end of May. Our board of directors and broker delegates from our member associations travelled to Ottawa to attend meetings with their members of Parliament (MPs).

This was my fifth Hill Day, and it is such a rewarding event to see all of us brokers heading to the Hill wearing our magenta lanyards and carrying our folders displaying a large magenta bipper. We certainly make an impression! I am pleased to see the recognition that we receive from our politicians. Over the years, we've worked hard to cultivate strong relationships with our MPs, and they respect the input of insurance brokers because we are small businesspeople who contribute to our communities and we're great consumer advocates. We have a lot to offer.

We continue with our message to prevent banks from selling insurance at the point of granting credit and maintaining the separation of the pillars of banking and insurance. We are the only country that has managed to keep that separation, thanks to IBAC's good advocacy work over many years.

IBAC has also been participating in working groups to create a national flood program for the 10 per cent of Canadians who live in high-risk flood zones where overland flood insurance is either unavailable or unaffordable. Our focus is on ensuring an optimal outcome for consumers and leveraging the existing private sector distribution and claims process. We also recommend tapping into

the valuable expertise of insurance brokers who have a unique understanding of the specific needs in the communities where they live and work. We were pleased to see that the government has allocated funds to begin creating the framework for this important initiative.

NATIONAL ADVERTISING

In February we launched a new advertising campaign: "The world doesn't work without insurance. Insurance works best with an insurance broker." It is an intriguing concept that gets people thinking about how important insurance is.

We are really excited about the new campaign; not only does it provide consumer education, it also helps to elevate the broker profession and recruit new brokers into the industry. A series of social media posts featuring "A day in the life of an insurance broker" will further promote what a great career this is.

This year we are also celebrating the 35th anniversary of the Bipper, an iconic logo that symbolizes the important role of insurance brokers in providing choice, advice and advocacy for consumers and our steadfast commitment to consumer protection.

TECHNOLOGY

IBAC's data exchange project has made great strides with the help of the technology committee composed of broker volunteers from across Canada.

IBAC and CSIO are collaborating to improve real-time data sharing through the development of APIs. The goal is to eliminate the double-entry process where brokers must enter data into their own systems and then re-enter it into the carrier portal. This will save time and money, improve accuracy and create a better client experience.

To function effectively, we need a critical mass of both insurers and brokers—and the momentum is growing. IBAC has been working to inform brokers of the benefits of API connectivity and drive adoption throughout the industry. We launched a national communications initiative last spring, and it got a lot of attention and positive feedback. We continue to promote DX and encourage all brokers to support and embrace this new technology.

PROFESSIONAL DEVELOPMENT

The Canadian Accredited Insurance Broker (CAIB) program is getting a face-lift! CAIB 1 has been revised and updated in a digital format, and work is progressing well on CAIB 2, 3 and 4. This has been a huge project, so we are really excited to be nearing completion of all four offerings.

This spring, I was very honoured to attend the IBAM awards ceremony and assist with presenting CAIB certificates to graduates. I then travelled to Halifax to attend the Aspire Awards and also New Brunswick for their awards gala.

I am a CAIB graduate myself, I know the hard work and commitment it takes to achieve your designation. As president of IBAC, I sign all the CAIB certificates and it brings back my own CAIB journey, working full time, raising three children and somehow fitting in my CAIB studies. I was very proud to receive my designation with honours and I never imagined that one day my signature would be on these certificates for CAIB graduates across Canada.

I strongly encourage all brokers across Canada to take the CAIB courses and earn this distinguished designation. It will identify you as a well-educated professional insurance broker and set you up for career success!

In closing, as this will be my last article as IBAC president, I want to thank all my fellow brokers for the support I have received this year. It has truly been a life-changing experience for me.

I would also like to offer my sincere congratulations to George Hodgson as he retires from his position as CEO of the IBAA. I have been very privileged to get to know George over the years; he is a great leader and will be truly missed. Good luck George!

Have a great summer everyone and please feel free to reach out to me, linda.dolan@alportinsurance.ca

LINDA DOLAN
President
IBAC
ibac@ibac.ca



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BREAKING THE LANGUAGE BARRIER

HOW CSIO DATA STANDARDS BENEFIT BROKERS

by Kathryn Sinclair

Imagine trying to communicate with your insurers if they spoke a different language than the one you spoke. It's very easy to see how effective collaboration with your insurer will be all but impossible in this hypothetical scenario. Similarly, your broker management system (BMS) needs to collaborate effectively with your insurer systems. Like people, systems are much better at working together if they are speaking the same language..

For over four decades, the Centre for Study of Insurance Operations (CSIO) has worked with its insurer, software vendor and broker members to develop data standards for the Canadian property and casualty (P&C) insurance industry. By helping to streamline the transmission of insurance information, CSIO data standards enhance P&C

insurance operations for the benefit of members and their customers.

Here is an overview of CSIO Data Standards, how they're created and updated, and the ways they benefit brokers.

What Are CSIO Data Standards?

Data Standards are programmable lines of code in a standardized format that contain information that can be efficiently shared between systems. CSIO data standards are applicable to personal and commercial insurance and available in these formats:

- **Electronic Data Interchange (EDI):** The computer-to-computer exchange of information in a standard electronic format between business partners. CSIONet relies on EDI to exchange information between insurers and brokers.
- **Extensible Markup Language (XML):** A programming language commonly used by data exchange services to send information between otherwise incompatible systems. XML defines a set of rules for encoding documents and information in a format that is both human-readable and machine-readable. CSIO's eDocs, and real-time transactions, are possible by using XML Standards.
- **JavaScript Object Notation (JSON):** A lightweight file format that allows concise messages to be sent and provides the ability to parse through data for faster transmissions and processing. JSON simplifies the use of web services and application programming interfaces (APIs), which leads to improved broker, insurer and vendor connectivity and industry innovation.

CSIO eDocs is a CSIO standard that allows policy documents to be sent directly from an insurer's system to a BMS via CSIONet, the industry network for fast and secure sharing of policy documents between insurance partners.

The Teams Behind the Standards

They may be called "CSIO" data standards but insurance industry

subject matter experts who represent the interests of brokers, insurers and software vendors are integral to the creation and advancement of our data standards. These working groups, comprised of CSIO members, develop our data standards:

- **National Standards Working Group:** As industry requirements evolve, so do the standards that keep the industry's ecosystems communicating effectively. Our national standards working group reviews data standards, approves all amendments and implements updates monthly.
- **Commercial Lines (CL) Working Group:** This group significantly advanced the implementation of CL data standards in the broker channel and evolved the commercial quote and bind process from cumbersome to concise.
- **Innovation and Emerging Technology (INNOTECH) API Business Requirements Working Group:** This team collaborates to capture brokers' operational requirements and translates them into business requirements to drive digital advancement in the broker channel. By the end of 2022, they completed business requirements for 44 use cases for personal auto, habitational, individually rated commercial automobile (IRCA) and commercial general liability (CGL) insurance.
- **INNOTECH API Technical Standards Working Group:** After business requirements are created, this group builds and packages an industry API standard in JSON format and publishes APIs using CSIO data standards to support members' requested use cases.
- **INNOTECH eDocs Working Group:** They focused on refining the electronic documents sent from insurers to brokers.

Over the last five years, there have been over 1,100 updates to the CSIO data standards.

How CSIO Data Standards Benefit Brokers


After the finalized data standards are published, our insurer and vendor members can download the standards and program them into their systems. CSIO even has certification programs to support insurers and vendors in using the standards effectively. And, as part of our next multi-year strategic plan, we will create a national governance council made up of CSIO members to create a detailed standards adoption framework to ensure consistent interpretation of the standards.

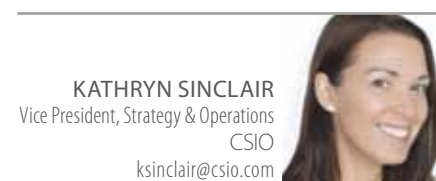
CSIO data standards benefit brokers by giving insurers' systems the ability to exchange information in real-time, helping brokers and insurers communicate with one another more quickly and efficiently, thereby saving time and money. Standards allow brokers to use one accepted method of communicating with multiple trading partners, thus reducing complexity and increasing collaboration. Most importantly, industry standards drive customer experience.

Given all these advantages, it's no surprise that a CSIO member survey revealed:

- 97% of CSIO members rate CSIO Standards as useful or very useful
- 94% of brokers support the move towards industry-wide implementation of data standards in commercial lines.

Talk to your insurer and vendor partners about programming CSIO data standards into their systems so you can reap the benefits.

Brokers can also use the commercial lines real-time quote savings calculator and billing & edocs notification calculator to determine how time and money much these solutions, that use CSIO standards, can save their brokerage. 



CONNECTING

IBAA CONVENTION HIGHLIGHTS
BANFF MAY 5-7 *Photos by BigMike Photos*



SESSIONS

Igniting innovation through insight and inspiration.





GOLF TOURNAMENT

Golfers braved the chilly morning for a day of laughs and stunning vistas.



TRADESHOW

Brokers connected with the people, products, services and ideas of 88 industry partners.





PRESIDENT'S GALA & AFTER PARTY
Celebrating new president Jonathan Brown
with roaring twenties flair.





KICK-OFF PARTY

Ahoy! The swashbucklers set sail at the pirate themed party.



HOSPITALITY NIGHT & SPEAKEASY AFTER PARTY

Brokers & industry partners capped off the convention in fine style.



IBAA AT WORK

WHAT'S GOING ON BEHIND THE SCENES AT IBAA?

Before our regular update, we want to extend our wholehearted thanks to all those who participated in Convention 2023 this past May. With your help, we saw a record number of participants, vendors and stakeholders. Check out pages 26-29 for a sampling or go to ibaa.ca to view the full event gallery and relive your time in Banff.

STAFFING CHANGE

After her incredible work preparing Convention 2023, our events coordinator, Kaitlyn Duff, is taking a well-earned break to start a new family. We wish her all the best and look forward to her return next year. Katelyn Christensen will be taking over her position for the duration of her leave. Katelyn is a great addition to our team, and we look forward to working with her.

BROKER RELATIONS REPRESENTATIVE

Please also join us in welcoming Willa Bain to her new role as IBAA's broker relations representative. Willa has many years of experience as both a broker and company representative, and

has hit the ground running in her new role. If you would like to connect with Willa, email wbain@ibaa.ca.

FREE PD

The management and professional development teams have been working behind the scenes on an exciting new free webinar program exclusive to IBAA members. Starting this September, all standard webinars will be free of cost as part of your IBAA membership. Licensing, CAIB and specialty courses will be excluded from the program. If you have any questions about the upcoming change, email education@ibaa.ca.

MEMBERSHIP IS DUE

With both the record-breaking convention and the new PD program in mind, this is not the year to let your IBAA membership lapse. If you are the main admin of your brokerage and have not renewed your membership, please contact our membership coordinator, Logan Beach, at lbeach@ibaa.ca to start your 2024 membership renewal. **Your 2023 Membership expires June 30.** We

look forward to seeing where our plan for the coming year takes the provincial broker network.

STRATEGIC PLAN

In order to ensure our ongoing five-year plan is on track, our executive and management team will be meeting at the end of June for an intensive strategic planning session. Our five-year strategic plan provides overall guidance for the IBAA team, but it is up to the management and executive team each year to adapt the plan to the needs of the moment. A general overview of the outcome of June's planning session will be provided to members via *Brokerworks*, our weekly e-newsletter. If you do not receive *Brokerworks* but would like to stay up to date on a weekly basis, email communications@ibaa.ca to be added to our mailing list.

With that, thank you for another incredible membership year! It goes without saying that our broker network is the backbone of everything we do at the IBAA. Our team is working on many projects and new endeavours for the coming year—we can't wait to share them with you.



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Sage's primary goal is to ensure IBAA member brokerages have a safe and confidential place to get expert advice and coverage. No need to share your sensitive business secrets with a competitor. Our only purpose is to provide E&O, D&O, and Cyber coverage to our members.

Contact us at sage@ibaa.ca for more information.

