

ALBERTA BROKER

INSURANCE BROKERS ASSOCIATION OF ALBERTA

FOCUS ON MENTORSHIP

MENTORSHIP MATTERS
MASTERING MENTORSHIP
MUSINGS ON MENTORSHIP



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PRESIDENT'S MESSAGE

CALEB MAKSYMCHUK

I am honoured and feel a sense of pride as I step into the role of IBAA president to represent this outstanding group of brokers. This year is tough for me to not have my main man with me. My father-in-law, friend, dad, partner and mentor Jim Harris (IBAA president 2004) passed away earlier this year and is a huge part of who I am today. I was thrilled to be chosen to be part of the executive and I am reminded about something Jim had said, "Caleb, being part of the board is about giving back to the industry that has given us so much." As this is my first column as president, a lot has transpired so here we go.

About Mentorship

I believe that mentorship is the key to our continued success in this business and I'm pleased to see it is the feature topic of this issue of the Alberta Broker. Within the IBAA and the industry itself, there is ample opportunity to step into mentorship both as mentor and mentee. That said, mentorship does not have to be found within the industry, and you could find the right person elsewhere within your community. There is a great opportunity for mentorship through the PYIB and IBAA boards and events. The PYIB was instigated by Jim Harris who believed that to grow our industry, there was a need to foster and encourage the younger generation. Through these connections, we will continue to develop leaders who will take this industry far beyond today, benefiting all of us. As leaders, we must embrace this awareness and give opportunities for those seeking mentorship; especially brokers looking to volunteer for the PYIB and IBAA. We should encourage young brokers' involvement as it will come back to your brokerage in compounded value.

About Convention

I personally want to thank Jhnel and the entire IBAA office team for the exceptional execution of another unforgettable

IBAA convention. These large-scale events are not easy to put on and take a great deal of time and skill to plan, set up and take down. The personal touches that were integrated into the event did not go without notice. An additional thank you to all our members, insurance companies, sponsors and the many other industry partners and vendors that helped contribute to its success. This was the most attended convention to date, and planning for next year is already underway.

"We should encourage young brokers' involvement as it will come back to your brokerage in compounded value."

About the Auto File

The efforts of the IBAA did not slow down with the conclusion of our convention. There was a quick wardrobe change and then back on stage. The pressures of the auto insurance file continue to elicit change within the system. The onset of the rate cap has started to create a bottleneck of rate inadequacy

for many of our insurance companies represented by our member brokers. The key message here is that the reason for insurers to increase their premiums is to cover rising claims costs. Several factors are putting pressure on claims costs—some that are not unique to our industry such as the rise of operating expenses like employment, utilities, technology improvements and advancements.

However, our clients need to be aware that there are insurance-specific factors that cause insurance companies to increase overall rates, and this messaging needs to be consistent from our members at all organization levels. Insurance Bureau of Canada (IBC) indicated that claims costs due to auto thefts have increased across the country by 250 per cent since 2018. Nationally, this amounted to over \$1.5 billion in losses for 2023.

There continues to be residual increases due to the supply chain catching up to the demands for repairs. This affects the costs of direct repairs, but also note that delays in repairs means rental vehicles are needed for longer periods of time, depleting the fleet availability for everyone needing a rental

vehicle. An IBC-commissioned report by consulting firm MNP LLP indicates that lawsuits and legal fees account for nearly 20 cents for every premium dollar paid by our clients and have increased over 30 per cent since 2018, the largest increase of all claims cost categories.¹

About the Auto Insurance Summit

On May 27, an auto insurance stakeholder summit was held by the Government of Alberta at which representatives from various regulators, health care, law firms and insurance were asked to further weigh in on the topic of auto insurance and how it can be improved based on five core principles to reduce costs and create a more stable and sustainable auto product: affordability, stability, simplicity, care focused and accountability. These principles are outlined in the government's public engagement survey posted online and highlighted in recent *Brokerworks* emails from the IBAA.

The IBAA was present at the summit promoting the broker value and the trusting relationships we have with our clients. Further, we validated the need for choice—choice in delivery, choice within the product and choice in provider. Additionally, we iterated the continued focus on keeping the consumer, our clients, at the forefront of future decisions to be made. This was a message that all stakeholders agreed upon. Urgency is now upon us. Choices need to be made and lasting reforms implemented so that our clients can start to see this reflected in their policy documents. These advocacy efforts benefit not only members, but everyone that is part of the industry to maintain sustainability and a viable insurance industry.

Throughout the summit, it was very evident that attaining sustainable reforms will require a massive amount of resources—human, time and financial. Most of the discussion at the summit centered on the idea of a care-based (no-fault) model and the various options that exist within such a model. We were encouraged to hear from the

government that a public auto system is no longer an option being explored and that they want to maintain a competitive marketplace. Over the summer months, the government is planning to continue one-on-one stakeholder engagements as they work to put together a plan with proposed changes for fall 2024.

About Other Initiatives

Although the auto file is a large topic that is being addressed and is a concern for so many, the IBAA continues to move the puck forward on other initiatives as tasked to us by its members. There is headway on the mandatory entry-level training program for the commercial trucking industry with hopes of getting more Class 1 operators into the regular market. We have had in-depth conversations with the Facility Association (FA) on their implementation of telematics—a great opportunity for savings for those that have FA policies. We look forward to

more developments from FA in the future. Additionally, we are keeping an eye on the property insurance market as developments occur provincially and nationally in regard to flood, fire and other natural causes of property loss and claims.

About the Future

Heading into the summer, we finished our strategic planning for the IBAA. With the input from members, we developed a new three-year plan, which we are excited to implement. Change creates opportunity, and the collective voice of our members has strength. The landscape in Alberta is looking prosperous for the Alberta insurance broker.

¹ MNP, "System Costs and Auto Insurance Premiums"; albertaautoinsurancefacts.ca; Insurance Bureau of Canada; September 2023, www.albertaautoinsurancefacts.ca/wp-content/uploads/2023/09/IBC-System-Cost-Report-September-2023.pdf



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JASPER AFTERMATH

BY THE IBAA TEAM

We are still reeling from the astounding damage done by the wildfires in Jasper and British Columbia. It was gut-wrenching when the news reporters declared “the worst nightmares of the [Jasper] residents have been confirmed.” With over 30 per cent of the town’s structure incinerated, the quantifiable data shows property losses at over \$800 million. This is another entry that has gone down in the history books as one of the worst natural catastrophes in Alberta. Thankfully, no lives were lost but as we reflect on the impact of the fires, we should consider (yet again), the lessons we can learn in light of the aftermath of this devastation.

CONSTANT CONTACT

Perhaps one of the most underrated methods of maintaining good client relationships is communication. Communication is key to keeping your clients informed on the right kind of coverage they need to get. In light of this recent catastrophe, coverage options will have to evolve to accommodate the frequency and ever-increasing scope of damage of these disasters. It’s imperative that you share this insight with clients in as many ways as possible because, of course, this affects how products are priced. Things can get complicated when we jump down the

rabbit hole of business interruption or even property damage (or loss) for both home and auto. It’s wise to reach out to your clients regularly to inform them on how their assets are being protected and how they can prepare for these events. In our Alberta Broker December 2023/ January 2024 issue, the “Constant Contact” cover story looked at various methods to communicate with your clients and even provided resources on what touch points you could share in your newsletters and other communications. When you get a moment, go back and give it a read.

INVESTMENT, PARTNERSHIP AND PLANNING

These July wildfires again point to the urgent need to invest in technology that can be widely utilized by consumers and insurance professionals to craft mitigation strategies in the event of natural catastrophes. Be it flooding, wildfires, hail or tornadoes, there is still much more we can do to better respond to natural disasters. Hinged on that objective is the need for partnerships that can get the technologies developed at a faster pace. This is not a new idea; in fact, it has been

expressed by a number of people in recent years. It seems that plans and various iterations of software are being developed in siloed pockets of the industry.

Those actively working on disaster preparedness and mitigation technologies need to share ideas and **agree** on best ways to bring these concepts to life. Once investment is being made in these technologies, it’s important to form alliances that will help not just brokers, but also adjusters and other insurance professionals, to advise and assist consumers. The need is clear; there must be more fruitful dialogue and partnership in the industry to make progress in the development of disaster preparedness technologies—this includes carriers, government stakeholders, disaster preparedness centres and other stakeholders.

For us, serving the consumer is the primary objective, and if we have failed in keeping them informed and keeping ourselves ahead of the curve, we would have not done our jobs. We should really consider ways to better equip ourselves as climate change continues to present challenges. As the residents of Jasper are in rebuilding mode, let this spur us to action, so that our response to the 2025 season will be better.



Facing the storm with you

**Our door is open
for business.**

**Hope to see
you at the IBAA
Convention!**



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GETTING TO KNOW PYIB President RASHMI MASIH

How did you get into insurance broking?

As most people in this industry state, I too “fell into” this profession. With extensive training and development background experience I brought with me when I initially moved to Canada, I struggled to find relevant roles. I met someone who encouraged I “try” insurance; I am thankful I listened and have never looked back since.

What are three things you love about your job and why?

Of the many, you mean? First, the fact that there is continuous learning and professional growth—this industry is constantly evolving and the only way to keep up is to educate yourself and stay relevant which translates into educating your clients better on how to protect themselves and their assets. Second, the relationship building quotient—each risk presents its own unique features and challenges, and with that, you learn something new about that sector or profession and create mutual respect and trust. This benefit applies to not just the client but also to the other facets of our industry such as underwriting, claims, etc. Third, and the most important aspect of my job that I love, is working with like-minded professionals, who are talented, experienced, adaptable and are the future of our industry.

What is one thing about your job you’d happily ditch tomorrow if you could?

The Facility manual. We need to find a better work-around. In today’s day and age with accelerated digital roads maps everywhere, we sure should be able to drive efficiency through better product usability and technological innovation.

Why did you join the PYIB board?

My industry mentor, Kelly Ann Parrott, thought I would be a good fit on the PYIB board and could drive

change and bring in new perspective. It was after I got elected that I understood what she meant—it is a powerful place to be at. PYIB acts a bridge to the outside world in seeing how insurance is a profession they can and should consider as a rewarding, stable and lucrative career. We help students and aspiring individuals understand that insurance is not as daunting as it seems. This in fact is key to our current industry talent shortage; we need more advocacy and push for promoters, and this is where PYIB steps in.

What are your goals as president?

That it will be an impactful year for PYIB. Including everything we did in the past with networking events, career fairs, educational sessions for brokers (making them bigger and better), taking on new initiatives this year and ensuring they are sustainable, increase broker participation and that PYIB remains in the forefront to help educate and promote the insurance industry to all.

How do you plan to achieve these goals?

We recently had a strategic planning with the board where, after a brainstorming session, we were able to focus on making this year more relevant and engaging for the young broker community. With the PYIB board focusing on the long- and short-term objectives, the support of the IBAA team and stronger partnership with our sponsors, we are ready to crush our goals. We have a full calendar, and I am certain this will be a challenging but very fulfilling year.

After a 13-year hiatus, we are bringing back the PYIB conference in the fall and are hosting awards for the young broker community to acknowledge and celebrate their achievements. We will be launching a mentorship program for anyone in our industry to be able to find guidance and advice outside their office. We are

also actively working with colleges in the province to invite the students to our conference, so they can attend the keynote, educational sessions and trade show to network and learn. We are also planning to add micro-events to encourage more participation from the young broker community.

How have you benefited from your involvement with PYIB?

Besides the immense learning from peers, networking across the provinces, making new friends and acquaintances, and advocating for the industry in Ottawa through IBAC, I would say the personal fulfillment of giving back to the industry that took me in when I was new.

What's your advice to young brokers who want to do more with PYIB but are a bit hesitant because they "won't know anybody"?

You will learn more about PYIB by just showing up to one of our events. I can assure you will see some familiar faces and will leave making new friends and acquaintances. PYIB is active on all social media platforms and super responsive. We are always looking for champions of change—feel free to reach out to us, and we will be happy to answer any questions you may have and make you feel at ease.

Why should employers encourage their young brokers to get involved in PYIB?

We are a small industry of about 43,000 brokers across Canada. While I respect and applaud that most employers invest in their brokers to educate and help them grow, allowing the young brokers to be involved with PYIB will ensure our future is promising. As the architects of today they will shape our tomorrow. The value of networking is powerful—the learning from peers at different stages in their career and connections made today will establish long-term mutually

beneficial relationships for them and for your business. As Jay Devivo states, "Networking is by far the most important aspect of business school. The classroom is a distant second."

What do you like to do when you have free time?

If I am not trying to keep up with my twins or travelling, I like to read. I am an avid reader; my favorites are literary classics or fantasy fiction. I also spend time trying to balance being a gym-nut and gastronome!







FOCUS ON **M**ENTORSHIP

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MENTORSHIP MATTERS

Fostering Growth, Knowledge and Collaboration



BY JACQUIE SURGENOR-GAGLIONE

Mentorship is far more than just another business buzzword. When implemented effectively, mentorship provides significant benefits to mentees, mentors and organizations.

WHAT MENTORSHIP IS

While many different definitions exist, mentorship is about one person helping another to learn and grow. Traditionally, this type of relationship existed between a senior (or more knowledgeable) person and a junior (less knowledgeable) person, with senior and junior status aligning with age. Recently, however, there has been a rise in “reverse mentoring” where a younger person might mentor an older person, especially around topics such as technology, or maybe culture and DEI (diversity, equity and inclusion)

strategies that might not have been at the forefront a decade or two ago.

Mentorship recognizes that the knowledge, skills and experience one person has can be used to help and support another person.

Mentorship can be formal or informal, short or long-term, in person, virtual or even email based. There is no one right way to have a mentorship relationship, as long as it is mutually beneficial and based on respect. It can also occur between employees in the same organization or between people from different organizations.

WHAT MENTORSHIP IS NOT

Mentorship is not a replacement for training.

Mentorship can complement a formal training program but should not be used in lieu of one. Training should be more structured and focused on specific skills and knowledge required to complete tasks or expectations.

Mentorship is broader guidance and support.

Mentorship is not one-sided.

Mentorship is meant to be a reciprocal relationship with both members learning from each other and receiving benefits from the relationship.

Mentorship is not a short-term solution.

Mentorship generally builds a long-term relationship and should not be used to solve a problem. A meaningful mentorship relationship takes time to build and requires commitment and mutual effort.

Mentorship is not the same for everyone.

The mentorship relationship will drive the program and it should not be expected to be the same for everyone.

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Depending on the participants, it will require different approaches.

Mentorship is not just about career advancement.

While mentorship can support career advancement, it has benefits far exceeding just that. Personal growth, emotional intelligence, experiences, relationships are all added benefits.

WHAT ARE SOME BENEFITS OF MENTORSHIP?

While it is obvious that a mentee receives many benefits from a mentorship relationship, so do the mentor and the organization.

For Mentors

Mentors gain fulfillment from helping someone learn, which creates a culture of support. In the past, there has been an attitude that “no one helped me, and I had to figure it out myself, so other people should have to pay their dues too.” However, this outlook is starting to (rightfully) change. A mentorship relationship can help foster collaboration, which is necessary to be successful today. Mentors can embrace a growth-mindset and a continuous learning mentality as they will also learn from their mentees. As they coach and work with a mentee, they are gaining leadership skills, becoming reenergized about their career and benefiting from a refocus on best practices. Additionally, mentorship can provide an improved reputation in their field and expand their network.

For Mentees

Mentees learn new skills and gain knowledge as they receive guidance from a mentor, often accelerating the process by learning from someone who has “Been there. Done that.” This learning can occur in a “safe”

environment where they can practice without fear of making significant mistakes, which is particularly beneficial in areas where risk needs to be managed carefully.

Mentees can receive personalized advice on career paths and goal setting along with strategies to achieve them, which supports their career development.

They can expand their networks, providing opportunities to make valuable contacts within their industry, which can lead to potential job offers in the future. Moreover, mentorship provides mentees with valuable access to insights and industry knowledge and experience that might not be available through formal training programs.

Finally, mentees benefit from having someone to provide encouragement, share experiences and advice and be a sounding board when they are struggling, which can boost their confidence and help them feel supported.

For Organizations

While not as obvious, organizations benefit when they support mentorship opportunities, and build mentorship programs. Not only do they gain better skilled employees, they also “tangibly” demonstrate their commitment to employee growth. Younger employees search for this commitment and will often leave jobs where there is a lack of growth opportunities, and their learning and development is not supported. A mentorship culture can foster employee loyalty and retention. Additionally, it provides knowledge transfer which is important for succession planning and risk management. Collaboration also cultivates innovation and supports diversity.

THE BOTTOM LINE ON MENTORSHIP PROGRAMS

Mentorship is a dynamic and impactful relationship with benefits to all parties. As you decide whether to implement a mentorship program, consider these statistics:

- Approximately 75 per cent of leaders say mentoring played a key role in their success.¹
- 71 per cent of people with mentors report satisfaction with their jobs.²
- Retention rates are 20 per cent higher when employees receive mentoring.³
- 89 per cent of mentees report improvements in their quality of life.⁴
- Companies that implement formal mentoring programs experience a 72 per cent increase in productivity.²

Embrace the power of mentorship and watch the incredible impact on people and organizations.



JACQUIE SURGENOR GAGLIONE

is the founder of Leadership and Life, an Alberta-based coaching firm dedicated to creating strong leaders and healthy teams. For more information, visit leadershipandlife.ca or email jacquie@leadershipandlife.ca.



¹ Rapp, Alyssa; “Be One, Get One: The Importance Of Mentorship”; *Forbes*; Oct. 2, 2018; www.forbes.com/sites/yec/2018/10/02/be-one-get-one-the-importance-of-mentorship/

² Pursell, Hattie; “Mentoring Statistics: The Research You Need to Know in 2024”; *Guider*; Dec. 18, 2023; <https://guider-ai.com/blog/mentoring-statistics-the-research-you-need-to-know/#:~:text=Mentoring%20for%20organisations%20statistics%3A&text=71%25%20of%20people%20with%20a,those%20without%20a%20mentor%20> (Source)

³ “Employee Retention and Mentoring”; *MentorCloud.com*; www.mentorcloud.com/employee-retention-and-mentoring

⁴ Winstanely, Grace; “Mentoring Statistics You Need To Know – 2024”; *Mentorloop.com*; Feb. 21, 2024; mentorloop.com/blog/mentoring-statistics/

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MASTERING MENTORSHIP



“Mentoring is a brain to pick, an ear to listen and a push in the right direction.”

— John Crosby

There is a strong business case for mentoring: **Employee retention rates for those involved in mentorship relationships improved by 49 per cent.**¹

The insurance industry often struggles with attracting and retaining great talent. So, if you are considering mentorship as a retention strategy, this article will help you prepare to become a confident, effective mentor to others so it's a rewarding experience for both you and the people you invest your time in while mentoring (mentees).

I have been serving as a formal mentor to CEOs at the University of Alberta – Venture Mentoring Services (VMS) Program for over five years, and for more than 10 years, I have been informally mentoring business owners to help them grow both personally and professionally. It's a very fulfilling experience when it's done with clear

purpose and process. Here are some principles to consider as you embark on your mentorship journey.

Responsibilities of Mentors & Mentees

MENTORS

Mentorship is a calling (not a task)

- Encourage, support, advise/coach.
 - Share experiences through storytelling (including lessons learned).
 - May also be an accountability partner (i.e., check in regarding progress towards goals).
- Seek out resources/situations to help mentees grow.
 - Connect them with someone who has experience in their dream job.
 - Recommend a conference they might be interested in.
 - Introduce them to new projects or learning opportunities.
 - Invite them to meetings; let them job shadow.
 - Give them access to information, people and resources that increase their exposure to new/developmental experiences.

- Take a genuine interest in their mentee as a [whole] person.
 - Keep it professional but make the experience personal.

MENTEES A.K.A. “PROTEGÉS”

Being a protégé is a privilege (not a right)

- Own the responsibility of their growth.
 - Identify what they wish to learn.
 - Break down their goals into smaller steps to accomplish.
 - Take action—work towards their goals.
- Initiate interactions with the mentor.
 - Ask for help and the time required.
 - Send the meeting notice/calendar invitation (optional).
 - Give fair notice of challenges they wish to discuss at a mentor meeting.
 - Commit to meeting times—be dependable (even during busy seasons).
 - May report back about challenges and successes.
- Receive feedback openly (without becoming defensive).



BY JULIANNA CANTWELL

Mentoring Role Types

Mentorship can take different forms, and you can choose which works best for you and your mentee(s).

Guide: offer suggestions to your mentee based on your experience; be an advisor.

Guardian: protect your mentee, prevent them from making career-limiting mistakes; be a safety net.

Coach: listen and identify red flags to empower your mentee to solve their own problems; be a developer.

Connector: if you have a strong network, introduce your mentee to opportunities and people; be a relationship broker.

Catalyst: play devil's advocate to encourage your mentee to come up with solutions rather than complain about issues; be a challenger.

Sounding board: ask questions and provide valuable information or access to insights; be a clarifier.

Advocate: open doors for your mentee by putting their name forward for a promotion or new opportunity; be a sponsor.

Safe Place: listen with empathy and affirmation so your mentee can share

challenges and overcome insecurities (e.g., imposter syndrome); be a cheerleader.

You can combine different roles into one relationship, depending on what the mentee's needs are and how you wish to provide mentoring support. Also, the nature of the mentoring relationship may change over time, so you may shift how you interact with your mentee (change roles) to help them achieve their growth goals.

Tips & Strategies to Become an Effective Mentor

As mentioned already, mentoring can happen informally or through a structured program. The following are some best practices and free resources to consider when establishing a new formal mentoring relationship.

STARTING A NEW MENTORING RELATIONSHIP

Get to know each other

- Take time to **break the ice**—*if you do not already know each other well.*
 - Start with a common ground exercise (i.e., identify a list of

things you both have in common, such as similar likes/dislikes, extracurricular activities, etc.)

- Share backgrounds: career highlights, personal strengths and obstacles experienced.
- Discuss personal styles, communication preferences, challenges that may interfere with successful mentoring connection.

- **Identify what you both want** out of the relationship.

- Discuss how you both can benefit from this relationship.
- Share what is most important to each of you regarding how communication flows.

- What **metrics** will you use (if any) to measure success?

Share goals & expectations

Goal Setting

- What does the mentee wish to achieve, why and by when? (Help mentee understand and define their goals).
- Map out mentee's developmental needs/wants and identify order of priority.

Ground Rules (discuss and agree to these expectations)

- Who will initiate meetings & how?
- Who will lead the discussions?
- Cancelling or changing plans—what are the communication and rescheduling expectations around this? For example, *“After three meeting cancellations, we have a crucial conversation,”* (about what’s working and what’s not in the mentoring relationship).

Agree on the meeting cadence

- When will you meet?
- How often?
- For how long?
- Where will you meet? (online, via phone, in-person/location)
- Who will organize these? (i.e., if reservations need to be made)
- Is there a time limit on when the mentorship ends?

ENGAGING WITH YOUR MENTEES

Advising vs. Coaching

Effective mentors know when to give advice and when to ask for their mentee’s thoughts about how to solve THEIR OWN problems.

Advising: sharing your journey (through story telling)

- Your own mistakes and failures (and what you learned from them)
- Your successes (and how you achieved them)

Coaching: asking them to share experiences from their journey

- Use questions and active listening to have them tap into their own resources (builds confidence AND commitment to their action plans).

PRO TIP: Don’t assume anything about your mentee—**always ask first:** *“Have you ever had to deal with something like this before?”*

Communication Techniques

- **Listen deeply.** Active listening requires you to suspend your judgment; do this by using empathy (recall times earlier in your career and connect on that level with your mentee).
- **Notice tone and watch body language.** Check your assumptions when you see or hear non-verbal indicators.
- **Ask courageous questions.** Challenge their thinking, so they see situations from other points of view (your tone should not be judgmental, but it should demonstrate concern for their overall success).
- **Practice storytelling.** Be concise and use only relevant details, then connect your story to your mentee’s situation. Always engage them after sharing your story by asking them what parts resonate with their scenario.

Monitoring & Evaluating Progress

- **Establish baseline.** Identify the mentee’s current state (versus desired state, i.e., goals) at the beginning of your relationship. If you can determine concrete metrics or key performance indicators (KPIs), then write them down to measure improvement.
- **Check in.** From time to time (often done quarterly), ask them to assess how far they’ve come in reaching their goals and listen to their responses.
- **Identify barriers.** Ask them to share the obstacles they are bumping up against as they try to achieve their goals and coach them through solutions.
- **Celebrate mentee’s achievements.** This builds your mentee’s self-confidence and motivation and helps them tap into their own internal resources. Acknowledging their success can also satisfy the need for recognition & acceptance (some mentees seek approval from their mentors).

Are You Ready For Mentorship?

Great mentors bring the following qualities to their mentoring relationships:

- Excellent communicator (share stories, not instructions)
- Deep listening skills (empathy, not judgment)
- Respect for diverse perspectives (flexibility)
- Emotionally intelligent (positive attitude)
- Honest (provide constructive feedback)
- Experienced in their field (knowledgeable)
- Passionate and patient (committed to mentoring)
- Have a strong network (connect and sponsor)
- Lifelong learner (open to growth in return)

If this sounds like you and you’re ready to take on the responsibilities and reap the rewards of being a mentor, I recommend these free resources to get you started.

- nationalmentoringday.org
- *A 5-Step Guide to Start a Mentoring Program*²

“We make a living by what we get, but we make a life by what we give.”

— Winston Churchill 🇬🇧

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¹ Smith, Ania; *Driving Employee Retention Through Mentorship*; *Forbes.com*; Jul. 14, 2022; www.forbes.com/sites/forbesbusinesscouncil/2022/07/14/driving-employee-retention-through-mentorship/
² *“A 5-Step Guide to Start a Mentoring Program”*; *TogetherPlatform.com*; *Together Inc.*; www.togetherplatform.com/how-to-start-a-mentorship-program

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MUSINGS ON MENTORSHIP | Insurance Professionals Share Insights Into Their Mentorship Relationships



BY ANNETTE HUBICK

How did you first connect with your mentor?

Fall of '06 unloading quads in the night from a pickup truck in the middle of the Albertan back country. A weekend adventure ATV trip led to a long professional adventure.

How often do you meet or communicate with your mentor, and is it on a scheduled or ad hoc basis?

In the past it was scheduled weekly. However, with roles and duties changing over the years it is now on an *ad hoc* basis. We always make time for those great platinum bricks of wisdom.

In what ways has your mentor helped you grow professionally or personally?

Encouragement from day one to go out and join different boards and associations. To get out of the broker

What advice or guidance has your mentor given you that has made a significant impact?

To commit and follow through a strategic plan despite the external noise and pressures of change in the industry.

Cycles come and go.

When making strategic decisions, take account of the impacts and perspectives of all our stakeholders.

What do you think makes a mentoring relationship successful?

A willingness on the sides of both participants to be open to an exchange of ideas and growth.

MENTEE PERSPECTIVE

MENTEE:
KARIM MOUAIT
President
Cornerstone Insurance Brokers



MENTOR:
OWEN CORUS
Founder/Chairman
Cornerstone Insurance Brokers



office bubble and be exposed to different perspectives. As well as support for continuous professional growth and education. "Go out and give it a shot, you might learn something!"

How did you first connect with your mentor?

I met her while she shared our common office space; she was a branch owner with A-Win Insurance. She is brilliant, genuine, inspiring, personable and a wealth of knowledge.

How often do you meet or communicate with your mentor, and is it on a scheduled or ad hoc basis?

Once every few months, we meet either at a restaurant or now our families are friends too, so we meet at each others' homes. She is always a phone call/text away.

In what ways has your mentor helped you grow professionally or personally?

She has always had open and honest communication with me. She gives me sound and constructive advice

and guidance. She has influenced my professional learning and my career trajectory tremendously and makes me want to strive to do better.

help me be a better broker and that my passion to make a difference in whatever I take up will significantly contribute to the board and young broker community. I am just happy to prove her right.



MENTEE:
RASHMI MASIH
Commercial Account
Executive
Acera Insurance

MENTOR:
KELLY ANN PARROTT
Director, Learning &
Development, National Standards
Acera Insurance

What do you think makes a mentoring relationship successful?

Mutual respect and trust, being approachable, honest and supportive of whichever phase

What advice or guidance has your mentor given you that has made a significant impact?

Kelly has always seen the potential in me, which I sometimes lack to see or doubt. She is my biggest supporter, holds me accountable for my actions and nudges me to see the best in myself. She made me think of joining the PYIB—she thought it would

of career the mentee is at and helping them grow. The relationship is successful when both the mentor and the mentee are equally invested, are friends and can bring the best out in each other.

How often do you meet or communicate with your mentor?

At the start of my career, it was much more frequent as there were challenges within our team that needed senior leadership support. Bruce was heavily involved in the development of our private client area, which also assisted with us having him involved in the development of our mentorship. Now Bruce and Karyn Davis (our operations director at Acera) are often in the back of my brain when I lead.

In what ways has your mentor helped you grow professionally or personally?

I would say that becoming a leader and understanding how I work and develop my team has been a challenge

What advice or guidance has your mentor given you that has made a significant impact?

I think the most important lesson that Bruce has taught me is to recognize people for their hard work

and dedication to their role. Taking the time to acknowledge people and congratulate their successes creates a positive and uplifting environment that will spread like fire and create a more positive workplace.



MENTEE:
ANNA RICKARD
Director of
Signature by Acera
Acera Insurance

MENTOR:
BRUCE RABIK
Chief Operating Officer
Acera Insurance

What do you think makes a mentoring relationship successful?

Being able to openly share opinions and ideas without judgement

as a young leader. Having wisdom on my older generations from an unbiased position has helped me relate and grow with all generations within my teams.

continued on page 22

How did you first connect with your mentee?

We work for the same team.

How often do you meet or communicate with your mentee?

We have 30-minute scheduled meeting every two weeks

In what ways being a mentor helped you grow professionally or personally?

Mentoring is not coaching, which I do everyday with my team. Mentoring is providing high-level encouragement,

support and guidance. I challenge them to think differently and open their mind to different perspectives.

What do you think makes a mentoring relationship successful?

For a successful mentorship, the mentee should have a clear understanding of their goals and expectations, and they must be open minded to listen and take the advice from the mentor, even if it is constructive feedback.



Some days, I look at my own role and think that way as well. It helps to keep you thinking in a different perspective to improve your own overall leadership.

How did you first connect with your mentee?

As part of Intact's employee promise and our robust leadership development program, we have a formal mentorship program within the organization, in which we match up-and-coming talent with more senior leaders. We strive to connect people across different business units and from diverse backgrounds, to expose both the mentor and mentee to new insights and viewpoints. We pair the mentor and mentee formally for

agenda for each meeting. We may meet more frequently if the mentee requests it.

In what ways being a mentor helped you grow professionally or personally?

Being a mentor has been a tremendously rewarding experience—I would not have the career I've had, I

What do you think makes a mentoring relationship successful?

Any successful relationship has to be transparent and honest, and this is key to a successful mentoring relationship. My own measure whether the mentoring relationship is successful



a year, although many relationships continue long past the official program ends. I've participated in this program both as a mentee in an earlier stage in my career and as mentor for many years now. I see it as a powerful and effective way of nurturing talent—and also of continuing to grow myself.

How often do you meet or communicate with your mentee?

We meet on average once a month, usually via scheduled virtual meetings. The mentee sets the schedule and the

would not have the insight into our organization and industry that I have, without the mentoring I've done. I've learned from everyone single one of my mentees. Yes, I'm now the senior leader who has some experience and insights to share, but I always, always learn from my mentees about the challenges and opportunities they and their teams face and about how different parts of the business work and have evolved. Their unique lens and experiences enrich my understanding and make me a better leader.

is simple: Has the mentee grown? Have their views broadened? Do they see the business, and their potential future role in it, differently? If I see that the mentee has more confidence, a

deeper understanding, that they have grown, I consider the relationship a huge success.

To achieve that, a mentor needs to create space in which the mentee explores and questions, in which they are challenged and feel able to challenge back.

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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Selling your business is both an emotional and financial decision. Considering what your final after-tax cash available will be in order to determine if those funds will be sufficient to achieve your retirement and investment goals is often a primary factor in your decision to sell. On May 1, 2024, the federal budget was introduced, which included an increase to the capital gains inclusion rate from 50 per cent to 66.67 per cent, taking effect on June 25, 2024 (applicable to capital gains realized on or after that date).

The changes to the capital gains inclusion rate is different if you are an individual or a corporation. For individuals, the capital gains inclusion rate increased from 50 per cent to 66.67 per cent on capital gains in excess of \$250,000 in any given year. The budget also increased the lifetime capital gains exemption limit for individuals to \$1,250,000 from the indexed 2024 exemption of \$1,016,836. For corporations and trusts the higher capital gains inclusion rate of 66.67 per cent will apply to all capital gains realized by corporations and trusts.

Impact Scenario

So, what do these changes mean to you when selling your brokerage? Let us look at an example where you sell the shares of your business and assume that it will qualify for the lifetime capital gains exemption. In this example one individual shareholder will realize a capital gain of \$5,000,000 on those shares (see table).

For an individual, even after the lifetime capital gains exemption increase, taxes payable increased by \$244,041 on a \$5,000,000 capital gain. Personal taxes will increase as more of the gain is taxed at the higher inclusion rate. What is not contemplated in this article but should be discussed with your advisor is the impact of the Alternative Minimum Tax changes which were also announced in Budget 2024 but are beyond the scope of this article.

For example, let's assume a holding company is selling the shares of the operating company: taxes payable are significantly higher under the new legislation. There has always been an integration cost to earning a capital gain through a corporation at

1.77 per cent additional taxes payable; however, after June 25, this integration cost will increase to 10.35 per cent as a smaller portion of the capital gain will be added to the tax-free capital dividend account. More of the funds available in the corporation must be distributed to the shareholder as an ineligible dividend for tax purposes.

Planning Considerations

Consideration should be given to whether a corporate reorganization is undertaken to increase the number of individuals who could potentially access their lifetime capital gains exemption, such as a family trust. Each additional capital gains exemption has the potential to save \$400,000 of personal tax in Alberta at the higher inclusion rate.

Another planning consideration is whether it would be beneficial to include a portion of the capital gain in the income of the individual over a period of time, utilizing the individual's \$250,000 annual gains limit, which is subject to the 50 per cent inclusion rate. In this strategy, the

CAPITAL GAINS TAX CHANGES

The Impact on the Sale of Your Insurance Brokerage

By Geoff Garland

vendor would receive a vendor takeback on the sale, and the capital gain would be eligible to be deferred and realized in income over time. The tax savings of utilizing the 50 per cent inclusion rate rather than subjecting the gain to the 66.67 per cent inclusion rate on up to \$250,000 of capital gains result in annual tax savings of over \$20,000 per year.

For shares of your operating company that are held through a holding company, planning should be considered to ensure that your holding company is purified of ineligible assets to enable the sale of shares personally. This planning must happen well in advance of a sale, and we recommend talking to your professional advisors to discuss how and when this should occur.

A final consideration with respect to the changes that should be considered is the Alternative Minimum Tax (“AMT”) and the impact it may have by realizing capital gains. Whether AMT will apply depends on the mix of income earned or realized in a taxation year. AMT can become a permanent tax cost if it is not recovered before the

end of the seven-year carry-forward period.

The changes to the capital gains inclusion rate will not just impact your business. Individuals with a family cottage as a second property, or individuals who have built up a portfolio of investments with unrealized gains in a holding company or their business will be impacted by these changes.

It is important to discuss your particular scenario with your professional advisors to ensure you are educated on the 2024 federal budget changes and the impacts on you and your business.

GEOFF GARLAND
CPA, CA, TEP
Partner, Tax
BDO Canada LLP
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IMPACT SCENARIO

	INDIVIDUAL		CORPORATION	
	BEFORE JUNE 25	AFTER JUNE 25	BEFORE JUNE 25	AFTER JUNE 25
Gain/Proceeds	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
Less: LCGE	\$1,016,836	\$1,250,000	n/a	n/a
Gross Gain	\$3,983,164	\$3,750,000	\$5,000,000	\$5,000,000
Inclusion Rate	50%	66.6667%	50%	66.6667%
Taxable Capital Gains	\$1,991,582	\$2,458,345	\$2,500,000	\$3,333,335
Applicable Tax Rate	48% ¹	48% ¹	46.67% ²	46.67% ²
Taxes Payable	\$955,959	\$1,200,000	\$1,166,750 ²	\$1,555,667 ²
After Tax Cash	\$4,044,041	\$3,800,000	\$3,833,250 ³	\$3,444,333 ³

¹ Combined Personal Federal and Provincial Tax rate at the top marginal bracket for Alberta. ² Combined Federal and Provincial Tax including 30.67% refundable portion of taxes payable in Alberta. ³ After tax proceeds at the holding company level before payment of dividends to individual shareholders.

WHEN DOES THE CLOCK START TICKING?



Court Affirms When Limitation Period Is Triggered for Underinsured Motorist Coverage Claims

BY SARA HART & DAVID S. COWLEY-SALEGIO

The running of limitation periods—and more specifically, their expiry—is always a major concern when managing claims, and rightfully so.

Limitation periods are statutory time limits on legal claims within which a claimant must commence legal proceedings in order to preserve their claim. Although the details vary across jurisdictions, there are generally two limitation periods that may apply: one shorter “basic” period that begins when certain criteria related to the discovery of the claim are met, and one absolute or “sunset” period that is longer and will bar a claim even if it has not been discovered. Limitation periods represent a compromise between a plaintiff’s right to seek a remedy for a wrong and a defendant’s right to finality without the perpetual fear of litigation. If a claimant commences legal proceedings after their limitation period has expired, the claim is almost certainly doomed to be dismissed.

Schroeder v Co-operators

In *Schroeder vs. Co-operators General Insurance Company*,¹ the Ontario Court of Appeal affirmed how the law of limitation periods under Ontario’s Limitations Act applies to claims for indemnification under Ontario’s

standard form endorsement for underinsured motorist protection, the OPCF 44R. Here, the appellant insurer argued that the respondent plaintiff’s claim was barred by the expiration of the applicable limitation period, so the question was how and when the applicable period began to run.

The plaintiff had been injured in a car accident in the United States and she settled with the driver for their full third-party liability limit, which was only \$25,000. Accordingly, the plaintiff intended to claim under her wife’s OPCF 44R, which was held with the appellant insurer. The plaintiff advised the insurer of this intent but without any quantified claim at that moment; the insurer did not respond substantively to the plaintiff’s notice at the time.

It was not until several years later that the plaintiff submitted a request for indemnification from the insurer containing the full particulars of her claim on the OPCF 44R policy, including the actual amount claimed. After a year, the plaintiff and insurer had failed to negotiate a settlement of the claim, and the plaintiff commenced legal proceedings against the insurer. The insurer then applied to the court to dismiss the plaintiff’s claim on the basis that the legal proceedings had not

been started in time according to the province’s limitations legislation.

Under Section 4 of Ontario’s Limitations Act, a two-year basic limitation period applied whereby proceedings had to be commenced before the second anniversary of the day on which the claim was discovered. Section 5 stated that a claim was considered “discovered” on the earlier of:

- (a) *The day on which the person with the claim first knew,*
 - (i) *that the injury, loss or damage had occurred,*
 - (ii) *that the injury, loss or damage was caused by or contributed to by an act or omission,*
 - (iii) *that the act or omission was that of the person against whom the claim is made, and*
 - (iv) *that, having regard to the nature of the injury, loss or damage, a proceeding would be an appropriate remedy to seek to remedy it; and*
- (b) *the day on which a reasonable person with the abilities and in the circumstances of the person with the claim first ought to have known of the matters referred to in clause (a).*

The insurer argued that its earlier communications to the plaintiff triggered the applicable limitation period, but the Court of Appeal disagreed. In a prior decision on a

different case, the Court of Appeal had characterized the nature of an underinsured coverage insurer's obligation to its insured and the critical elements that would trigger the running of limitations:


Once a legally valid claim for indemnification under the OPCF 44R is asserted, the underinsured coverage insurer is under a legal obligation to respond to it. ... [T]he claimant for indemnity under the OPCF 44R "suffers a loss from the moment [the insurer] can be said to have failed to satisfy its legal obligation [under the OPCF 44R]." Thus, the claimant suffers a loss "caused by" the underinsured coverage insurer's omission in failing to satisfy the claim for indemnity the day after the demand for indemnification is made.²

The Court of Appeal found no reasons to interfere with the decision of the trial judge who first decided on the insurer's application. On the facts, the trial judge had found that the plaintiff's earlier communications with the insurer had not amounted to a demand, since the plaintiff did no more than signal her

intent to make a claim under the OPCF 44R. Without a request or demand for money, the insurer had no claim to which to respond.³ The plaintiff had not legally submitted a demand until her more recent request for indemnification of a specified amount, which triggered the insurer's legal obligation under the insuring agreement. The two-year limitation period did not begin to run until, in response, the insurer failed to honor this obligation by failing to indemnify the plaintiff. If the insurer had wanted to trigger the limitation period sooner, it could have expressly refused to indemnify the plaintiff upon her first advising of her intent to claim, even if the plaintiff had not yet made her demand. Since this had not happened, the plaintiff's proceedings were not out of time, and the insurer's application could not succeed.

The Take-Away

Parties will often argue extensively over limitation periods because the consequences of an expired limitation

period are so significant—even a meritorious claim may be barred if legal proceedings to preserve the claim are not commenced in time. In this case, the Court of Appeal unequivocally defined the nature of underinsured motorist coverage insurers' obligations and what is required to set the limitations clock running against a claimant, leaving little room for debate and, therefore, a clear guide to insurers and claimants in the future. 

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¹ 2024 ONCA 54

² *Schmitz v Lombard General Insurance Company of Canada*, 2014 ONCA 88

³ *Schroeder v Coseco Insurance Company*, 2023 ONSC 1937



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-Elder Jane McDonald-

AVOID

THE TOP 4 CONSUMER COMPLAINTS

AGAINST INSURANCE BROKERS



BY JESSICA SHARPE

In the complicated world of insurance, trust is paramount. Consumers rely on brokers to help navigate complex policies and secure optimal coverage. To ensure brokers provide the best service to their clients, the Alberta Insurance Council (AIC) is sharing how to avoid the most common complaints it receives against insurance brokers. The intention is to provide brokers guidance on how to be vigilant and attentive to these issues. Brokers should prioritize maintaining industry standards and transparency in these crucial areas.

1 Obtain Consent for Insurer Switches

The top complaint against brokers received by the AIC is brokers switching clients' insurers without their consent. As an intermediary, you are responsible for providing clients

with the information they need to make informed coverage decisions. It is ultimately the client's decision as to the coverage they obtain. To facilitate this, the AIC suggests you provide multiple insurers for comparison, explanations of the differences, a recommendation, and the reason why you recommend such coverage. Brokers should also disclose any incentives or additional compensation they receive from an insurer.

2 Inform About Endorsements

The AIC has also noticed a spike in cases where brokers neglect to offer or explain endorsements. Clients may not know what endorsements are available and what they cover. Brokers should communicate that endorsements are not mandatory. It would be best if you informed your clients about these

optional coverages so that clients can make an informed decision. If a client declines certain coverages—for example, for pricing reasons—ensure you document that you offered the coverage and the client declined. For example, if the client got into an accident, but didn't have the accident waiver endorsement, could you provide sufficient evidence the coverage was discussed and offered? Lay out all the options, whether your client's main concern is pricing or coverage. It's about empowering them to make their own informed decision.

3 Expedite Cancellation Requests

Next up, cancellation procedures. The AIC commonly gets complaints regarding brokers who have delayed executing cancellation requests from clients. The reason is they require their

clients to sign a cancellation form. As per the statutory conditions in the Insurance Act, the insured may cancel at any time upon request. The Act does not mention requiring a signed cancellation; therefore, a request can be made by phone, email or in person. It is ultimately the insured's decision if they want to cancel, and it is the broker's responsibility to act on the insured's direction.

4 Obtain Written Agreement for Additional Fees

Lastly, there seems to be a trend of cases relating to Section 505 of the Insurance Act regarding additional fees. Before you start doing anything for a client (or potential client), they must agree in writing to any additional fees you or your brokerage may charge. As a broker, it's your responsibility to ensure your client agrees in writing to the fees above and beyond the premiums set by the insurer, before you start providing any services. Service would include providing quotes and completing or submitting applications. This ensures compliance with section 505 of the Act.

These are the most common complaints against brokers investigated by the AIC. Brokerages should ensure they have accessible policies and procedures for all brokers that comply with the Insurance Act and mitigate risks of non-compliance. Brokers need to act on their clients' directions, provide all information regarding options and service fees, and obtain consent about any policy changes. This will ensure you mitigate risks of potential breaches of the Insurance Act and its associated regulations.

If you are ever in doubt about legislation or your responsibilities, do not hesitate to ask the AIC. The AIC wants to provide clarity and education regarding regulatory matters.

Our mandate is to protect Alberta consumers, and Alberta consumers are protected when they are being served by informed insurance intermediaries who understand their responsibilities as licensed professionals.

Prior council decisions are available on our website (abcouncil.ab.ca); these can give you insight into decisions regarding compliance with

the Act. We recommend you talk to your designated representative to fully understand your brokerage's procedures.



JESSICA SHARPE is a compliance investigator with the Alberta Insurance Council. She has ten years of experience in the insurance industry.



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ELEVATING



THE INSURANCE INDUSTRY RECRUITMENT & RETENTION STRATEGIES

By Tracy Boland

In the contemporary landscape of industries, the insurance sector faces significant challenges, particularly in recruitment and staff retention. However, within these challenges lies an opportunity for innovation and revitalization. How can we address these issues and attract fresh talent to our esteemed industry, enriching the already vibrant broker channel? I propose a dual approach: elevating our industry and fostering a sense of belonging and purpose beyond the confines of a typical 9-to-5 job.

Elevating our profession begins with changing the narrative surrounding it. Instead of viewing insurance as a fallback career, we must proudly proclaim it as a deliberate choice. Rather than minimizing our roles as mere brokers, we should emphasize our role as helpers of people and the link to our insurance company partners. By reframing our language and embracing conversations about our profession, we can dispel misconceptions and showcase the value we bring to individuals and businesses alike.

Education plays a pivotal role in elevating our profession. The Insurance Brokers Association of Canada (IBAC) has the Canadian Accredited Insurance Brokers (CAIB) program. This is a nationally recognized professional designation earned through successful completion of a comprehensive course of study that provides in-depth knowledge and understanding of all aspects of property and casualty insurance. Completion of this program contributes to the licensing requirements in some provinces (*such as Alberta—Ed.*).

I have had the honour of traveling across Canada attending graduation ceremonies for CAIB, and it is so wonderful to see brokerage owners, colleagues, family and friends of the graduates celebrating their achievements. I have also seen the palpable sense of pride and accomplishment among CAIB graduates, underscoring the importance of ongoing education in our field.

IBAC is undertaking an update and modernization of the entire CAIB program that is almost complete. We are excited that the numbers for CAIB have been on the rise in the past years

and we look forward to more young and emerging brokers achieving this designation in the future and adding to the professionalism of our profession.

Another avenue for elevating our profession lies in leveraging existing tools, such as the Broker Identity Program (BIP). Established 36 years ago, the Bipper serves as a symbol of unity and professionalism for both government and consumers. By prominently displaying the Bipper logo on websites, signage and other customer-facing materials, brokers reaffirm their commitment to consumer advocacy and service excellence. The Bipper is more than just a logo; it embodies a shared ethos of community, education and consumer protection.

I believe that people seeking employment today are looking for more than a 9-to-5 job. They are looking for community, meaning and belonging. It turns out that belonging at work is also good for the bottom line. According to a study by Deloitte Consulting, “feeling like you belong can lead to a 56 per cent increase in job performance, a 50 per cent reduction in turnover risk, and a 75 per cent decrease in sick days.”¹ So not only will it benefit your office to build community, you and your staff can be part of a national community.

The power of the Bipper lies in the sense of belonging and pride it instills among brokers. In an era where individuals seek meaning and connection in their work, the Bipper represents a movement—a collective effort to elevate our profession and make a positive impact on the lives of our clients. With over 43,000 brokers across Canada, imagine the power of this symbol if we all used it.

To ensure the continued success of the Bipper and its role in elevating our profession, it is imperative that we educate both new and seasoned brokers about its significance. By introducing the Bipper to new brokers and reinforcing its importance within brokerage communities, we can ignite a renewed sense of pride and purpose.

As a second-generation broker, I remember my father wearing his Bipper lapel pin to the office, meetings, sporting events, industry events, community and volunteering events. His obvious pride in the Bipper has resonated with me all these years later. Brokerages have adapted and pivoted since then, but I strongly feel that the use of the Bipper pins and logo is timeless and powerful. Some things don’t have to change because they work.

There are other tools that you and your brokerage can use as part of your

membership to your association. The Bipper toolbox can be found at ibac.ca/brokers/bipper-toolbox/. Here your brokerage can find tools for adding the Bipper to your marketing platform and integrate with your own branding to add strength to the messaging.

In conclusion, let’s seize this opportunity to elevate our industry and profession to new heights. Contact your association today to order Bipper pins for your office and educate your staff on the meaning behind this symbol. Together, let us demonstrate to prospective entrants that they will be part of something remarkable—a profession driven by purpose, pride and unwavering commitment to serving others. Let’s bring back the pride of the Bipper and ensure that it continues to elevate our profession for generations to come.



TRACI BOLAND, CAIB
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¹ Harrison, John; “How to Build a Sense of Community in the Workplace”; Webmdhealthservices.com; June 17, 2024; www.webmdhealthservices.com/blog/how-to-build-a-sense-of-community-in-the-workplace

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Is Significant Change Coming To Alberta's Auto Insurance Market?



BY AARON SUTHERLAND

The Alberta government is considering some of the largest changes to the province's auto insurance system in decades. And reform can't come fast enough.

With the government having paused auto insurance rate filings throughout 2023, brokers and insurers are now navigating the "good driver" rate cap and its myriad—and often extremely negative—impacts on drivers.

Alberta's auto insurance system is facing some of the highest cost pressures in Canada, none of which have been addressed by government's current rate interventions. According to data from the Alberta Automobile

Insurance Rate Board (AIRB), Statistics Canada and the General Insurance Statistical Agency (GISA):

- Legal costs account for a greater portion of auto insurance premiums in Alberta than anywhere else in Canada and are projected to rise a further 8.7 per cent this year.
- Alberta ranks second in Canada for the amount spent per claim to repair a vehicle, following double-digit growth in the cost of vehicle parts and replacements.
- The cost of vehicle theft is up a shocking 55 per cent in the past two years alone.

In the face of growing cost pressures, Alberta's rate cap has driven some insurers out of the province and forced others to restrict the coverages they provide. All of this makes it harder for brokers to provide Albertans with the coverage they need and may force drivers to purchase more expensive coverage from a new carrier.

Clearly, significant change is urgently required.

At this point, the premier has rightly ruled out a move to a public insurer as a potential solution. Such a move would come with enormous start-up costs and would destroy thousands of private-sector jobs in every corner of the province, while

doing nothing to help drivers without significant corresponding changes to the auto insurance product.

So, what can our industry do to help the government understand which changes will deliver real savings to drivers?

With Alberta's MLAs back in their constituencies for the summer, it's never been more important to let them know your opinion about how to fix the broken auto insurance system.

Elected leaders must understand the challenges that the government's rate interventions have created and the urgency with which they must be removed to return to a healthy auto insurance market that provides competition and choice for drivers.

We must highlight to our elected leaders that, in order to improve affordability for drivers, they must address the underlying cost pressures impacting premiums. The province has little control over inflation in vehicle damage costs. That's why Insurance Bureau of Canada (IBC) and Insurance

Brokers Association of Alberta (IBAA) have focused their reform proposals on bodily injury (legal) claims costs, an area where the province is an outlier in Canada and over which the government has direct control. Giving drivers more choice in bodily injury coverages presents a promising avenue to improve affordability over the long term.

Any change to the system will take time. New legislation will need to be drafted and introduced—a lengthy process that has yet to begin. Following that, insurers will need time to implement the changes and reflect those changes in drivers' premiums.

Simply put—the Alberta government must move faster on reforms if it wants to provide savings to drivers before the next election.

This message needs to be hammered home to MLAs now.

Without action now, the current pressures on auto insurance claims costs will only get worse, and consumers will be the most severely affected.

IBC firmly believes that our *Enhancing Care & Expanding Choice* proposal presents the best path to improving affordability for drivers, delivering savings in both the short and long-term. That said, we're keen to work with the government on any path to improvement and we are eager to start that work now.

I'd like to thank IBAA and its board for their ongoing support and advocacy toward positive change. Together, we are informing the government of the tremendous harm its current rate interventions are having for drivers and the market overall, and we are focused on identifying real solutions that deliver savings and improve coverage and care for Alberta's 3.2 million drivers.



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<https://ibaa.ca/news/broker-value>



ONLINE COMMERCIAL QUOTES IN SECONDS!

By Viweahan Shanthasivam



When brokers focus on growing their small business commercial insurance book of business, they often wait days for an insurer's quote, after having manually entered information into insurer portals, then followed up with email and telephone communications to prepare the customer quote. It's not a surprise that brokers tell us portals and turnaround times are their two main pain points around small business commercial insurance transactions.

Fortunately, there is an easy way for brokers to expedite receiving quotes, using a single point of entry, and by partnering with insurers and broker management system (BMS) vendors who have programmed CSIO's commercial lines (CL) data standards, which include the CL minimum data set (MDS).

When insurers and BMS vendors program CL data standards in their systems, they provide brokers with faster and more accurate information exchange. These data standards ensure an end-to-end commercial lines distribution solution with a single-entry point for real-time quoting, where brokers receive quotes in seconds, rather than days. This creates a better customer experience, and brokers can quickly capitalize on new business opportunities.

According to CSIO's Q2 2024 CL MDS adoption scorecard, brokers using the programmed standards have reported saving on average 30 per cent of time spent preparing quotes. With a quote response time of only 11 seconds, brokers have found this significantly enhances their operations and frees up time for more value-added activities.

Robust Broker Benefits

CSIO has observed positive, tangible results from brokerages that leverage CL real-time quoting in their BMS. Brokers recently reported improved productivity and customer satisfaction in quoting for small commercial businesses when working with insurers who comply with the CL MDS. With these data standards in place, the broker submits quote requests via an API to insurers, allowing for a seamless data exchange. As a result, the broker benefits from consistent workflows, reduced double-entry and the automatic generation of electronic policy documents for customers by their BMS. This ultimately helps the broker serve their customers more quickly and accurately.

Our vision for enhancing CL data standards continues to drive us forward—with hundreds of Insurance Bureau of Canada (IBC) codes already in the system, the CL working group is focusing on regularly adding new industries and codes. Alberta brokers will be pleased to know manufacturing and processing services, warehousing services, education services and member organization services codes have been added and are ready for immediate use.

CSIO's CL Certification Program Delivers Success

Our CL certification program has been designed to support insurers and BMS vendors who implement CL data standards. By obtaining this certification, an insurer or BMS vendor has successfully demonstrated that they have adopted CL data standards

to comply with industry best practices. Fully certified CSIO members who have programmed the CL data standards to enable real-time quoting include Northbridge Insurance, Unica Insurance, L'Unique General Insurance, Wawanesa Insurance, Applied Systems Canada and Vertafore Canada.

What's Next for CL Data Standards?

Since its formation in 2018, the CL working group has created multiple data sets to simplify data exchange for real-time quotes and binds for twelve small business commercial segments, with contractors currently the most quoted segment.

The working group is continuously collaborating to update CL data standards by meeting regularly to advance the CL roadmap for developing and publishing business requirements to quote and bind additional industry segments. The next segments on their agenda are government, recreation, transportation and utilities services.

To learn more about CL data standards, check out the 2024 Adoption Results Scorecard on csio.com, which features several interesting findings, and try our broker time savings calculator tool by scanning this QR code.



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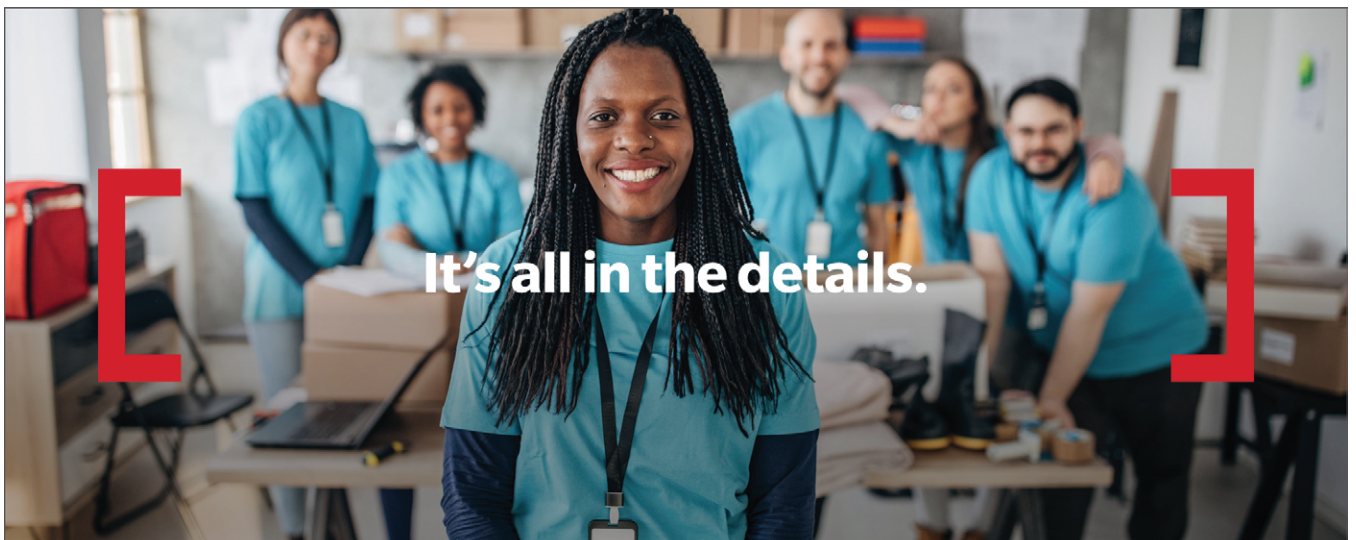
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