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INSURANCE BROKERS ASSOCIATION OF ALBERTA

HOW
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THRU

INSURANCE BROKERS BUILD TRUST SOCIAL MEDIA



Major Shift in Alberta Auto

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Jaime Hunt, CIP, CRM
Regional Branch Manager

Phone: 780-964-6081
Toll-Free: 800-661-3625
Email: jhunt@portagemutual.com



Kevin Struik, CIP
Broker Relationship Manager (Alberta North)

Phone: 780-423-3102
Toll-Free: 800-661-3625
Email: kstruik@portagemutual.com



Cindy Henderson
Broker Relationship Manager (Alberta South/BC)

Phone: 403-210-3135
Toll-Free: 800-372-9582
Email: chenderson@portagemutual.com

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103, 9830 - 42 Avenue NW
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T: 780.424.3320 • 1.800.318.0197
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President Caleb Maksymchuk
Chief Executive Officer Jhnel Weller-Hannaway

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

Publisher and Editor Annette Hubick **780.945.1934** Annette@LinkPR.ca
Advertising Michele Schulhaus **780.910.2601** Michele@LinkPR.ca

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PRESIDENT'S MESSAGE

CALEB MAKSYMCHUK

In this issue of my column, I'll share my thoughts on the cover story topic of using social media to build trust as well as insights I gleaned from attending various broker association events across the country.

But first, I must address the Alberta government's planned changes to personal auto insurance announced on November 21. With an implementation date of January 1, 2027, Alberta will shift to a "care-first privately delivered" model, which essentially boils down to an increased focus on care of injured individuals balanced by a reduction in access to litigation. Many of the reforms announced aligned with the proposals IBAA has made to the government on multiple occasions in a myriad of ways over the past several years. I want to thank the brokers and staff who have invested countless hours advocating for a sustainable, affordable and fair auto insurance market for the Albertans we serve.

Later that same week, IBAA held a virtual town hall meeting to review the changes with members (a link to the meeting was included in the November 29 edition of our *Brokerworks* e-newsletter). As plans solidify, IBAA will ensure members have the information needed to guide their teams and clients through the change process. Keep your eyes on your inbox, sign up to receive *Brokerworks* and Alberta Broker emails and keep checking the IBAA website for updates.

In today's digital world, social media plays a crucial role in shaping public perceptions and building trust within the insurance industry. For brokers, establishing an authentic

online presence is essential to creating lasting relationships with clients. Authenticity on social media comes from sharing genuine content that reflects the values of your business and engaging with your audience transparently. By showcasing your expertise, responding to questions and addressing concerns directly, brokers can develop a level of trust that helps differentiate them in a competitive market.

However, social media can also bring challenges. The push for engagement sometimes leads to clickbait tactics or polarizing content, which may generate short-term attention but risks damaging credibility in the long run. While provocative posts might spark conversation, they can create distrust if they stray too far from a broker's core values or

ethical boundaries. Instead, focusing on thoughtful, informative content that addresses real client needs is key to fostering an environment of trust and reliability.

Another pitfall of social media is the creation of echo chambers, where only like-minded views are amplified. This can distort the conversation and limit brokers' exposure to diverse

perspectives. Brokers should be mindful of curating a balanced online presence, encouraging dialogue with various voices and avoiding an insular approach that might inadvertently spread misinformation. Maintaining a diverse and open social media strategy allows for more informed and nuanced discussions, ultimately benefiting both brokers and their clients.

Using social media thoughtfully can significantly enhance a broker's reputation. Be authentic, avoid creating clickbait and foster open conversations. You can build trust and credibility with your clients which makes social media a powerful tool in today's insurance landscape.

"Authenticity on social media comes from sharing genuine content that reflects the values of your business and engaging with your audience transparently."

Having recently attended insurance broker conventions in New Brunswick, Saskatchewan and Ontario, as well as connecting with our Insurance Brokers Association of Canada members in Collingwood, ON, I had the opportunity to connect with brokers across these regions and gain insight into their unique challenges and perspectives. Each province has its own regulatory environment and market dynamics, yet many of the challenges brokers face are echoed nationwide. The value of membership engagement became particularly evident during these gatherings, as brokers discussed both the support they find within their associations and the obstacles they continue to confront in their regions.

In **New Brunswick**, brokers are particularly focused on fostering client trust amid economic pressures and evolving industry standards. Rising operational costs and regulatory changes are stretching brokerages thin, making it essential for the provincial association to support its members with resources and advocacy efforts. Members expressed the need for streamlined technology solutions and regulatory clarity and they look to their association as a vital partner in navigating these changes.

Saskatchewan's brokers, on the other hand, emphasized the significance of community connection and personalized service, values that remain strong despite the influence of larger market players. However, competition from direct-to-consumer insurers and digital platforms has intensified, pressuring brokers to innovate while maintaining their personal touch. The association here has a critical role in promoting the unique value brokers bring to communities, reinforcing that value through education and public awareness initiatives.

Ontario's brokers face similar competitive pressures, but the scale and density of the market add another layer of complexity. Regulatory challenges are more pronounced, with brokers experiencing concerns around compliance and the increasing administrative burden it entails. Membership engagement within Ontario's association has become a cornerstone for brokers seeking a collective voice, advocating for regulatory reform and providing resources to help members adapt to these demands.

Across these conventions, it was clear that the provincial associations are invaluable in supporting brokers

through advocacy, technological advancements and education, fostering a resilient broker community despite the evolving challenges.

Alberta's challenges seem to be a combination of all that I am hearing and seeing. The conversations with new and old friends have been invaluable. The numbers of times I heard "Alberta" throughout these meetings was staggering and shows how pivotal the Alberta insurance market is to the companies offering insurance across this country. I encourage you to open *Brokerworks* emails when you see them and read about the efforts of Jhnel and the IBAA office team working to strengthen the broker force and insurance community here in Alberta.

One last item to note is the immense effort from all the vendors and insurance companies and their respective teams. This convention schedule is a challenge, and I saw many of the same faces making their way across Canada setting up and taking down booths and various elaborate hospitality rooms. Thank you. These conventions don't just happen on their own. Volunteers and association office teams spend many hours of time prepping, setting up and cleaning up. This has not gone unnoticed by me, and I appreciate the smiling, friendly faces every time. 🙌

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LEADERS NEED TO ENGAGE TO RETAIN



BY ASHLEY MCKARNEY

Leaders are noticing a rise in job-hopping, but the reasons why may not be what you'd expect. While some employees seek novelty, "Changing jobs isn't all about the money, as 86 per cent of millennials would accept a pay cut for a chance to work at their ideal job, and 23 per cent of those seeking a job wouldn't need a pay increase to take a new position."¹

While this is staggering, as the saying goes, "People don't quit a

job—they quit a boss."² Other turnover factors include a toxic organizational culture, limited advancement opportunities and feeling disconnected from their work's impact—compensation ranks lower on the list. Alternatively, the key reason people stay isn't just pay, but the relationships they build with peers, managers and the leadership team, which is centered within the culture of the organization.

When employees feel valued and safe, they invest more into their roles, driving both personal and organizational success. This lives within the culture of an organization. While its hard to quantify, "The benefits of

culture in business are multiple. Apart from providing higher revenue, culture statistics show it improves teamwork and cooperation between employees. Finally, happiness in the workplace and better employee engagement positively impacts performance and employee wellbeing."³

Engaging with current staff and providing learning and growth opportunities to your rising stars, will not only set your organization up for future expansion but will strengthen the pillars of your corporate culture. To retain top talent, organizations must create a culture of openness, trust and growth. Some ways to do this are:

- Create meaningful connections to the mission, vision and values of the organization and the team.
- Engage in authentic conversations.
- Conduct feedback loops and/or focus

groups to elicit feedback. Employees want to be heard.

- Encourage meaningful relationships at work.
- Create intentional time to connect socially as a team.
- Show and celebrate the impact of their work.
- Create supportive workplace relationships that foster engagement, productivity and a sense of belonging.
- Employees need to feel like they matter, personally and professionally.
- Offer a total compensation package that looks different. It doesn't have to cost more—consider how you can innovate what you have and/or reallocate funds to perks and benefits that matter.

Should the qualitative nature of corporate culture importance prevent you from seeing the value behind it, let us highlight the costs of turnover. While organizations may not see a bill with line-item expenses, the direct and indirect costs of turnover are:

DIRECT

- lost productivity
- overtime to fill gaps
- job posting expenses
- training and onboarding time
- cost of recruiters
- cost of posting and recruiting
- severance and unemployment benefits

INDIRECT

- time to job post and shortlist candidates
- managers time to interview
- HR's time for full cycle recruitment
- brand impact of disgruntled employees
- increased supervisory time and effort
- loss of institutional knowledge
- mental health of surviving staff
- negative impact on customer relationships

In conclusion, tackling the challenges of turnover, labour shortages and employee disengagement requires a fresh and dynamic approach.

Organizations must shift their focus from merely filling positions to creating environments where employees feel valued, engaged and committed for the long term. This involves attracting culture-fit candidates and investing in the development and well-being of current employees. By reallocating budgets to support professional growth, culture-building and team cohesion, businesses can not only attract top talent but also nurture a workforce that drives sustained success.

ASHLEY MCKARNEY is the president of Involvi HR, an Edmonton-based company specializing in people operations and HR consulting services. For more information, contact ashley@involvi.ca or visit www.involvi.ca



¹ Nina McQueen; "Workplace Culture Trends: the Key to Hiring (and Keeping) Top Talent"; LinkedIn Official Blog; [LinkedIn.com](https://www.linkedin.com/blog/member/career/workplace-culture-trends-the-key-to-hiring-and-keeping-top-talent); June 26, 2018; www.linkedin.com/blog/member/career/workplace-culture-trends-the-key-to-hiring-and-keeping-top-talent
² Lori Goler, Janelle Gale, Brynn Harrington, Adam Grant; "Why People Really Quit Their Jobs"; Harvard Business Review; hbr.org; January 11, 2018
³ "Company Culture Statistics: Leadership and Engagement in 2024"; TeamStage; teamstage.io/company-culture-statistics/



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MAJOR SHIFT

Alberta Government Announces Auto Insurance Overhaul



BY ANNETTE HUBICK

On November 21, the Alberta government announced its plan to implement a “care-first” auto insurance system in the province on January 1, 2027. The next day, over 600 insurance brokers attended the IBAA’s virtual member townhall meeting where government representatives reviewed highlights of the changes and responded to questions from brokers.

The changes are significant, and many align with the proposals that IBAA has been actively advocating for years. “We advocated to take the best parts of all the insurance products across Canada, and that is what we have. We had to do something different in order to elicit different results,” said Caleb Maksymchuk, IBAA president. “This new system is a win for auto insurance in Alberta. The only way to make premiums more affordable for Albertans was to remove costs from the system and create a simpler claims process, while maintaining a privately delivered, competitive marketplace.”

CARE-FIRST SYSTEM

Under the new system, all Albertans injured in a collision will gain access to enhanced benefits, including improved

medical treatment, rehabilitation and income supports. For example, medical and rehabilitation is currently limited to medically necessary expenses up to \$50,000 for two years following a collision. This would increase to unlimited for eligible expenses over the claimant’s lifetime. “We do appreciate that some insurers may feel that managing that managed care of a long-term claim is onerous,” acknowledged David Mulyk, executive director of pension and insurance policy with the Government of Alberta. “However, we also believe that it is a necessary counterbalance to the removal of litigation and especially cash settlements from the system.”

This last statement underscores the biggest shift from our current system: structured settlements or annuities for future medical and rehabilitation needs will not be permitted and Albertans injured in a collision will not have the ability to sue for additional compensation, with the following exceptions.

- At-fault drivers convicted of a Criminal Code offence or select major Traffic Safety Act offences such as an immediate roadside

sanction for impaired driving or distracted driving. (The list of major Traffic Safety Act offences is to be determined.)

- Out-of-pocket expenses that exceed policy limits.

“Government recognizes that substantially reducing or ... the elimination of litigation altogether is the only real way to get significant costs out of the system,” said Mulyk, a point that IBAA and its industry partners had stressed repeatedly over the years. “I do want to acknowledge that there may be specific elements of the reforms that you may not fully support or would wish was different. However, when the reforms are looked at in their totality, we believe them to represent a balanced package that will serve Albertans best and will contribute to long term stability for the insurance industry in this province,” Mulyk stated.

GOOD DRIVER RATE CAP INCREASED

In order to ease financial pressures on insurers until the reformed system is in place, the provincial government has agreed to delink the cap from

its current inflation-based limitation and to increase the amount for 2025. Rate increases for good drivers will be capped at a maximum of 5 per cent per year, although an additional 2.5 per cent rider is permitted for next year, and this is to account for the unanticipated and extreme catastrophic loss events that occurred this summer. Thus, in total, rate increases for good drivers will be capped at 7.5 per cent in 2025. A decision to extend the rider for 2026 will be made next fall. “We are aware that the adjusted rate cap may still result in some insurance companies needing to make tough decisions to remain in the Alberta marketplace. However, before long term reforms are implemented, it was important to try to reach an acceptable balance between affordability for Albertans and the viability of the industry,” said Mulyk.

CARE-FIRST DOES NOT MEAN NO-FAULT

Mulyk addressed a common misconception that bad drivers will escape the consequences of their actions under the new “care-first” system. “The choice in language is deliberate because fault will still matter in the system, although all traffic injured will have access to enhanced benefits regardless of fault. The system will still ensure that bad drivers are held accountable through higher premiums,” he explained. “Your assistance in adopting the ‘care-first’ term is appreciated.”

DISPUTE RESOLUTION

An independent, industry-funded mechanism will be established to allow traffic injured to appeal decisions of insurers. The intention is that it will be easy to access and navigate so that legal representation is not necessary, but it will not be prohibited.

STILL TO COME

January 1, 2027, may seem to be a long time for industry to wait for these urgently needed reforms,

but significant work needs to be undertaken by the government prior to implementation.

- develop guidelines/practices for health care professionals and insurers
- establish a process for independent medical assessments
- determine the Traffic Safety Act offences to be included in access to court
- establish an independent dispute resolution body
- establish a consumer support function
- develop legislation and regulations
- create new superintendent forms
- price the new product
- develop consumer education materials
- develop training, education and examinations for insurance professionals

STAY INFORMED

The video recording and transcript of the member townhall was sent

to all subscribers to *Brokerworks* on November 29 and is also available exclusively to members on the IBAA website. Per the government’s request, if you have any questions about the impending changes to auto insurance in Alberta, please send them to IBAA (brokerhelp@ibaa.ca). This will help the government respond efficiently to common questions and responses can be shared with all members.

IBAA members will have access to the latest information and resources on auto insurance reform through your association. Whether through the *Brokerworks* e-newsletter, the IBAA website and professional development offerings, your association will make every effort to ensure a smooth transition for brokers and the clients they serve. Buckle up!

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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INSURANCE BROKERS CAN BUILD TRUST THRU SOCIAL MEDIA

By James Roloff and Ema Roloff

ERS



In an environment saturated with information and plagued by declining trust, insurance brokers face the formidable challenge of connecting with clients on an authentic level.

Traditional sales tactics are losing their effectiveness, and clients are increasingly seeking genuine guidance and expertise. Social media, when used strategically, offers a powerful platform for brokers to rebuild trust, position themselves as thought leaders and ultimately drive business growth.

THE EROSION OF TRUST

Trust is the cornerstone of any successful client-broker relationship. Clients need to feel confident that their broker understands their needs, provides honest advice and will be there for them when they need it most. However, several factors have contributed to a decline in trust within the insurance industry:

- **Rising premiums:** Increasing insurance costs often leave clients feeling frustrated and vulnerable, questioning the value they receive for their investment.
- **Increased catastrophes:** The growing frequency and severity of natural disasters and other unforeseen events create a sense of uncertainty and highlight the critical importance of reliable insurance coverage.
- **Regulatory changes:** Constant shifts in the regulatory landscape can leave clients feeling confused and apprehensive about the future of their insurance policies.

Amid this landscape, how can insurance brokers build trust with their clients?

The answer lies in one powerful approach: becoming the “favourite teacher.” By using social media as a tool for education rather than sales, insurance brokers can position themselves as trusted advisors and rebuild trust with their audience.

THE FAVOURITE TEACHER FRAMEWORK

Educate, Connect, Consult

To guide you through this process, we use our “favourite teacher framework.” This process is simple: Educate > Connect > Consult. This strategy focuses

on creating value at each stage of the client relationship, ultimately leading to stronger trust, better relationships and more sales.

EDUCATE

Create Valuable Educational Content

The first step to becoming a trusted advisor is to educate your audience. People naturally trust those who help them understand complex topics, and insurance is no exception.

The insurance landscape is confusing, full of jargon, legalese and regulations that often overwhelm the average customer. As an insurance



The best way to build trust is by being seen as a helpful resource, not a salesperson trying to push a policy.

broker, you can simplify these complexities and provide answers to the questions your clients are already asking.

A strong educational strategy begins with creating valuable content. Insurance brokers should aim to post helpful, non-salesy content across social media platforms at least three to five times a week. This can be in the form of blog posts, short videos or even simple text posts that break down common insurance issues.

For example:

- What does umbrella insurance really cover?
- How do rising premiums affect homeowners?
- What steps can small businesses take to reduce liability risk?

The biggest mistake many insurance brokers make is not posting anything at all. In a world where consumers turn to the internet to do their research, not having a presence means you are missing out on the opportunity to answer their questions before someone

else does. Another common mistake is focusing solely on sales. The best way to build trust is by being seen as a helpful resource, not a salesperson trying to push a policy.

It's also important to note that the benefits of creating educational content go beyond your ability to position yourself as a trusted resource; you'll also increase your visibility through improved SEO and social reach. This is the true power of educational content, allowing you to **build trust at scale**.

CONNECT

Transform Visibility Into Leads

Once you've started educating your audience, the next step is to connect with them in a meaningful way. The visibility you gain from posting regularly can be turned into identifiable leads by using simple calls to action (CTAs) and lead magnets.

CTAs should be clear and encourage your audience to take the next step, whether that's downloading a guide, signing up for a webinar or subscribing to your email newsletter. However, it's important to remember that even at this stage, you are still not trying to sell directly. You are still educating, but now you're offering deeper value in exchange for something small, like an email address.

Lead magnets are one of the best ways to provide that deeper value. A lead magnet is something you offer in exchange for your audience's contact information. This could be:

- a guide to choosing the right insurance policy
- a checklist for first-time homebuyers
- a webinar about preparing your business for natural disasters

These lead magnets should solve a specific problem your audience has. The goal is to show them that you understand their needs and can help them make informed decisions. You're still not selling at this point—you're showing that you can be a valuable partner in their journey.

continued on page 14



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Leads generated through your digital strategy should then be accurately stored in a customer relationship management (CRM) program. This includes collecting names, emails and activities of prospects who are engaging with your company. Having access to accurate data is critical to running digital campaigns and nurturing prospects throughout your pipeline.

CONSULT

Guide Clients to the Right Solution

By the time you reach the consult stage, you've already built a level of trust with your audience. They've engaged with your educational content, they've downloaded your lead magnets and now they see you as a trusted advisor. This is the point where you shift from education to consultation—helping them make the best decision for their needs.

Consulting is not about hard selling a product. It's about making the buying process as simple and clear as possible. Customers should feel like you are guiding them toward a solution that genuinely meets their needs, rather than pushing them toward the most expensive option. Simplifying the buying process can include:

- offering a clear, step-by-step explanation of the process
- helping them compare coverage options based on their specific situation
- addressing common concerns such as cost, coverage gaps or exclusions

It's also important to nurture leads through your sales pipeline. Just because someone has downloaded a lead magnet doesn't mean they are ready to buy immediately. Using email drip campaigns, retargeting ads or even personal follow-ups can help keep them engaged until they are ready to make a decision.

GETTING STARTED WITH SOCIAL MEDIA

If you're new to using social media as a tool to build trust, the first step is understanding your audience. Who

are your ideal customers? What are their biggest concerns? What type of content would they find valuable?

Start by creating a few customer personas based on these questions. Once you have a clear picture of who you are trying to reach, it becomes much easier to create content that resonates with them.

Next, map out your content strategy. What types of educational content can you create to address your audience's needs? This could include answering frequently asked questions, explaining industry trends or demystifying complicated insurance policies.

Don't worry about being perfect—getting started is the most important step.

Over time, you'll refine your content and get better at understanding what works. Consistency is key, so try to stick to a regular posting schedule, whether that's three or five times a week.

Finally, think about what lead magnets you can create to offer even more value. Do you have an in-depth guide that would be helpful to your audience? Could you host a webinar to explain the latest changes in insurance regulations? The more value you provide, the more trust you build.

CASE STUDY

Building Trust with Educational Content

Let's look at an example of how an insurance broker could apply this framework. Sarah, a small business insurance broker, noticed that many of her clients were confused about liability coverage. Instead of waiting for potential clients to reach out with questions, Sarah decided to get proactive. She began by creating a

series of posts on LinkedIn explaining common liability issues and how small businesses can protect themselves.

Next, she offered a free downloadable checklist on "How to Assess Your Business's Liability Risk." In exchange for downloading the checklist, users provided their email addresses, which allowed Sarah to follow up with a drip campaign offering more educational content.

Over time, Sarah built a reputation as a trusted advisor in her niche. When potential clients were ready to buy, they turned to her because they already trusted her expertise. Her educational content, combined with her lead magnet and nurturing strategy, resulted in a steady stream of new business.

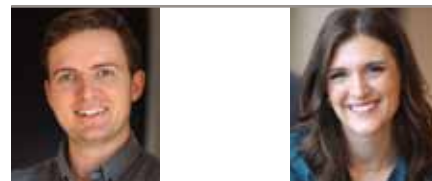
CONCLUSION

The Best Salespeople Are Teachers

The world of insurance is constantly evolving, and clients are more informed than ever before. Rather than waiting for them to come to you, take the initiative to educate and build trust. By becoming the favourite teacher online, you position yourself as a resource that clients can rely on—not just for insurance products, but for valuable guidance through a confusing landscape.

Trust isn't built overnight, but with consistent effort and a focus on educating rather than selling, insurance brokers can create relationships that go far beyond a single transaction. The best salespeople aren't just selling insurance—they're helping people make informed decisions and solve real problems.

So start today: educate, connect, and consult. The trust will follow.



JAMES ROLOFF & EMA ROLOFF are the co-founders of Roloff Consulting, a company specializing in creating digital leverage within your business. For more information, visit RoloffConsulting.com.

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Loss of Income

If Kelsey has to miss work due to an insured loss, Sandbox will pay up to \$250 per day, for a maximum of 14 days (up to \$3,500 total), to compensate for her lost income.

Build Back Better

If Kelsey's home is damaged by events like wildfire, hail, windstorm, or water (if covered), Sandbox will pay up to \$5,000 to improve the property's resilience. This includes:

- ➔ Replacing damaged roofing with stronger shingles.
- ➔ Replacing damaged siding with tougher materials.
- ➔ Implementing up to three measures to reduce future damage. A list of these measures will be provided.

Pair and Set

If part of a pair or set is damaged, Sandbox will pay up to \$5,000 for the undamaged part.

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CALCULATING RISK

Brokers Play Critical Role in Helping
Small Business Owners Understand
Full Cost of a Cyberattack

BY AARON SUTHERLAND

According to a spring 2024 survey¹ by Insurance Bureau of Canada (IBC), only 31 per cent of small and medium-sized business owners surveyed consider cybersecurity a financial priority, and 73 per cent have cut back on what they spend on cybersecurity. However, recovering from a cyberattack may involve more costs than many small business owners realize.

In a 2021 IBC survey², 41 per cent of small businesses that suffered a cyberattack reported that it cost them at least \$100,000. The expenses incurred after an attack may include those for recovering corrupted data, notifying affected individuals and providing them with credit monitoring, conducting forensic investigations and paying legal costs. What is often even more stressful for business owners who are dealing with a cyber event is figuring out what they need to do and where to turn for help.

Brokers play a critical role in helping businesses understand options for cyber insurance coverage.

Cyber insurance is a specialty insurance product. It is intended to help protect businesses from losses related to data and technology risks such as data confidentiality breaches, technology disruptions and cyber extortion. Brokers add value to this product by sharing their risk management expertise to help businesses prepare for and manage a potential cyber incident.

During the application process, a broker can help a business identify security gaps, give advice and provide access to resources to help build cyber resilience and develop a breach response and mitigation plan. If an incident does occur, in addition to covering recovery costs, brokers connect policyholders to the insurer's approved resources, such as legal counsel and data forensics experts, to identify recovery options and help the business restore vital technology and information.

For example, consider a pharmacy owner who gets a cyber policy because she retains sensitive customer data and has several staff members and vendors with access to the company's network. As a small business owner, she has limited access to IT professionals and incomplete knowledge about how to fully recover from a cyberattack.

Unfortunately, six months after the pharmacy owner secures the policy, a new employee who has not yet received cyber training is tricked into opening an email attachment that infects the network with malware. Hackers can access the pharmacy's records, including the birthdates, addresses and health records of hundreds of customers. After the pharmacy owner makes a claim, her insurance company advises her to hire experts to stop the breach while preserving the evidence needed for a follow-up investigation. The insurer also recommends deploying a network and data forensics team, which determines that hackers accessed critical client information.

While some personal records have been leaked, the pharmacy's systems overall are spared, and the pharmacy owner can resume operations quickly after the breach. The cost of all these cybersecurity professionals, the pharmacy system recovery, and the forensic and legal expenses would have far exceeded the owner's financial resources. When the business owner was considering her cyber insurance options, her broker convinced her to secure the most comprehensive policy that her budget would allow, and therefore all of these services were covered. Furthermore, having access to the insurance company's roster of trusted service providers enabled the owner to speed up the process of securing the right professionals, instead of having to spend precious time figuring out whose help she needed and then searching for qualified individuals whose rates were within her budget.

In the aftermath of a cyberattack, other unexpected expenses can also arise. For example, customers may file a lawsuit for damages against the business if the breach compromised their information. A comprehensive cyber policy could cover additional professional services for legal matters such as these. And the ability to resolve a lawsuit relatively quickly could also help recover the business's reputation and regain customer trust.

A cyber breach is a complex event that few businesses can manage on their own. An appropriate cyber insurance policy might cover some or all the costs of a cyber incident, from prevention to containment to recovery. With the right advice and cyber insurance policy, business owners are still in the driver's seat when it comes to decision-making, but the insurance broker is there to ensure they have the right information and access to the right people.

All business owners should review their risk management strategies and their current commercial insurance coverage to determine if they address their level of cyber risk. Cyber Savvy Canada, by IBC, offers a free ten

question self-assessment³ to help business owners learn more about the cybersecurity protocols that most cyber insurers want them to have and ways to reduce their business's cyber risk. This assessment offers some questions that cyber insurers may ask when a business applies for a cyber insurance policy. It also provides helpful resources such as a cyber insurance checklist, a template for creating a cybersecurity plan and a checklist of steps to help safeguard businesses from cyber risk.

AARON SUTHERLAND
Vice President, Western & Pacific
Insurance Bureau of Canada
ASutherland@ibc.ca



¹ Insurance Bureau of Canada; 2024 Cyber Security Survey; <https://cybersavvycanada.ca/docs/Cyber-Savvy-Research-2024.pdf>

² Insurance Bureau of Canada; Many Small Businesses Vulnerable to Cyber Attacks; <https://www.ibc.ca/news-insights/news/manys-small-businesses-vulnerable-to-cyber-attacks>

³ Insurance Bureau of Canada; Cyber Security Assessment; <https://cybersavvycanada.ca>



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MASTERING EFFECTIVE FEEDBACK

Feedback can seem like a scary word and is often equated with criticism, but feedback is different and serves an important purpose. Effective leaders and managers are skilled at both giving and receiving feedback.

What Is Feedback?

Oxford Learner's Dictionary gives this definition: “information about reactions to a product, a person’s performance of a task, etc., which is used as a basis for improvement.” This definition is helpful as it focuses on feedback as a source of improvement.

Feedback can be positive, negative or constructive. To be useful, you should focus on positive and constructive

feedback and avoid purely negative feedback, as it is often just criticism and not helpful for improvement. Remembering growth and improvement as goals will help reframe feedback to be more useful and helpful.

Why Is It Important?

Feedback is essential for growth and improvement. A growth mindset sees feedback as a way to grow, rather than as personal criticism.

Embracing feedback allows opportunities for career development, skill growth and innovation. People often default to believing that feedback is criticism but reframing it to focus on growth and opportunities allows you to be open to new ideas. This

aligns with the Oxford definition, which emphasizes improvement rather than simple criticism. Effective feedback can support the creation of strong relationships and an engaging organizational culture.

Characteristics of Effective Feedback

SPECIFIC

Feedback needs to be specific rather than vague. For example, instead of saying, “Great job,” say, “Great job greeting that customer within the first minute they entered the store.” Use examples whenever possible and avoid generalities and absolutes like always, never, all, none, everyone, and no one.



BY JACQUIE SURGENOR-GAGLIONE

Instead of saying, “You are always late,” give specific times and dates when they were late.

TIMELY

Give feedback as soon as possible. You do not need to wait until the next one-on-one meeting. Positive feedback should be given in real time when possible. Constructive feedback can wait until an appropriate time but should be given soon as reasonably possible.

BEHAVIOUR-FOCUSED

Effective feedback is focused on behaviour, not personality or personal traits. Instead of saying, “You’re smart,” try, “Great job persevering through that challenge you ran into on that project.”

IN PERSON (WHERE POSSIBLE)

Feedback is best delivered in person. If that isn’t possible, try a virtual meeting or a phone call. Avoid feedback by email unless it is simple praise, as it does not allow for questions, clarifications or discussion.

PRIVATE

While simple praise can be delivered publicly if the receiver is comfortable, feedback should be given in private.

RESPECTFUL

Criticism is not feedback and to be effective, you need the other person to be receptive to what you say, so be empathetic and respectful.

ACTIONABLE

“Do a better job” is not actionable. The receiver should know what you expect them to do and be able to do it.

Asking for and Receiving Feedback

Asking for feedback is somewhat rare, but Kim Scott¹ writes in *Radical Candor* about how important it is to be a good leader or manager.

When asking for or receiving feedback, consider these:

BE OPEN-MINDED

Sometimes people avoid asking for feedback because they worry that they won’t like what they hear. Asking for feedback does not oblige you to act on it. Carefully consider what they’ve said, but you still get to decide what to do with it.

Resist the urge to be defensive or counter what they said. Ask clarifying questions or for examples and solicit suggestions but don’t justify your actions.

TAKE TIME TO REFLECT

Book a follow up meeting to discuss your reflections and thank the person for their input, rather than trying to address everything in the original meeting.

We often need time to process; especially when hearing difficult or uncomfortable feedback.

CREATE A FEEDBACK CULTURE

If you start asking people to provide feedback on your performance, they may initially feel uncomfortable, especially if you are their manager. Accept that, but don’t give them the easy out to avoid. Let them have time to reflect and set a follow up meeting.

As you build this culture, they will be more willing and comfortable.

Ensure you never hold their feedback against them. Create a safe environment for them to be open and honest.

THANK THE PERSON

Thank people for their feedback. When you see feedback as an opportunity to improve, you will recognize the gift they are giving you, and thank them.

STAY POSITIVE

Feedback is one person’s opinion, and you can listen and ignore it. Don’t take it personally; ask yourself what you can take from it, then release the rest.

A Helpful Model

I love the Roy Group² feedback model questions:

1. What went well?
2. What was tricky?
3. What would you do differently?

The first and third questions are standard, but the reframe of the normal, “what went wrong” question to “tricky” is excellent. Sometimes things are out of our control but are still challenges and acknowledging them this way reframes what we might present as failure into more neutral language.

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 www.kimmalonescott.com

² www.roygroup.ne

NO “PROOF” REQUIRED

Insurance Broker Case Shows Tribunals Get Broad Leeway to Consider Industry Context



BY SARA HART & DAVID COWLEY-SALEGIO

Where an insurance agent in Alberta finds themselves facing a complaint, the complaint may pass through a series of administrative and adjudicative processes before a final decision is made. Recently, one such complaint wound its way through these processes, from the General Insurance Council (the “Council”), through an appeal to Insurance Councils Appeal Board of Alberta (the “Appeal Board”), through a further appeal to the Alberta Court of King’s Bench (the “Court”), and back for a final decision from the Appeal Board. The Court, for its part, provided valuable commentary on the role of administrative tribunals and how they may or may not use their industry expertise or knowledge in carrying out some of their adjudicative functions.

General Insurance Council v Bentley

A complaint was brought against an insurance agent, Anthony Bentley, related to conduct allegedly in contravention of s 480(1) and s 509(1) of the Insurance Act. Section 480(1) (a) states:

Sanctions affecting certificates

480(1) If the Minister is satisfied that the holder or a former holder of a certificate of authority

(a) has been guilty of misrepresentation, fraud, deceit, untrustworthiness or dishonesty,

...

the Minister may revoke, suspend or refuse to renew or reinstate one or more of the certificates of authority held by the holder, impose terms and conditions provided for in the regulations on one or more of the certificates of authority held

by the holder and impose a penalty on the holder or former holder.

Section 509(1) states:

Unfair practices

509(1) No insurer, insurance agent or adjuster may

- (a) make a false or misleading statement, representation or advertisement,*
- (b) engage in a tied selling practice prohibited by the regulations,*
- (c) engage in any unfair, coercive or deceptive act or practice, or*
- (d) make any statement or representation or commit any practice or act that is prohibited by the regulations.*

The complaint against Mr. Bentley alleged, among other things, that despite being instructed by his brokerage firm to stop writing policies, he nevertheless continued to complete applications and issue temporary pink cards for motor vehicle insurance. The brokerage alleged that Mr. Bentley failed to submit the insurance applications and supporting

documentation as required, meaning that, although clients were receiving temporary pink cards from Mr. Bentley to suggest that they had coverage, they, in fact, did not. Mr. Bentley disputed the allegations.

At the initial adjudication before the Council, the Council found that an offence under s 480(1)(a) had been established. Mr. Bentley appealed the Council's decision to the Appeal Board.

On this appeal, the Council argued that Mr. Bentley had breached s 480(1)(a) in the issuance of the unsupported pink cards and, alternatively, that the same conduct constituted a breach of s 509(1). Mr. Bentley argued that he followed the usual procedure for an agent and did submit the necessary information to support the clients' applications. In its decision, the Appeal Board found that the evidence was insufficient to establish the offence under s 480(1)(a); however, the Appeal Board did not consider whether the evidence nevertheless proved the offence under s 509(a). On the basis of this omission, the Council appealed the Appeal Board's decision one level further to the Court.

The Court found that the Appeal Board was obliged as a matter of law to answer the unanswered question regarding the s 509(a) offence, and as a result, the Court sent this question back to the Appeal Board to answer.

Judicial Notice by Administrative Tribunals

In making its case before the Court, the Council had also argued that the Appeal Board erred in how it treated certain evidence—or rather, how it treated a lack of evidence. The Council argued that the Appeal Board wrongfully took “judicial notice” of challenges allegedly experienced by Mr. Bentley with a particular insurance company's application portal, which Mr. Bentley had said was slow and cumbersome and caused delays. In its decision, the Appeal Board found

that it was “well known to the panel's industry members” that the particular portal was problematic and had lengthy turnaround times. The Appeal Board gave these portal issues significant weight in their decision. On appeal to the Court, the Council argued that the Appeal Board accepted these “challenges” as fact without sufficient evidence.

The Court agreed and provided an explanation of the doctrine of judicial notice:

The doctrine of judicial notice is an exception to the rule that all matters relevant to an action must be established by formal proof. Where a fact is so notorious or generally accepted to be uncontroverted such that it cannot reasonably be doubted, the doctrine of judicial notice permits the court to consider that fact, without formal proof of that fact. The threshold for judicial notice is strict: a court may properly take judicial notice of facts that are either: (1) so notorious or generally accepted as not to be the subject of debate among reasonable persons; or (2) capable of immediate and accurate demonstration by resort to readily accessible sources of indisputable accuracy.

When the doctrine applies to administrative tribunals, it is slightly modified. As the Court described, administrative tribunals like the Appeal Board “have a level of expertise and knowledge about the matters before them in order to efficiently dispatch their statutory obligations. Tribunals have a broader ability than courts, to take judicial notice of background facts within their areas of expertise.” The Court recognized that the Appeal Board operated within an industry-specific framework and that tribunal members are specialists in that area, giving them “greater latitude in the areas in which they can take judicial notice.”

However, in this case, the Appeal Board inadequately justified their judicial notice with contextual detail—essentially, the Appeal Board did not identify the other supporting

facts that made this particular one worthy of judicial notice. The Court was left wondering: “Was there a widely known legal proceeding in the insurance industry where this issue was discussed and proven? Was it known within the insurance industry that [the insurer's] computers were slow? What time date range did this apply to? What geographic area did this computer problem apply to? And what was the problem? Was it that the portal was slow, so applications took longer?”

The Court also found that the Appeal Board had breached procedural fairness by taking judicial notice of this material fact without providing advance notice of its intent to do so to the parties, who could make argument or lead additional evidence. For these and other reasons, the Court found that the Appeal Board had erred on this issue. As a result, the Council's appeal was granted, and the question regarding s 509(1) was sent back to the Appeal Board for reconsideration.

The Takeaway

The Court's reasons in Bentley affirm the law on judicial notice as it applies to tribunals and reiterates the role that industry expertise has to play in these administrative frameworks. Even though the Court took issue with the Appeal Board's approach to judicial notice in this instance, the result in Bentley nevertheless represents the breadth of the doctrine, not its limitations.

SARA HART, K.C.
is a lawyer with Dentons Canada LLP
and practices in the professional
liability insurance area.
Sara.Hart@iDentons.com



DAVID S.
COWLEY-SALEGIO
Legal Counsel
EPCOR Utilities Inc.
DCowley-Salegio@epcor.com





USING SALARY DATA TO GROW YOUR BUSINESS

BY ADRIENNE HILL

Recently, IBAA released results of the *2024 Broker Salary Survey* through a new salary survey platform on our website. By logging into the platform, members have current broker salary scales from Alberta and other participating provinces at their fingertips all year round. We believe this will be a game changer for our members and their businesses. Salary data can help address one of the biggest issues facing the insurance industry: recruitment and retention. According to a 2023 study¹ by Mercer LLC, of 907 Canadian respondents, 42.4 per cent reported difficulty hiring or retaining employees for certain roles. In its list of hard-to-fill roles, insurance was in the top five. This supports what members are telling us.

So how does a salary survey help?

Understanding compensation trends is vital, and salary surveys help you navigate the complexities of compensation within the industry by providing insights on pay, bonuses, benefits and other forms of compensation. Recruitment starts long before a business even posts an open position, and understanding the salary landscape allows organizations to position themselves as industry leaders. Companies known for competitive pay are viewed more favorably by prospective employees and attract a wider pool of candidates. This is especially crucial in a market facing employee shortages. Salary surveys ensure you

are offering competitive compensation that aligns with the market to attract and retain top talent.

But it's about more than pay. With higher rates of employee stress, anxiety and burnout, potential employees are looking for more than just the top dollar. Wellness, work-life balance and benefits are more important to employees than ever before. By utilizing survey data, companies can structure compensation packages that include bonuses, benefits and non-monetary perks that align with other brokerages. A well-rounded package is more appealing to potential hires and can be a deciding factor for candidates weighing multiple job offers.

Once you have hired, retention and turnover become the challenge. Salary surveys provide insights into factors that contribute to employee retention in numerous ways:

- Assess internal pay equity, ensuring that employees are compensated fairly relative to their peers and industry standards.
- Identify if employees in certain roles are underpaid compared to industry standards and adjust salaries in those areas accordingly to improve retention.
- Identify and address pay disparities supporting diversity and inclusion initiatives.
- Implement effective incentive programs and performance-based compensation plans that align with market practices and drive employee performance.

All of these factors impact your bottom line and the continued success of your brokerage.


Considering the cost of recruitment, retention and the high price turnover has on a business, it is easy to see the value IBAA's salary survey offers. However, data is only as good as it is current. The broker market is dynamic, with compensation trends changing quickly due to inflation, demand for skills, and shifts in labor supply. That is why IBAA has committed to performing an annual survey year-over-year to gather current salary trends. But, this is only possible with broker participation and we are grateful to those who made this platform possible by completing the survey.

It is also true that the more data available, the more meaningful and accurate the results. The salary survey was specifically tailored for brokers to help with budgeting and responses to changing market conditions to keep your brokerage adaptable and cost-efficient. With broader brokerage participation, we can ensure that the results are more representative of

brokerages across Alberta. This allows us to provide richer insights and allows you to make better decisions. We strongly encourage you to think about participating in support of the industry. While the 2024 survey results are only available to those who completed the survey, we hope that by understanding the value of this information, you will choose to participate in the future. More information, results access and participation information can always be found on the IBAA website. We anticipate that the data will provide great value to your brokerage's financial model.



¹ Mercer LLC; "How Much Turnover Is Too Much?"; [imercer.com](https://www.imercer.com/articleinsights/workforce-turnover-trends-canada); September 5, 2024; <https://www.imercer.com/articleinsights/workforce-turnover-trends-canada>



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Join us in celebrating the IBAA members who build positive change within the culture, direction, and best practices of Alberta's network of brokers and the communities they serve. Nominate your brokerage for one of the following four award categories: **Best Large Brokerage, Best Small Brokerage, Outstanding Community Service, Outstanding Diversity, Equity, and Inclusion.** Awards will be presented during the reformatted President's Gala at Convention 2025. **Nominations close January 25th.**

VISIT IBAA.CA FOR MORE INFORMATION



Photos taken at 2024 PYIB conference.
Credit: BigMike Photography

PREPARING THE NEXT GENERATION OF

The insurance industry is changing rapidly, and the need for strong leadership has never been more urgent. To help shape the leaders of tomorrow, the Professional Young Insurance Brokers (PYIB) recently hosted a conference focused on mentoring and developing the next generation of professionals. The event brought together young leaders from across the industry to share ideas, build connections and discuss the skills they need to succeed.

Mentorship: A Key to Success

A central theme of the conference was the importance of mentorship. Experienced professionals have valuable insights to offer, not only on the technical side of the industry but also about leadership and decision-making. As one attendee put it: “Mentorship has been key to my growth. It’s not just about learning the job, but how to lead and handle challenges.”

Mentorship helps young professionals build the skills they need to manage teams, communicate effectively and navigate the complexities of leadership.

Developing Leadership Skills

In addition to technical expertise, young leaders need to develop strong leadership qualities. The conference focused on key skills like emotional intelligence, communication and team management. One speaker emphasized, “Being a leader today



LEADERS IN INSURANCE

By Anna Rickard

means understanding people, not just numbers. The best leaders are those who connect with their teams and make decisions that balance business needs with human needs.”

These leadership skills are essential as the industry faces increasing challenges and changes.

Networking and Innovation

The conference also highlighted the importance of networking. Young professionals benefit from connecting

with peers and mentors who can help them grow, stay informed and seize new opportunities. As technology continues to transform insurance, young leaders are at the forefront of driving innovation, from AI to data analytics. The next generation of leaders is ready to embrace these changes and help reshape the industry for the future.

Why It Matters

The future of insurance relies on the next generation of leaders. But

they need mentorship and support to reach their full potential. The PYIB conference made it clear: when young professionals are given the guidance and tools they need, they are ready to lead the industry forward.

Investing in today’s young talent ensures that the insurance industry will continue to thrive tomorrow.

ANNA RICKARD
Director
PYIB
anna.rickard@acera.ca





CYBER RISK & INSURANCE

THREATS & OPPORTUNITIES

BY VIVEK JASSAL

Cyber risk impacts ALL businesses significantly. Let's look at the cyberthreat landscape, examine cyber insurance trends and explore where your opportunities lie as brokers to help clients manage their cyber risks

Cyberthreat Landscape

The cyberthreat landscape is complex and constantly evolving, driven by countless motivated threat

43% of Global Cyberattacks Targeted SMBs

Coveware's quarterly ransomware report measures impacted companies by employee count, consistently revealing SMBs as primary targets.

actors. This complexity and constant evolution can cause significant concern for organizations, particularly as they try to protect their assets and data. In this section, we will explore the impact of this landscape on Canadian organizations. Our focus will be on small and medium-sized businesses (SMBs), a sector that often faces unique challenges in the face of cyberthreats.

SMBs Are Not 'Too Small' to Be Targeted

Traditionally, threat actors targeted organizations with large data volumes. Now, due to lucrative financial incentives, attackers use affordable RaaS kits to exploit organizations with weak

security, making them easy targets for ransom payments.

SMBs—A LUCRATIVE TARGET FOR THREAT ACTORS

- SMBs often prioritize business growth over cybersecurity, leading to inadequate defences and financial constraints.
- Only 14 per cent of SMBs are adequately prepared to defend against cyberthreats.¹

SUPPLY CHAIN—MSP EXPLOITATION

- Threat actors target SMBs within the supply chain, exploiting their connections to larger organizations.
- Managed service providers (MSPs) serve as gateways for attackers to access broader targets, such as technology service providers.

- An incident in 2021 exemplifies this threat, where malware propagated through a software update made by a technology company across their client base
- MBs often prioritize business growth over cybersecurity, leading to inadequate defences and financial constraints.

Reducing the volume of common vulnerabilities and weaknesses in an organization's cyber defence is only possible when organizations invest in people, processes and technologies to prevent, detect, respond to and recover from cyberattacks.

The Issue of Residual Risk

DESPITE THE MINIMUM CONTROLS, BUSINESSES STILL NEED CYBER INSURANCE

Organizations can effectively direct their efforts towards risk mitigation by understanding the common weaknesses and vulnerabilities that often lead to cybersecurity attacks. This process involves the implementation of robust cybersecurity controls, which aim to reduce residual risk to a level deemed acceptable. However, it's crucial to recognize that no risk can be eliminated. As such, the need for

risk transfer through cyber insurance remains a fundamental necessity for businesses.

- Human error significantly challenges cybersecurity risk management, including issues such as stolen credentials for network access, phishing and social engineering attacks, insider threat misuse and various IT management errors.
- Vulnerabilities are identified and disclosed to vendors, who then develop, test and release patches to remediate these vulnerabilities. Despite these efforts, the exploitation of software vulnerabilities remains a leading cause of cybersecurity incidents.
- IT system misconfigurations pose a significant risk, enabling access to internet-facing IT systems and applications. Notably, 23 per cent of cyber incidents are caused by miscellaneous errors, with 15 per cent attributed to misconfiguration errors. Poorly secured remote desktop protocols account for 29 per cent of these miscellaneous errors.
- Social engineering has consistently been a primary source of incidents in recent years, with just one click on a phishing email being sufficient to

compromise a network and provide threat actors with initial access to initiate the kill chain.

- Zero-day vulnerabilities give attackers an advantage, as they can exploit these vulnerabilities before anyone can respond. Developing a patch for a zero-day vulnerability takes time, leaving systems exposed during the investigation and deployment phases.
- Third-party service providers can help secure SMBs with their expertise. However, the close nature of these relationships often involves sharing network access privileges and sensitive data, which can introduce significant cybersecurity risks

Managing cyber risk is complex, and residual risks (zero-day vulnerabilities, third party risks and misconfigurations/human error) will impact businesses despite good controls. This cements the need for cyber risk transfer through insurance.

Key Cyber Insurance Trends

The current trends within the cyber insurance market present both challenges and opportunities to cyber insurance brokers seeking to grow

continued on page 28

3rd Most targeted nation, behind the US and the UK.

Industry View

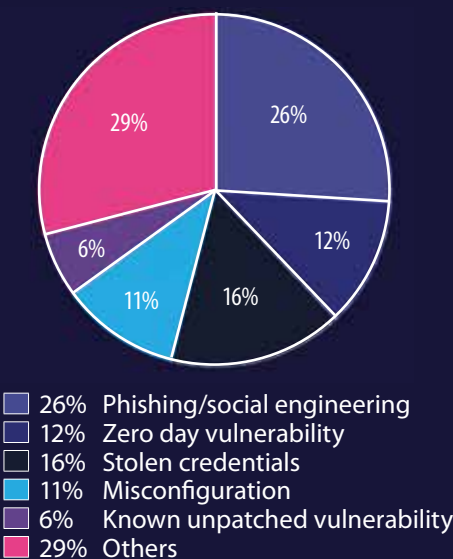
Most targeted industries

Manufacturing	20.5%
IT/Engineering/Tech	14.4%
Finance	12.0%
Healthcare	9.4%
Education	8.0%
Others	35.7%

Sentinel Watchtower 2023 Report

Cyber Threats

The chart below identifies the most leveraged initial infection vector used by adversaries in 2023.



IBM Cost of a Data Breach Report, 2023

\$5.13M

Average cost of a data breach in Canada in 2023. IBM, Cost of Data Breach Report 2023

277

average number of days or security teams to identify and contain a data breach

\$1M

Increase in the cost of a data breach which lasts over 200 days Accenture, The Cost of Cyber Crime 2023

continued from page 27

their status as a trusted cyber risk management partner for their portfolio of clients.

Increase in demand due to a complex threat landscape and increasing customer awareness.

5% of revenues (or minimum \$25M) could be fined against organizations who suffer a cyber incident and are considered non-compliant with the pending Consumer Privacy Protection Act as part of federal Bill C-27.
Bleeping Computer, Ransomware Profits Drop 40% in 2023 as Victims Refuse to Pay, 2023

Tighter underwriting measures increase the burden of proof required for customers to obtain favourable insurance terms.

Enhanced coverage options as improvements in risk assessment will result in better terms and conditions for customers with best-in-class underwriting submissions.

Changes to premiums as the market softens, increasing competition will put downward pressure on premiums.

Challenges For Brokers

- Lack of standardization in underwriting controls requires brokers to prepare clients for diverse market expectations.
- The skills gap mandates brokers to invest in technical expertise to effectively advise clients and navigate negotiations with underwriters.
- Policy life-cycle intervention necessitates brokers to invest time and resources to ensure clients meet market standards, crucial for success in the market.
- Risks of market destabilization underscore the need for brokers to prioritize technical underwriting and avoid softer market approaches.

Opportunities for Brokers

- Cyber risk management services provided by brokers position them as valuable advisors, aiding clients in navigating the complexities of

cyber risk and shaping underwriting considerations amid the lack of standardization.

- Investing in cyber skills and expertise positions brokers as market leaders, driving portfolio growth and retention by becoming trusted cyber risk advisors. Despite the evolving nature of cyber insurance, there are ample opportunities to establish top-tier cyber brokerages in Canada.
- Policy life cycle intervention presents opportunities for brokers to provide value-added services and enhance client relationships, crucial for retaining clients in a competitive market, whether through in-house offerings or third-party service providers.
- New revenue streams arise for brokers acting as cyber risk advisors, offering opportunities for additional revenue growth through commission fees and other value-added services

What Are Clients Looking For?

To be effective in your role, it is important to understand that clients require more than just an insurance broker. Clients need a risk management advisor capable of combining risk transfer (cyber insurance) with risk mitigation to enable their overall strategy.

CYBER INSURANCE KNOWLEDGE

Clients need a broker who can accompany them through choosing the right cybersecurity coverage and services to suit their risk appetite and address their loss concerns.

- SMBs often prioritize business growth over cybersecurity, leading to inadequate defences and financial constraints.

CYBER INSURANCE KNOWLEDGE

Clients need a broker who can accompany them through choosing the right cybersecurity coverage and services to suit their risk appetite and address their loss concerns.

To be effective in this market, brokers need to understand:

- Underwriter appetite.
- Common minimum controls required by insurers.
- Common coverages and restrictions, and their relative impact across various industries.
- Pre- and post-breach services.

CYBER EXPERTISE

Brokers must act as a trusted advisor to clients when it comes to cyber risk management. They need to:

- Advise on a risk management strategy to obtain and maintain cyber insurance coverage. This requires brokers to educate themselves in risk management and cybersecurity practices.
- Find third-party solutions and vendors to assist clients with the implementation of their roadmap to achieve insurability.
- Understand and explain the value of risk management controls, including compensating controls, to both clients and underwriters during planning and negotiations.

Where Should Brokers Ask for Help?

The modern role of a broker is challenging and complex. Rest assured; you don't have to do it alone! Cybersecurity providers and consulting firms offer a myriad of services that will help you and your clients in the journey of cyber insurance and cyber risk management. Below are some potential services that may assist your clients.

The average time to contain a ransomware breach was 63 days with law enforcement involvement compared to 80 days without.

CYBERSECURITY ASSESSMENTS

There are many types of assessment such as risk or control assessments though the one that will likely be of most value to you and your clients is to assess cybersecurity maturity against an industry leading standard and therefore assess if minimum cyber insurance requirements are met.

PRE-BREACH SERVICES

This could include such things as:

- Training and awareness to enhance the organization's security culture.
- Preparation including cybersecurity incident response plans and playbooks.
- Tabletop exercises of cyber incident simulations.
- Monitoring and detection.

POST-BREACH SERVICES

You and your client should know who they are going to call before an incident occurs and ensure that the IR firm is familiar with the environment so that they can hit the ground running. Cybersecurity incident response firms offer the following services:

- Forensic analysis
- Incident containment and remediation
- Communication and reporting
- Legal and compliance support

Cyber risk impacts all businesses. While organizations can enhance

their cybersecurity measures, residual risks will remain, and this is where cyber insurance steps in. Insurance brokers have significant opportunities in assisting clients with cyber risk management, offering opportunities for both risk transfer and mitigation strategies.



VIVEK JASSAL
Partner, Cyber Security
KPMG LLP
vjassal@kpmg.ca



¹ Accenture, State of Cybersecurity Resilience 2023; June 12, 2023; <https://www.accenture.com/ca-en/insights/security/state-cybersecurity>

What Can Companies Do to Mitigate Cyber Risks?

GET THE BASICS RIGHT

There is no minimum spend required to mitigate cyber risk; there is always something your clients can do. By mastering the basics and implementing fundamental practices, businesses can significantly enhance their resilience against evolving cyberthreats.

The return on investment from mastering the basics grows exponentially.

- Regularly review and test existing controls, policies, standards, and procedures.
- Implement a robust vulnerability and patch management program.
- Develop, update, and test the incident response and business continuity plans.
- Strengthen the controls for identity and access management.
- Provide ongoing cybersecurity education and training for employees.
- Recognize the importance of cyber risk in critical operational areas, such as supply chain.
- Maintain an accurate inventory of assets.
- Map out vendors and assess their criticality to ongoing business operations versus service level agreements (SLAs).

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-Elder Jane McDonald-

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AIRB LAUNCHES CONSUMER AWARENESS CAMPAIGN

By Laurie Balfour

How many of your clients know about the Automobile Insurance Rate Board (AIRB) and what we do? Probably very few, if any. A 2024 survey conducted by AIRB's consumer representative found that 69 per cent of respondents had never heard of us. In addition, only 46 per cent of respondents knew the Government of Alberta regulates auto insurance.

To add to consumer confusion, if you google "AIRB" today, the first result is: "Did you mean Airbnb?" Sometimes it's not easy having the same name as a more famous brand, but we're turning it to our advantage.

This fall, the AIRB launched a consumer awareness campaign that leans into the name similarity between us and another well-known company. You may hear slogans from us like, "We help you save money on auto insurance, not bed and breakfasts" and "Free unbiased insurance advice. No free Wi-Fi." We believe this humorous

approach will be memorable and generate interest from Albertans. The campaign will be Alberta-wide and will include out-of-home advertising (i.e., billboards), social and digital media advertising, and television commercials.

The consumer awareness campaign is the first step in a larger education initiative. The AIRB has had a mandate for consumer education

since 2007, and until now, we have relied on our website and annual consumer survey to reach Alberta drivers. However, we must do more to engage Albertans, starting with increasing awareness of the resources and activities of the AIRB, and then building trust as a reliable source of information and advice on auto insurance.

Our consumer campaign will direct Albertans to our new, consumer-focused website: www.airbfordrivers.ca. Given our low name recognition and because Albertans may not turn to a "rate board" for help with their auto insurance concerns, we have created this new, more consumer-friendly place to help Albertans navigate the insurance market. You will also see a refreshed logo on our new website that aims to better connect Albertans with the role of the AIRB using a subtle road design. Our existing site (www.albertaaairb.ca) will remain an important source of information for the insurance industry.

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auto insurance,
not bed and
breakfasts.**

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OUR FOCUS ON CONSUMER EDUCATION

Heightened media and political focus have kept automobile insurance affordability at the forefront for consumers over the last couple years. Consumers are frustrated with premium increases and are looking for information on ways to save money—particularly on products they cannot avoid purchasing, like auto insurance. The “AIRB for Drivers” website is a response to the questions we regularly receive from consumers.

We have also regularly heard from brokers they need a place to direct customers for timely market information, and we hope you will see our new website as a “source of truth” to refer clients to. It is crucial for consumers to receive consistent, accurate information in order to build confidence in the system.

Feel free to link to our website and follow and share our social media posts (Facebook, LinkedIn, Instagram,

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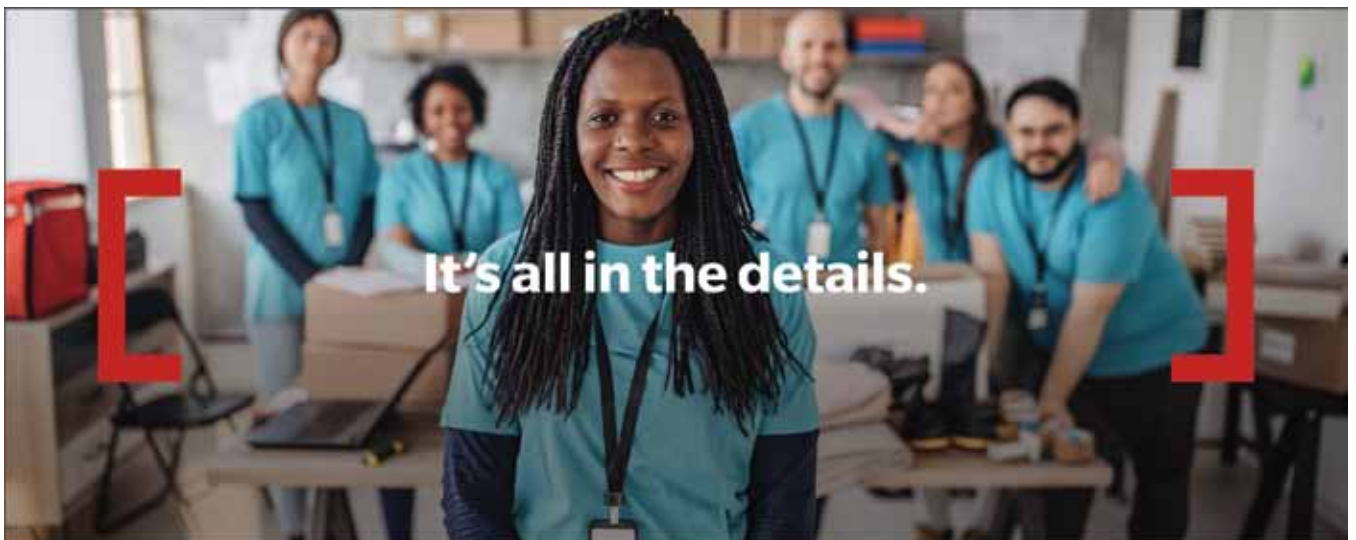
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YouTube). Call on us if your brokerage would benefit from a presentation on the role of the AIRB, market and trends, or other topics in our mandate.

We will continue to build new website content, and if there are emerging issues you’re tackling or frequently asked questions from your clients that we can add to our digital library, please feel free to reach out to us at airb@gov.ab.ca. We would love to have your input and support your client education.

While the AIRB can’t help with your next vacation, we believe our new consumer website and consumer education campaign can help Albertans become empowered consumers of auto insurance. An informed driver can make better decisions, choose the right coverage and feel more confident in Alberta’s insurance market.

LAURIE BALFOUR
Executive Director
Automobile Insurance
Rate Board (AIRB)
Laurie.Balfour@gov.ab.ca



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