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and more—



NOVEMBER 2025

# LAWS *of* Attraction

*How to Acquire and  
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# PRESIDENT'S MESSAGE

KARIM MOUAIT

## Building the Future of Our Brokerage Community by Investing in People

Recently in my travels and conversations across Alberta with insurance brokers, one challenge continues to dominate conversations in boardrooms and brokerages: talent recruitment and retention. Whether you are a city or rural brokerage, finding and keeping qualified members of the team has become increasingly difficult. We are seeing an aging workforce with many experienced brokers preparing for retirement, while not enough new entrants are stepping forward to take their place. Add to this the pressures of burnout and workload, and it's clear why this issue is at the forefront for so many of us.

### Mentorship, Coaching and Career Pathways

In addition, to address retention challenges, IBAA has doubled down on what has always sustained our profession: mentorship and relationship building. Bringing in new brokers is only the first step; developing them through structured mentorship and coaching ensures they have the support and confidence to succeed.

### Celebrating Emerging Leaders

Our focus on talent development also extends to the next generation of industry leaders. I would like to extend my regards to Kelsey Bill, president of the Professional Young Insurance Brokers (PYIB), and all attendees of the PYIB Conference which took place November 6-7, in Edmonton.

I'm pleased to share that the Alberta Broker Mentorship Network is now live and accepting mentors and mentees at [ibaa.ca/education/career-centre/mentorship-network.html](http://ibaa.ca/education/career-centre/mentorship-network.html). This initiative creates a formal avenue for experienced brokers to guide newer professionals, sharing not only technical knowledge but also the culture, ethics and relationship-based service that defines our industry.

Mentorship is how we ensure that the values of trust, advocacy and community remain at the heart of our profession, even as the industry rapidly evolves.

When I started my career as a young broker, I was a director on the PYIB board from 2007-2009. So, I can personally attest to the tremendous impact that being connected with other young brokers had on my career trajectory.

PYIB embodies the energy and creativity that our industry requires to thrive in the years ahead. Their conference theme, "Higher. Faster. Stronger." aligns perfectly with our collective focus on career growth, innovation and the renewal of our industry. By fostering spaces where young professionals can network, share ideas and build leadership skills, we are helping secure the next wave of talent that will lead our brokerages and association into the future.

"I'm pleased to share that the Alberta Broker Mentorship Network is now live and accepting mentors and mentees... This initiative creates a formal avenue for experienced brokers to guide newer professionals, sharing not only technical knowledge but also the culture, ethics and relationship-based service that defines our industry."

### Optimism and Opportunity Ahead

As the IBAA continues to celebrate our CAIB graduates, recognizes the leadership of our PYIB members, and launches new mentorship initiatives, we are investing in future talent. Through education, engagement, and mentorship, we can build an industry that not only adapts to change but thrives because of it.

Congratulations once again to our 26 CAIB graduates, to the organizers and participants of the PYIB conference, and to every broker who continues to give back by mentoring the next generation. Together, we are shaping a future defined by opportunity and shared success.

As always friends, share your experiences with us, participate in events, and keep the lines of communication open by reaching out to the IBAA via our help desk at [brokerhelp@ibaa.ca](mailto:brokerhelp@ibaa.ca).

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- Help mentees set personal growth goals that support entry into the broker channel.
- Connect new brokers with industry professionals across different specialties.
- Guide mentees in building career pathways that encourage recruitment into the broker channel and insurance programs.

Visit the IBAA website to learn more about this and other exciting programs.





# UNDER PRESSURE

## AIRB REPORT HIGHLIGHTS INDUSTRY CHALLENGES

By Laurie Balfour

Every year, the Automobile Insurance Rate Board (AIRB) releases its *Market & Trends Report*—a detailed snapshot of Alberta's auto insurance landscape. For brokers, the 2025 edition offers not just statistics but critical insights into where the market is headed, what Alberta drivers are experiencing and how industry shifts will shape day-to-day business in the year ahead.

This year's report reflects an industry under pressure. Premiums continue to rise, driven by inflation, demographics and costly claims. Loss ratios remain uncomfortably high, insurers are consolidating or retreating from certain coverages, and government interventions are shaping outcomes for both consumers and insurers. At the same time, structural reform through the Care-First model is on the horizon, promising long-term change but adding short-term uncertainty.

For brokers, the environment is complex and high stakes. Understanding these trends is key to guiding clients, managing expectations and protecting relationships in an increasingly strained insurance marketplace.

### Premium Trends: Rising Costs, Rate Caps

The annual change in average premium is one of the clearest indicators of affordability in the market. In 2024, the average written premium in Alberta rose by 5.5 per cent compared to 2023. This increase brought the average policy up to \$1,759 from \$1,668 the previous year.

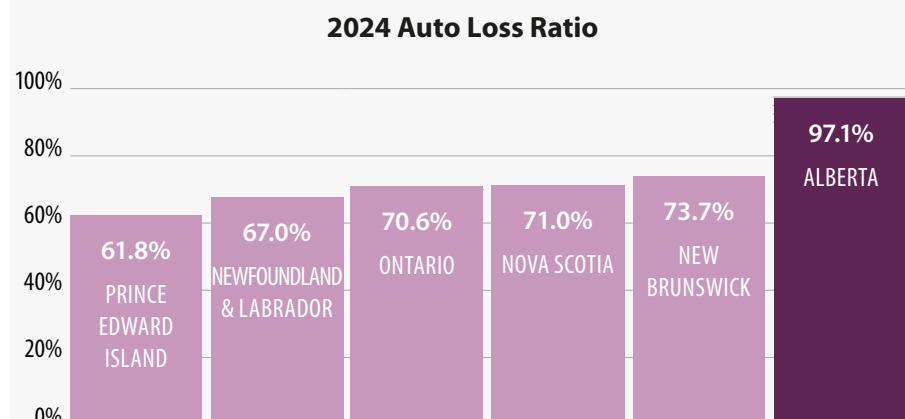
While this growth exceeded the threshold for the good driver rate cap, most eligible drivers benefited from the cap, which limited their renewal increases. The cap has provided short-term relief, but it is important to note it does not reduce the underlying costs

insurers face. It simply delays their ability to recoup them.

This dynamic creates a "pressure cooker" effect. Suppressed rates mean insurers are unable to make smaller, gradual adjustments. Once restrictions are lifted, they will file for larger, sharper increases to catch up, a pattern Alberta has seen in past cycles.

### Claims & Loss Ratios: A System Under Strain

Claims data tells the deeper story behind rising premiums. In 2024, Alberta's auto loss ratio came in at 97.1 per cent—a sharp jump from the prior year. Put simply, for every dollar insurers earned in premium, they paid



\$0.97 in claims, before accounting for commissions, staffing and overhead. Once those expenses are factored in—typically another \$0.27 per premium dollar—the picture becomes stark: auto insurance is deeply unprofitable.

Industry benchmarks suggest a loss ratio of around 70 per cent is necessary for profitability. In the past five years, only the pandemic years of 2020 and 2021 fell below this threshold. By contrast, 2024 also saw the industry post a negative return on premium (ROP) of -20.

The biggest driver of losses remains bodily injury claims, a core component of third-party liability coverage. Frequency of these claims has held steady since the pandemic, but severity continues to escalate. Between 2020 and 2024, bodily injury severity surged 96.2 per cent, including an 11.1 per cent jump just in the past year.

Meanwhile, catastrophic weather remains a recurring and costly factor. The August 2024 hailstorm in Calgary caused \$2.8 billion in insured damage, pushing comprehensive loss ratios in some neighbourhoods above 800 per cent. These events not only strain insurers but also destabilize pricing for affected communities.

For brokers, these pressures translate directly into underwriting challenges. As profitability erodes, insurers respond with stricter risk selection, narrower coverage offerings, and greater scrutiny at renewal.

### Minor Convictions & Expanding Good Driver Definition

Convictions remain a key rating factor, and Alberta drivers are seeing the impact. In 2024, 8.7 per cent of vehicles written in the province had one or more minor conviction,

compared to 8.2 per cent in Ontario and just 3.2 per cent in the Atlantic provinces. A single minor conviction generally adds about 25 per cent to a driver's premium and remains on record for three years.

In September 2025, the government announced the "good driver rate cap" will continue through 2026. However, the eligibility definition will tighten. Starting in 2026, drivers must not only meet existing criteria but also have no minor convictions in the past three years.

This change will move many Albertans outside the cap and expose them to higher increases. For brokers, the message is twofold: remind clients of the real financial cost of even minor convictions and prepare to help those who lose cap eligibility manage their options.



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## Underwriting Restrictions: Shrinking Coverage Availability

Rising costs and capped premiums have led many insurers to limit their exposure. One growing trend is the pullback on Section C coverage, which includes collision, comprehensive and specified perils.

For consumers, this poses serious challenges. Physical damage coverage is often required by lenders or lessors. Losing it could make financing unaffordable and switching insurers to replace it risks losing access to the good driver rate cap.

This highlights the difficult choices facing many Albertans: accept reduced coverage, risk higher premiums, or struggle to find financing alternatives. For brokers, it underscores the importance of carefully navigating coverage discussions and ensuring clients understand both the protection they have and what they might lose.

## Consumer Sentiment: A Surprising Shift

Despite these challenges, AIRB's annual survey revealed an unexpected shift in consumer perception. In 2025, 39 per cent of Albertans agreed their premiums were "fair and reasonable," up from just 29 per cent the year before.

This may seem counterintuitive, given the persistent narrative Alberta has some of the highest auto premiums in Canada, but the explanation lies in expectations. With intense media coverage and public debate, many drivers braced for much steeper increases than they ultimately received. Caps and regulatory limits helped soften the blow, creating a sense of relative fairness even as premiums rose.

## Commercial Market: The Rise of FARM

Though the *Market & Trends Report* primarily focuses on private passenger vehicles, commercial insurance deserves close attention. The Facility Association Residual Market (FARM)—intended as an insurer of last resort—now represents

## Do You Agree That Auto Insurance Premiums Are Fair & Reasonable?



10.9 per cent of Alberta's commercial auto market, up from just 3.9 per cent in 2017. FARM has grown so significantly it is now the third-largest commercial auto writer in the province.

This development signals real strain. Insurers are increasingly reluctant to write certain commercial risks, pushing more businesses into the residual market. For brokers, this means placement challenges will grow, capacity will tighten, and clients will face higher premiums and fewer options.

## Implications for Brokers: Navigating a Shifting Market

Taken together, the *2025 Market & Trends Report* underscores several clear action items for Alberta brokers:

- **Educate clients on the good driver rate cap:** With changes to eligibility in 2026, many Albertans who previously benefited will lose access.
- **Monitor insurer appetites:** Expect tighter underwriting rules and greater selectivity. Proactively review placements and prepare contingency options.
- **Stress value over price:** With consumer sentiment shifting, brokers can emphasize the importance of adequate protection, strong service and insurer stability.

▪ **Prepare for Care-First:** While implementation is still more than a year away, clients will expect brokers to understand and explain how coverage and pricing will change for different demographics.

▪ **Support commercial clients:** Rising FARM usage signals growing capacity issues. Brokers should set realistic expectations and explore risk management strategies.

The *2025 Market & Trends Report* paints a picture of an industry under significant strain yet on the cusp of reform. Rising claims costs, insurer exits, and regulatory caps make for a challenging environment. Yet, for brokers, this is also a moment of opportunity.

As affordability concerns meet structural reforms like Care-First, Albertans will lean more heavily on brokers to interpret complexity, navigate limited markets, and advocate for their needs. In a marketplace defined by change and uncertainty, the role of the broker—as advisor, educator and trusted guide—has never been more critical.

LAURIE BALFOUR  
Executive Director  
Automobile Insurance  
Rate Board  
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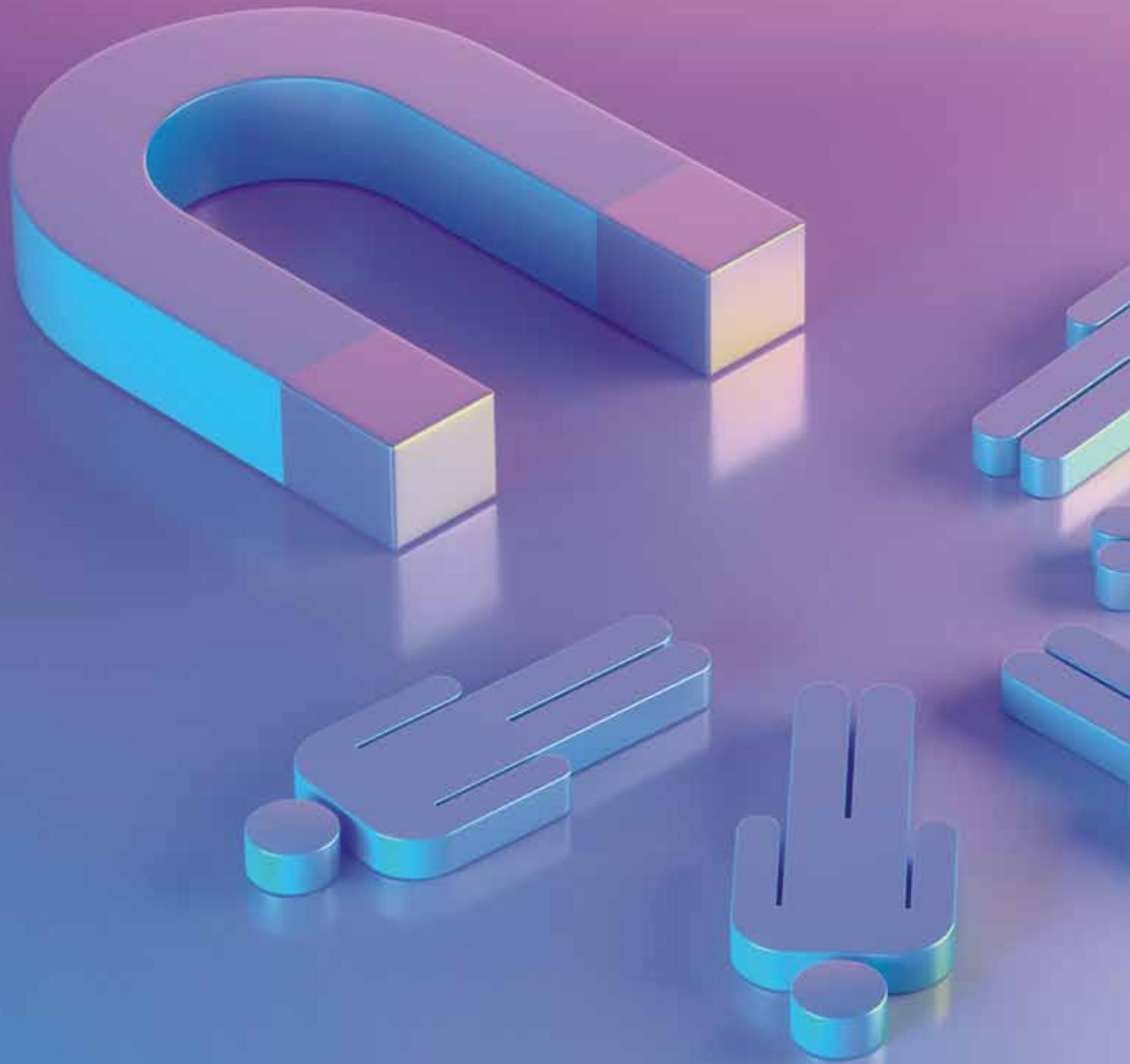
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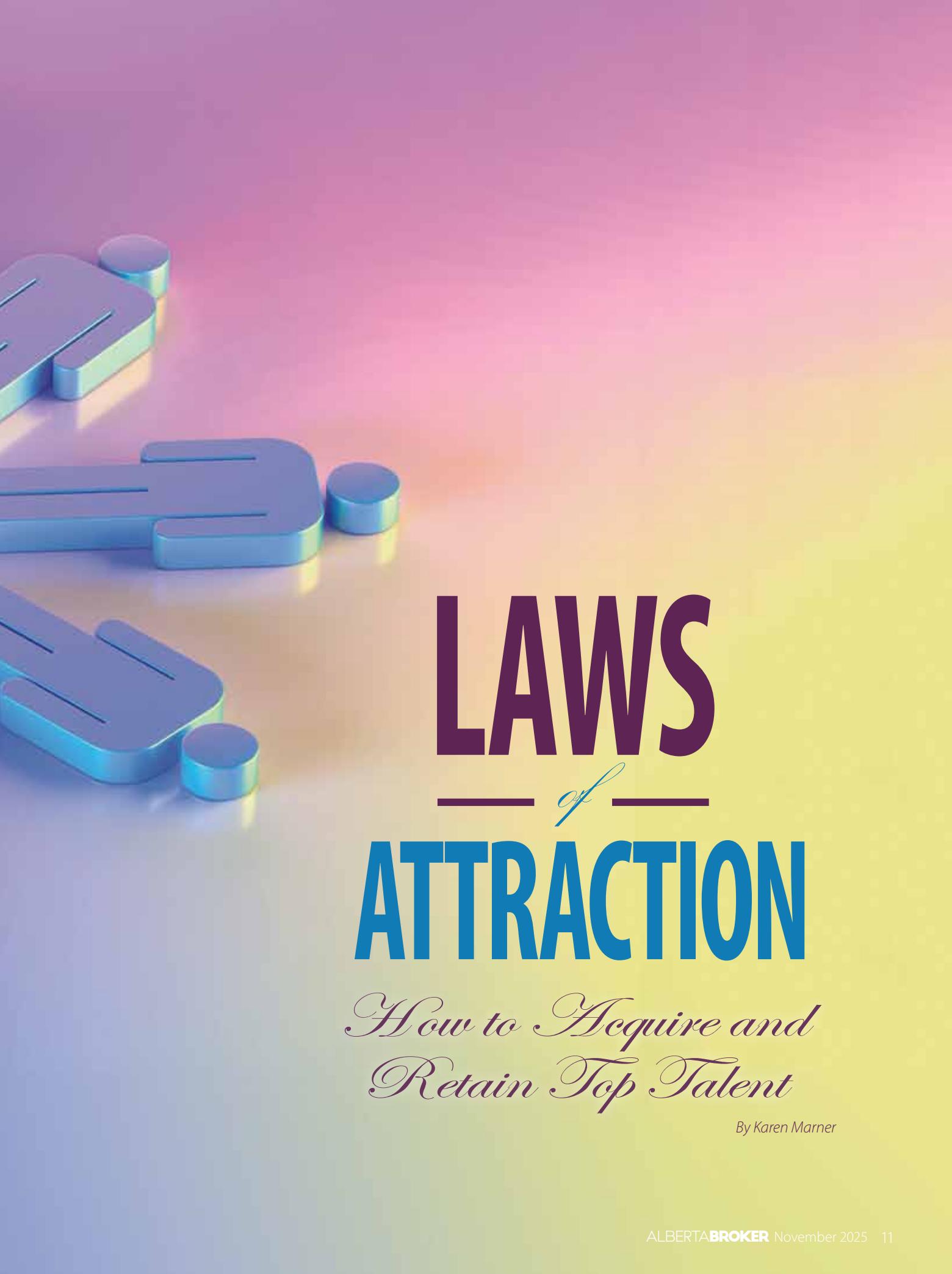
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The background of the image features a soft, out-of-focus gradient from pink at the top to yellow at the bottom. Superimposed on this are several 3D-rendered puzzle pieces in shades of blue and purple. Some pieces are fully visible, while others are partially cut off by the frame, creating a sense of depth and connectivity.

# LAWS — *of* — ATTRACTION

*How to Acquire and  
Retain Top Talent*

By Karen Manner

**P**icture this: a mid-sized insurance brokerage urgently needs to fill three key positions: an insurance advisor, a commercial producer and a customer service representative. The roles have been posted multiple times, interviews have been conducted, yet the company still hasn't found the "right" candidates. Why? The answer isn't simple—it's the result of multiple factors converging throughout the industry.

Across Canada, businesses are facing a growing "talent crisis," and the insurance industry is no exception. A "talent crisis" refers to a widespread shortage of skilled workers across sectors, coupled with increasing difficulty in recruiting, developing

### Competition from other sectors:

As the industry modernizes, it competes for talent with technology, banking and consulting firms that often offer higher compensation, greater flexibility and more contemporary workplace cultures.

**Industry perception:** Insurance is often perceived as traditional, complex and slow-moving. Younger generations—particularly Gen Z and Millennials—seek workplaces that offer growth, flexibility and a strong sense of purpose, areas where the industry has historically struggled to align.<sup>3</sup>

**Entry barriers:** Unlike other fields, insurance lacks a clear "university-to-industry" pipeline. Required certifications, licensing and specialized

brokerages and insurance companies can shift this perception by investing in employee development. Providing ongoing training, professional certifications and rotational opportunities across departments can help employees grow, stay engaged, and provide them with an opportunity to see a future within the organization.<sup>5</sup>

### Offer flexible work arrangements.

Flexibility has become a major differentiator in recruitment. Brokerages that provide hybrid or remote work options can access a broader pool of qualified candidates. A global study of 600 leaders and 1,900 workers found that six in ten employees felt more productive in a hybrid model, with 83 per cent reporting that hybrid work helps them get more done.



**"With 27 per cent of industry professionals being age 55 or older, an aging workforce is a major concern."**

and retaining the workforce needed to meet current and future demand. This shortage is affecting nearly every part of the economy—including insurance, technology, healthcare, manufacturing and the trades.

In 2025, 77 per cent of Canadian employers reported difficulty finding skilled talent.<sup>1</sup> Within the insurance sector, several key factors are driving this challenge:

**Demographic shifts:** With 27 per cent of industry professionals being age 55 or older, an aging workforce is a major concern. As retirements accelerate, the industry is losing valuable institutional knowledge essential for risk assessment, compliance and claims management.<sup>2</sup>

**Skills gap:** The growing need for specialized roles such as underwriters, brokers and data analysts has highlighted a shortage of digital and analytical capabilities. As insurance becomes increasingly data-driven, many employees lack the necessary technical skills to keep pace.

knowledge lengthen the onboarding process and deter candidates from entering the industry, further reducing the talent pool.<sup>4</sup>

### RECRUITMENT STRATEGIES FOR INSURANCE BROKERAGES

Brokerages across Canada are competing for talent in an increasingly limited market. With a persistent shortage of skilled professionals, attracting the right candidates requires a strategic and modernized approach. Here are several ways brokerages and insurance companies can stand out and appeal to top talent.

**Create a compelling career path aligned with organizational needs.** Today's high-performing workers—particularly those from the Gen Z generation—are focused on building long-term, transferable skills and exploring diverse opportunities. Historically, the insurance sector has not been known for flexibility or varied career experiences. However,

flexibility enhances both productivity and employee satisfaction, which are key to attracting and retaining talent.<sup>6</sup>

**Differentiate through purpose, values and culture.** To appeal to today's workforce, brokerages must go beyond job descriptions and salaries. Organizations that clearly communicate their purpose, demonstrate authentic values and maintain strong diversity and inclusion practices will attract candidates who share those priorities. The insurance industry plays a vital role in helping clients recover from loss—and brokerages and insurance companies that extend that same care to their employees through equitable pay, family supports and robust wellness programs will stand out as employers of choice.<sup>5</sup>

### Build stronger talent pipelines.

The Conference Board of Canada identifies "a lack of industry knowledge" and the high cost and time commitment of training as key barriers for those entering the insurance field.<sup>7</sup>

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Brokerages can overcome these challenges by partnering with high schools, universities, colleges and professional associations to promote careers in insurance. Offering internships, scholarships and co-op programs introduces students to the industry early, builds awareness of its opportunities and creates a sustainable pipeline of future-ready talent.<sup>8</sup>

## RETENTION—WHAT DO EMPLOYEES WANT?

After investing significant time, money and resources into recruiting talent, employers face the critical challenge of ensuring new hires remain beyond their first year. The total cost of hiring an employee extends well beyond salary and includes both external expenses, such as advertising, recruitment agency fees and background checks, as well as internal costs, including the time spent by managers and HR teams on interviewing, onboarding, administration and training. According to the Society for Human Resource Management, the average cost to hire a single employee (non-executive) is approximately \$5,475 USD (or \$7,656 CAD).<sup>9</sup>

If a company replaces a position one or two times per year, the costs quickly add up. When multiple positions are replaced annually, the organization can incur tens of thousands of dollars in expenses, not including lost productivity and knowledge, salary and benefits, employee stress from increased workloads, and potential impacts on client service. This underscores that it is not only essential to hire employees with the right skills, knowledge and expertise, but also equally important to retain them.

Employees leave organizations for a variety of reasons, with the top five factors<sup>10</sup> being:

1. Lack of career growth and advancement opportunities
2. Low or inadequate compensation
3. Poor leadership and management
4. Lack of recognition and appreciation
5. Poor work-life balance and burnout

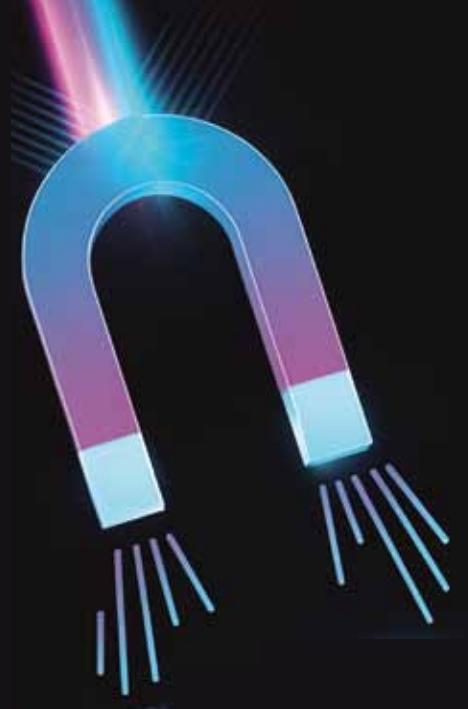
When an organization loses its top talent, it risks not only the departure of high performers and effective problem solvers but also the loss of critical institutional knowledge, which can impact business performance in both the short and long term. Attrition also affects team morale and can strain client relationships.

Today's workforce, particularly Gen Z and Millennials, have different expectations regarding their workplace. To attract and retain this talent, insurance brokerages must adapt their strategies to meet these evolving demands:

**Career Development and Growth:** Proper onboarding, ongoing support and mentorship are essential for employee growth and retention. Employees want clarity on their career progression, such as the path from junior agent to senior agent or management roles, and the education, training and skills development that will be offered to support their advancement.

**Compensation and Benefits:** Economic uncertainty and rising living costs make competitive compensation a critical factor in attracting talent. Many employees in commission-based

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# 6 RECRUITMENT *Marketing Strategies*

- 1 Identify social media platforms that targeted candidates engage with the most and concentrate your organic and paid advertising there.
- 2 Leverage company-owned channels like your website, career pages, blog and newsletters.
- 3 Create content related to timely issues and trends to highlight the benefits of working in the organization and draw attention to job openings.
- 4 Develop internal subject-matter experts, capitalize on user-generated and related content to highlight insights on how to switch career paths within the company, be a remote worker, upskill and get promoted or target candidates with a learning series.
- 5 Use email and newsletters to engage candidates and continue the conversation beyond the first search hit or viewing of a job opening.
- 6 Repurpose content across various channels and maintain a consistent message to enhance your employer brand and build trust with candidates.

Source: "How to Reach and Attract Top Talent With Recruitment Marketing"; [Indeed.com](https://www.indeed.com/career-advice/recruitment-marketing); January 31, 2025; [https://ca.indeed.com/hire/c/info/reach-top-talent-recruitment-marketing](https://www.ca.indeed.com/hire/c/info/reach-top-talent-recruitment-marketing)

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roles now seek a combination of base salary plus commission to ensure financial stability. In fact, 40 per cent of working Canadians report feeling “financially unwell,”<sup>11</sup> which can negatively affect focus and productivity. Specifically, employees are struggling to meet their financial obligations due to cost of living, debt or inability to save. Providing guaranteed income, along with clear performance expectations and transparent reward structures, allows employees to shift from “survival mode” to being fully engaged and productive.



Benefits are equally important: 80 per cent of Canadian employees consider an employer’s health benefits before accepting a role, and 73 per cent of employees with a benefits plan say they would stay with their current employer even if offered more money elsewhere.<sup>12</sup>

**Strong Leadership:** Effective leadership, including middle managers, who build trust and demonstrate integrity, is critical for employee retention. Gen Z employees, in particular, closely observe their leaders to ensure that corporate values are consistently reflected in their leaders’ actions, communications, and equity and diversity practices. Leaders who engage their teams, provide meaningful work and treat employees with respect are more likely to cultivate highly productive, loyal and long-term employees.<sup>3</sup>

**Recognition and Appreciation:** Consistently recognizing and valuing employees is a powerful retention tool. Research shows that employees who feel appreciated are five times more likely to stay with their organization. Additionally, 84 per cent of employees report that recognition inspires them to be more innovative, and employees

are 18 times more likely to deliver outstanding work when acknowledged. Simple gestures, such as saying “thank you,” highlighting achievements or compensating employees fairly, significantly enhances both productivity and retention.<sup>14</sup>

### Meaning, Culture and Work-Life

**Balance:** Leading insurance brokerages are “reimagining workplace culture and challenging the status quo to create environments where trust, diversity and flexibility empower employees to thrive.”<sup>14</sup> Today, a job is no longer just about a paycheque. Employees seek meaning in their work; they want to

Strong leadership, clear career development, competitive compensation and genuine recognition are no longer optional—they are essential. By investing in people through mentorship, modern work practices and cultures of appreciation, the industry can not only attract top talent but also retain and inspire it. The future success of insurance organizations will depend on their ability to evolve from being seen as traditional and rigid to being viewed as dynamic, people-centric and purpose-driven. Those who make this transformation will not just survive the talent crisis, they will emerge stronger,

“The future success of insurance organizations will depend on their ability to evolve from being seen as traditional and rigid to being viewed as dynamic, people-centric and purpose-driven.”

feel that their contributions matter, that they are helping clients manage risk and that they are positively impacting lives. Organizational values that align with employees’ priorities—including environmental sustainability, diversity, and inclusion—are increasingly important in attracting talent. Flexibility is also a key consideration; many candidates are reluctant to work five days a week in the office. In fact, it is almost “mission impossible to fill a position that demands five days a week in the office in a highly competitive quest for talent in the insurance industry.”<sup>14</sup>

### THE ROAD AHEAD

The insurance industry stands at a pivotal crossroads in addressing its growing talent crisis. With demographic shifts, evolving skill demands and fierce competition from other sectors, traditional recruitment and retention approaches are no longer sufficient. To remain competitive, brokerages must reimagine their workforce strategies—prioritizing flexibility, inclusion and purpose while fostering an environment where employees can thrive both professionally and personally.

more resilient and better equipped to serve their clients and communities in a rapidly changing world.

KAREN MARNER is the principal at RenRam HR Consulting, an Alberta based HR and benefits advisory firm supporting small to medium sized businesses in Alberta and Canada. RenRam is dedicated to collaborating with organizations to create happy, healthy and engaged workplaces. For more information, email [kmarner@renramconsulting.ca](mailto:kmarner@renramconsulting.ca) or visit [renramconsulting.ca](http://renramconsulting.ca).



<sup>1</sup> Wilson, Jim; “Over 3 in 4 Canadian employers continue to struggle to hire talent: Report”; Human Resources Director; Mar 13 ‘25; [hrcmag.com](http://hrcmag.com)

<sup>2</sup> Admin; “Why Retired Insurance Pros Are the Missing Piece in Today’s Talent Shortage”; Wahve; June 18, 2025; [wahve.ca](http://wahve.ca)

<sup>3</sup> Azim, Elma; Waters, Mark; “Gen Z: How to Attract, Retain and Engage Tomorrow’s Leaders Today”; Mercer; [mercer.com](http://mercer.com)

<sup>4</sup> Urosevic, Branislav; “Canada lacks formal pathways for insurance talent, says York professor”; Insurance Business; Sep. 3, 2025; [insurancebusinessmag.com](http://insurancebusinessmag.com)

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<sup>9</sup> “SHRM Release 2025 Benchmarking Reports: How Does Your Organization Compare?”, Society of Human Resources Management (SHRM); October 15, 2025; [shrm.org/](http://shrm.org/)

<sup>10</sup> “2023 Retention Report: The Complexities of Employee Retention”; Work Institute; [info.workinstitute.com](http://info.workinstitute.com)

<sup>11</sup> “Financial Wellness & Productivity: How financial wellness impacts engagement and productivity”; Manulife; [manulife.ca](http://manulife.ca)

<sup>12</sup> “Survey Says: 80% of Employees Consider The Health Benefits You Offer”; OMHRA; [omhra.ca](http://omhra.ca)

<sup>13</sup> “The Business Case for Employee Recognition”; O.C. Tanner; March 24, 2025; [octanner.com](http://octanner.com)

<sup>14</sup> Veres, Kristina; “Best Insurance Companies to Work for in Canada – Top Insurance Employers”; Insurance Business; [insurancebusinessmag.com](http://insurancebusinessmag.com)

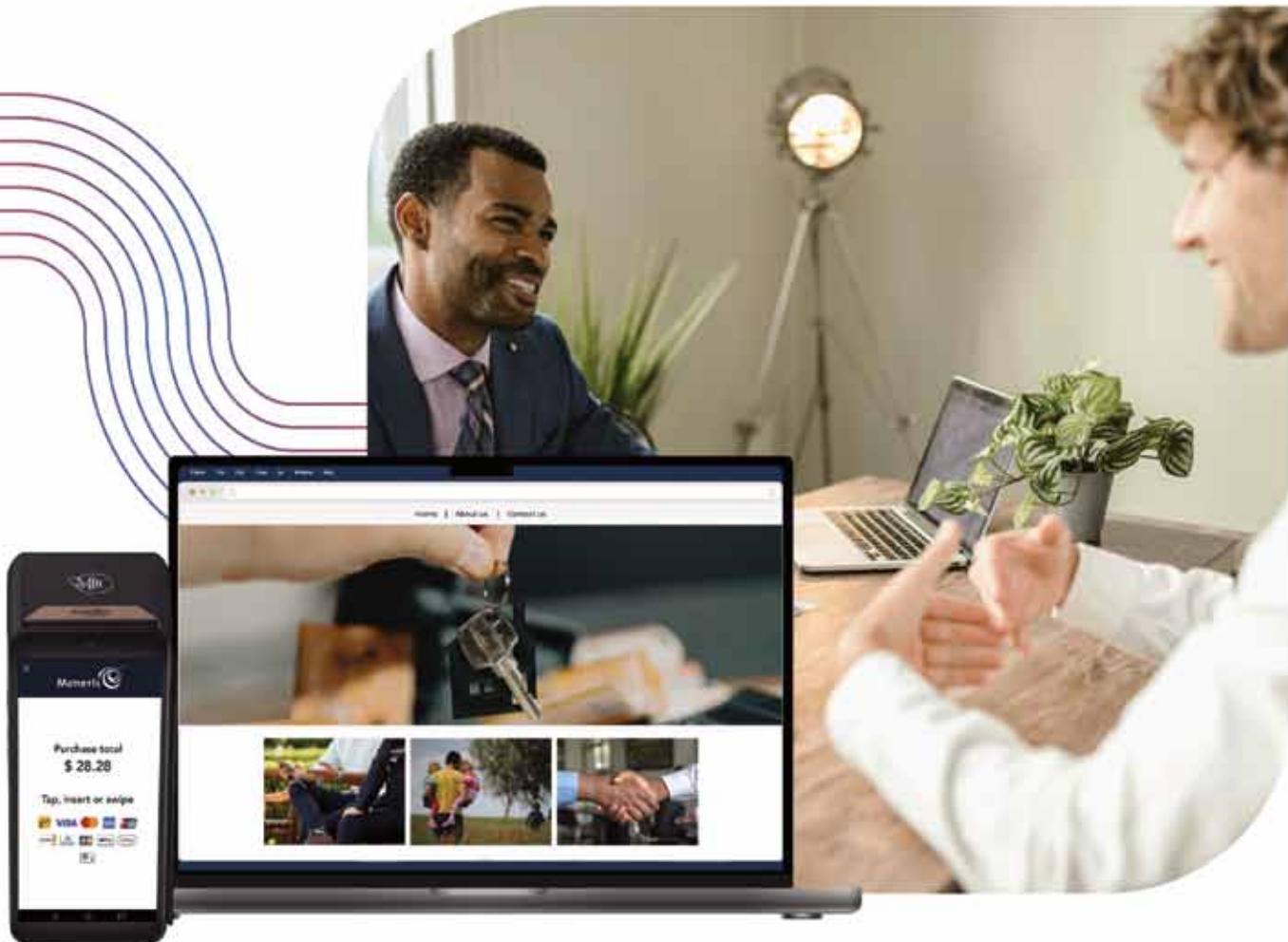


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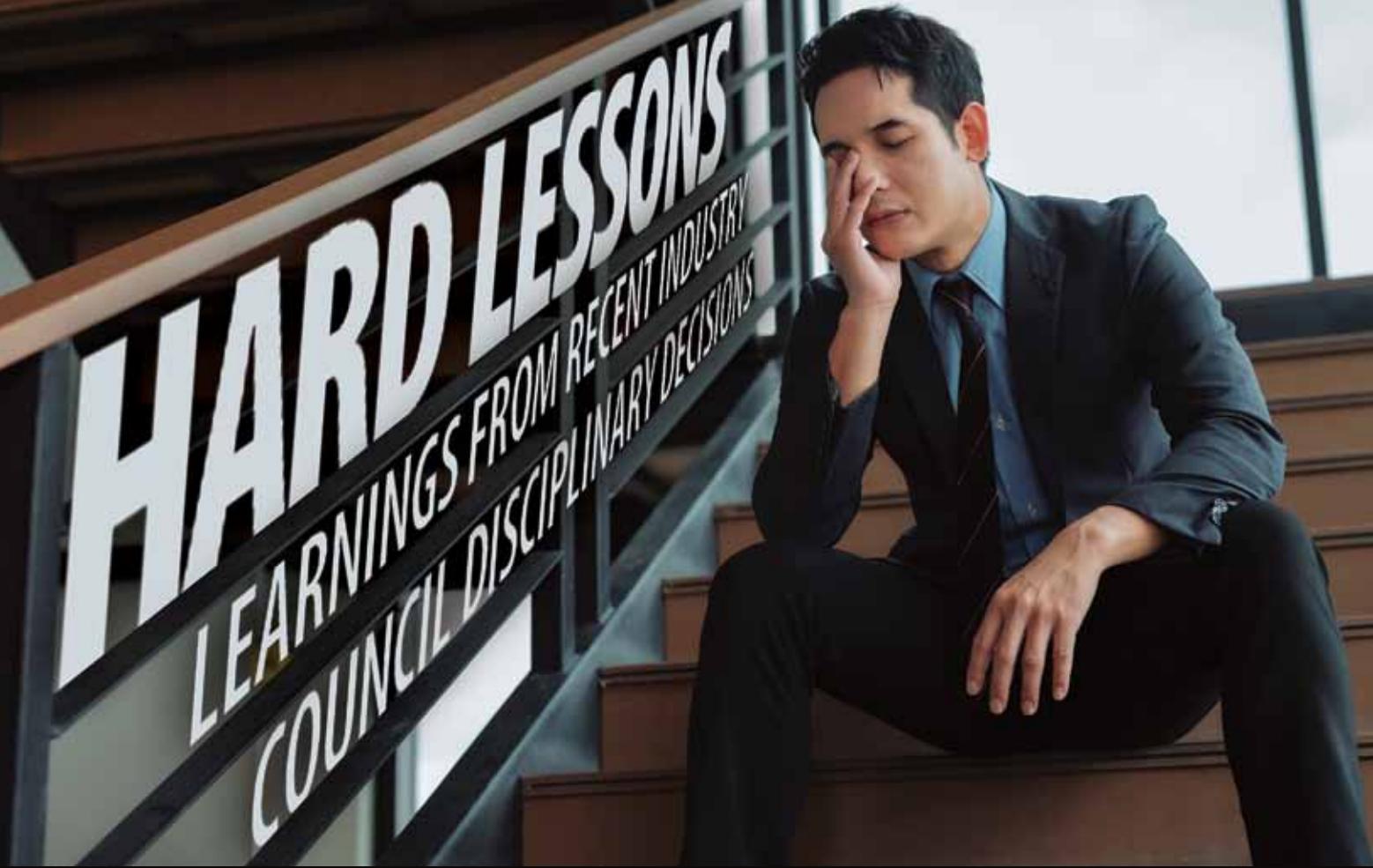
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BY THE ALBERTA INSURANCE COUNCIL

**A**s a regulator, the Alberta Insurance Council (AIC) investigates consumer complaints and enforces the decisions made by the Industry Councils. Those disciplinary decisions are publicly posted on the AIC website to promote transparency, and for brokers, they can offer timely reminders and valuable education opportunities to help them stay aware of—and avoid—breaches of the Insurance Act and its regulations.

Disciplinary decisions highlight where legislative requirements were not met while conducting insurance business and licensees failed to meet the standards required of a licensed professional. Below are five insights from recent disciplinary decisions issued by the General Insurance Council.

## 1. Never add or modify coverage without proper consent.

In multiple recent decisions, licensees and agencies were sanctioned

for adding endorsements to policies without prior client approval. In one case, there were several instances of added endorsements without proper consent, and policies were impacted by a rollover agreement that introduced unrequested changes without directly informing clients. Another involved endorsements added at renewal time across multiple periods, while a third saw policy documents altered with coverage that clients never asked for.

**The lesson:** Informing clients of all policy changes and properly obtaining their consent are requirements. Licensees must ensure that clients understand and explicitly agree to any change in coverage before moving ahead with those changes.

## 2. Ensure the integrity of every document you submit.

In one decision, a licensee submitted forged claims experience letters to insurers to support client applications. Altering or fabricating

documents breaches not only legislative requirements, but also professional ethics and regulatory standards.

**The lesson:** Licensees are responsible for upholding the accuracy and integrity of the information they submit. Falsifying, altering or misrepresenting information is a serious breach of regulatory standards and can lead to not only financial penalties but also the potential suspension or revocation of your license.

## 3. Provide clients with complete, accurate and timely information.

One agency was found to have transferred clients from one insurer to another without proper explanation or documentation. The clients were not properly informed of their options or given time to consider alternatives. In addition, personal financial information was shared with the new third-party insurer without

proper client consent and incorrect information was provided about available coverage.

**The takeaway:** Consumers have a right to make informed decisions. That means being presented with accurate information, knowing how their information is being used, and being informed of what is being done with their policies. Transparency is essential to maintaining trust between a licensee and their client. Ensure all recommendations are presented clearly and never share or use a client's data without explicit permission.

#### 4. Keep payments and communications through official business channels.

A licensee was sanctioned after asking clients to send premium payments to their personal email address via e-transfer. Using personal payment methods is a violation of the Insurance Act.

**The takeaway:** Never ask clients to send payments to personal accounts or through unofficial channels. All financial transactions must be conducted through proper, auditable systems linked to your agency or brokerage. Mishandling a client's payment constitutes a serious regulatory breach of s. 480(1)(a) of the Act that may lead to fines or license revocation.

#### 5. Stay on top of your supervisory responsibilities

One decision involved mass policy changes without proper client consent. The designated representative (DR) of an agency was held accountable for failing to properly oversee the activity of the agency. The lack of responsible supervision resulted in multiple clients receiving altered policies without their knowledge. DRs are responsible for ensuring compliance within their agencies, including how staff conduct business and how procedures are monitored.

**The takeaway:** Being a DR comes with oversight responsibilities. DRs are

accountable for ensuring compliance within the agency; that includes being aware of what licensed staff are doing, ensuring internal policies align with the Insurance Act and ensuring processes follow legislative requirements.

Disciplinary decisions offer useful perspectives and insight for anyone who wants to stay informed about compliance requirements and be proactive about avoiding future issues. We encourage brokers to review disciplinary decisions regularly

and treat them as learning tools that support ongoing growth and professionalism.

You can find the latest disciplinary decisions by visiting the AIC's "Complaints & enforcement" page at [www.abcouncil.ab.ca](http://www.abcouncil.ab.ca). You can also subscribe to the feed to get notifications of new council decisions. 

*Note: This article serves as a general summary of some legislative requirements and is not legal advice. Consult the Insurance Act, R.S.A. 2000, c. I-3 and its associated regulations to confirm your legislative requirements.*

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## WHAT GEN Z EMPLOYEES WANT And How an Insurance Brokerage Career Delivers

As Gen Z (born roughly between 1997 and 2012) enters the workforce in increasing numbers, their expectations for careers look different than those of previous generations. For employers, including insurance brokerages, attracting and retaining this generation requires understanding their values, priorities and motivations.

### Purpose and Impact Matter

Gen Z is often described as the “purpose-driven generation.” They want to feel that their work has meaning beyond a paycheck. For insurance brokerages, this is a natural fit: brokers help people protect what matters most—homes, vehicles, businesses, and livelihoods. The role is about *people work, not paperwork*—building trust, solving problems and guiding clients through important decisions. They are client advocates through the claims process—often after life-altering high-stress incidents. Framing the career as one where employees directly contribute to client security and peace of mind resonates strongly with younger workers.

### Career Growth and Learning Opportunities

Unlike previous generations who valued long tenure with one employer, Gen Z thrives when given continuous learning and development opportunities. They want clear pathways for advancement and access to mentorship. Brokerages can highlight professional development options, such

as licensing support, ongoing training and exposure to diverse client industries. Offering structured career progression shows Gen Z candidates that they won’t stagnate.

IBAA’s professional development and educational offerings make this easy for brokerages. Free webinars on topics such as construction and cyber security to our library of on-demand courses in the Insurance Broker Development Hub, make it easy for new brokers to find professional development opportunities that suit their needs. We also offer regular online E&O and CAIB sessions throughout the year.

### Flexibility and Work-Life Balance

Remote work, hybrid schedules and flexible hours aren’t perks for Gen Z—they’re expectations. A brokerage that embraces modern work arrangements will stand out. While client needs require some structure, brokerages that show adaptability (like digital tools for client service or flexible scheduling) demonstrate that they value employee well-being.

### Technology-Forward Workplaces

Gen Z is the first true digital-native workforce. They expect to use modern technology that makes work efficient and engaging. Brokerages that invest in digital platforms, CRM systems, and AI-supported tools cannot only help streamline client services but also create a workplace where young professionals can thrive. Showcasing a forward-thinking tech culture is key to recruitment.

### Diversity, Inclusion and Authentic Culture

For Gen Z, workplace culture and values are non-negotiable. They seek inclusive environments where they feel a sense of belonging and authenticity. Brokerages that emphasize collaboration, community involvement and equity in leadership opportunities are more likely to attract—and keep—Gen Z talent.

### Stability with Entrepreneurial Potential

Insurance brokerages offer something unique: the stability of a longstanding industry combined with entrepreneurial opportunities. Many brokerage careers provide a path toward building a personal book of business, pursuing leadership roles or even future ownership. For Gen Z, who values independence and impact, this blend of security and self-direction is especially appealing.

### The Takeaway

Gen Z employees are looking for more than just a job—they want purpose, growth, flexibility and values-driven workplaces. Insurance brokerages are well-positioned to deliver on these expectations if they modernize their practices and highlight the meaningful, client-centered nature of the profession. By aligning with what Gen Z values most, brokerages can attract a generation eager to build both their careers and their communities.



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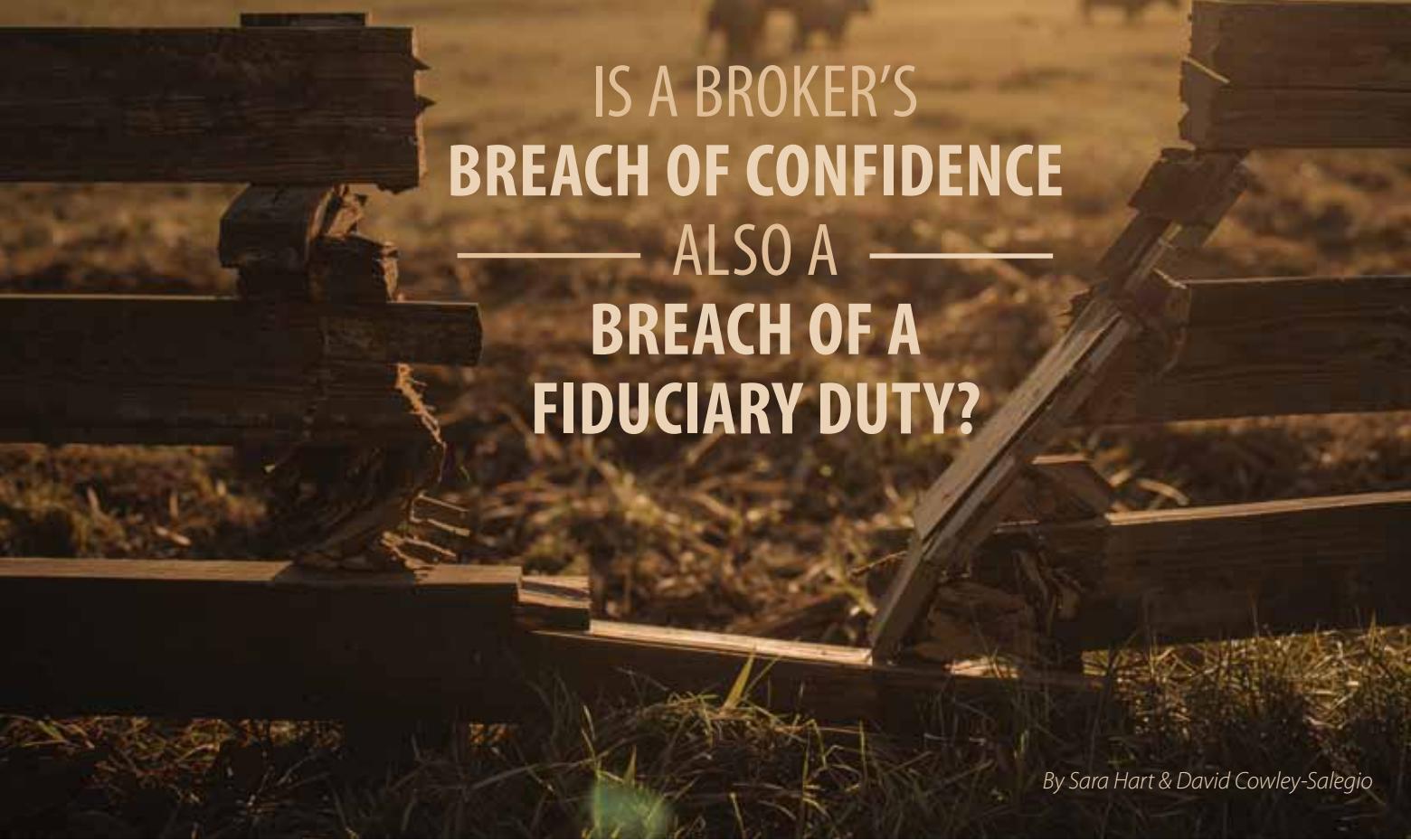
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# IS A BROKER'S BREACH OF CONFIDENCE — ALSO A — BREACH OF A FIDUCIARY DUTY?

By Sara Hart & David Cowley-Salegio

## **H**ow do brokers compete for clients against a former client of their own?

In *Prairie Risk Management Inc. c.o.b. as Prairie Insurance Group and PRM Investments Inc. v Marsh Canada Ltd.*, the Manitoba Court of Appeal provided an analysis of the nature of a broker/client relationship and the consequences of the broker's (mis)use of certain confidential information to gain a competitive advantage.

### Background

The plaintiff, Prairie Risk Management Inc. (PRM), operated a business specializing in arranging insurance for a group of hog farmers and producers in Manitoba (the insureds). PRM's clients—the insureds—ranged in size and risk profile, and PRM strategically brought them together as a group to reduce their individual premiums. Marsh Canada Ltd. (Marsh) provided insurance brokerage services for both PRM and the insureds. Marsh was

appointed the broker of record by PRM from December 2008 to March 2017 for the purpose of obtaining a group policy for the insureds from a syndicate at the Lloyd's insurance market in London, England. In performing its services for PRM, Marsh did not deal with the insureds directly. The details of the relationship between Marsh and PRM were not reduced to writing.

In 2016, PRM advised Marsh that they were not renewing Marsh's appointment as broker of record, as PRM intended to go to the Lloyd's market itself on behalf of the insureds. Almost right away, Marsh began contacting the insureds directly to retain their insurance business. Insureds representing approximately 45 per cent of PRM's revenues chose to continue with Marsh representing them in the Lloyd's market.

PRM subsequently sued Marsh for breach of contract, breach of a duty of confidence, breach of its duty in good faith contractual performance, and wrongful interference in economic relations. The primary issues in the lawsuit were the nature of the

relationship between PRM and Marsh and the amount of damages caused by Marsh's conduct, if any.

### Trial Judgement and Appeals

In February 2023, the Court of King's Bench of Manitoba found that Marsh committed a breach of fiduciary duty and breach of confidence, and PRM was awarded \$1.5 million in damages for lost revenues and lost business value.

Marsh appealed to the Manitoba Court of Appeal. Marsh argued that the trial judge erred in finding that there was a breach of fiduciary duty, a breach of confidence and a breach of contract and also erred in the damages assessment. PRM also appealed the trial judge's dismissal of its claim for breach of honesty in contractual performance.

### Breach of Confidence

The Supreme Court of Canada has confirmed the three criteria required to prove breach of confidence:

continued on page 24

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1. Information was supplied that had the necessary quality of confidence about it;
2. The information was communicated in circumstances in which an obligation of confidence arose; and
3. The recipient misused or made an unauthorized use of the information.

In this case, the trial judge held that Marsh was liable to PRM for misusing information (specifically, a schedule of values regarding the insureds and their operations) for breach of confidence. The Manitoba Court of Appeal confirmed that the trial judge's finding that the schedule of values was provided to Marsh in circumstances in which an obligation of confidence arose. While the Marsh witnesses had testified that they did not rely on the schedules to solicit the insureds, the Court of Appeal was not persuaded that the trial judge made a palpable and overriding error in rejecting that evidence and finding that PRM had established the breach.

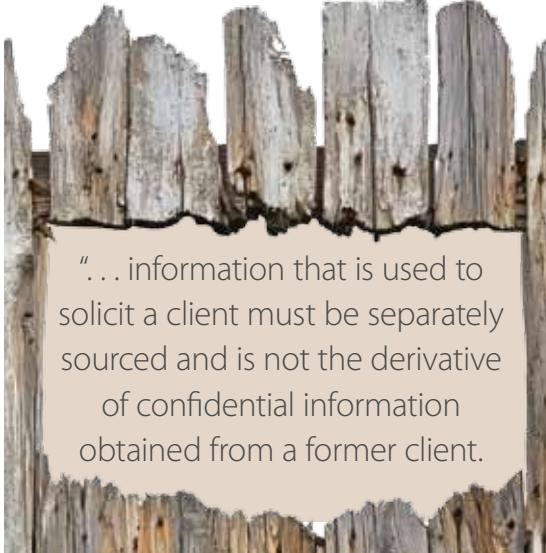
## Breach of Fiduciary Duty

The Court of Appeal found that the trial judge had applied the correct legal test for fiduciary duty, which requires "evidence of a mutual understanding that one party has relinquished its own self-interest and agreed to act solely on behalf of the other party."

However, the Court of Appeal found that the trial judge wrongfully found a fiduciary duty, because the evidence did not show that Marsh had relinquished its own self-interest and agreed to act solely for PRM. If Marsh owed no fiduciary duty to PRM, it could not have breached that duty. The Court of Appeal cited the Supreme Court of Canada, who specifically stated: "the fact that confidential information is obtained and misused cannot itself create a fiduciary obligation" and where "the essence of the complaint is misuse of confidential

information, the appropriate cause of action ... is breach of confidence and not breach of fiduciary duty." Without more, the Court of Appeal concluded that the trial judge was incorrect in finding that Marsh breached a fiduciary duty.

While the relationship between Marsh and PRM created obligations of confidentiality, it did not amount to any fiduciary obligations. This ground of appeal was allowed.



"... information that is used to solicit a client must be separately sourced and is not the derivative of confidential information obtained from a former client.

## Breach of Contract and Breach of Duty of Good Faith

The Court of Appeal held that it did not need to address the trial judge's finding that a contract existed and that Marsh had breached its contractual obligation of confidentiality. It also noted that while PRM had breached an implied contractual term in failing to treat the information provided by PRM as confidential, there was no evidence to support a finding that Marsh had performed any of its contractual obligations dishonestly.

## Damages

Damages for breach of confidence are generally based on causation. In particular, the court will try to give the plaintiff what has been lost as a result of the breach; i.e., the value of the plaintiff's lost opportunity. In similar situations, the court evaluates

how the breach of confidence can be a "springboard" that gives a company an advantage in a competitive market.

In this case, the Court of Appeal acknowledged that Marsh was entitled to compete with PRM but found that the advantage Marsh had from misusing the schedule of values was a "springboard" that gave it a head start in contacting insureds to place insurance on their behalf. However, there was evidence that Marsh could

have contacted the insureds without using the confidential information. As a result, the Court of Appeal reduced the trial judge's CA\$1.5 million award to CA\$77,000.

## The Takeaway

A broker client relationship itself does not create a fiduciary relationship. Notwithstanding, the code of conduct of brokers in Alberta does impose specific rules that brokers must abide, including acting in good faith—with trustworthiness and competence—and in the best interest of the client and should not bring their own reputation or that of the industry into public disrepute.

Therefore, brokers are advised to safeguard the confidential information of a client and exercise caution with their solicitation activities. Without specific consent, brokers must not use confidential information obtained from a client, and the information that is used to solicit a client must be separately sourced and is not the derivative of confidential information obtained from a former client.

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# STAY CYBER SAFE EARN FREE CE CREDITS

By Simon Pang

**FNational Security Threat Assessment. They estimate that the frequency of cybercrime events such as ransomware has only increased since then as fraudsters' operations continue to get even more sophisticated.**

While findings like these can be concerning, there is a silver lining: increasing your awareness of cybercrime through education is an excellent way to protect your brokerage in addition to your personal information. If you're interested in gaining helpful knowledge while earning three continuing education (CE) credits, CSIO's free cybersecurity education program is exactly what you need.

## HOW CSIO BENEFITS BROKERS

CSIO is Canada's industry technology association of property and casualty insurers, vendors and over 43,000 brokers. A key component of our broker value offerings is free, accredited education, which includes the cybersecurity education program. As a member of your provincial broker association, you are automatically a CSIO member and can register for an account in minutes at [csio.com](https://csio.com).

## CSIO'S CYBERSECURITY EDUCATION PROGRAM

Our cybersecurity education program was initially launched in August 2024

to provide insurance professionals with the necessary tools to spot and stop cyber threats. Topics covered include ransomware, phishing, various forms of social engineering, cyber-attack simulations and much more. We recently enhanced the program to help you further build upon your cyber knowledge, enjoy a flexible learning experience and earn CE credits faster. As previously mentioned, while fraudsters' operations are getting more sophisticated, CSIO's cybersecurity education program is doing the same to help you stay ahead of cybercrime trends.

With the enhanced cyber program, you can now earn up to three CE hours and complete three tiers:

- **Foundational:** An introduction to fundamental concepts, tools and best practices in cybersecurity, from the basics of phishing to data protection.
- **Advanced:** A deeper understanding of cybersecurity techniques, such as safe browsing and recognizing malware.
- **Expert:** An in-depth mastery of cybersecurity principles and the chance to learn more about cyber best practices at home.

Each tier is accredited for one CE hour in Alberta, British Columbia, Manitoba, Ontario and Saskatchewan. Brokers can also complete each tier at their own pace by pausing and resuming modules at their convenience. Once completed, you will receive a

celebratory logo for each tier to share your achievement on social media.

## MORE WAYS TO GAIN CE CREDITS

With the increase in cybercrime incidents, there's no better time than now to build up your cyber skills. A culture of security training is a highly effective strategy to prevent cyber threats. Start the program now to elevate your knowledge and outsmart cyber criminals.

Visit [csio.com](https://csio.com) to register and read our FAQ for more information. You can also share the program with colleagues throughout your brokerage.

In addition to the cybersecurity education program, a CSIO account also provides access to over 25 accredited courses about current industry topics, such as cyber, Generative AI and insurance fraud. We also have cybersecurity-themed courses if you're looking to further strengthen your knowledge after completing the program. Finally, don't forget to check out CSIO's events calendar as we regularly host free, accredited webinars (some of which are cyber-themed) led by industry experts.

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## THE TRUTH ABOUT TEAMWORK

## 3 Lessons Every Leader Needs to Know

BY JACQUIE SURGENOR GAGLIONE

**A**ssembling a group of people and expecting them to behave like a high-functioning, cohesive team is unrealistic.

Yet, it's what we do all the time.

We put groups of people together and call them a team and often give no further thought to how to build unity and create effectiveness. We might book an occasional "team building" event or gather together for a lunch, and we call it a win.

Box checked. Team built.

Not so much. Sometimes we get lucky and the random people we've thrown together knock it out of the park, but often they struggle. The best-case scenario is that a well-functioning group could become better. The worst is that we've set them up for failure and frustration, we don't get the results we need and some might even quit.

Years ago, I read Patrick Lencioni's *The Five Dysfunctions of a Team* and it seemed so simple and obvious; I couldn't imagine why it wasn't required reading for all leaders. It gave a straight-forward model to create a high-functioning team.

The "five behaviours of a cohesive team" is the positive slant of Lencioni's model. Based on a pyramid where each layer supports the next, you build from the bottom up to the top. Starting with building vulnerability-based trust amongst team members allows you to foster productive conflict, which allows you to create commitment, which then supports accountability and, finally, results.

As I've worked on and with teams, I have learned a ton of lessons; three of the most critical are:

- Trust isn't just a buzzword; it's the foundation of everything.
- Healthy conflict is good and leads to better results.
- Accountability needs to be peer to peer; not just the leader.

### 1 Trust isn't just a buzzword; it's the foundation of everything.

That trust is critical to teams is common knowledge, but the meaning of trust isn't. Many leaders say they foster trust, but when asked,

they can't articulate how they can recognize high trust teams.

Lencioni writes that high performing teams have vulnerability-based trust which is different than situational-based trust. Trusting you can do your job or predicting how you will react isn't enough; I need to know that I can admit a mistake, ask for help, be honest about weaknesses, and challenge ideas without fear of it later being held against me.

Teams that trust each other have difficult conversations without hurt feelings, animosity or lingering negativity.

### RED FLAGS

These next two scenarios share examples where real trust is lacking. Do you recognize a team or your organization in either?

■ **The Hidden Mistake:** Sarah accidentally sent a report with incorrect data to a client. Instead of admitting the mistake right away, she stayed quiet, hoping no one would notice.

continued on page 30

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A week later, the client caught the error, leading to frustration and extra work for the entire team. If Sarah had felt safe enough to speak up, the team could have fixed the issue quickly.

**■ The Lone Wolf:** James had been struggling with a new project but didn't want to ask for help because he was afraid his coworkers would think he's not capable. He spent twice as long figuring things out on his own, delaying the entire project. If the team had a culture where asking for help was normal, James could have saved time and stress.

#### QUESTION TO CONSIDER

When was the last time someone on your team came to you to tell you they made a mistake? If it rarely happens, how might that be holding your team back?

#### RED FLAGS

These two scenarios are examples where conflict is lacking. Do you recognize a team or your organization?

**■ The Meeting Mirage:** In a leadership meeting, the team discusses a major change, and everyone nods along. No one raises concerns or asks tough questions. But after the meeting, in private conversations, employees express their frustrations and doubts. Because there was no real discussion, potential issues weren't addressed and implementation becomes a mess.

**■ The Quiet Exit:** Mark has concerns about the company's new strategy but doesn't feel comfortable pushing back against his boss. Instead of voicing his perspective, he disengages, becomes less invested in his work and eventually starts looking for a new job. A lack of open discussion led to a valuable team member quietly leaving.

#### RED FLAGS

These two scenarios share examples where accountability is lacking. Do you recognize a team or your organization in either?

**■ The Deadline Dodge:** Emily was supposed to submit a key report by Friday, but by Monday morning, it still wasn't done. Her teammates noticed but said nothing, assuming it was the manager's job to follow up. As a result, a client project was delayed. If team members had felt comfortable addressing it directly, they could have avoided the setback.

**■ The Leadership Bottleneck:** Maria, the team leader, is constantly chasing people down for updates, reminding them of commitments and fixing mistakes. Instead of teammates holding each other accountable, everything falls on her shoulders. This creates frustration and burnout for the



"High functioning teams debate ideas and issues, not people."

## 2 Healthy conflict is good and leads to better results.

While many of us have negative feelings towards the word conflict, it is because we associate it with interpersonal conflict, which is uncomfortable and undesirable. Lencioni frames conflict as debate, discussion and the challenge of ideas, and is not personal at all.

Evidence of productive conflict, as he describes it, includes vigorous debate and discussion focused on ideas. People are willing to say:

*I disagree*  
*A challenge I see is ...*  
*An issue with that is ...*

High functioning teams debate ideas and issues, not people. They are willing to vigorously disagree and debate, and not hold grudges or walk away with hurt feelings.

#### QUESTION TO CONSIDER

Do team members feel comfortable disagreeing with each other in meetings or does real feedback happen privately after the meeting?

## 3 Accountability is about peer-to-peer, not just the leader.

Managers also need to be willing to hold people accountable for deadlines, key performance indicators and expectations. If a manager lacks the fortitude to do this, then team performance suffers.

Managers can't be the only one enforcing accountability though; it needs to feel comfortable for everyone. Accountability can be done with kindness and does not need to be heavy-handed, judgmental or angry. When you have team members supporting each other through accountability, performance improves as they work together.

leader—and prevents the team from truly working as a unit.

#### QUESTION TO CONSIDER

If you are the leader, are you the only one holding people accountable? If so, what might change if the team took more responsibility for each other?

#### What's Next?

Recognizing these challenges is the first step—but real change happens when teams take action. So, how can you start building trust, fostering healthy conflict and creating a culture of accountability?

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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](http://leadershipandlife.ca) or email [jacquie@leadershipandlife.ca](mailto:jacquie@leadershipandlife.ca).



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