

Monday, May 4, 2020

Hon. Scott Moe
Premier of Saskatchewan
Government of Saskatchewan
2405 Legislative Dr., Room 226
Regina SK S4S 0B3

Re: Insurance Relief Efforts in Saskatchewan During COVID-19

Premier:

Members of the Insurance Bureau of Canada (IBC) and the Insurance Brokers Association of Saskatchewan (IBAS) are committed to working together to offer relief measures to help businesses coping with the financial impacts of COVID-19. Insurers and brokers understand that many commercial clients are facing economic hardship, and we are united in our efforts to help those most severely affected.

As of April 17, the insurance industry across Canada has provided flexible payment solutions for thousands of business clients, including deferring approximately \$30 million in premiums and offering \$50 million in premium relief to businesses that need it most. These measures will continue, and we expect these numbers to grow in the coming weeks.

Saskatchewan businesses are exceedingly diverse, with specialized operations and corresponding risks. These realities make relief measures for businesses significantly more complex than for everyday consumers with personal lines insurance. Coverages for businesses may involve a combination of multiple products, including commercial general liability, commercial property, cyber liability, directors and officers liability, and employment practices liability.

To respond to these dynamic challenges, many insurers have committed to the following measures for businesses, which reflect insurers' and brokers' joint commitment to help clients in this time of need. For all these measures, policyholders should consult their broker or insurance representative to discuss their options.

Recognizing that each business is unique, insurers — working closely with brokers — will, in most cases:

- Consider **premium adjustments** where there has been a sustained reduction in revenues of their commercial insureds as a result of the pandemic;

- Consider **premium adjustments** in circumstances where sustained changes in business operations have significantly reduced liability exposure;
- Extend coverage for 90 days, as of March 16, 2020, and — during this period — will not cancel or reduce coverage for **premises that are unoccupied or shut down**, provided the insured business owner can demonstrate the insured premises are being reasonably maintained and inspected, that they are following insurer risk management requests during this period, and that the property was not unoccupied or shut down prior to the start of the emergency; and
- **Waive NSF fees** that would have normally been charged to small businesses for any insufficient funds to cover premiums.

Insurers will also, on a case-by-case basis, **defer premium payments** for small businesses that are financially impacted as a result of the pandemic.

Additionally, IBC and IBAS have taken further actions to support Saskatchewan businesses, consumers, and the communities in which our collective members operate:

- Jointly advocating for legislative reform in the province, in conjunction with other Canadian jurisdictions, to secure **limited protection against civil liability** for those persons (individuals, corporations, and organizations) engaged in providing COVID-19 countermeasure services and/or countermeasure products;
- IBAS, through the Insurance Brokers Association of Canada (IBAC), has supported a **\$25,000 national contribution to Food Banks Canada**, which will be formally announced later this month;
- Accelerating **education and consumer information efforts** around issues that have increased in prevalence through the COVID-19 crisis, such as cyber security;
- IBC is supporting the Canadian Federation of Independent Businesses by providing funds for their member and non-member **business counselling service**; and
- Earlier today, IBAS announced an initial **\$10,000 donation to STARS Air Ambulance in Saskatchewan** as part of its annual charitable campaign — to offset immediate fundraising shortfalls at STARS due to COVID-19, and to support the organization's mission on the front lines of this public health crisis.

Finally, as we enter flood season, we note that insurance allows homeowners and businesses to manage the risk of sudden and accidental loss from a broad range of perils, including natural hazards. Despite the increased frequency and severity of damages caused by natural catastrophes, the insurance community across Canada has responded quickly to assist with the recovery from recent events such as the Fort McMurray wildfire (2016), Calgary floods (2013), and Toronto floods (2013). The industry remains ready to assist its clients in recovering from new natural catastrophes, and are already responding to the flooding that is occurring now in Fort McMurray.

On behalf of the property and casualty insurance industry, thank you for your leadership during this challenging time. IBC and IBAS look forward to sharing regular updates with you, and to working closely with your government to best support Saskatchewan's — and Canada's — economic recovery.

Regards,



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