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**IN THIS ISSUE**



**IBAS Advocacy Update**

You spoke, we listened. In the *2018 IBAS Broker Issues Survey*, members overwhelmingly flagged strengthening our advocacy efforts as an organizational priority. A year later, IBAS is at the forefront of shaping some of the province's key policy files, from the implementation of *The Insurance Act* to the development of the next Saskatchewan Grown Plan.

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**2019 IBAS Convention**

Welcome to *The New Frontier* for Saskatchewan insurance brokers. This special insert doubles as the official program for the 2019 IBAS Convention, October 17 & 18 in Saskatoon, and features a Q&A with the Thursday luncheon keynote speaker, David Coletto — Canada's leading expert on the impacts of generational change.

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**Four decades of change, yet one constant remains**

The name *Todd Hochban* is synonymous with insurance in Saskatchewan. As the long-time educator enters his 40th year in the industry and his 30th year training brokers, he reflects on the many changes he has witnessed first-hand. Through all of it, however, one, enduring constant has guided the broker value proposition.

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# The power of coming together

By Dave Pettigrew, President & CEO, Harvard Western Insurance

One of the central ‘themes’ at IBAS over the past year has been *collaboration*. Associations are built on the premise that we are stronger together — that my voice or your voice is less powerful on its own than if we were to say the same thing at the same time. There is, of course, also a value in *coordination* — efforts to share resources, avoid duplication, and sway greater influence.

That is the core belief behind two new initiatives that IBAS is proud to help lead.

One is the new Saskatchewan Business Council, which officially launched earlier this year (IBAS CEO Derek Lothian was a driving force in its creation). This group is comprised of 20 of the top business organizations across the province, including the Saskatchewan Chamber of Commerce and industry associations representing a variety of sectors, from mining and construction to engineering and accounting.

At first blush, you may ask what these organizations could possibly have in common. As it turns out, the answer is a lot. Each may be unique, with its own structures and ways of operating, but they are also ‘unique’ in very similar ways. From a

policy perspective, we all are pursuing similar opportunities and looking to overcome similar challenges.

The council has identified four common priorities to advance in the 2019 calendar year:

- **Ensure business has meaningful input into the development of Saskatchewan’s new growth plan:** Government officials have been hard at work on this in recent months. IBAS has contributed its own submission through this process; however, it has participated with the council at-large in discussions as well, including in meetings with Hon. Donna Harpauer, Minister of Finance;
- **Identify next steps to shape Saskatchewan’s workforce development strategy:** The council has focused in on the need to bridge the gap in available labour market data as the linchpin to this priority;
- **Speak with ‘one voice’ on common federal issues:** Council representatives participated in Senate consultations earlier this year, as well as consultations with the federal Employment Insurance (EI) Commissioner for Employers. It is also exploring the possibility of hosting a second-ever Saskatchewan Day on Parliament Hill — the



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first occurred in 2016 through an ad-hoc iteration of this council — following the fall election; and

- **Explore the economic impact of PST on construction services:** The council has contracted Regina-based Praxis Consulting to lead this analysis. As with the P&C insurance industry, construction services previously enjoyed a PST exemption that has since been removed. That has had a direct impact on insurance premiums due to the elevated cost of claims where construction remediation is required. While IBAS does not anticipate the construction exemption to be reinstated anytime soon — or the insurance exemption, for that matter — the association nevertheless anticipates this study will lead to better understanding the economic impacts of PST policy, and will inform future internal advocacy discussions at IBAS.

The second new initiative that is particularly exciting is the rollout of the Saskatchewan Insurance Workforce Development Coalition.

Scheduled to meet for the first time on October 29, this coalition will bring together representatives from the broker community, insurers, training entities, business associations, and other like-minded organizations to collaborate around two primary areas of focus: To promote insurance as a rewarding, modern, first-choice career pathway; and, to better integrate insurance knowledge into financial literacy education.

We are highly encouraged by the sector-wide response we have received to-date. IBAS would like to extend a special

“It’s not our goal to be viewed as the loudest voice at the table. Instead, we aim to be a trusted source of ideas and insight on the key issuers that matter to brokers. Having a consultative and, perhaps more importantly, a *collaborative* approach to how we get there is, what I believe, helps set IBAS apart.”

thanks to Wawanesa Insurance, SGI CANADA, Intact Insurance, Saskatchewan Mutual Insurance, and Saskatchewan Blue Cross — all of which provided some early-stage seed funding as part of their respective 2019 IBAS partnership agreements to get this project off the ground.

Under the leadership of CEO Derek Lothian, IBAS has taken huge strides in the past two years to strengthen how it ‘does’ advocacy. It’s not our goal to be viewed as the loudest voice at the table. Instead, we aim to be a trusted source of ideas and insight on the key issues that matter to brokers. Having a consultative and, perhaps more importantly, a *collaborative* approach to how we get there is, what I believe, helps set IBAS apart.

*Dave Pettigrew is the president and CEO of Harvard Western Insurance and, as of the October AGM, will have completed his first term as chair of the IBAS board of directors. #*

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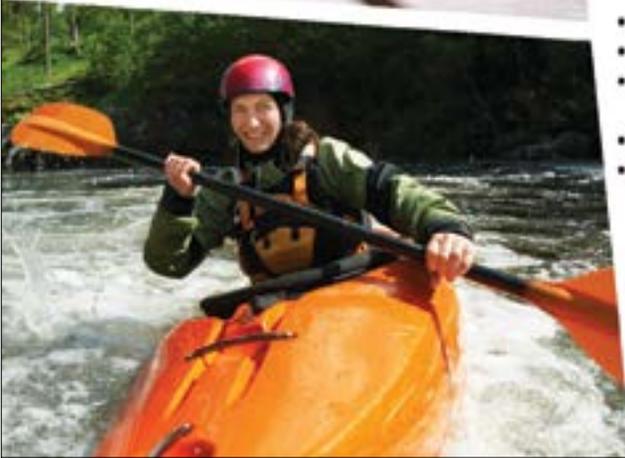


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# Learning from our past and looking to the future

By Valerie Fehr, CEO, My Mutual Insurance



In the late 1800s, a group of Mennonite pioneers settled near Waldheim. This was prior to Saskatchewan becoming a province and at a time when communities had to depend on each other for survival. The group was particularly entrepreneurial for their day and age, and as they struggled to survive on the unforgiving prairies, they were determined to advance ideas and seize opportunities. This ultimately led to the beginning of the following organizations: Mennonite Trust Ltd. (MTL), Rosthern Junior College, a seniors' care home, and Mennonite Mutual Fire Insurance, which of course evolved into present-day My Mutual Insurance.

While there are several lessons one could glean from these pioneers, three attributes strongly resonate with myself and have impacted my position as CEO of My Mutual: *Grit, willingness to innovate, and empathy.*

The world around us is changing at a pace that challenges us to keep up. Even the seemingly unshakeable foundation of financial institutes, including insurance, is being rocked. Doing things the same way we've done them for years or resisting new ideas because we don't understand them could be the death knell of our business.

Like a three-legged stool, the foundation of a company is comprised of financial strength, solid governance, and people. The insurance industry is regulated to the point that financial strength and solid governance are part of what should be maintained on a daily basis. People, on the other hand, can be the differentiator that can strongly influence the rise or fall of any company.

Therefore, it's imperative that we focus on keeping our people happy.

Do we have the grit to succeed? Can we look around us and see opportunity? A smaller business may not have the resources that larger firms do, but they have an advantage in being agile. Businesses that empower their employees to use their own strengths and expertise will be able to offer quicker solutions. Organizational transformations will be more readily accepted because those same employees were an integral part of the change process.

The relational side of the insurance business brings us in contact with many different people who have diverse skill sets and strengths. It's making those connections and figuring out how to work together that will bring efficiencies and ultimate growth to our business.

Look in-house: Do you have the type of culture that builds and supports people? If the answer is yes, then

continue to make a concerted effort to train, mentor, and provide opportunities for these people to be challenged and to grow. If you find that your office culture does not offer these positive opportunities, then commit to doing what it takes to make the necessary changes. It is very hard — if not impossible — to succeed when your work environment is toxic. There are several tools online that can help determine cultural fit, personality style, and even the type of 'horizon thinker' a person might be. All of these tools, as well as third-party consultants, can help you see possibilities and provide opportunities for your talent to grow.

Bringing people on-board who are a cultural fit helps ensure they will be engaged in your company mission. As you provide opportunity for individuals to grow, they will take ownership of their actions. A natural outgrowth of ownership is innovative thinking and a

**“Solutions to a problem can come from extraordinary places. Cross-generational discussions can blow apart the box we sometimes hold onto for fear of change. Conversations with divergent thinkers will expose weaknesses and problems with a possible solution that, in the end, will help create a better, multi-faceted outcome.”**



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is over the age of 50, compared to only 23 per cent in 2007. For the first time, we have four generations driving together in the workplace.

Culture and innovation are not the panacea for the industry's woes and, on their own, will not be the factor that makes any one company successful. Each has their place, but they must be saturated with empathy.

Insurance, by definition, is an arrangement by which a company provides a guarantee of compensation for a specified loss in return for payment of a premium. This is a nebulous concept at best. *I'm giving you real, hard-earned money for a promise?* Insurance must be made relevant to the policyholder. How do we do that?

From the start of the insurance process to the possible end of a claim, empathy has to be the motivating factor. Anytime that anyone within that process changes that factor to anything else, we do a disservice to the industry as a whole.

The broker discussing coverages and exposure with a policyholder must show

desire to improve the overall business. It's being innovative and coming up with ideas that may at first seem unorthodox that will propel us ahead.

As leaders, are we listening? Are we willing to distribute leadership throughout our organization? Are we having conversations with people across generational lines? How can the wisdom and experience of the boomers be used

to enhance the imagination and technical expertise of the millennials?

The 2017 Insurance Institute of Canada census noted that millennials have become the largest cohort of the P&C insurance workforce, at 39 per cent, compared to the 31 per cent in the broader workforce. Boomers are working longer and the same report states that 30 per cent of the industry's workforce

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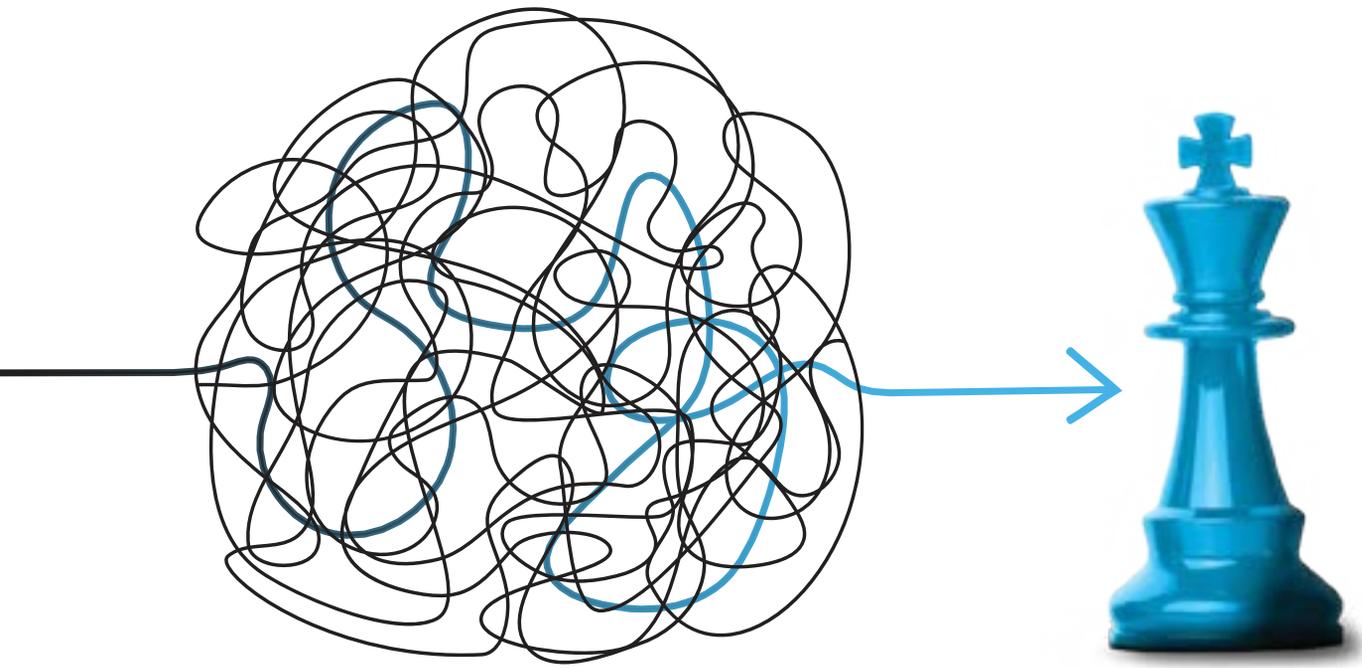
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that he or she cares about that person as an individual. Insurance company employees must care for the concerns our broker partners raise, and the adjuster has to empathize with the individual who has suffered a loss. At each touchpoint of the insurance cycle, we must connect with our customers' problems. We often embrace what we perceive to be a possible solution to a problem without actually spending the time to listen to the person with the problem. All the innovation in the world

doesn't matter if it doesn't address the pain-point for our customer. If someone responds with *that's nice, but*, the chances are you didn't actually hear them the first time. It's time to step back and ask more questions, making sure we truly hear the client's question clearly.

Solutions to a problem can come from extraordinary places. Cross-generational discussions can blow apart the box we sometimes hold onto for fear of change. Conversations with divergent

thinkers will expose weaknesses and problems with a possible solution that, in the end, will help create a better, multi-faceted outcome.

In my opinion, the best way to invest in people is by 'flattening' your organization. This would require dispersing power, authority, and decision-making both laterally and vertically, giving each individual or team an opportunity to showcase their strengths and skills. It's putting the decision-making responsibility in the hands of those that have expertise in a given area. The decision-making process needs to be well defined so that everyone knows where they stand and feels confident to make the right decision. The 'manager' then becomes a resource for the individual or team and works to facilitate smooth processes.

In a shared leadership environment, you are identified by your scope of influence rather than a title or position. Whereas, in a hierarchical structure, it is often the leaders that solve the problems. A shared leadership style allows all team members to work towards finding the problem and executing the solution together. Communication is critical for shared leadership success and, at times, it may appear disruptive or chaotic. I've always believed, however, that two heads are better than one when looking at a problem, and that a team who attacks a complex problem and develops a solution that is multifaceted together will have a more positive impact on all involved stakeholders.

You can be a leader regardless of what job you have, or the type of organization you work for. You can take ownership for your responsibilities. You can innovate. You can care. Take ownership for yourself and make a concerted effort to put people first. This is where a company will find its success.

*Valerie Fehr is the CEO — chief empowerment officer — of My Mutual Insurance, headquartered in Waldheim. This year marks My Mutual's 100th year in operation. #*



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# Federal advocacy: Keeping the pedal to the metal

By Peter Braid, CEO, Insurance Brokers Association of Canada



**T**he federal election is days away. Candidates will be pushing hard to the finish line, trying to knock on as many doors and meet as many voters as possible. As someone who won the closest race in the 2008 federal election (after a judicial recount, I won by 17 votes), I know that literally every vote counts!

As brokers, hopefully you have taken the opportunity to get to know your local candidates. Perhaps you have even helped on a campaign. Campaigns are won through a combination of factors: A committed volunteer base, successful fundraising, and, of course, the overriding decision by the voters on which leader they want to be Prime Minister.

Once the dust settles on the election, the Insurance Brokers Association of Canada (IBAC) will re-assess where we stand in light of the new make-up of parliament. Historically, IBAC has enjoyed multi-party support on our key issues: The separation of the pillars of banking and insurance, and the *Bank Act* provision that prevents banks from selling insurance at the point of granting credit.

IBAC and our member associations such as IBAS have been successful because brokers go to Ottawa with a strong consumer protection focus, and they present themselves as small business owners who give back to their communities. It's a compelling message.

The other reason we have been successful is because we recognize that federal advocacy is an ongoing and continuous effort. On October 21, there will invariably be newly elected members of parliament. Just as we have done in the past, we will reach out to these new MPs to make them aware of our key issues and to secure their support. We will need to start the process of building relationships between local brokers and their newly elected MPs quickly. Never underestimate the importance and value of building relationships with elected officials at the local level. If an issue falls from the sky and we need to press our case, an existing relationship helps to get us in the door. And while government MPs generally have more influence, relationships with opposition MPs are just as important. An opposition MP today could very well be on the government side after the next election.

Over the past two years, we have worked hard to expand the scope of our federal advocacy efforts with good results. Clearly,

the *Bank Act* will continue to be our main priority. We, however, cannot be a one-trick pony. As our involvement in public policy issues increases, so, too, does our profile and credibility as an organization. As a result of our expanded federal advocacy approach, we have contributed the broker voice on a range of issues, including impaired driving legislation, proposed small business tax changes, natural disasters, open banking, privacy, and data rights.

Maintaining the *Bank Act* safeguards will be critical. In fact, I foresee that there will be pressure over time on the government's policy commitment to keep the pillars of banking and insurance separate. This will be driven by a combination of evolving technology, open banking, and general competitive pressures. It is partly for this reason that we are now recommending that a clear consumer complaints process should be established for potential violations of *Section 416* of the *Bank Act*. Such a process will ensure these important consumer protection principles are adequately enforced. This recommendation will be a key part of our advocacy in the next year.

We are also adding a strong voice to the national discussions on open banking. As described by the Government of Canada, open banking 'is a framework where consumers and businesses can authorize third-party financial service providers to access their financial transaction data, using secure online channels. The benefit to consumers and businesses is that it allows them to access new products and services that enable them to better manage their financial affairs.' In addition to ensuring that any open banking regime respects our fundamental position on the *Bank Act*, we have also emphasized that consumers must be fully informed of the pros and cons of sharing their personal financial

**"Over the past two years, we have worked hard to expand the scope of our federal advocacy efforts with good results. Clearly, the *Bank Act* will continue to be our main priority. We, however, cannot be a one-trick pony."**



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information. We were also pleased to see the Senate Committee Report on Open Banking, released in June 2019, which puts consumer protection and privacy first and foremost.

Our recent *The Big If* campaign also has an advocacy component. The federal government is calling for a whole-of-society approach to mitigate the risks of natural disasters and ensure the resilience of families and communities. Governments are further concerned about the protection gap that exists with both overland flood insurance and earthquake insurance. *The Big If* campaign aims to raise public awareness of these issues. The call to action encourages Canadians to talk to their broker about their individual risk, and the available insurance options that will protect them from financial loss. Given the trust-based relationships between insurance brokers and their clients, brokers are uniquely positioned to have this conversation.

The completion of the IBAC Economic Contribution Study earlier this year was a major milestone. The findings in the report resonate with all levels of government and serve to strengthen our advocacy narrative. The report confirmed and validated that insurance brokers add significant value to the provincial and national economies, and bring important social and philanthropic contributions to the communities where they live and work.

In collaboration with IBAC's 11 member associations, Deloitte surveyed 1,770 brokerage owners across Canada, and estimated that, in 2017, member brokerages contributed approximately \$7 billion to Canada's output, and \$5.4 billion to Canada's GDP. The

brokerage industry also sustained an estimated 58,300 full-time equivalent jobs in Canada. In other words: Every dollar spent on broker business activities generated approximately \$1.49 in total GDP in Canada's economy. Member brokerages also generate significant direct and indirect tax benefits to the government, estimated to be more than \$480 million in 2017.

The study also illustrates a number of social benefits that insurance brokers bring to their communities. For example, 90 per cent of brokerages surveyed donate financially and 70 per cent of their employees volunteer their time to local charities and social causes. Approximately one-third of brokerages participate in political activities at the municipal, provincial, or federal levels (often all three).

In addition, case studies in the report highlight brokers who respond to natural disasters, conduct safety training and education, foster product development, promote diversity and inclusion, and connect with rural and Indigenous communities, among other contributions.

On a final note: Please watch for our upcoming sponsorship of the Canada Safety Council's National Safe Driving Week, December 1 – 7, which will help to raise awareness of the dangers of distracted driving.

And together, let's keep the pedal to the metal!

*Peter Braid is the CEO of the Insurance Brokers Association of Canada. Prior to assuming that role in 2017, he served as a Member of Parliament for Kitchener-Waterloo between 2008 and 2015. #*



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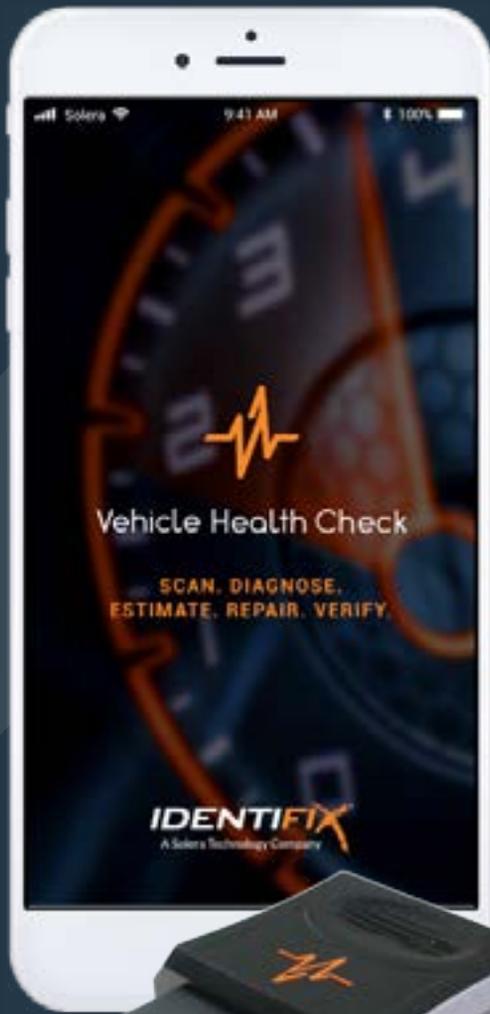


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# An election, and the future of Canadian unity

By Derek Lothian, CEO, Insurance Brokers Association of Saskatchewan



I'm a huge fan of political fiction. When the first season of *House of Cards* debuted on Netflix, I remember binging all 13 episodes back-to-back over the course of a single night. *All the President's Men*, meanwhile, remains — in my not-so-humble opinion — one of the top five movies ever made. And Selina Meyer, Julia Louis-Dreyfus's character in *Veep*, is probably the best original television persona of the past decade. Don't @ me.

You can therefore appreciate my giddiness when I stumbled across an article a few weeks back from Philippe Fournier entitled, *Imagining a federal election without Alberta or Quebec*. Some folks drive in from the lake on the August long weekend to restock on beer; I do so to pick up the latest issues of *Maclean's* and *The Economist*. It's a mystery why I don't get invited to more parties.

I do, though, have friends — honest — several of whom live in the Ottawa bubble, where I spent six years of my professional life. One of the questions I field from them often is whether the feeling of 'western alienation' is real, or whether it is a work of fiction contrived by the Scott Moes and Jason Kenneys of the world with an axe to grind against this particular Prime Minister. My

response, illustrated quite eloquently in the Fournier piece, is always the same: It is real and it is palpable. Dismissing it as passing fodder or personality differences amongst leaders is not only disingenuous, it's dangerous.

Fournier cites a recent poll from Abacus Data, which found that 71 per cent of residents in Alberta and Saskatchewan believe being part of Canada has been good for their respective provinces. Sure, that's a sizeable majority, yet it is also five per cent *less* than Quebec (76 per cent) — which, I remind you, came within a single percentage point of leaving Canada altogether in the 1995 referendum. In fact, the same poll suggested that a quarter of Albertans would actually vote to secede today — roughly the same as their Quebecois counterparts. Here in Saskatchewan, meanwhile, an unrelated Environics survey conducted in May echoed that sentiment, with 53 per cent of respondents agreeing with the statement, 'Western Canada gets so few benefits from being part of Canada that they might as well go it on their own.'

Don't kid yourself: We are close — if we're not there already — to becoming embroiled in a crisis surrounding Canadian unity.

It would be easy to point to the political winds or policies of the day as the culprit (carbon tax, anyone?). Overlooking some of the more deep-rooted structures, however, would fall somewhere between ignorance and naivety.

Take interprovincial trade as an example. The vision of 'one Canada, one market' was the very promise of confederation that our country was built upon. Despite replacing the antiquated Agreement on Internal Trade (AIT) with the Canadian Free Trade Agreement (CFTA) two years ago, a litany of barriers remain in the form of province-by-province exemptions, opt-out measures, and unharmonized regulations, costing our economy up to \$130 billion each year. If we still can't trade freely with each other as provinces 150-plus years later, how can we expect better treatment from other countries?

And then there's the great equalization debate.

In the interest of full disclosure: I don't fully understand how the equalization formula works. I'm not sure many do. It's clunky, complex, and — if I didn't know any better — purposefully confusing. The broad strokes, though, are this: The federal government transfers nearly \$19 billion annually to provinces it deems less prosperous ('have not provinces') to ensure the delivery of a similar standard of public programs and services offered in 'have provinces.' Quebec alone receives more than three-fifths of the total sum. On the flip side, Saskatchewan, Alberta, and Newfoundland — all of which have had to come to terms with a slower resource development sector and, as

**"It would be easy to point to the political winds or policies of the day as the culprit (carbon tax, anyone?). Overlooking some of the more deep-rooted structures, however, would fall somewhere between ignorance and naivety."**



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“Canada is at a crossroads. We are competing ferociously with the rest of the world; and the only way we will succeed is if we truly find common ground and work fast, shoulder-to-shoulder, on the defining issues of our time — economic, social, and environmental.”

a result, stymied tax revenues— have fielded a grand total of zilch over the past five years.

I don't think anyone should be shocked that, when the average Joe in Western Canada sees those stats and then looks east to Quebec gleefully trumpeting a \$2.5 billion surplus, all the while funnelling billions more into programs like universal subsidized childcare starting at roughly \$8 per day (did I miss the memo where that was also available in Saskatchewan?), frustration is a natural reaction.

Of course, western provinces leave themselves amply open to rebuttal criticism. Alberta, for instance, continues to shrug off a provincial sales tax. It's hard to garner sympathy on an empty piggy bank when the government refuses to collect revenue in the same manner as *every other*

*province*. But that's a discussion for another day.

If Fournier's exercise in political what-ifs demonstrated anything of substantive value, it's that the pressures of the upcoming federal election are unlikely to mend any wounds. The Conservatives need the west and the Liberals need Quebec to form the next government. And, although there is a far better chance of Liberal support eroding in French Canada than Conservative votes slipping in Saskatchewan or Alberta, either party campaigning on measures to dramatically alter the status quo is likely setting itself up for electoral catastrophe.

So, where do we go from here? Are we simply too different, too polarized to reach meaningful consensus anymore? Is it time to be more like Fournier and start hypothesizing what it would mean to throw in the towel on confederation?

Or, maybe we use this election to reset. Perhaps we demand our candidates exchange tribalism and political theatre for bold ideas and honest compromise.

Canada is at a crossroads. We are competing ferociously with the rest of the world; and the only way we will succeed is if we truly find common ground and work fast, shoulder-to-shoulder, on the defining issues of our time — economic, social, and environmental. We need to start with the foundational systems that have given root to imbalance. And we need to put aside the illusion there is more that divides us than unites us.

That's the thing about fiction: If you're not careful, it has a way of creeping into reality. As was true in 1867, we are stronger together. This fall, as you prepare to head to the ballot box, don't let anyone tell you otherwise.

*Questions? Comments? I'd love to hear from you directly! Call my direct line anytime at (306) 525-4075 or drop me an e-mail at [derek.lothian@ibas.ca](mailto:derek.lothian@ibas.ca). #*



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# EVENTS SPOTLIGHT

## Former Premier Brad Wall headlines 2019 Industry Dinner

The 2019 IBAS Industry Dinner was held Tuesday, April 30, with special guest speaker Brad Wall, who participated in an engaging armchair discussion with IBAS Board Chair Dave Pettigrew.

Registration for this event once again reached capacity weeks in advance, and included senior executives from 10 insurance companies, the Insurance Bureau of Canada, the Insurance

Brokers Association of Canada, and the Insurance Brokers Association of Alberta. Seven cabinet ministers were also in attendance, as well as representatives from the Premier's office and the government Committee for Crown and Central Agencies.

Thank you to our *Presenting Partners*, MNP and the Insurance Bureau of Canada, as well as our eight other *Table Sponsors* for making this event possible.



## Largest-ever IBAS Golf Tournament held June 18

For the first time in recent memory, the annual IBAS Golf Tournament was sold-out — in fact, it was two foursomes *beyond sold-out*, with a slate of 152 golfers.

The event took place at The Legends Golf Course in Warman on June 18. We had wonderful weather, and an incredible showing from partners and sponsors, who made sure there was plenty of food, drinks, and fun throughout the course.



# UPCOMING EVENTS

## Industry Networking

### 2019 IBAS Convention & Annual General Meeting



October 17 – 18, 2019  
Sheraton Cavalier Hotel (Saskatoon, SK)

Saddle up in Saskatoon! Join brokers and industry leaders from across the province (and beyond) for our marquis event of the year. Presenters include *Dragons' Den* entrepreneur Manjit Minhas and Abacus Data CEO David Coletto, with roll-in-the-aisles entertainment from renowned Canadian comic Steve Patterson. Help make this our biggest and best convention yet!

[www.ibas2019.ca](http://www.ibas2019.ca)

### 2019 Saskatchewan Young Brokers Network Christmas Mixer



November 27, 2019  
Hudsons Canada's Pub (Saskatoon, SK)

This annual event is an IBAS holiday tradition. Brokers and insurance stakeholders who are either under the age of 40 or who have been in the industry fewer than 10 years are invited for an evening of good food, great drinks, and even better networking. Come on out and celebrate the season!

[www.ibas.ca](http://www.ibas.ca)

## Professional Development

### Insurance to Value Webinar

October 8, 2019

### CSIP, Module 2 (Online)

October 15 & 17, 2019

### Preparing for Winter Webinar

October 22, 2019

### Management of Commercial Risk Webinar

November 5, 2019

### CSIP, Module 3 (Online)

November 12 & 14, 2019

### Solid Fuel Heating Appliances Webinar

November 28, 2019

### Understanding the CGL Webinar

December 3, 2019

### CSIP, Module 4 (Online)

December 10 & 12, 2019

### CAIB Immersion Courses

CAIB 1: November 16 – 23, 2019  
Regina, SK

CAIB 3: January 18 – 25, 2020  
Regina, SK

CAIB 4: March 7 – 14, 2020  
Regina, SK

CAIB 1: May 2 – 9, 2020  
Saskatoon, SK

Taught by long-time instructor Todd Hochban, CAIB immersion courses are a weeklong experience where students participate in intensive theoretical discussions and hands-on exercises. A final exam is held on the last day of each course.

### National Exam Dates

December 4, 2019

February 5, 2020

May 6, 2020

Students can choose to write CAIB and CPIB paper exams in Regina (IBAS Office) or Saskatoon (SGI Claims Centre).

**To learn more  
or to register for  
IBAS educational  
opportunities, visit  
[www.ibas.ca](http://www.ibas.ca).**



# IBAS Advocacy Update

By Derek Lothian, CEO, Insurance Brokers Association of Saskatchewan

There's a long-running belief in the association world that advocacy is the most difficult member service to monetize — that it benefits universally, whether you are a member or not, and that no business is particularly keen on paying for it.

I happen to disagree. And, fortunately, you do too.

According to the results of our *2018 Broker Issues Survey* released roughly this time last year, you told us that maintaining a strong voice on behalf of insurance brokerages was important to you as IBAS members. In fact, four of the five top priorities you indicated IBAS should focus on related directly to advocacy — with government, regulators, insurers, as well as the consumers.

As I hope you've seen over the past several months, we've taken that input to heart. We've invested heavily in bolstering our influence with key elected officials and senior bureaucrats. We've proactively partnered with other stakeholder groups to advance common interests at both the provincial and federal levels. And, we've taken major steps forward to engage members directly in the development of policy positions and activities.

The strength of our voice comes from you — *your* survey responses, *your* participation in events or on committees, *your* anecdotes, *your* phone calls, and *your* e-mails. Advocacy without engagement is like betting on a game when you don't know the rules — sure, you may luck out once or twice, but you will never have sustained success.

That is why keeping you apprised of our policy work is so critical. You need to know the files we're advancing on your behalf so you can provide the support that is necessary to moving the needle. With that in-mind, here is a brief update on some of the latest happenings:

## ***The Insurance Act***

On June 17, IBAS submitted a letter to Hon. Don Morgan, Minister of Justice and Attorney General, expressing concerns around the appropriate role and function of the General Insurance Council of Saskatchewan (GICS) — specifically, in advance of *The Insurance Act* taking effect on January 1, 2020.

The first issue revolved around the consistency, transparency, and manner in which GICS interprets rules and regulations. The urgency of this

concern was compounded by the expanded punitive powers granted to GICS in the new Act, allowing for fines of up to \$25,000 per individual and \$50,000 per brokerage. The second issue, meanwhile, pertained to new audit authorities that GICS will inherit with the new Act.

Subsequent to the letter, IBAS held meetings with Minister Morgan, as well as the Financial and Consumer Affairs Authority (FCAA), which provides oversight to GICS. While discussions around specific details remain ongoing, it was agreed in principle that:

- The standard for GICS audits will be legislative and regulatory compliance — not best practices, as has been previously suggested;
- There should be documented parameters and processes for when and how GICS audits will be conducted;
- It is reasonable for licensees to expect the regulator to provide a written interpretation of rules when presented with a clear, detailed, contextualized situation, as a preventative measure against future non-compliance; and

“The strength of our voice comes from *you* — *your* survey responses, *your* participation in events or on committees, *your* anecdotes, *your* phone calls, and *your* e-mails. Advocacy without engagement is like betting on a game when you don’t know the rules — sure, you may luck out once or twice, but you will never have sustained success.”



- That legislation and regulation must be interpreted through the dual lenses of consumer protection and *reasonable* oversight.

There was also mutual agreement that FCAA, GICS, and IBAS all should endeavour to work closer together to better communicate information and support licence-holders attempting to comply in good faith.

As an association built entirely on the premise of service *to* and protection *of* the consumer, IBAS fully embraces the need for industry oversight. At the same time, as with any sector, it is imperative that brokerages and brokers have confidence the rules they are subject to will be applied consistently, fairly, and under the spirit of their original intent.

Overall, IBAS has been pleased with the progress on this file — and with GICS’s ongoing engagement.

### Extended Auto Advisory Committee

This past May, IBAS released the six recommendations set forth by its 16-member Extended Auto Advisory Committee, which ran in the May edition of *SaskBroker Magazine*.

While the process toward implementation has been expectedly slow, I am pleased to report we have already made some noteworthy progress. The committee has been asked to contribute

new content for the *Saskatchewan Drivers Handbook* and was invited to present at the 2019 Driver Educators Convention in Saskatoon (thank you to committee member Judy McCuskee for taking on that task). We are also planning for a new digital promotion campaign.

### Input on the new Saskatchewan Growth Plan

At the request of Hon Joe Hargrave, Minister Responsible for SGI, and Hon. Don Morgan, on June 26, IBAS submitted four recommendations for consideration in the development of a new Saskatchewan Growth Plan, which I expect to be tabled on or in advance of the next provincial budget.

Due to the breadth and scope of consultations, IBAS limited its input to issues with a direct correlation to the insurance industry. These recommendations largely borrowed on existing policy positions:

- Leverage Saskatchewan Crown corporations as levers to enhance peripheral competition (SGI Auto Fund and SaskTel, in particular);
- Further embed financial literacy education into Saskatchewan schools (of which insurance must be a core component);
- Cultivate linkages between Canadian insurers and Saskatchewan’s technology community; and

- Adopt a ‘whole of society’ approach to manage overland flood risk amidst increased population growth and land development.

### The future of PDAP

IBAS has been meeting with government officials along with representatives from the Insurance Bureau of Canada and various carriers in recent months to discuss the future of the Provincial Disaster Assistance Program (PDAP).

According to the most recent available statistics (2015), there are approximately 37,000 residential properties in Saskatchewan at risk of flooding, with a total exposure — or insurable value — of \$8.9 billion. Of these, 26,000 homes have a 22 per cent-or-greater chance of flooding over the span of a 25-year mortgage.

Until only a few years ago, losses incurred as a result of flooding were covered entirely through PDAP. Today, though, roughly three quarters of Saskatchewan homeowners have coverage through SGI CANADA or another private insurer — an exponentially higher uptake than in most other Canadian jurisdictions (32 per cent nationally).

There are also now more tools available to properly defend at-risk structures against flooding.

**“As an association built entirely on the premise of service to and protection of the consumer, IBAS fully embraces the need for industry oversight. At the same time, as with any sector, it is imperative that brokerages and brokers have confidence the rules they are subject to will be applied consistently, fairly, and under the spirit of their original intent.”**

Unfortunately, in Saskatchewan, only 37 per cent of at-risk homes are properly defended, resulting in marked economic loss each year.

IBAS strongly supports measures to phase down the reliance on PDAP payments and transfer more risk onto the private insurance market. Yet, this cannot be done in isolation. It will require a forward-thinking partnership between the private sector and all three levels of government to protect current at-risk homes and prevent or mitigate future development in designated flood plains. To accomplish this, stakeholders must:

- Define *affordable coverage* and maintain protection for high-risk homes that cannot reasonably access private insurance (may be accomplished through a subsidized high-risk insurance pool or modified PDAP);
- Introduce new controls to limit future development on high-risk land or shift liability exposure onto developers through the permitting process;
- Improve access to flood maps for municipal governments, developers, and the general public;
- Allocate freed-up PDAP funds to incent homeowners to invest in flood defenses (there are innovative models whereby proper defenses are recognized through a certification process to stabilize high-risk home values);
- Ensure governments consult insurers in the development of land use and water management strategies; and
- Invest in a targeted consumer education campaign to raise awareness of flood risks and defenses.

Expect to see more on this file through the first part of 2020.

These are just a few of the files that IBAS serves as your voice on every day. Have questions or comments? We want to hear from you. Contact me directly at [derek.lothian@ibas.ca](mailto:derek.lothian@ibas.ca) or (306) 525-4075.

Together, we can amplify your voice in the decision-making process. 🇩🇪

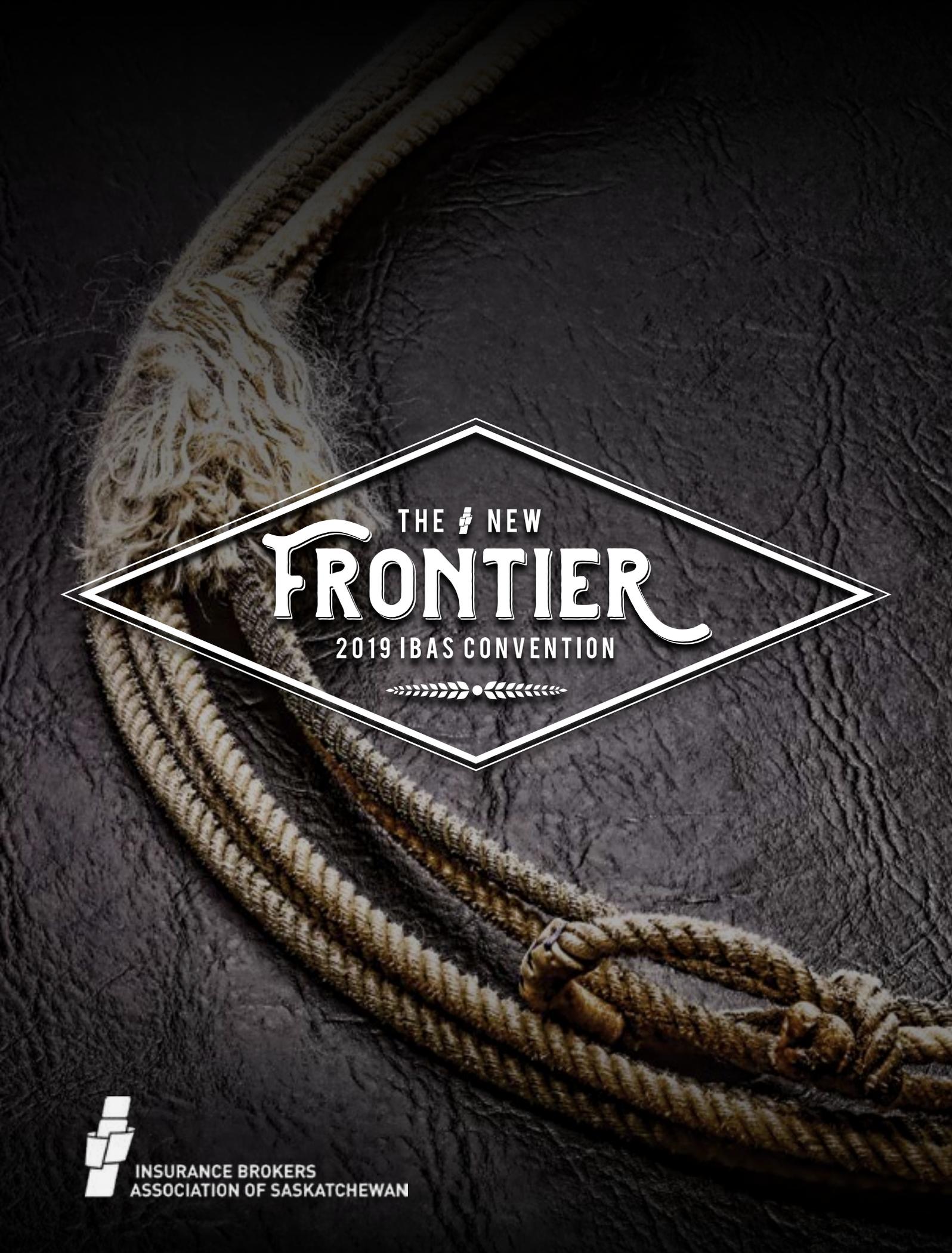
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# Welcome to *The New Frontier*

**T**he insurance landscape is changing. Technology is disrupting businesses and consumers alike. Regulatory, workforce, and economic realities are posing new operational questions. And, the customer experience is becoming increasingly interactive, personalized, and on-demand.

Welcome to *The New Frontier* for Saskatchewan insurance brokers. Sure, there is more risk out on the horizon today than ever before, but there is also a wide-open field of opportunity — *if you're ready to think beyond the status quo.*

That's what the 2019 Insurance Brokers Association of Saskatchewan (IBAS) Convention is all about: Thinking outside-the-box and seizing the moment.

To help you along that journey, you will find this year's event features a diverse array of educational speakers, who will be covering topics that are both insurance-specific and 'big picture' — from the impacts of generational change to the overall health of the province's economy. Engage in that conversation. Ask questions. My hope is you'll be able to take away at least one lesson that you can apply to your business in the weeks and months ahead.

Last but certainly not least, you will notice the 2019 IBAS Convention borrows strongly on our 2018 theme of *community*. For example, on Thursday, Wawanesa Insurance and SGI CANADA will be co-hosting one, unified hospitality night; and, at the Chair's Banquet, IBAS will be presenting — alongside Saskatchewan Blue Cross — the first-ever Community Leadership Award. These efforts to recognize and celebrate the importance of community spirit are aimed at reinforcing the reality that, despite our differences, we are all stronger together.

Whether you're a delegate or a partner, thank you for all you do for Saskatchewan's brokerage community, and for helping to make our 2019 convention a memorable experience. Saddle up, and have a great time!

Regards,



**Dave Pettigrew**

Chair

Insurance Brokers Association of Saskatchewan

# Featured Speakers & Entertainment



**Manjit Minhas**  
*Canadian Entrepreneur & 'Dragon's Den' Investor*

This year's marquis keynote will be one of Canada's most sought-after speakers on entrepreneurship, empowerment, corporate social responsibility, and business adaptation. Manjit started out as a 19-year-old with \$10,000 and a dream. Today, her brewery is the 10th largest in the world, and she's seen more than 1,000 pitches in her four seasons as a judge on *Dragons' Den*.



**David Coletto**  
*Chief Executive Officer, Abacus Data*

Kick-off convention with a buffet lunch on Thursday while hearing from one of Canada's foremost experts on the impacts of generational change. David will explore some of the key trends affecting different demographics and consumer segments, and will help tie it back to what it could mean for your brokerage in the years ahead. We'll make sure to ask him about the November federal election as well!



**Steve Patterson**  
*Comedian & Host of CBC's 'The Debaters'*

Familiar to hundreds of thousands of Canadians as the host of CBC Radio One's hit show, *The Debaters*, Steve's material combines razor-sharp wit with meticulously crafted, up-to-the-moment social commentary to keep audiences rolling on the floor. He has twice earned the title *Best Male Stand-Up Comedian* at the Canadian Comedy Awards, and will be taking to the stage Friday evening as the Chair's Banquet entertainment.

# Convention Partners

## Presenting Partners



**Wawanesa**  
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## Supporting Partners



## Contributing Partners



# Thursday, October 17, 2019

**11 a.m. Delegation Registration Begins** (*Convention Foyer*)

Arrive early and network with the industry's movers and shakers.

**11:30 a.m. Welcome Luncheon & Keynote Speaker** (*Centre & East Rooms*)

*David Coletto, CEO, Abacus Data*

Kick-off convention with a buffet lunch while hearing from one of Canada's foremost experts on the impacts of generational change. David will explore some of the key trends impacting different demographics and consumer segments, and will help tie it back to what it could mean for your brokerage in the years ahead. Oh, and we'll make sure to ask him about the federal election, too!

**1 p.m. AGM Registration Begins** (*Top of the Inn*)

Don't be relegated to 'standing room only.' Our AGM is always a full house, so head right on over after the luncheon.

**1:30 p.m. 2019 IBAS Annual General Meeting** (*Top of the Inn*)

The IBAS AGM is your opportunity to stay informed on the issues and activities driving the association forward. Members will be electing the 2019-20 board of directors and will receive important updates on regulatory changes, member-driven advocacy initiatives, and IBAS's strategic plan. **Open to broker members only.**

**5:30 p.m. Trade Show** (*Main Level*)

*The Outlaws & Pioneers of 'The New Frontier'*

Dust off your boots, grab your hat, and break out your western wear for the 2019 convention trade show. Make sure to pick up your trivia card and visit with all the exhibitors for your chance to win \$2,000 in cold, hard cash, courtesy Midwest Claims Services.

**8:30 p.m. 'Unified' Broker Hospitality Night** (*Main Level*)

*Presented by Wawanesa Insurance & SGI CANADA*

For the first time at convention, *Premier Partners* Wawanesa and SGI CANADA will be joining forces to host one, unified hospitality night. Spread out over three individually themed rooms, this exciting event will feature acoustic performances from reigning Saskatchewan Country Music Association *Male Artist of the Year* Chris Henderson as well as Justin Labrash. And if you put on your dancing boots, Regina's DJ Longhorn will be spinning tunes down the hall!



# Friday, October 18, 2019

**8 a.m.**      **Breakfast** (*Centre & East Rooms*)  
*Presented by Lydale*

**9 a.m.**      **The State of the Insurance Industry** (*Top of the Inn*)  
*Celyeste Power, Vice President – Western, Insurance Bureau of Canada*

**9:45 a.m.**   **Coffee Break**  
*Presented by My Mutual Insurance*

**10 a.m.**      **Insurer Executive Panel Discussion #1** (*Top of the Inn*)  
*Andrew Cartmell, President & CEO, SGI CANADA*  
*Carol Jardine, President, Canadian P&C Operations, Wawanesa Insurance*  
*Debbie Coull-Cicchini, Executive Vice President, Western Canada, Ontario & Atlantic Canada, Intact Insurance*

**11:30 a.m.**   **Awards Luncheon & Keynote Speaker** (*Centre & East Rooms*)  
*Manjit Minhas, Canadian Entrepreneur & Dragons' Den Investor*

Celebrate our annual Broker Service Awards, as well as the accomplishments of our CAIB graduates, after taking in one of Canada's most sought-after speakers on entrepreneurship, empowerment, corporate social responsibility, and business adaptation.

**2 p.m.**      **Insurer Executive Panel Discussion #2** (*Top of the Inn*)  
*John Salmond, President & CEO, GMS*  
*Shelley Willick, President & CEO, Saskatchewan Mutual Insurance*  
*Valerie Fehr, CEO, My Mutual Insurance*

**3:15 p.m.**   **Coffee Break**  
*Presented by My Mutual Insurance*

**3:30 p.m.**   **The Saskatchewan Economy: Where We Go From Here** (*Top of the Inn*)  
*Steve McLellan, CEO, Saskatchewan Chamber of Commerce*

**4:15 p.m.**   **Staying Atop the Evolving Cyber Security Threat** (*Top of the Inn*)  
*Sean Devin, Partner, MNP LLP / Former CEO, SaskTel International*

**5 p.m.**      **Chair's Reception** (*West & South Rooms*)  
*Presented by Intact Insurance*

Join host Intact Insurance for cocktails, conversation, and music from Saskatchewan's own Shantaia prior to the Chair's Banquet.

**6:30 p.m.**   **Chair's Banquet & Entertainment** (*Main Level*)

Steve Patterson, Comedian & Host of CBC's *The Debaters* joins hundreds of senior-level representatives from across the insurance industry for one of our marquis events of the year. We will also be making the inaugural presentation of the IBAS Community Leadership Award, presented in partnership with Saskatchewan Blue Cross.

**9 p.m.**      **CEO's Saloon & Riders Gameday Watch Party** (*Top of the Inn*)  
*Presented by Red River Mutual, Saskatchewan Mutual Insurance, and Portage Mutual Insurance*

After the banquet, head on up to the Top of the Inn for evening drinks and to watch the Saskatchewan Roughriders take on the B.C. Lions out at B.C. Place.

# In-Conversation with Abacus Data CEO David Coletto



*David Coletto is the CEO of Ottawa-based Abacus Data, and one of Canada's foremost researchers, strategists, and experts on millennials. He will be taking the stage Thursday as the luncheon keynote speaker. Oh, and to answer the question of lot of you have been asking — he's 35 years old.*

***David, you're one of the country's leading speakers and consultants on the impacts of generational change. From a 30,000-foot level, what is happening in Canada right now with respect to population and demographics?***

There are three demographic forces at work in Canada that we should be paying attention to. First, Canada has an aging population. In the next 20 years, the number of Canadians aged 85 and over will triple from about 700,000 today to over 2.1 million in 2040. Second, we are becoming far more diverse. Increased immigration is changing the cultural and ethnic backgrounds of many communities. Finally, the emergence of millennials as the largest generation and working-age cohort is not coming — it is already here and disrupting much of the labour and consumer markets. These three forces each have their own impacts, but they all are forcing firms to reconsider how they do things.

***Obviously, previous generations have been ushered in and out — each with their own challenges, yet here we remain. What makes this change so significant?***

Change is constant, yet the change we are experiencing now is more significant and faster than we have ever experienced in the past. The main reason, in my opinion, is due to technological change. How we work, communicate, shop, and make decisions is shifting and generational change is only accelerating it. The fact that the top five most valued companies in the world are Microsoft, Amazon, Apple, Google, and Facebook tell you everything you need to know.

***Are millennials truly that different from past generations?***

At their core, no — they want the same things as everyone else. They want security, opportunity, to be respected, and to feel their life has meaning. But they

were raised differently and have different expectations about what life should be like, and how they will achieve those things. Understanding these differences is important to getting to how to serve and motivate them. What really makes millennials different, however, is their use of technology and what it has done to them. Whether it's their on-demand expectations, their digital-first mentality, or the impact of being on social media for most of their lives, technology has rewired millennials in a way that is different from generations that came before them.

***If you're operating a business today, what are the most important two or three things you need to know about millennial behaviour?***

Delighting them is so much more difficult today than with previous generations. They are looking for unique experiences that are seamless but full service. They seek convenience above all else but also a personal touch. Most important to me, though, is a question I always put towards organizations I work with. Millennials are constantly asking (and answering) the question: *What does it say about me that I work for or use your services?* How will their networks react to learning they are associated with your firm? Understanding that in a positive way is critically important.

***How does that translate for an insurance brokerage?***

I think brokerages have both opportunities and threats with the millennial market. The rise of digital-only insurance options is obviously a challenge. If I can get insurance on my smartphone, that's going to appeal to me. But on the other hand, when something happens, I want help. I want that help quickly and I don't want to worry. Being a trusted advisor who is constantly looking out for my interests is probably the most important thing that brokers and brokerages can do to serve millennials. Offering digital interactions and using technology to simplify the transaction and interactions will only serve to make the experience seamless for the client.

***Let's touch on an issue that is central to the millennial conversation: The environment. Climate change is a prominent topic in insurance these days, with claims due to weather-related catastrophes at an all-time high. Is there any consensus amongst Canadians on what to do about it?***

A consensus is forming, but it's not there yet. Millennials are more engaged and concerned about the issue, but even in the last two years, I've seen across-the-board concern rise in Canada. What to do about it

is another question. People say they want aggressive action, but then say they aren't willing to pay more themselves. Look at the fight over a carbon tax. My sense is that we are close to a tipping point and the 2019 federal election will tell us a lot about how important the issue really is to people.

***Like the environment, the economy will undoubtedly be an election issue this fall. What is the general mood in Canada over the last couple years regarding the state of the economy?***

Canadians generally are feeling pretty good about the economy; though, it varies by region. Those in Quebec are feeling the most bullish while folks in Alberta and Saskatchewan are the most anxious. What seems to be a greater concern to people is a sense that the cost of living is rising and wages and income aren't keeping up. That's the top issue for most people in our polling and seems to be a major focus for all parties in the election. That issue has big implications for insurance, as it's a cost for all households and there will be pressure on governments to contain costs for households.

***Are there any other hot-button issues that you think will factor strongly in the voter calculus?***

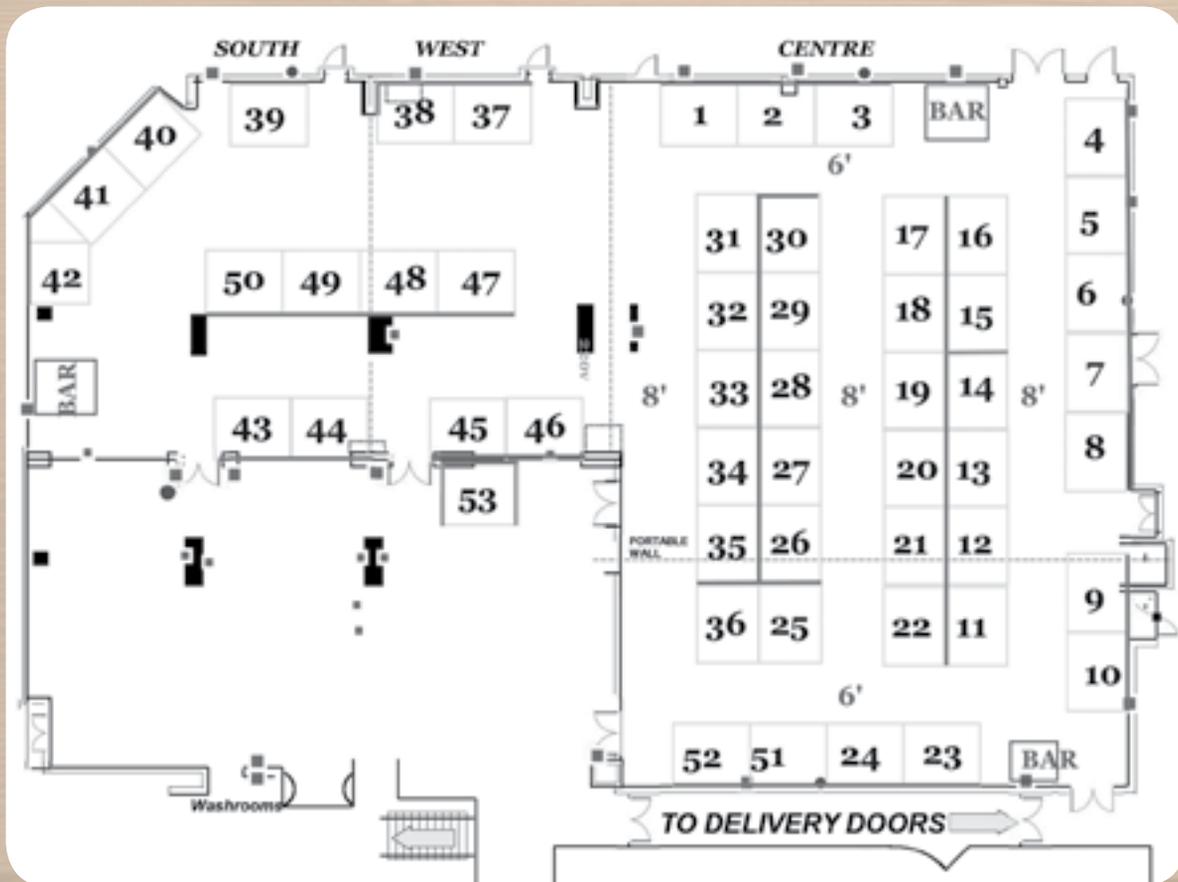
A sleeper issue that hasn't been discussed too much is immigration. We have seen it become a lightning rod for debate in other parts of the world. Many think Canada is an exception, but one in five people tell me it's a top issue for them and there is some concern about what increased immigration means for Canada. It's correlated to a feeling of anxiety about the cost of living. If people feel housing is unaffordable, and access to health care is challenging, or that good, permanent jobs are hard to come by, immigrants will often be blamed. But if you ask economists and the business community, they'll tell you we need more immigrants, not less, especially given our aging population.

***Finally, running a data and polling company, you are constantly analyzing how different Canadian sentiment is. But what is the most surprising similarity you've found?***

It may sound cliché, but despite our vast geography, two official languages, and economic differences, Canadians are pretty similar. You'd think people living in Prince Albert would have nothing in common or would view things really differently than people in Montreal, but that's honestly not the case. While we have our differences on policy or politics, we all share the same goals, dreams, and hopes. Finding a way to achieve them is where we get into arguments. #

# 2019 Trade Show Exhibitors

EXHIBITOR	BOOTH	EXHIBITOR	BOOTH	EXHIBITOR	BOOTH
AFIRM Solutions.....	28	Hillman Audio Visual .....	34	Restorex Disaster Restoration .....	1
Allianz Global Assistance .....	20	iA Financial Group.....	45	Sage Advisory Resources.....Registration Desk	
Applied Systems Canada.....	32	IDU Insurance Digital Utilities.....	38	Saskatchewan Blue Cross .....	31
APRIL Canada.....	5	IFS Premium Financing.....	14	Saskatchewan Mutual Insurance.....	47
AVIVA.....	8	Insurance Bureau of Canada .....	53	Saskatoon Disaster Services DKI.....	35
Bank of Montreal .....	18	Insurance Institute of Saskatchewan .....	48	Saskatoon Fire and Flood .....	19
Beazley Canada.....	21	Intact Insurance .....	15/16	ServiceMaster Restore .....	22
CanSure Underwriting.....	6	Leavitt Group .....	50	SIG CANADA.....	36/25
Complete Technologies Outsourced IT .....	17	Lydale Construction .....	10	SNAP Premium Finance.....	29
CSIO.....	2	Milnco Insurance .....	40	Special Risk Insurance Managers.....	13
Custom Software Solutions .....	39	Mutual Fire Insurance of BC.....	52	Staybridge Suites Saskatoon - University.....	23
Economical Insurance.....	44	National Bank.....	26	Swiss RE.....	27
edjuster .....	37	Optiom .....	51	Totten Insurance Group .....	41
Encon Group .....	11	Pacific Marine Underwriting Managers.....	9	Trans Canada Insurance Marketing .....	24
FIRST Insurance Funding of Canada.....	33	PAL Insurance Brokers Canada .....	3	Winmar Property Restoration Specialists .....	7
FirstOnSite Restoration .....	30	Paul Davis .....	49	Wynward Insurance Group.....	43
Frank Cowan Company .....	42	Puroclean Restoration .....	46		
GMS .....	12	Red River Mutual .....	4		





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# Even more coverage for all your client needs from Saskatchewan Blue Cross

Saskatchewan Blue Cross has been a leader in benefit solutions and supporting the improved health and wellness of Saskatchewan residents for over 70 years. The not-for-profit organization proudly serves Saskatchewan residents by providing them with the coverage they need at a price they can afford. They are committed to helping their neighbours lead happier, healthier lives.

Last year the company launched a range of benefit enhancements on January 1, 2019, increasing the coverage offered by both Personal Health Plans: Blue Choice® and Conversion. The benefit enhancements came as a direct result of customer and broker feedback and the changing landscape of the Saskatchewan insurance market.

The plan enhancements included an overall increase to the core health lifetime maximum, increased vision and health practitioner coverage, increased diabetic and ostomy coverage under the Conversion plan and increased dental benefits across both Blue Choice and Conversion plans. The most notable changes included the addition of contraceptives to prescription drug coverage and the addition of a new prescription drug optional benefit with an increase limit under their Conversion Plan.

Saskatchewan Blue Cross is excited to announce that they will once again be enhancing the coverage options available to both current and future customers effective January 1, 2020. You've asked, and Saskatchewan Blue Cross has listened! So, what's changing?

## Core Health Benefits

### *Ambulance:*

- NEW: Charges for ambulance services required to transport an insured patient to their home residence, or another Hospital for continuing care, when ordered by an attending Physician following emergency Hospital treatment, payable at fifty percent (50%)

- NEW: Charges for ambulance services that do not result in the transport of an Insured patient to a Hospital, payable at fifty percent (50%)

## Optional Benefits

### *Dental:*

- NEW: Dental waiting period reduced from six months to three months

Saskatchewan Blue Cross is committed to continuously reviewing and improving their products and services, providing comprehensive and flexible coverage that fits the needs of Saskatchewan residents, no matter what stage of life they're in. Saskatchewan brokers can feel confident knowing their clients are protected by Saskatchewan's most trusted name in health insurance; and their clients will be happy and healthy with coverage that works for them.

How will these enhancements affect current Saskatchewan Blue Cross policyholders? Effective January 1, 2020 all plans will be upgraded automatically.

When can brokers start selling the enhanced plans? Today! New policyholders will enjoy the enhanced benefits effective January 1, 2020. Revised selling brochures, policy brochures and rate charts will be available from Saskatchewan Blue Cross as of December 1, 2019.

Want to learn more? Visit [sk.bluecross.ca](http://sk.bluecross.ca) or give us a call at 1.800.USE.BLUE®.



# Personal • Travel • Group





# Four decades of change, yet one constant remains

By Todd Hochban, President, West Coast Training

**A**s I enter my 30th year training brokers and my 40th year in the insurance industry, I often reflect on the many changes I've seen.

A forward-thinking IBAS board of directors, through an initiative called the Skills Investment Training Program, created IBAS's education department many moons ago. Some of you may recall I became IBAS's education director in 1989. During my 10 years in that role, I was involved in developing and delivering hundreds of continuing education seminars in more than a dozen Saskatchewan communities. I ushered in a new education funding model, assisted in introducing the initial 'step licensing' system, and, when Saskatchewan's tort automobile product became unsustainable, I was part of a small group that helped craft the Personal Injury

Protection Plan (PIPP). It was an exciting and busy decade.

During my career, yes, there has been widespread change. There has, however, been one, enduring constant: Clients prefer buying insurance from brokers.

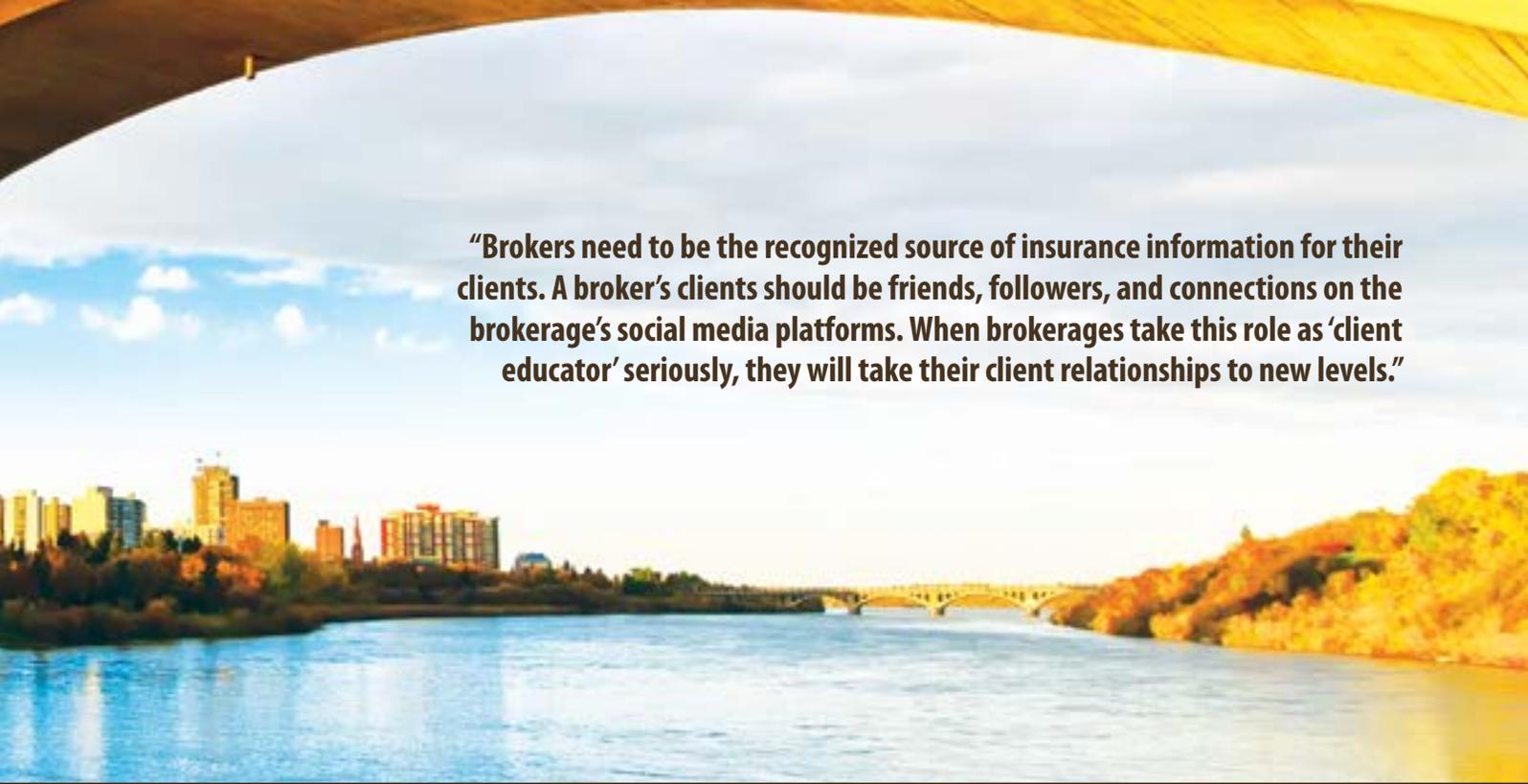
Mergers and acquisitions have reduced the number of brokerage owners, but the 'main street' sale of insurance products is still preferred in most communities. The reason is simple: Customers want to connect with a person on this important and complex purchase. We all know technology has an expanding role to play facilitating this connection between client and broker. Some fear this evolution. I embrace it.

Brokers using technology to get closer to their clients will keep clients coming back. Brokers using technology to distant themselves from clients will see their clients leave. Development of client

contact strategies using technology helps cement relationships. When client contact is only an annual invoice or a direct bill renewal, relationships struggle at best or, at worst, fail.

During my 40-year career, I've had the pleasure of meeting some of the nicest people around: Insurance brokers. Add a warm, caring, genuine homegrown local broker with technology, and it's no surprise that insurance brokers are the preferred insurance distributors. Maintaining this position, though, will not be easy. Brokers must be diligent.

Diligence begins with small steps. First, brokers must know their clients well. Clients are not interruptions during the workday. The only reason there is a workday is because of clients. Paperwork will always be there — it can wait. Talk, ask questions, 'chew that fat' — getting to know your clients is not hard work,



**“Brokers need to be the recognized source of insurance information for their clients. A broker’s clients should be friends, followers, and connections on the brokerage’s social media platforms. When brokerages take this role as ‘client educator’ seriously, they will take their client relationships to new levels.”**

but you need to put in the time. Using brokerage technology is a great tool for tracking this valuable knowledge. Once collected, referring to this knowledge base in the future will help customize client communications. Remember: It’s better to be interested than interesting.

Technology can also be used within brokerages to stay current. There have been several changes in the products and services brokers provide. To stay as the preferred supplier, brokers must always be learning. Technology makes it so simple to stay up to date. I, for example, use a few social media platforms for business purposes only. These provide me daily articles on our industry. Trends and changes in our industry are often shaped by outside forces like legal decisions, insurer mergers, and statute. All brokers should be reading and discussing market changes as they happen. When product development (overland water endorsements or cyber liability, as examples) occurs, knowing what’s available and from which insurer is imperative. Clients are not expected to know or understand these developments. This leads us to another critical use of technology for brokerages.

Brokers need to be the recognized source of insurance information for their clients. A broker’s clients should be

friends, followers, and connections on the brokerage’s social media platforms. When brokerages take this role as ‘client educators’ seriously, they will take their client relationships to new levels. Share articles and links. Write a short monthly newsletter. Segment your client base to provide valuable information when needed. For instance: Send travel insurance information to your snowbird clients, winter safety tips to your snowmobile clients, or automobile insurance information to clients with teenage children.

I’m very excited about the future of broker-client relationships. Technology is exploding. New communication methods and new architecture are opening new opportunities to get closer to clients. A good example of that is artificial intelligence (AI). Allowing mundane repetitive tasks to be processed by machines instead of people allows brokers to get closer to clients with constructive client contact activities. AI is not to be feared but embraced. Broker functions will change, yet they will not be eliminated. We are seeing in several other jurisdictions that clients may try insurance transactions without broker guidance, but they typically come back to brokerage-purchased insurance products.

Finally, I see blockchain as a game-changer. This fast-evolving technology is the renaissance of the internet. Now, we have a technology ensuring security. The use of blockchain in document procurement, data integrity, and secure data transfer will change brokerage operations for a generation.

Insurance is complicated. Clients need guidance. Brokers connect with both. For these reasons, the future looks bright. As our lives become more and more complex and complicated, brokerages will be more and more critical. This is not a guarantee of brokerage success. Industry disrupters are lurking, waiting, ready to pounce when brokers take their eye off the ball. Brokerages need to stay current and relevant. Read, pay attention, and expand knowledge. Brokerage managers: Lead your staff. All employees need to be current on new products, statutes, and Canadian law.

I’m excited to see brokerage value expand. Yes, I have seen many changes in my career, but I for one cannot wait for the future!

*Todd Hochban is the president of West Coast Training, based in Vancouver. He is also IBAS’s lead trainer for its Canadian Accredited Insurance Broker (CAIB) immersion programs. #*

# Education key to drone insurance taking flight

By Kimberley Ottenbreit, Insurance Advisor, Harvard Western Insurance



**W**hat most people don't know about drones is that the concept has been around for centuries. As drone technology and its importance in today's world continues to evolve, so, too, does its impact on our day-to-day work as insurance advisors.

The origin of unmanned aerial systems, commonly referred to as *drones*, dates back to 1849, when the Austrians used balloons loaded with explosives to attack Venice. They continued to develop as military weapons throughout the 1900s; and, while they are still prominent in the military today, drones are now frequently used as tools for business.

In the early 2000s, drones became an essential part of the agriculture and oil industries, and, not long after, the photography, delivery, and real estate sectors followed.

Many are surprised to learn that recreational drones only started popping up in the general public in recent years, but their popularity is growing exponentially — especially as the technology becomes more affordable. As a result, the rules and regulations surrounding drones are changing as well.

Before June 1, 2019, Transport Canada laid out regulations based on both the size and usage of the drone and its operation. As long as operators were

within the conditions listed, they did not need permission to fly their drones. Operators who had drones that weighed 25 kg or more, or who would not be operating within the conditions listed, were required to apply for their Special Flight Operations Certificate (SFOC). These regulations were based primarily on drones being used commercially and were very restrictive in what conditions were allowed.

With drones becoming more mainstream (and often being operated for recreational reasons only), however, Transport Canada needed to adjust.

Effective June 1, 2019, one of the most notable changes made by Transport

Canada was that anyone who operates a drone weighing 250 grams or more is now required to register that drone, mark it with a registration number, and get either a basic or advanced drone pilot certificate. This means that regardless of whether you are using your drone recreationally or professionally, if it's heavier than 250 grams, it must be registered. Another notable change is that Transport Canada will be handing out penalties to any individuals or corporations who do not abide by these rules.

As insurance advisors, it is our responsibility to educate clients about their risks and the insurance products available to them. Sometimes, though, we must go above and beyond to educate our clients on information beyond insurance — in areas such as regulatory change. This is particularly relevant in the case of selling drone insurance.

Most general commercial insurance policies exclude aviation exposures, including those for drone operators, manufacturers, dealers, or service providers. While some drone operators

may not consider what they do to be dangerous (some don't even consider it aviation), they are still exposing themselves to potential legal action if any damage occurs to property or a person.

As advisors, we should always familiarize ourselves with the drone insurance products available, as each insurer has different coverage options. Commonly, drone insurance policies are either an *all-risk flight and ground coverage policy*, *ground coverage only policy* or a *liability only policy*. Besides insuring your client's drone while it's in the air or on the ground, clients can also insure any disclosed payloads (like cameras) or operating devices (remote controls) to their full replacement cost. Depending on the companies you write with, endorsements such as invasion of privacy, chemical liability, professional liability, and loss of digital assets (collected data) could greatly benefit your client. It's essential to learn what the client intends on using their drone for, so that you can find the solutions that best match their needs.

An advisor's knowledge of the new rules and regulations set by the federal government is essential. Advisors should always educate their clients on these provisions prior to applying for a drone insurance policy. Both you and your client need to understand that most drone insurance policies exclude coverage when these rules and regulations are not being followed. The value you bring your client by understanding the legal requirements when flying drones, the difference between basic and advanced flight operations, how to obtain a drone pilot certificate, how to register a drone, and when your client needs to apply for an SFOC, is essential if your goal is to educate your client about their risks fully.

In short: When it comes to insurance for drones, not a lot has changed. Fire, theft, and liability risks have stayed consistent over the years. What *has* changed are the rules and regulations, and their implications. A client's knowledge of their policy exclusions and the rules and regulations set by Transport Canada is fundamental in ensuring a safe flight. 🚁



# Addressing severe weather and flooding in Canada

By Celyeste Power, Vice President – Western, Insurance Bureau of Canada

**W**ater is the new fire is a phrase that's been on the lips of many within the insurance industry. This expression took hold when the cost of water damage claims outpaced the cost of fire damage claims several years ago.

Flooding caused by severe weather affects Canadians in just about every part of the country. We've seen an increasing number of reports about floods due to heavy rainfall and rapid thawing of accumulated winter snow. Wild weather has also exacerbated wildfires, making them even more dangerous.

These conditions are not a passing phase. Experts point to an increase in severe weather as a worrying trend, and regardless of how we frame the issue, the increased frequency and intensity of the weather we're seeing, combined with an increased number of Canadians living in harm's way, ultimately affects us all.

This subject resonates with insurance professionals because it is a bread-and-butter issue for the industry. The calculation is simple: More severe weather increases risk, which equals more claims.

The concern about the impacts of severe weather is not only about dollars and cents. Severe weather events can result in disrupted lives, loss of precious possessions, and human suffering.

According to research by the Intact Centre on Climate Adaptation, at least one member of a household affected by flooding takes an average of seven days off work to deal with the problem. And, almost half of the people surveyed said that, even three years later, they feel anxious every time it rains.

A separate study shows the toll on Canadians is felt in other ways. Crisis hotline calls skyrocket after disasters, with callers exhibiting signs of PTSD and referencing suicidal thoughts.

It's in everyone's best interest that insurance professionals find ways to help people deal with this issue.

## How big is the problem?

Water-related losses are by far the costliest and most common risk that Canadian property owners face, and severe weather is driving this peril. For the 35 years up to 2008, Canadian insurers averaged about \$400 million a year in weather-related losses. But, from 2009 to 2018, they averaged roughly \$1.4 billion a year. In 2018, the insurance industry saw almost \$2 billion in weather-related losses, and, unlike other years, this figure was not inflated by a single massive event.

From an insurance perspective, a *catastrophe* is when insured losses from one event cross the \$25 million threshold. There has been a progressive increase of catastrophic events in Canada



**“Saskatchewan faces a significant level of vulnerability to severe weather and flooding. Since 2010, the province has experienced insured catastrophic losses of no less than \$75 million each year.”**

over time: Between 1983 and 1990, Canada experienced 14 catastrophes; from 1991 to 2000, the country had 33 catastrophes; from 2001 to 2010, that number rose to 47; and, from 2011 to 2018, there were 79 catastrophic events.

The government has also examined severe weather and its financial impact on Canadians. A 2016 report by Canada’s Parliamentary Budget Officer estimated that, by 2021, severe weather events will cost the federal government \$900 million annually. Most of the cost — accounting for about 75 per cent of the \$900 million — is expected to be caused by floods alone.

Saskatchewan faces a significant level of vulnerability to severe weather and flooding. Since 2010, the province has experienced insured catastrophic losses of no less than \$75 million each year. More than 40,000 of the approximately 340,000 residential properties in Saskatchewan have some risk of flooding, and there are currently about 18,000 homes at high risk of flooding.

### **What can be done?**

How does our industry help residents and communities manage these risks and facilitate resilience across the country? By encouraging everyone to do their part.

Insurers have a responsibility to provide the right products to help their customers manage and transfer their risks.

Governments have a responsibility to make necessary systemic changes to reduce that risk. Residents, meanwhile, need to be informed so they can take responsibility for improving their own resilience. This includes knowing what their risks are, and then taking measures to reduce them.

Many Canadian insurers have broadened their suite of products to include overland flood insurance for residential property owners. While this type of product is new in Canada, the Insurance Bureau of Canada (IBC) is pleased to see consumers embrace this option. Nationally, the take-up rate on overland flood insurance is 32 per cent.

IBC is also calling on the government and those in the private sector to support delivery of a National Action Plan on Flooding as part of the new National Emergency Plan approved by the federal, provincial, and territorial ministers of emergency management.

### **A plan of action**

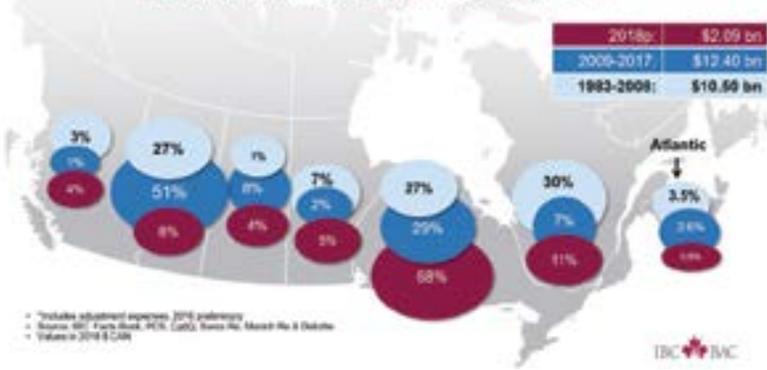
This National Action Plan on Flooding consists of three components:

#### **1. Education**

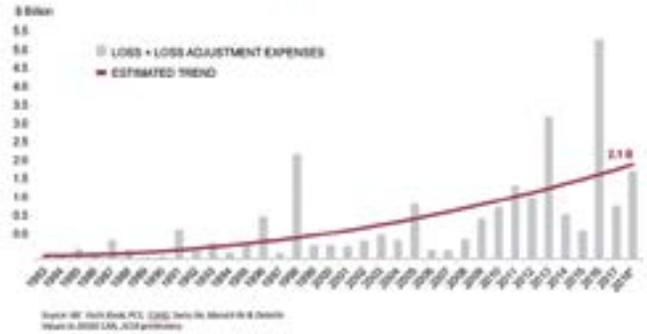
Create an authoritative flood portal that includes high-quality flood maps, designed in a way that maximizes

## Large Weather Catastrophic Losses - Canada

Insured losses CDNS - % Distribution per Prov.



## Insured Catastrophic Losses in Canada



**“For the 35 years up to 2008, Canadian insurers averaged about \$400 million a year in weather-related losses. But, from 2009 to 2018, they averaged roughly \$1.4 billion a year. In 2018, the insurance industry saw almost \$2 billion in weather-related losses, and, unlike other years, this figure was not inflated by a single massive event.”**

consumer engagement and allows Canadians to identify their properties' exposure to floods and measures they can take to better protect themselves.

### 2. Relocation and Protection

Continue collaboration between insurers and governments to improve the financial security of Canadians at high risk of flooding by:

- Providing government financial assistance to relocate those few homes at highest risk of repeated flooding;

- Targeting priority infrastructure investments in the highest-risk areas to protect as many people as cost-effectively as possible; and
- Developing high-risk insurance pools for those residents remaining in high-risk areas, to ensure they have access to affordable insurance.

### 3. Amendment of Land-Use Rules

Amend land-use planning and permitting processes across Canada to prohibit development on flood plains. There is no rationale for continuing to place Canadians in harm's way at a future cost to taxpayers.

Strategies like IBC's National Action Plan on Flooding can be effective in combatting the effects of severe weather, especially as conditions increase in frequency and intensity; however, it is important to recognize that any strategy we employ depends greatly on our ability to collaborate and make solutions work to the benefit of all Canadians.

*Celyeste Power is the western region vice president with the Insurance Bureau of Canada, where she oversees all government relations pertaining to the P&C insurance sector in Saskatchewan, Alberta, and Manitoba. #*



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# Saskatchewan, by the numbers

By Derek Lothian, CEO, Insurance Brokers Association of Saskatchewan

*Here's a quick recap on how Saskatchewan's economy has performed through the first half of 2019, and what to look for in the months ahead.*

## Capital Investment

Total capital investment in the province is forecast to taper off in 2019, dipping 3.6 per cent on the year to roughly \$14.9 billion. This would be the lowest spend since 2010, driven, in part, by the completion of major resource development and infrastructure projects (such as the Regina Bypass) as well as lackluster business confidence backdropped against a federal election.

## CPI vs. GDP

Inflation — as measured by the Consumer Price Index (CPI) — edged upward 1.6 per cent in the second quarter over the first three months of 2019. That's 2.1 per cent higher than Q2 a year ago. Most pundits pegged Saskatchewan's economy to expand between 1.8 and 2.2 per cent this year; keep an eye on whether the CPI ends up outpacing the GDP — in practical terms, that would signal inflation actually grew faster than economy.



## Exports

Despite a 5.1 per cent drop in June, merchandise exports held strong through the first half of the year — up 0.4 per cent over 2018. Energy products, which comprise just shy of a quarter of all merchandise exports, were amongst the hardest hit, diving 14 per cent. The strength of Saskatchewan's economy in Q3 and Q4 may ultimately be determined by how well the province navigates lingering trade instability and market access challenges (think China), especially for agricultural products.

## Retail Sales

Retail sales hit their lowest point in three years this past February but managed to regain some of the ground lost through the spring, finishing the first half of the year down only 0.8 per cent compared to 2018. Motor vehicle dealers in particular have felt the pinch. First-half revenues softened 5.7 per cent year-over-year, while the number of new vehicles sold decreased 2.3 per cent.

## Construction

There were 832 housing starts in Saskatchewan through the first six months of 2019 — 42 per cent fewer than in 2018. The value of residential building permits, meanwhile, fell by 23.4 per cent. One ray of hope has been in commercial construction; the value of commercial permits rose 32.3 per cent over the same timeframe.

## Manufacturing

Saskatchewan manufacturing sales declined 6.2 per cent through the first half of the year compared to 2018, although employment in the sector bumped up by roughly double digits. This is due largely to a rebound in a handful of job-intensive sub-sectors. Fabricated metal product manufacturing, for instance, although representing a relatively small portion of overall output, rose by 36 per cent year-over-year.

## Business Optimism

According to the Canadian Federation of Independent Business, optimism amongst Saskatchewan small business owners improved in June to an index of 54.5 — up 5.4 points from May. The index is still seven points below the national average, however, with insufficient domestic demand identified as the main operating challenge. An index above 50 indicates more owners expect performance to be stronger over the next year than weaker.

## Unemployment

Saskatchewan ended the second quarter with a June unemployment rate of 5.1 per cent. That was the second-best month since August 2015 (the first being March 2019 at 4.9 per cent). Combined with six consecutive month-over-month declines in the number of employment insurance recipients and strengthening earnings numbers, it would be fair to say Saskatchewan's job market has met — or perhaps even beaten — expectations on the year. 🇩



# CYBER INSURANCE



## Let's get digital

By Pete Tessier, Host, [TheInsurancePodcast.com](http://TheInsurancePodcast.com)

**A**s insurance brokers, we've been inundated in recent years with the concept of becoming more digitally enabled. But, if you chip away from all the hype and hysteria, what does it actually mean to be a *digital broker*?

The binary language that sequences together ones and zeroes to perform computerized functions has been around for decades. And, as technology has evolved, so too have the different applications for this 'digitization.' Clocks were once perhaps the only digital device in many brokerages; now, every aspect of your operations relies on some degree of digital sophistication.

Of course, the pressures to accelerate the advancement of digital systems are hitting brokers from every angle. It can be overwhelming. Between real-time connectivity with carriers, e-commerce enabled websites and mobile apps, and business efficiency solutions, it is difficult for many brokerages — especially those that are small- and medium-sized — to know where to start and direct their limited resources.

My advice is to borrow from Simon Sinek and *start with why*. Ask yourself: *What problem am I trying to solve?* It is important to remember that technology is in itself only a tool — it is not to be confused with a business plan. So, before you invest your time and hard-earned dollars, ensure you have full clarity on what you're trying to accomplish, and that you have a strategy aligned to your overall business objectives.

Not every problem needs or should have a digital remedy, either. I've seen

far too many companies waste good money chasing after bad. For example, building a website with certain self-serve features may not achieve anything of substance if your customers don't want or need that service. Nor will it be effective in attracting new customers if you don't have a defined marketing plan (with the necessary funds) to support it. Understanding the issue holistically, and from all sides, requires some research and honest evaluation.

### Improving the customer experience

For most brokerages I come across, the ultimate lure of digitization is in the promise of new clients. The real question is: *Is the juice worth the squeeze?*

Alyson Shane, a digital marketing expert with Starling Social, has a great line. She says, "If you build it, they will come" does not work in marketing." The corollary to that quote comes from Jeff Roy, CEO of Ontario-based Excalibur Insurance Group, who says, "If you do not build it, they may *never* come." Somewhat paradoxically, both are true and accurate statements, and are completely relevant to an insurance brokerage building any outward-facing digital service.

One of the most important aspects of the broker value proposition to keep in-mind is the interaction brokers have with their customers. That interaction consists of communication, service, and care, which (hopefully) leads to a two-way relationship built on trust. Just as brokers want their customers to trust their advice and expertise, the converse must happen — brokers have

to trust the requests of and feedback from their clients. Brokers, however, have traditionally lagged behind other industries when reaching out to their customers and soliciting input to improve service and offerings.

This is, in my opinion, the best conversation to have to begin formulating a digital strategy: *What do your customers want to experience?*

If technology can improve upon that experience, you must then understand the potential cost and return, as well as the potential financial implication of alternatives, including not changing from the status quo. Do you know how much it currently costs your brokerage to acquire a new client? How will that change with the implementation of a digital solution?

In considering any digital initiative, I find it helpful to initially work with clients you know well. You get quality feedback in a low-risk environment, while validating a real pressure point. Technology adoption is most successful when it's built around solving tangible issues you're having today — not ones you are told you might have in the future. This approach also helps brokerages evaluate whether the investment makes sense.

Case in point: How many brokers already struggle with payment efficiency within their offices? With all the various ways insurers request — or, rather, *stipulate* — payments to be made, how many have a fear of letting 'their customers' interact directly with an insurance company? Payment by a broker's clients should be one of the top friction points to consider. No client

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should be presented with barriers or roadblocks when paying — they only aid in creating suspicion and the erosion of trust. Technology can help.

### **How much is too much?**

How does an insurance broker know where to start or when to stop with online services?

Let’s look at what digital or online services are: *Content*. A web service, such as portal entry to a broker’s customer relationship management database, has to be populated with content. A quoting engine has to be populated with content — and, in this case, very accurate content. Obviously, a website has to be populated with content, but content that is relevant to your current and future customers. What resources are needed to manage this content? Now, what resources need to be allocated to marketing and promoting the new service? Is there education and training required for both staff and customers?

Being digital is not a daunting task; however, it is one that can suck resources and funds very quickly with no meaningful results. The move to a digital service model requires a strategy and certainly some advice and guidance from experts in that field, or from others who have ‘been there and done that.’ It is better to spend a little beforehand to develop a sustainable strategy than it is to spend a lot afterward to fix a bad (or absent) strategy.

If you’re just venturing out on your digital journey, start small. Tackle one, defined problem that a digital solution can address with defined value. Measure your results. Then, adjust and repeat.

Rome was not built in a day, and neither will any broker’s digital strategy.

*Pete Tessier is the founder, host, and producer of TheInsurancePodcast.com. He is a past president of the Insurance Brokers Association of Manitoba, a former board director with the Insurance Brokers Association of Canada, and has served on both the General Insurance Council of Manitoba and the SGI Strategic Broker Task Force. #*



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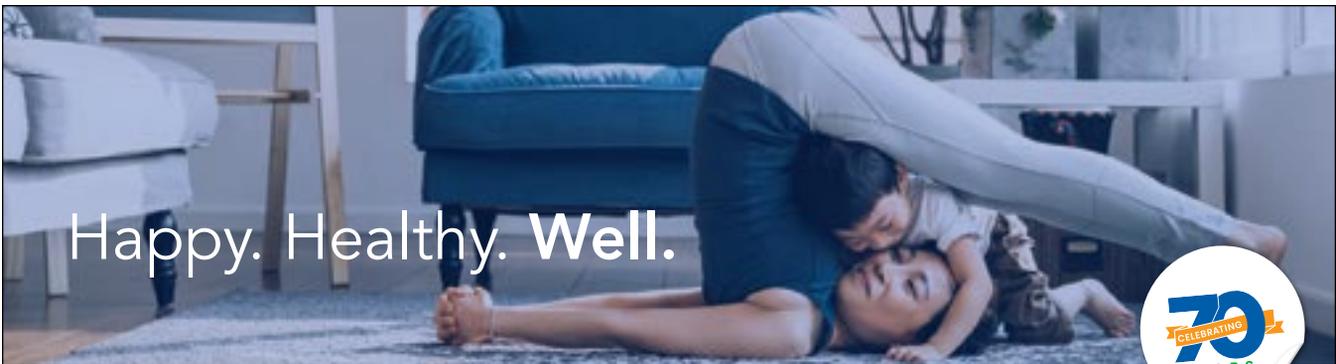
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# Sage, Swiss Re add D&O liability coverage to the IBAS Member Insurance Program

By SaskBroker Magazine Staff

In September 2018, IBAS entered into a service agreement with Sage Advisor Resources — a subsidiary of the Insurance Brokers Association of Alberta — to deliver the association's longstanding errors and omissions (E&O) insurance program in Saskatchewan.

This partnership allowed member brokerages that purchased insurance under IBAS's previous for-profit entity, IBCO Services, to continue their coverage through Westport Insurance Corporation (Swiss Re), while having access to a larger, full-service team of professional advisers. More than 30 per cent of IBAS members already take advantage of this confidential, competitively priced member service.

To further enhance member value, Sage Advisor Resources is now offering directors and officers (D&O) liability coverage — including fiduciary liability protection — directly to IBAS members. Also provided through Swiss Re, this coverage is designed to complement the popular E&O coverage, and is available only to brokerages that also hold an E&O policy through the IBAS Member Insurance Program.

D&O premiums start at \$1,200 for \$1 million of indemnity coverage, with a separate \$1 million dedicated limit for defence expenses. The maximum indemnity limit offered is \$5 million and the expense limit maximum is set at \$2 million.

Here are a few reasons why D&O coverage for brokerages is so important:

- **Personal wealth protection:** Directors and officers (even of small brokerages) can be held personally liable for claims and, therefore, risk their individual financial security. D&O insurance can protect the personal assets of directors and officers, their spouses, and estates. Often, brokerage assets are closely tied to the personal wealth of management, making protection for claims brought against the entity extremely vital.
- **Indemnification supplement:** A brokerage's bylaws may state that the corporation shall indemnify its directors and officers, but that does not guarantee the brokerage will have the resources to do so. Further, the brokerage may not legally be able to indemnify directors

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and officers even if the resources are available. When a company cannot indemnify its directors and officers, D&O insurance can step in instead.

- **Balance sheet protection:** Allegations against directors and officers can be costly, even when they are frivolous, unfounded, or lack merit. Complex claims, such as shareholder suits, anti-trust allegations, and merger objection claims can generate sky-high defense and settlement costs that could have a negative impact on the brokerage’s financial profile and viability to continue as a going concern. A D&O policy can absorb these types of costs.
- **Vast potential claimant pool:** Directors and officers can be sued by shareholders, competitors, creditors, customers, and employees. Moreover, claimants can

include federal and provincial agencies who can initiate investigations that have the potential to generate a host of issues, ranging from large defence costs to unflattering publicity and negative effects on a brokerage’s brand.

- **Bankruptcy and insolvency protection:** During an economic or industry down cycle, there is potential for bankruptcy resulting in creditor suits and bankruptcy trustee claims against board members. Claimants can seek restitution at the expense of the individual director or officer. When a company is insolvent and can’t indemnify the board, a D&O insurance policy is the last line of defence for directors and officers.
- **Affordability:** D&O insurance is very affordable coverage when compared to the cost of defending litigation and paying settlement values. ‡

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# SMI names new president and CEO

By Krista Clark, Editor, SaskBroker Magazine

Saskatchewan Mutual Insurance (SMI) has a new chief executive at the helm.

Shelley Willick, who previously served as SMI's senior vice president of operations, replaced the retiring Laura Wiebe as president and CEO, effective July 15.

Willick brings to the role a 25-year career with the company. She began in June 1994 as the accounting manager and worked her way up to the position of vice president of finance and administration in 2009. She was promoted again in 2017, assuming oversight responsibilities for underwriting, marketing, claims, and business intelligence activities.

"I am honored and excited to have been given the opportunity to lead this dynamic organization," says Willick, who holds a commerce degree from

the University of Saskatchewan. "There are exciting changes occurring both at SMI and in the industry. SMI has an excellent team of people working together to provide security and peace of mind to our policyholders and I am looking forward to working with them



to navigate through our organization's next chapter."

In addition to Saskatchewan, SMI also operates in Alberta and Manitoba, with total annual direct written premiums across the three provinces of nearly \$77 million.

While the business is more than 110 years old, Willick believes the same fundamentals that made SMI successful over its lengthy history will continue to guide it through its next transformation.

"SMI has been successful as a small, regional player by remaining a steady, financially sound market for its broker force, and by providing competitive products at competitive prices," she says. "Our 'mutuality' allows us to take a longer-term view of strategy, risk appetite, and investment. It allows us to stay close to the market. And it is a strength that we will continue to embrace." #

"Our 'mutuality' allows us to take a longer-term view of strategy, risk appetite, and investment. It allows us to stay close to the market. And it is a strength that we will continue to embrace."

## Get to know the CEO

**Where do you call home?** I call Mortlach my hometown. My parents grew up in the Mortlach area and we moved to a farm just outside of the town when I was nine.

**What made you decide to pursue a career in insurance?** Like many people, I just fell into an insurance career. In 1994, I had recently completed my CPA designation and was working for a public accounting firm. I had decided that public accounting was not for me when I saw an opening at SMI. At the time, I did not know much about insurance, but 25 years later, I am very happy that I joined the industry. There is always something new to learn.

**What's your favourite Saskatchewan destination?** My favorite place right now is our cabin at Wakaw Lake. The summer nights with beautiful sunsets are very relaxing and in the winter it is very peaceful.

**When you're not working, what can we find you doing?** I enjoy spending time with my family playing cards and games. Reading and watching sports are favourite pastimes as well.

**Do you have a morning ritual?** Not really, although, like a lot of people, I do like to start the day with either a cup of coffee or a cup of tea while checking my e-mail.

**What is one thing you still do the 'old fashioned' way?** We still have a landline at home, and I am hesitant to get rid of it and move to just a cell phone.

**Most importantly: Cats or dogs?** Growing up on a farm, we always had both. While kittens are very cute, I prefer dogs. We currently have a toy poodle named Jinx who makes us laugh each and every day.

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# Wynward cultivating a new niche in the cannabis industry

By SaskBroker Magazine Staff

**T**he legalization of recreational marijuana in Canada is coming up to its one-year anniversary. And while the industry is, in many ways, still budding, the latest, second-quarter figures from the federal government validate the economic opportunity that many investors and entrepreneurs have been seeing for some time.

According to Statistics Canada, 134,000 Saskatchewan residents used cannabis at least once between the months of April and June of this year. Nationally, that number is nearly 4.9 million, with a total, three-month household expenditure of \$1.5 billion. An estimated three-fifths of the total consumption, however, was purchased through unlicensed sellers.

Nevertheless, there's no denying the licensed production and sale of cannabis has now firmly taken root.

For Wynward Insurance Group, those early signs of progress are no surprise. In fact, they were anticipated three years ago when the carrier first decided to enter the cannabis marketplace. According to Vice President of Underwriting and Chief Risk Officer, Cheryl Madden, it was a natural synergy given the company's century-long history in farming.

"It looked like it was going to be the perfect fit for us, as a lot of these risks are really agricultural accounts, and we have a fairly large commercial agricultural book in Canada," she says.

To aid along its journey, Wynward turned to U.S.-based Next Wave Insurance — a managing general agent that was originally founded for the exclusive purpose of providing coverage to the cannabis and hemp industries. That partnership allowed Next Wave to gain traction north of the border and helped Wynward

**"Some of the usual type of property covers don't necessarily address cannabis. It's important to make sure the whole definition is addressed properly to understand how the property is valued, depending on whether it's in the seed stage or whether it's in the final product."**



become one of the earliest providers of a broker-distributed solution.

Yet, it was not without its hurdles. In the months leading up to legalization, each province adopted its own set of regulatory frameworks, which prompted slow, careful planning in the development of policy wordings. A product was finally released in September 2018, targeted at businesses operating throughout the cannabis value chain from 'seed to sale,' including growers, specialty product manufacturers, and retailers.

"We have the property covered with \$70 million in capacity and have access to additional capacity on top of that," explains Madden. "That covers everything from growing stock indoors, to the physical structures and business interruption coverage. And, with the legalization of cannabis edibles is coming in October 2019, we are fully prepared for the expected ongoing growth in this space."

Product liability, product recall, equipment breakdown coverage, commercial general liability, and full crime cover are included as well, though the industry-specific property component is particularly crucial in this coverage.

"Some of the usual type of property covers don't necessarily address cannabis," says Madden. "It's important to make sure the whole definition is addressed properly to understand how the

property is valued, depending on whether it's in the seed stage or whether it's in the final product."

Perhaps the next hurdle for the cannabis market is supply. Demand is outpacing production in many parts of the country, and that is, in turn, creating challenges for insurers.

Madden points to a high volume of accounts either not yet in production, or where production capacity is gradually being brought online. Growing facilities tend to be much larger in Canada compared to the United States, requiring more time to prepare and scale.

As a result, Madden expects more competition will come from other insurers eventually, although she believes that being quick-to-market and nimble will have its advantages.

"Innovation is at the heart of what makes Wynward stand out as an industry-leading commercial insurance provider across the country," adds Madden, noting that Wynward will be celebrating its 100th anniversary in 2020. "Brokers need a quick turnaround on their quotes and on their coverage, and we understand some markets have still not made decisions on what they want to do in this space."

"It'll be an evolution, I'm sure, for years, but we won't rest on our laurels." #



# 5

## ways to remain relevant on social media

By Krista Clark, Editor, SaskBroker Magazine

### 1 - Tag, you're it!

Social media offers a great way to, well, be social. Use it to connect with others. It's not meant to be a megaphone — participate in two-way conversations. And, if you have targeted content you want specific people to see, tag them. You don't need to be smiling next to someone in a picture to tag them in your post.

### 2 - Don't be a robot.

There are many applications out there (HootSuite, TweetDeck, etc.) that allow you to 'schedule' social media posts for when you won't be around your computer or phone. This is a great way to plan and maintain an online presence. That said, if your posts sound too generic, or if you're relying on this function too often without being interactive, your followers will just scroll past.

### 3 - Timing is everything.

Although it may seem that today's generation walks around with a phone in front of their faces 24/7, there are specific times that are proven to attract more online traffic and visibility than others. The best time to post online is between 11 a.m. and 1 p.m. on weekdays. This is due to the consistent lunch break that most people have — it's a virtual guarantee they will log onto social media to do some light reading.

### 4 - #Hashtag this.

Believe it or not, there is a purpose behind those random #one #word #hashtags. Of course, some users don't always place it properly (hint: don't use it for every word), but using a hashtag gives your company a greater opportunity to be found by the social media savvy. For example, ending an Instagram post with your city's name (#regina or #yqr), allows for your post to be found by anyone who has searched for Regina on the app. Know your audience, and get to know what hashtags they use.

### 5 - Ditch the newsletter.

The truth is that most e-newsletters are done poorly. You know this, because chances are you receive a few a week yourself. And do you read them? Fat chance. If you're the exception, fine, but make sure you're being honest and that you have the data to prove it. Otherwise, consider replacing it with efforts to scale up your social media accounts. Facebook and LinkedIn allow for larger posts that may help make the transition more seamless.



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Should you wish to contact Doug Kitsch, please refer to the following information:

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## SGI embracing the new frontier

**T**he future is coming, and quickly. Our industry is in the midst of change with many new advances on the horizon. One of the main drivers of this change has been the evolution of technology and the disruption caused by it. The digital world has amplified customer expectations in all industries, and that includes insurance.

To help us meet these changing needs — and help our broker partners, too — SGI CANADA has embarked on a major company-wide transformation, taking place over the next three years. This includes exciting internal and external initiatives to help us modernize our company and take advantage of the opportunities coming our way.

We know we need to be more innovative and resourceful to respond to your needs. That means changing the way we do business, by boosting our technical capabilities, and fostering a culture of leadership and growth amongst our staff.

On the technical side, we've partnered with Microsoft Canada to conduct a full modernization of our internal systems. The team from Microsoft is working with us to build a strong, custom-fit solution that will help us innovate now and into the future. We can anticipate many of our future needs, but there will be changes we won't see coming — and we feel it's important to be prepared for those as well.

As they help us transform, the team from Microsoft is also transferring their knowledge to our staff so we can support these new systems. It's crucial that our teams have the right tools to support these systems and the ability to make changes in an agile manner, to improve our products and processes, and respond to your requests.

We're giving ourselves the ability to innovate — and that will help you innovate as well. Our broker partners have requested more seamless integration with their systems and this technology will help us do that.

This brings us to the second facet of our project — our cultural transformation. Our entire SGI CANADA team is working to adopt an agile method of production. The agile method is about adapting quickly and making changes in small increments, rather than large chunks. This is a more responsive way of operating and we're excited to implement it. It will help us make the changes you request in a matter of days or weeks instead of months.

There's a lot of change happening right now at SGI CANADA, but don't worry — we're still actively supporting our brokers. We're mindful of the need to bring you value-added support and continue to work on projects that will serve you better.

Here are some of the broker-focused projects we're currently working on:

- We're partnering with Trufla Technology to help you better connect with customers through digital marketing tactics, with practical guidance on web design, mobile apps, online advertising, and lead generation;
- We're partnering with CSSI and Keal to exchange data in real-time with the TBW and SIG broker management systems. This will allow you to quote, submit, and issue business for our products without having to leave your own BMS to enter additional information in a portal. We've completed our pilot project and have started to roll out this program to TBW brokers; and
- We're partnering with Instanda on a broker portal called ValueQuote. This portal is designed to digitize our commercial Value Pak products. We've piloted this portal with brokers and have had a great response. We're using feedback from the pilot project to fine-tune the tool and we'll be making it available to all brokers in the near future.

It's a bold new world we're entering into, and we're just getting started. We'll continue to share updates with you as we navigate this new frontier.

# Excelling in your career starts here.



## Programs we offer include:

- ▶ Broker licensing - General Level 1 and Restricted Auto
- ▶ Chartered Insurance Professional designation | **CIP**
- ▶ Risk Management & Commercial Insurance certificates
- ▶ Continuing education seminars & networking events

Propel your insurance career forward by arming yourself with leading-edge insurance education from the industry's most respected source: the Insurance Institute. With a curriculum that includes technical, professional, and soft skills training, you can acquire valuable skills through a variety of flexible learning formats. Get crucial knowledge that will impact your work every day.

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# Classifieds

## Brokerages for Sale

### North West Agencies

North West Agencies, located in the thriving community of Buffalo Narrows in northwest Saskatchewan, is for sale. The owners are eager to sell this turn-key operation, which includes the business, building, and equipment.

Please contact:  
Charlie Seright  
North West Agencies  
Box 159  
Buffalo Narrows SK S0M 0J0  
306-235-4684  
nwagencies@sasktel.net

### Confidential

Located in northwest central Saskatchewan. Well-established brokerage, including contracts with SGI CANADA, My Mutual Insurance, and Saskatchewan Blue Cross. Motor Licence Issuer; hail and livestock insurance markets. Currently employs two licensed brokers and one administrative staff. Sale is to include building, equipment and book of business. Owner is looking to retire from this lucrative, progressive, turn-key business.

Insurance Brokers Association of Saskatchewan  
Please reference *Classified A* in the subject line  
communications@ibas.ca

### EMTA Agencies Ltd.

Insurance brokerage in southwest Saskatchewan community for sale. Located one hour from major centers. Sale includes SGI book of business, licence issuer, lottery terminal, and Sask. Liquor vendor.

Please contact:  
Earl Haubrich  
EMTA Agencies Ltd.  
104 Main Street  
Box 129  
Hodgeville SK S0H 2B0  
306-741-9005  
emta@sasktel.net

## Career Opportunities

### Commercial Agricultural Insurance Producer

Rempel Insurance Brokers has established itself as a professional commercial insurance provider. We have an exclusive insurance product we wish to promote to the Saskatchewan agricultural community. We are looking for a dynamic individual for the role of Saskatchewan-Based Account Executive; flexibility to work from home and travel to provide service to clients across Saskatchewan.

#### Responsibilities:

- Marketing an exclusive agricultural insurance product;
- Developing relationships with customers and insurers; and
- Building a book of business: Agricultural-related businesses, farms and commercial.

#### Qualifications:

- Level 2 Insurance Licence;
- Agricultural industry and insurance industry experience;
- Ability to work independently and as part of the team;
- Strong organizational skills, self-motivated, goal-orientated; and
- Excellent communication and negotiation skills

Forward resume to [info@rempeinsurance.com](mailto:info@rempeinsurance.com)

### Commercial Lines Broker

Prince Albert Insurance is looking for a Commercial Lines Broker. As the successful candidate, you will use your industry experience and customer service focus to provide superior service to our clients. Your previous sales and customer service experience, combined with your ability to adapt and thrive in a fast-paced team environment, will be essential to our success.

#### Qualifications include:

- General insurance Level 3 licence;
- Ability to maintain an existing commercial book of business;
- Ability to provide exceptional customer service;
- Talent to grow and develop relationships with our existing clients, new clients, industry-related associate, and our community; and
- Ability to suggest and implement standardized best practices procedures.

Please reply in confidence to:  
Ron Wesolowski  
Prince Albert Insurance  
499-15th Street East  
Prince Albert SK S6V 1G1  
[pa.insurance@sasktel.net](mailto:pa.insurance@sasktel.net)

### Personal Lines Broker

In this role, you will use your industry experience and customer service focus to provide superior service to our clients. Your previous sales and customer service experience combined with your ability to adapt and thrive in a fast paced, team orientated environment will be essential to success. Only those candidates whose background and experience most closely fit the needs of the position will be contacted.

#### Qualifications include:

- General Insurance Level 1 minimum;
- Your ability to maintain an existing book of business and writing new personal lines policies;
- Your ability to provide exceptional customer service;
- Your talent to grow and develop relationships with our existing clients and new clients; and
- SAM/MVD experience is an asset.

Please reply in confidence to:  
Debbie Clark  
Prince Albert Insurance  
499-15th Street East  
Prince Albert SK S6V 1G1  
[debbie@princealbertins.net](mailto:debbie@princealbertins.net)

### Commercial Lines Broker

Dalmeny Insurance is looking to hire a new Commercial Lines Broker. As the successful candidate, you would work in a busy, small-town office with a great team under the supervision of our office manager. Your primary focus would be our commercial and farm book of business and, as such, we are looking for an experienced broker with a minimum of Level 1 licence. You would also assist with some personal lines insurance as well as SGI motor licence issuing, so great customer service is a must. This is a permanent position beginning as part-time with the possibility to grow to full-time. Please reply with resume to [dalmenyinsurance@gmail.com](mailto:dalmenyinsurance@gmail.com).

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all Classifieds  
submissions to  
[communications@ibas.ca](mailto:communications@ibas.ca)

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