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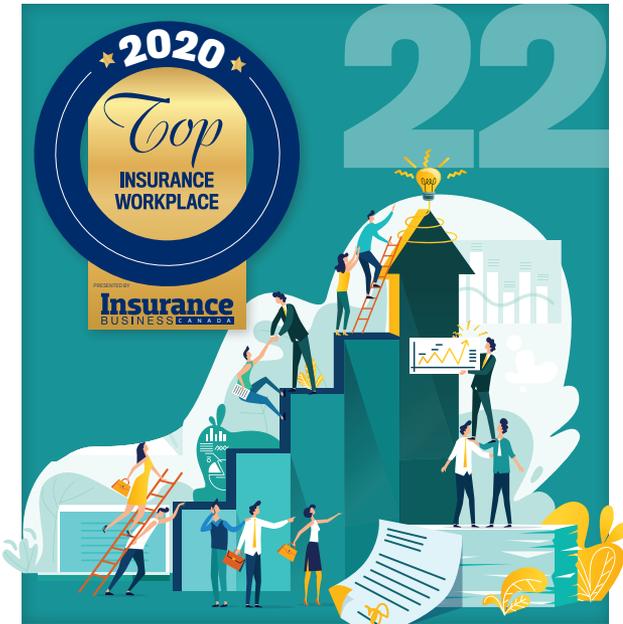


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Prioritizing mental health

Take a moment. Take a breath. It's human nature to sometimes need to step away from a situation and restore our mental health. It's not always easy to escape our mental demons – especially when they're triggered by something as complex and overbearing as a global pandemic – but it's something we all need to do, and it's something all employers must acknowledge.

The coronavirus has disrupted life as we know it, causing mass uncertainty, distress and anxiety. On top of questions pertaining to the virus itself, people around the world are trying to get by on reduced hours and wages while also caring for their families, homeschooling their children and hitting pause on normality by social distancing.

The COVID-19 pandemic, while the dominant force shaping our lives today, has only exacerbated an issue that has been top of mind for many organizations, including those in the insurance industry, for some time, which is that it's in everyone's best interest when people are as mentally healthy as possible.

Happy and healthy employees are typically more engaged and more able to perform to their best of their ability

It's not just systemic events like pandemics or natural catastrophes that put a strain on mental health; often, the triggers are much more personal and can be tied to an individual's perceived identity. That's why it's critically important for companies to embrace differences and to allow employees to be their authentic selves in the workplace.

In September, Dive In – the festival for diversity and inclusion in insurance – welcomed more than 10,000 insurance professionals from around the world to virtual events focused on the development of inclusive workplace cultures. Many inspiring personal stories were shared, including one of a transgender woman in the US who suppressed her true identity for decades and suffered several mental health crises and an attempted suicide as a result. When she introduced her authentic self to the world and the workplace, her mental health improved dramatically – and so did her professional performance.

The business case for supporting a mentally healthy workforce is simple: Happy and healthy employees are typically more engaged and more able to perform to their best of their ability than those who are struggling with their mental health. Although it might be hard to quantify, this will inevitably have a positive impact on a company's bottom line over time, making prioritizing mental health a win-win scenario.

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STATISTICS

■ BROKERS SUPPORT SEMI-EXCLUSIVE PARTNERSHIPS



42%

Brokers that have a semi-exclusive insurance partner



71%

Percentage of those semi-exclusive relationships that were formalized less than six years ago



5.4 years

Average length of a broker's relationship with a semi-exclusive partner



96%

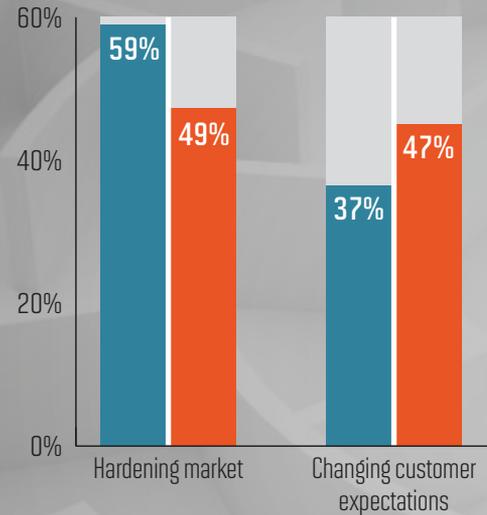
Brokers who said they are supportive of their semi-exclusive partners

Source: Unica 2020 Insights Program Broker Survey Topline Report

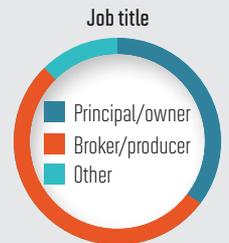
■ CANADIAN BROKERS FACE EVOLVING CHALLENGES

The top challenges for Canadian brokers have shifted over the past five months, according to Unica Insurance's 2020 Insights Report, which polled 253 brokers across Canada. Between April and October, the number of brokers concerned about changing customer expectations went up by 10%, while those concerned about a hardening market fell by 10%. Those who were troubled by the hardening market were primarily commercial lines brokers (61% listed it as their top concern), while personal lines brokers were more likely to be worried about changing expectations (59% named it as their top concern).

While the survey didn't directly ask brokers about the COVID-19 pandemic, one challenge that saw a notable increase in concern between April and October was 'slow growth,' which could be an indirect effect of the pandemic bringing down the economy at large.

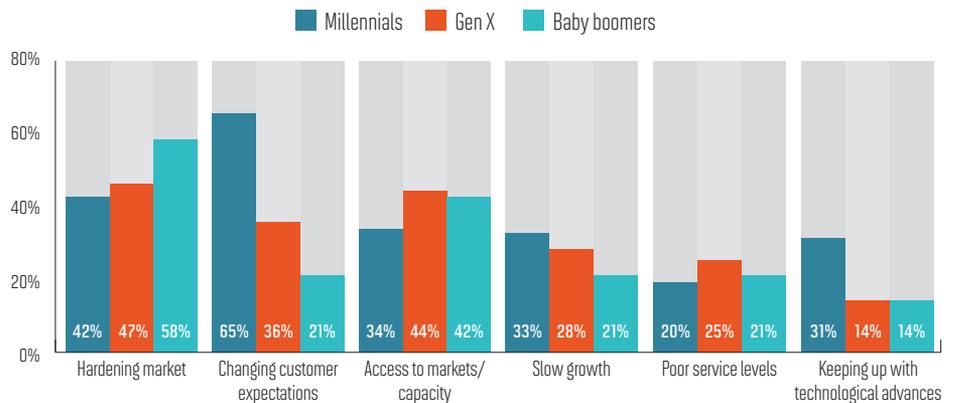


SURVEY RESPONDENTS AT A GLANCE



■ TOP CONCERNS BY GENERATION

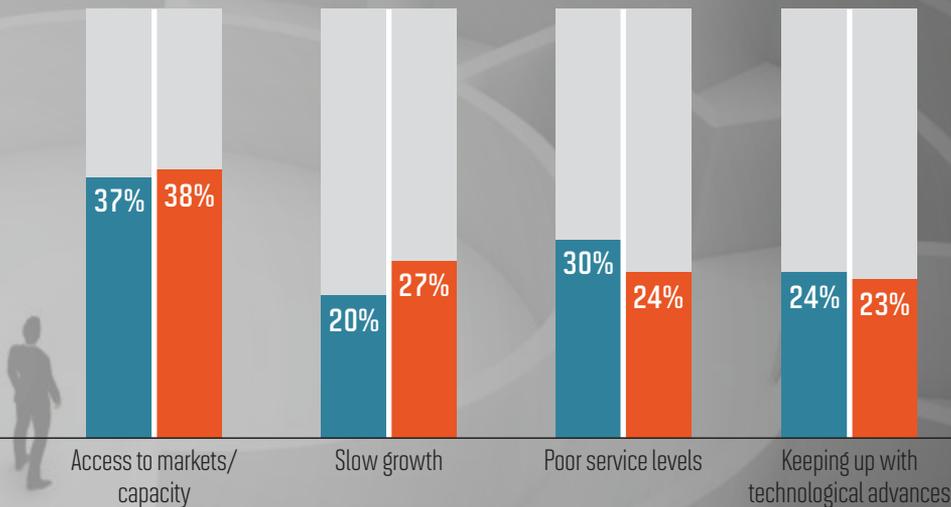
The millennial brokers surveyed by Unica were much more concerned about changing consumer expectations than their boomer and Gen X counterparts, while boomers seemed more preoccupied with the hardening market. Nearly a third of younger brokers (31%) also identified keeping up with technological advances as a major challenge, compared to only 14% each for boomers and Gen Xers.



Source: Unica 2020 Insights Program Broker Survey Topline Report

THE BIGGEST CHALLENGES FOR CANADIAN BROKERS BEYOND COVID-19

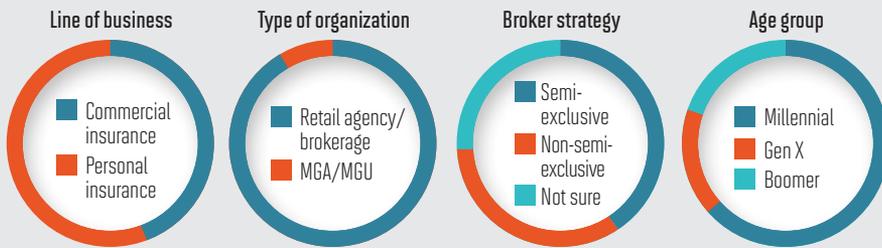
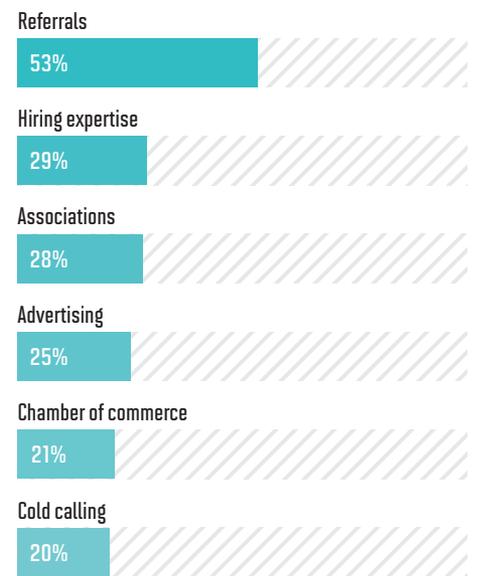
■ April 2020 ■ October 2020



AN APPETITE FOR METAL MANUFACTURING BUSINESS

A large majority of brokers with metal manufacturing clients told Unica they are pursuing additional business in this line. More than half of these brokers, especially smaller ones, cited referrals as the top method of gaining additional business in the segment.

BEST WAYS TO GAIN NEW METAL MANUFACTURING CLIENTS

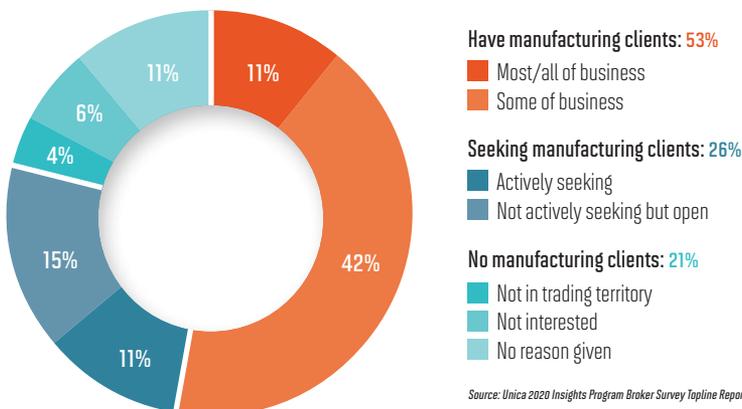


Source: Unica 2020 Insights Program Broker Survey Topline Report

Source: Unica 2020 Insights Program Broker Survey Topline Report

MOST BROKERS OPEN TO MANUFACTURING RISKS

More than three-fourths of the brokers Unica surveyed either have clients in the manufacturing industry or are open to writing risks in this area. Most of those who have manufacturing clients are focused on commercial (68%), are MGAs (63%) and are located in the Eastern provinces (70%).

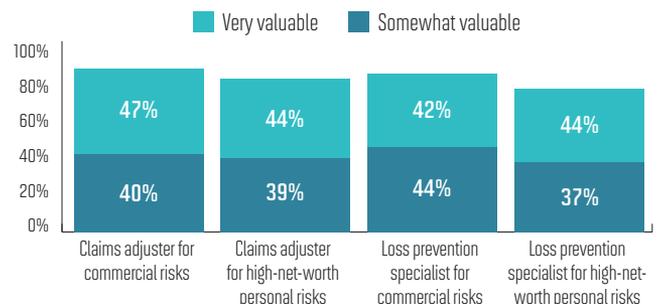


Source: Unica 2020 Insights Program Broker Survey Topline Report

THE VALUE OF CLAIMS AND LOSS SPECIALISTS

A large majority (more than 80%) of the brokers Unica polled believe that claims adjusters and loss prevention specialists are valuable for both commercial and high-net-worth personal lines. Those with manufacturing clients are more likely to value these specialists than those without.

HOW VALUABLE ARE CLAIMS ADJUSTERS AND LOSS PREVENTION SPECIALISTS?



Source: Unica 2020 Insights Program Broker Survey Topline Report

Insuring geopolitical instability

Between trade war threats, civil unrest and divergent responses to COVID-19, the global geopolitical landscape is more uncertain than ever. So how are insurers approaching political risk right now?

THE GEOPOLITICAL climate is the most turbulent it has been for several decades. From the threat of a full-scale trade war between China and the United States to the rise of global movements protesting matters from racial injustice to climate change, the current global political environment has no shortage of contentious issues.

The evolution of political risk over the last six months has been driven by the COVID-19 pandemic and the response to it, says Jeremy Shallow, head of specialty at ArgoGlobal.



“From an insurance perspective, the general concern is the political instability element of the [COVID-19] crisis”

Tarun Chopra, Clements Worldwide

While on some levels, the crisis has created a sense of the world uniting against a single ‘enemy,’ it has also been used as an opportunity for attack, Shallow points out, and the impact on people’s sense of security has been significant.

“From an insurance perspective, the general concern is the political instability

element of the crisis,” says Tarun Chopra, president and CEO of Clements Worldwide. “The pandemic and the response – or the lack of response, depending on the country and the region – is putting a lot of pressure on governments, economies and households. This originally started with the perceived shortage of food, where there were lines of people looking to stock up, and then its impact on jobs and medical supplies. And that creates a source of political discontent and, in some cases, civil unrest.”

When examining the current geopolitical landscape, there’s no denying the impact of COVID-19, says John Minor, national practice leader for political risk at Aon. The pandemic has had a profound and severe impact on virtually every economy in the world. In addition to the staggering loss of life, it has impacted everything from health-



care infrastructure to economic production.

“COVID has led to an unprecedented amount of government interference on economies,” Minor says. “That has had a huge impact on the geopolitical landscape. So, at least in the immediate short term, over the last six months, governments have intervened by shutting down aspects of the economy and forcing people to stay at home and businesses to shut down. And that has had a huge impact on a lot of economies around the world.”

Minor says the immediate impact of government intervention in economies is being seen right now. In the long term, however, the question remains how this will continue in certain countries, particularly those that have elected populist leaders promoting protectionist policies.

“In a way, COVID takes the more unseemly aspects of this to create a fear of the outsider, and so it almost reinforces an isolationist kind of mentality and sentiment,” Minor says. “And it really bolsters those populist and nationalist



THE EVOLVING GEOPOLITICAL RISK LANDSCAPE

According to Export Development Canada, the top 10 global risks facing Canadian businesses include:

-  A prolonged COVID-19 pandemic
-  Global competition between the US and China
-  Global protectionism
-  The rapid rise of sovereign debt
-  A seismic surge in global corporate debt
-  A global depression
-  Political paralysis in America
-  US isolationism
-  Sweeping social unrest
-  Cyber war

Source: Export Development Canada

but the opportunity for higher penetration rates remains huge.

“The scale of the impact of this event has certainly highlighted significant underinsurance across the board,” Shallow says. “However, the challenge with converting that into new policies is that almost every company is under financial pressure at the moment. Brokers and underwriters need to convince clients of the worth of increasing spending on insurance – even at a challenging time – to protect themselves in the future.” **IB**

policies or those who promote them. But the big question is whether COVID, or the next virus, is going to continue to be used to justify isolationism and protectionism, both of which have a direct impact on cross-border trade and investment.”

COVID-19 could amplify the current wave

attention, despite not having occurred yet, because they are relevant from a general business and economic perspective, as well as from an insurance perspective,” he says. “The insurance industry is looking to protect people and protect assets, and any discriminatory actions by govern-



“The big question is whether COVID is going to continue to be used to justify isolationism and protectionism”

John Minor, Aon

of populist backlash to globalization, Chopra says, because a lot of countries are trying to secure their borders and put some level of export and import controls in place, which could have implications on foreign ownership of local companies or the confiscation of assets by local governments.

“These are the kinds of risks that require

ments towards foreign investors will have far-reaching implications on this.”

Shallow notes that with each new crisis, there is an expectation that it will spur increased interest in political risk products, but it doesn't always directly follow. Political risk has been through a considerable growth period in the last couple of decades, he says,

CORPORATE

ACQUIRER	TARGET	COMMENTS
HUB International	Clearpoint; Mumby Insurance Brokers	Clearpoint is an Alberta-based benefits and retirement consulting firm; Mumby is located in Ontario and focuses on insurance for architects, landscape architects, engineers and specification writers
Novacap	GroupAssur, AGA Financial Group	Private equity firm Novacap has added Quebec-based MGA GroupAssur and employee benefits firm AGA Financial Group to its roster of businesses
The Co-Operators	Linda Rioux Assurances	The Warwick, Quebec-based brokerage's portfolio includes home, auto, farm and commercial insurance policies
Westland Insurance Group	Innovation Credit Union; Ironside Insurance Brokers; G&E Insurance	Westland has snapped up the Saskatchewan credit union's insurance broking business, along with two Alberta-based brokerages



HUB makes two Canadian acquisitions

HUB International has acquired Mumby Insurance Brokers, a Waterloo, Ontario-based P&C and employee benefits brokerage that focuses on architects, landscape architects, engineers and specification writers. As part of the deal, Mumby Insurance vice-president Douglas Pinnell will join HUB Ontario, while Mumby Insurance president Anthea Mumby will remain directly involved in the business in a consultant capacity.

The deal comes days after HUB closed its acquisition of Alberta-based benefits and retirement consulting firms Clearpoint Advisory Group, Clearpoint Retirement Solutions and Canwest Group Benefits. "Building HUB's Canadian employee benefits and pension capabilities has been and remains a central tenet in our strategy," said HUB International Canada president Tina Osen. "We are committed to making investments that exceed our clients' expectations for benefits to help them be more competitive in attracting and retaining talent with a comprehensive benefits solution."

PRODUCTS



Sedgwick adds construction consultation unit

Sedgwick Canada has created a new division focused on providing consultation services to the construction industry. Sedgwick's new building consulting division will allow it to provide a suite of specialized building consulting services to insurance companies and customers in the region, including detailed cost estimates, management of the technical aspects of water claims and assistance with competitive bids. Sedgwick said the new division, based in Ontario, will further the company's continued growth in the region while also enhancing its services for clients.


CFC addresses IP exposure in M&A transactions

Specialist insurer CFC Underwriting has launched a new insurance solution aimed at addressing the intellectual property infringement risks facing companies undertaking a merger or acquisition. Leveraging CFC's existing IP and mid-market M&A insurance products, the new policy is designed to fill the coverage gap in traditional transaction liability insurance policies, which sometimes include qualifiers on IP representations and warranties relating to issues that occurred before the M&A activity and do not provide protection for future allegations of IP infringement.



Goose Insurance Services unveils pandemic travel insurance

Goose Insurance Services has launched a new stand-alone insurance product that provides coverage for pandemic-related emergency medical treatment while travelling. Offered in partnership with Lloyd's of London and MSH International (Canada), the new policy provides up to \$500,000 in coverage for pandemic treatment overseas for an annual premium starting at \$99. The coverage applies when policyholders travel 200km or more beyond their principal residence within their home country or anywhere in the world.



AXIS, Kennedys team up for marine cyber product

AXIS Insurance has collaborated with international law firm Kennedys to launch a new cyber insurance offering for the marine shipping market. The new product will protect against cyber exposures on vessels and in shipping company offices. In addition to insurance cover, it will feature a four-point cybersecurity response and preparation service that includes a dedicated point of contact for reporting and processing claims, an extensive network of experts to aid in recovery, support for system restoration and legal counsel, and cybersecurity awareness training.



HUB, InsuraGuest offer hospitality liability cover

HUB International has partnered with InsuraGuest Technologies to bring InsuraGuest's platform and hospitality liability coverage to hotel operators in the US and Canada. The InsuraGuest platform allows hotel operators to transfer some of the risk of small property or medical claims by having guests pay a nominal fee per night. InsuraGuest then pays out small claims, keeping them off the hotel operator's general liability policy. The platform integrates with around 70 different property management systems, allowing hotels to easily transfer certain liability exposures.

PEOPLE

NAME	LEAVING	JOINING	NEW POSITION
John Alfieri	N/A	Chubb	President, Canada
Christopher Bartlett	N/A	Canadian Independent Adjusters' Association	President
Sonia Boyle	TD Bank	Gore Mutual	Chief human resources officer
Mark Canthal	N/A	Sedgwick	Senior consultant, building consulting division
Frank Chong	N/A	Canadian Council of Insurance Regulators	Chair
Chris Giffin	N/A	Haag Global	CEO, Canada
Andrew Hughes	Hiscox ILS	PartnerRe	CEO, third-party capital
Dean Klisura	Marsh	Guy Carpenter	President
Jim Ryan	N/A	Sedgwick	Chief operating officer, Americas
John Stanzi	N/A	Sedgwick	Head of casualty operations, Americas
Jason Thorburn	N/A	Sedgwick	Senior consultant, building consulting division
Peter Zaffino	N/A	AIG	CEO

AIG president to take on CEO role



AIG has appointed its current president, Peter Zaffino, to the role of CEO, one of several high-level leadership transitions the insurer has planned. Zaffino will take the reins from current CEO Brian Duperreault in March 2021 when Duperreault transitions into the role of executive chair. Zaffino will keep his current role as president and will also serve as a director of AIG.

"I'm honoured to succeed Brian as chief executive officer of AIG and want to thank him and the AIG board of directors for this opportunity," Zaffino said. "I look forward to leading AIG's next phase on our journey to becoming a top-performing company."

Chubb Canada names new president



Chubb Canada has named John Alfieri as its new president. He succeeds Ellen Moore, who is retiring at the end of the year. A 16-year Chubb veteran, Alfieri most recently served as executive vice-president of North America major accounts and field operations. In his new role, he will have executive operating responsibility for the company's retail P&C insurance business.

"John is an exceptionally well-rounded insurance executive with deep experience in risk management, distribution and underwriting," said Chris Maleno, SVP of Chubb Group and division president of North America field operations. "His unique background will be extremely valuable in serving the needs of our distribution partners and clients and fuelling the next phase of our growth in this critical market."

NEWS BRIEFS



First cohort completes CSIO Digital Broker certification

Thirty-two brokers have become the first cohort to complete the Centre for Study of Insurance Operations' (CSIO) Digital Broker certification program. The certification recognizes brokers who have completed six CSIO e-learning courses on digital topics related to the insurance business. The organization released the last three of its free, accredited e-learning courses for brokers in May. CSIO said the Digital Broker certification recognizes brokers' "commitment to continuous learning, innovation and digital best practices."



Charles Taylor InsureTech launches Authority Hub

Charles Taylor InsureTech has launched a new Authority Hub, which holds and manages delegated authority letters for insurers in one central location, accessible across an entire business through secure access controls. Designed to save insurers time while also improving efficiency and accuracy, Charles Taylor said the Authority Hub simplifies and speeds up the process for the delegation of authority, while meeting all necessary regulatory requirements, by creating secure digital records that provide real-time reporting on the authority status of a team or individual.



Chubb aims to simplify digital partner integration

Chubb has launched Chubb Studio, a global platform that promises to streamline the distribution of insurance products through partners' digital channels. Chubb Studio allows Chubb's partners in the retail, e-commerce, banking, fintech, airline and other industries to add digital insurance

options to their own product and service offerings. Partner companies have digital access to Chubb's consumer insurance products, including personal accident, supplemental health and life, residential and contents, mobile phone, travel, and small business insurance, along with customer service and claims.



Swiss Re, Hitachi team up on business interruption

Swiss Re Corporate Solutions has teamed up with Hitachi Europe to develop digital risk solutions. Their first offering will focus on the manufacturing machinery and transport industries, insuring against business interruption while helping customers embrace AI and new technologies to maximize productivity, increase automation, implement contactless operations and reduce downtime. Swiss Re Corporate Solutions CEO Andreas Berger said this will enable Swiss Re to "price risk more precisely, ensure effective payout mechanisms and provide a seamless risk management experience."



Manitoba Public Insurance switches to Duck Creek

Manitoba Public Insurance (MPI) has updated its core systems by switching to the Duck Creek OnDemand P&C insurance software as a service solution. Duck Creek's policy, rating, billing, claims and insight solutions will replace MPI's older core systems, which MPI hopes will improve its efficiency and focus on customer service. "Serving the needs of Manitobans is our top priority, and we've undertaken a major project to address those needs through digital transformation," said MPI president and CEO Benjamin Graham. "The maturity and security of Duck Creek OnDemand gives us access to a state-of-the-art platform that will be kept current, healthy and secure."

Resilience in the age of remote work

The transition to working from home has exposed organizations to new tech risks that need to be managed

Business resilience – an organization's ability to respond to disruptions while protecting its people and assets – is typically referred to in the context of how companies can bounce back from natural disasters. However, the ongoing COVID-19 pandemic serves as a grim reminder that not all disruptions take the form of natural catastrophes.

To address this, Ecclesiastical Insurance has launched a planning framework to help organizations develop a risk-based approach to managing operations amid the pandemic. The framework covers a range of potential risks, including how organizations can address technology-related risks – a relevant concern amid the widespread transition to remote work during the pandemic.

"At Ecclesiastical, we encourage our brokers and customers to plan ahead," says president David Huebel. "Building business resilience plans is key, and technology should be a major component of these plans. We know that the pandemic has caused a shift to working from home, and this change relies heavily on technology."

Huebel notes that this shift has put extra strain on both the central technology resources associated with remote work and distributed resources such as laptops, tablets and mobile phones, which makes improving

tech resilience all the more important.

Coming up with a business resilience plan for data security is easier said than done, however. Remote work arrangements could mean each employee is using their own hardware and/or network settings – a logistical nightmare for organizations. Huebel says organizations should start by focusing on the state of their data exposure.

“Building business resilience plans is key, and technology should be a major component of these plans”

“The question that needs to be asked is: What data is available to employees working from home, and what controls are in place – if any – to minimize exposure?” he says, pointing to activities such as printing, copying, removing or sharing data with outsiders as examples of potential exposure.

“Knowing that employees need to access data to perform their roles, organizations need to ensure that their monitoring ability to measure what data is accessed and how it is used is functional and sufficient for their needs,” Huebel says.

Remote work has also made ransomware a popular form of cyberattack by criminals looking to abuse the over-reliance on tech resources. To guard against this, Huebel advises organizations to ensure that they have “robust, complete and timely” backups of their systems and data and to consistently test their ability to recover critical elements to an operational state.



Joseph D'Souza
CEO
PRONAVIGATOR

Years in the industry
5

Fast fact
D'Souza is also the co-founder of Start Early India, a nonprofit that has been running a free school for underprivileged children in Mumbai, India, since 2010

■ Q&A

Guiding customer workflow with AI

● How does an automated customer workflow like your Compass conversational platform work? Why should insurance brokerages care about automating their customer workflow?

We're seeing more customers begin their insurance-buying journey online. Ultimately, to compete in this age of convenience, organizations need to respond to customer inquiries in seconds, not minutes or hours – and virtual assistants can present a cost-effective, scalable means of doing so.

● How have end customers responded to the Compass platform? What are the challenges in getting customers to engage with an automated assistant when they can demand a human broker to speak with?

Considering the rise of voice-activated digital assistants in our lives, more customers are comfortable interacting with automated assistants. When done right, they can offer a cost-effective means of scaling an organization's capacity to deliver support and can seamlessly hand off to a broker if there is a question or scenario they can't address.

But it is clear that technology is not ready to replace people. Success in this business requires building real human connections that are grounded in empathy. The real value of technology is in empowering and connecting people.

● Your Ask Sage virtual assistant helps brokers easily access important underwriting information. Is this more effective than, say, letting carriers provide brokers with an underwriting information database?

It's helpful to put yourselves in the shoes of a front-line broker. If they have an underwriting question, they could walk up to a colleague's desk, call an underwriter or manually navigate various carrier portals, find the document and then [search for] keywords to find the answer.

Today, this effort is compounded while working remotely. The average underwriting manual is hundreds of pages, excluding policy forms and internal documents. Ask Sage provides a single source of truth and a place for brokerages to ask questions and instantly get underwriting answers across all their markets.

● Beyond using AI-powered platforms, what are some other simple things can brokers can do to increase productivity?

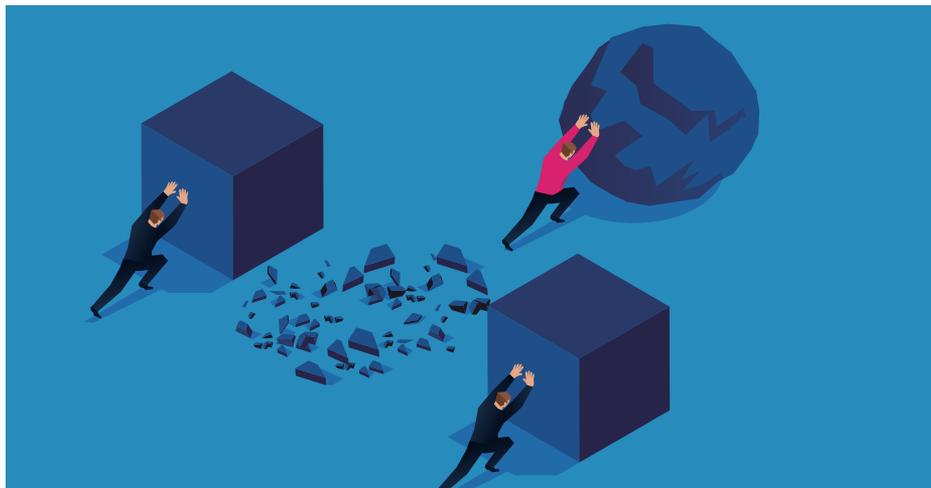
The current climate of working from home has brought new challenges; it's easy to blur the lines between work life and family. There is a risk of burnout as we end up taking on more work, more virtual meetings and expect that technology will make it all possible.

How do we create a work environment where staff are energized while still meeting the customer's needs? One suggestion is to free up one weekday from any internal meetings or calls to allow our team to play catch-up, decompress and refresh.



Making commercial general liability work

Despite unprecedented conditions in the CGL market, one MGA has found a way to thrive



Commercial general liability insurance has been put to an extreme test by the COVID-19 pandemic, which has forced liability insurers to deal with issues such as event cancellations or their insureds being sued for not giving customers fair warning about potential exposure to the virus. Yet some MGAs, like Ontario-based Unique Risks, have managed spin the current circumstances to their advantage.

“The property & casualty market

continues to harden, which is creating favourable conditions for Unique Risks to write business,” says chief underwriting officer Vesna Fable. “Standard markets are reducing capacity and, in some cases, non-renewing certain classes of business.”

This has allowed Unique Risks to step in and “seamlessly” provide coverage during COVID-19, Fable says. “Our program model is specifically designed to target the out-of-the-box and unique casualty risks. We are

always listening to the needs of our brokers to support them in any way possible.”

Unique Risks is an underwriter for Trisura Guarantee Insurance, which Fable describes as a “perfect partnership.” A deep-rooted specialty lines company, Trisura is actively looking to expand its product range, and the opportunity to back Unique Risks as an MGA arm has been a welcome complement to its portfolio, Fable says.

“Our program model is specifically designed to target the out-of-the-box and unique casualty risks”

Unique Risks also has some insight into the product liability market. With the goal of being the market of choice for the “unwanted, unloved or misunderstood,” Fable says the MGA is more than willing to serve as an alternate market in the midst of the pandemic.

“From Unique Risks’ perspective, there is no one particular type of product that is difficult to place liability coverage for; rather, it is the reduction in capacity in the marketplace and the acceptance of product being sold to the US that has brokers seeking alternate markets,” Fable says. “We have a broad range of classes we can write, with a select few that we do not actively target, as they are already provided through other market offerings.”

NEWS BRIEFS



DAS expands partnership with Wawanesa

DAS Legal Protection, an MGA specializing in legal expense insurance, has expanded its partnership with Wawanesa Mutual Insurance to offer Wawanesa’s home insurance customers access to legal guidance. The two companies teamed up to provide legal expense coverage to commercial policyholders earlier this year. Wawanesa’s homeowner, tenant and condo policyholders will now have unlimited access to DAS’ legal helpline service, along with optional legal expense coverage.



Novacap takes majority stake in GroupAssur

Canadian private equity firm Novacap has signed a deal to acquire a majority interest in Montreal-based MGA GroupAssur. According to Marcel Laroche, Novacap’s managing partner for financial services, the firm is “focused on long-term value creation” for GroupAssur. “Novacap is excited to build on GroupAssur’s position as the most accomplished Canadian-owned MGA,” Laroche said. “We are committed to supporting GroupAssur in developing new products and to diversify its markets.”



Jeff Somerville
Managing director
**STRATEGIC
UNDERWRITING
MANAGERS (SUM)**

■ Q&A

An ideal underwriting partnership

Years in the industry
20

Fast fact

Prior to his current position, Somerville was vice-president and manager of the commercial general liability practice at Elliott Special Risks

● SUM was recently acquired by One80 Intermediaries. How does this move change your company's business?

One80 is a like-minded intermediary with incentives and drivers aligned to those of SUM, but with substantial new resources, making them an ideal partner to move SUM's development as Canada's leading independent MGA forward. Being led by a team with underwriting backgrounds like SUM, One80 succeeds by executing its mission of delivering expertise-driven specialist insurance products with efficient, best-in-class service. In this sense, the best of what is SUM will continue and be perpetuated.

● How does SUM's position as a Canadian MGA give One80 more insight into the local market?

SUM is a truly national MGA, trading with literally thousands of brokerages coast to coast. This gives us inimitable market awareness, driven by our authentic, valued relationships. The partnership allows SUM to become a permanent platform here, perpetuating our business model and culture and giving One80 a foundation for growth through new product introductions and potential acquisitions.

● SUM prides itself as an open market, not requiring broker contracts or volume commitments. What are the challenges in maintaining this open market?

One of the key benefits we offer to our underwriting

partners – the insurers making SUM possible – is the breadth and extent of the distribution network we have established, which they may not reach otherwise. On the flip side, we believe we can best fulfill our mission to produce profitable, sustainable results for our insurers by reaching the largest possible audience of customers.

To do this, we must provide a product suite which, in the aggregate, has appeal to the entire marketplace, despite each [product] being quite niche in isolation. Our goal is to be relevant to every insurance broker in Canada at some point in their work advocating for their clients – and our broker customers define how, when and how much they use our products and services. A single policy is a valued win for us, but more than one is proof of concept.

● Which up-and-coming insurance trends do MGAs need to keep an eye on?

At the risk of stating the obvious, we are in unprecedented times, uncharted waters. Not too many years ago, some in underwriting circles hypothesized the end of market cycles – that there would never be another true hard market, but rather a secular market had emerged, where problematic exposures or categories of risk would be identified with analytics and corrected immediately without instigating a broad change in market direction.

That hypothesis would seem to be out of favour today. MGAs are, by nature, incentivized to take note of and respond to never-resting trends – their greatest opportunity and risk is embedded in this dynamic.



Ridge Canada adds new cyber underwriter

Ridge Canada Cyber Solutions has welcomed Brenda Fletcher as the newest underwriter on its growing cyber and privacy team. Fletcher joins Ridge Canada from independent brokerage Benson Kearley IFG, where she worked as a cyber risk specialist, helping clients identify, analyze and find appropriate solutions to cyber risks. With more than 10 years of industry experience, Fletcher started her career handling auto claims at State Farm before moving to The Boiler Inspection & Insurance Company of Canada.



Pen Underwriting increases Lloyd's capacity

To reinforce its commitment to supporting brokers and clients across multiple jurisdictions, Pen Underwriting has increased its Lloyd's cyber capacity to £55 million (around C\$95.6 million). The 15% increase in capacity will enable Pen to write additional cyber insurance in the UK, Canada, the US and New Zealand over the next 12 months. The increased capacity covers both Pen's SME-focused online quote-and-bind trading facility, which is available in all four countries, as well as open market capacity for larger accounts.



Burns & Wilcox rolls out personal cyber product

Burns & Wilcox has launched Cyberman365, a new cyber product for individuals, families and households. Developed with Node International, the product offers personal cyber protection for an entire household via two products: IDNotify and Homesafe. IDNotify provides 24/7 monitoring of personal data and will alert users to any use of that data, while Homesafe actively monitors internet-enabled devices to identify cyber vulnerabilities, provide security insights and remediate cyberattacks.



The trouble with commissions

It's time for insurance to embrace a fairer compensation model, writes **Charlie Wilmerding**

COMMISSIONS HAVE been a fact of life for as long as there have been insurance brokers, but should they be? While businesses have always sought to contain or reduce their insurance- and risk-related expenses, insurance brokers have traditionally been paid a percentage of their clients' premiums in the form of a commission. The more the client pays for their insurance, the more the broker makes. Brokers have tried to position themselves as 'independent' and 'trusted advisors,' but in the end they are neither.

I don't mean to suggest that all brokers are bad people. In fact, there are many good, ethical people in the business. It's not the people that are the problem. The problem is the business and its compensation structure.

The conflict of interest that underlies commission plagues the brokerage business at every step of the insurance-buying process, leaving customers without the leverage and power they deserve. As long as brokers tie their compensation to insurance transactions, they risk becoming irrelevant as clients seek alternatives to buying insurance that give them confidence they have been given a fair shake in the process.

Clients are looking for resources and information, objective advice and solutions, and access to insurance markets without having to worry about backroom commission schemes that ultimately breed distrust. Without commission, a conversation about buying higher limits of insurance takes on a different and more productive tone – the broker doesn't get paid any more or less as a result of their client's objectively informed decision.

Insurance buyers aren't the only ones

affected by this conflict of interest. Carriers are challenged by commission as well. As a rule, commissions are insurers' second largest expense behind paid losses. Though carriers are most concerned with net premiums written, they would prefer to have that net premium delivered directly to their insureds without commission inflating and distorting the actual risk transfer premium.

In Chubb's 2016 annual report, chairman and CEO Evan Greenberg called out brokers

“The conflict of interest that underlies commission plagues the brokerage business at every step of the insurance-buying process, leaving customers without the leverage and power they deserve”

for “abusive behaviour involving commission: “Cloaked in the mantra of ‘customer best interest’ or ‘treating customers fairly,’ they seek the cheapest price and broadest coverage at commission terms that, by any measure, are excessive,” Greenberg said.

As this statement implies, broker commissions have been impacting industry decisions forever for the sole benefit of one party in the insurance transaction: the broker. It's time to pull back the curtain and embrace a different, fairer compensation model that gives the customer not only complete transparency, but also the power and leverage they deserve in what has traditionally been an opaque industry.

One way to put control back into clients'

hands is to eliminate commissions entirely and move to a fee-for-service model. When clients pay their broker a flat fee for the services they receive instead of a commission based on the amount of premium they pay, they're empowered to make the right decisions for their business and themselves about their insurance coverage. Moving to a fee-based model allows brokers to truly become trusted advisors, which is essential for the survival of the brokerage business.

Importantly, fee-based still doesn't mean 'one size fits all.' Charging fees allows brokers to customize a service plan for each client. At Altus, we've created a proprietary model using 10 service-based criteria that generate fees tailored to each client's unique needs. Using this method, we significantly reduce our clients' brokerage expenses in both the short and long term. In doing so, we are freed to aggressively seek out the best terms, conditions and pricing from underwriters without worrying if a lower premium will negatively impact our revenue.

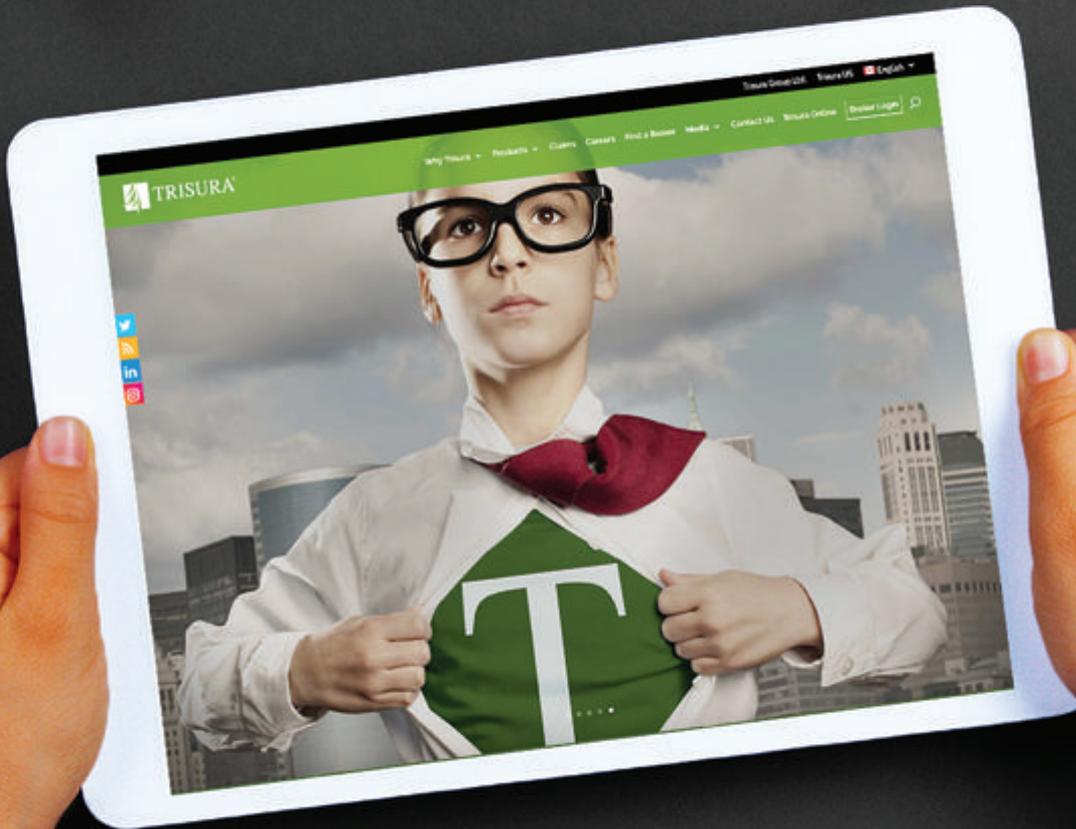
As brokers, we should strive to be considered vital partners who can help our clients navigate the often mysterious and confusing world of insurance while aligning our interests with theirs as best we can.

Let's stop living under the assumption that the commission model works for everyone. The truth is that it doesn't work for anyone – except the broker. Let's eliminate the conflict of interest so we can be the trusted advisors and advocates that clients want, need and value. **EB**

Charlie Wilmerding is the founder and CEO of Altus Partners, which he started in 1997 with a mission to change the way property & casualty insurance is bought and managed.



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Find out more about our specialty insurance
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INDUSTRY ICON

BUILDING RESILIENCE

Monica Ningen, president and CEO of Swiss Re's Canadian operations, chats with *IBC* about handling global crises and what she's learned about the importance of resilience

GROWING UP in Porter, Minnesota, a tiny town with a population of around 180 people, Monica Ningen didn't have immediate exposure to the business world, let alone the insurance industry. To expand her horizons, Ningen left Porter to attend the University of Minnesota Morris, where she received a bachelor's degree in economics and business management. Little did she know, that was her first step toward a long and influential insurance career.

Through a combination of luck and a chance interaction with a very convincing talent recruiter, Ningen found her way into insurance. After graduating, she entered the insurance/reinsurance trainee program at E.W. Blanch, where she gained a strong foundational education in property & casualty insurance and reinsurance. This, Ningen says, enabled her to "experience the mission of the industry firsthand, which is to help people in their time of need and to make communities around the world more resilient."

In the 23 years since, Ningen has never lost sight of that mission. Resilience has remained her core focus as she has developed niche expertise in property underwriting and catastrophe risk management. After three years as a catastrophe risk analyst at E.W. Blanch, she joined GE Insurance Solutions (GEIS) in Kansas City, Missouri, where she quickly worked her way up the ranks, eventu-

ally becoming the firm's global natural catastrophe risk leader.

She joined Swiss Re after it acquired GEIS in 2006 and has since held multiple leadership roles, including head of property treaty underwriting for the Kansas City hub, head of property underwriting for the US and Canada, and chief property underwriter. In 2018, Ningen accepted the life-changing opportunity to move her family to Canada

fantastic team, and the market here is very exciting and relationship-driven. There's absolutely no doubt in my mind that this was a fantastic opportunity to choose two years ago. And my family loves Canada as well, so that always helps."

Lessons in resilience

As she's settled into her new role, Ningen has developed a reputation as someone passionate

"[During] the tornado that struck Joplin, Missouri, in 2011 ... I was on the ground seeing what it's like firsthand for insurance companies when they're helping communities through a crisis. It completely changed my perspective of what we do every single day"

and become president and CEO of Swiss Re Canada and English Caribbean – a risk she's glad she took.

"I love Canada," she says. "I'm living in Toronto, which is a really fantastic city with a vibrant and inclusive culture. The role of president and CEO of Swiss Re Canada and English Caribbean is thrilling. We have a

about building a better future and developing Canadian communities that are more resilient to catastrophic risk. With a career so focused on property reinsurance, she has experienced multiple catastrophic events that have fine-tuned her focus in this area.

"Most of the standout moments in my career surround large catastrophic events,



PROFILE
Name: Monica Ningen
Title: President and CEO, Canada and English Caribbean
Company: Swiss Re
Based in: Toronto
Years in the industry: 23
Fast fact: Ningen is a Six Sigma Master Black Belt

INDUSTRY ICON

such as the World Trade Center attacks in 2001; hurricanes Charlie, Francis, Ivan and Jeanne in 2004, followed by Rita, Katrina and Wilma in 2005; and then the global financial crisis in 2008,” she says. “Those events – and being able to partner with our clients and deliver that value proposition of being there for communities in their time of need – are absolutely noteworthy career moments in my mind.

“One of the most standout moments in my career so far was dealing with the tornado that struck Joplin, Missouri, in 2011. I lived in Kansas City at the time, and I had the opportunity to be a part of the immediate on-the-ground response efforts with [an

“The vulnerabilities we’ve experienced through the COVID-19 crisis are things that we need to continue to think about and take into consideration for the future”

insurance company’s] emergency response team. It was one of the toughest but most rewarding experiences of my career because I was on the ground seeing what it’s like first-hand for insurance companies when they’re helping communities through a crisis. It completely changed my perspective of what we do every single day.”

This year will undoubtedly mark another standout moment in Ningen’s career as she guides the Swiss Re Canada team through the COVID-19 pandemic. Under her leadership, the reinsurer has fared well through the public health crisis, managing to maintain a strong capital position while also supporting agile work options and making the most of prior investments in technical infrastructure and technology.

“The COVID-19 crisis has really underlined the importance of preparation and forward-looking risk management,” Ningen says. “As an industry, we must continue to

prepare for those large systematic risks, which are not only limited to pandemics, but can also include things like cyber events and possible accumulation of risk in global supply chains. The vulnerabilities we’ve experienced through the COVID-19 crisis are things that we need to continue to think about and take into consideration for the future.”

Looking ahead

Forward-looking risk management requires multiple components, according to Ningen. One component is technology and the effective use of data analytics. Throughout COVID-19, Swiss Re has been analyzing the pandemic threat in a systematic, scientific

way via a model that was first developed for the SARS outbreak in 2002. This has helped the reinsurer position itself on its strongest leg throughout the crisis.

A second key element revolves around clarity of policy wordings. “We have to make sure that policies are very clearly defined in what they intend to cover and that the scope is well understood by policyholders, insurers and reinsurers so that people know what they’re buying or not buying,” Ningen says.

Finally, she says, the industry must also bring more diversity into its ranks, as a diverse group of people will be better positioned to establish what future risks and trends might be.

“The insurance and reinsurance industry must communicate the important contribution we’re making to help the world become more resilient,” Ningen says. “It’s during times of crisis that we really demonstrate our value proposition.” 

SWISS RE BY THE NUMBERS



1863

Year Swiss Re was founded in Zurich, Switzerland



80

Swiss Re offices around the world



15,000+

People employed by Swiss Re globally



3

Business units within Swiss Re (Reinsurance, Corporate Solutions and Life Capital)



\$42.2 billion

Swiss Re’s gross written premium for 2019



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TOP INSURANCE WORKPLACES



TOP INSURANCE WORKPLACES 2020

Thousands of insurance professionals across the country name the best places to work in the Canadian insurance industry

THERE ARE countless factors that separate a good workplace from a great one. To find out which companies in the insurance industry fall in the latter category, *IBC* once again asked thousands of insurance professionals to weigh in on their employers' performance in regard to compensation and benefits, diversity and inclusion, employee development, and culture.

As ever, the fundamentals of a good workplace – a competitive salary, good health benefits, solid retirement programs and the opportunity for growth – hold weight. However, the top-rated workplaces are delivering offerings that go beyond the basics, including on-site yoga, lunch-and-learn sessions, paid time off to volunteer and mentoring programs, to name a few.

In addition to asking employees to rank their companies on a scale of 1 (poor) to 5 (excellent) in each category, *IBC* also asked respondents to share which of their employers' initiatives have been particularly effective. Employees highlighted everything from flexible work schedules and unlimited vacation time to compensation for continuing education, approachable managers and a welcoming culture. Read on to find out what the industry's best-rated employers are doing differently and which companies made *IBC*'s second annual list of Top Insurance Workplaces.

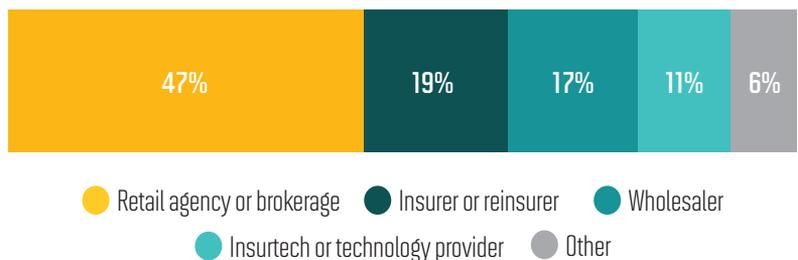
METHODOLOGY

The process to become a Top Insurance Workplace encompassed two phases. In the first phase, *IBC* invited organizations to fill out an employer form, asking them to explain their various offerings and practices.

In the second phase, employees from nominated companies were asked to fill out an anonymous form evaluating their workplace on a number of metrics, including benefits, compensation, culture, employee development and more.

In order to be considered, each organization had to reach a minimum number of employee responses based on overall size. Organizations that achieved an 80% or greater average satisfaction rating from employees were named a Top Insurance Workplace.

TOP INSURANCE WORKPLACES BY TYPE



COMPENSATION, BENEFITS AND INCENTIVES

Employees consider far more than base salary when accepting a position with a company, and this year's Top Insurance Workplaces strive to offer the bells and whistles top talent looks for. In addition to fundamental benefits like life insurance, retirement plans, and long-term care and disability plans, employers are offering generous paid time off – three-quarters of the Top Insurance Workplaces give their employees more than 15 days off.

Employers are also getting creative with bonus and incentive programs. One Top Insurance Workplace distributes bonuses based on “a balanced scorecard approach so

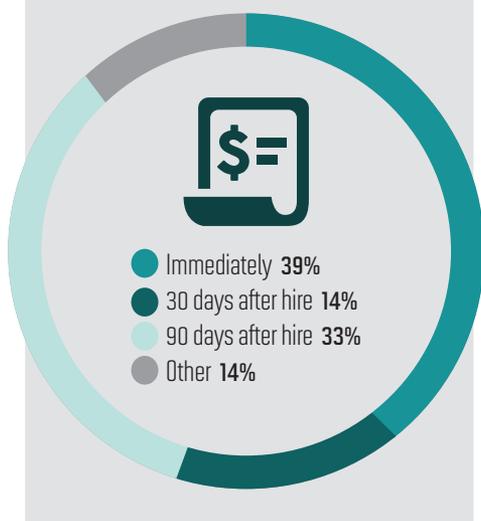
that each individual team member can see exactly how their personal goals contribute to the overall vision and strategy of the company,” while another has instituted a personalized incentive program that rewards employees based on personal goals they set at the beginning of the year.

This year's Top Insurance Workplaces also understand the value of employee loyalty. Many offer incentives to longstanding employees in the form of milestone gifts and extra vacation time. One company even offers a “five-year loyalty award and travel bonus to help cover a vacation up to \$1,275.”

Does your organization offer an employee equity program?



When do employees become eligible for benefits?



WHAT EMPLOYEES HAD TO SAY

“Unlimited vacation and paid time off. Nice to have the flexibility.”

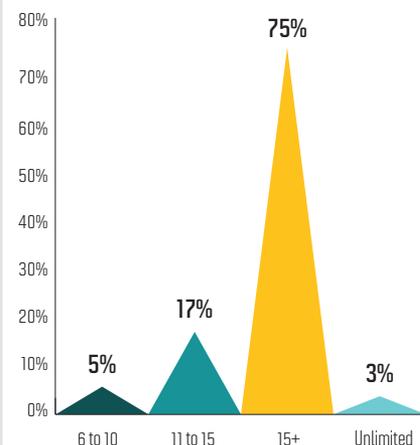
“Mental health is very important to the company, and it's frequently reinforced that everyone should take care of themselves and the importance of giving yourself breaks.”

WHAT TOP WORKPLACES ARE DOING DIFFERENTLY

“We are committed to ensuring an excellent employee experience. As such, we have spent a lot of time developing a well-rounded total rewards program. Additionally, our organization has a mandate to spend at least 90% of our education budget each year as a demonstration of our commitment of the professional development of our employees.”

“Each year, employees are asked to define performance and personal development goals. Performance based on the goals set by each employee account for 30% of the individual's [incentive] payout. The remaining 70% is based on company performance.”

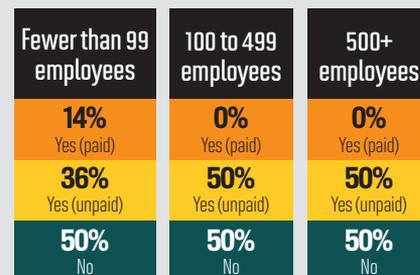
How many paid days off do employees receive annually?



Does your organization offer an employee retirement plan?



Does your organization offer sabbaticals?



TOP INSURANCE WORKPLACES

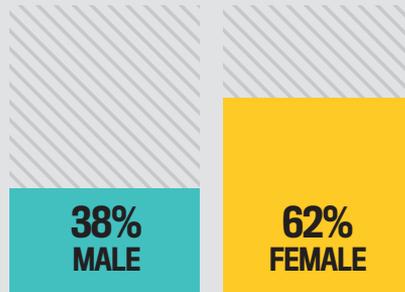
DIVERSITY AND INCLUSION

Diversity and inclusion remains a key issue in the insurance industry and beyond, and this year's Top Insurance Workplaces are doing their part to be inclusive. From in-house groups centred around women or LGBTQ+ employees to leadership development courses for minority staff and accommodations for workers with physical challenges, these companies' overarching goal is to offer as much support as possible.

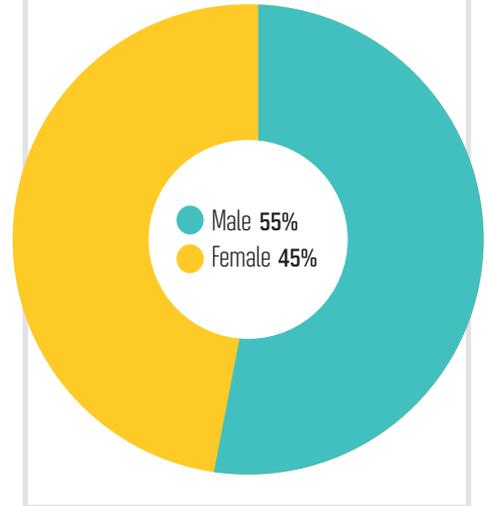
The workforce at this year's Top Insurance Workplaces is 62% female, and an average of 20.5% of employees at companies that track such data identify as minorities by race, ethnicity, sexual orientation or disability. Yet the gender and minority gap in executive-level positions (only 45% of which are held by women and 12.5% by minorities) still leaves room for improvement. To help close this gap, some of this year's Top Insurance Workplaces have formed diversity and inclusion committees to find new ways to increase diversity within their ranks.

These companies are also striving to appeal to both new and experienced workers. Many Top Insurance Workplaces are reaching out to young talent by spotlighting flexible work hours and working closely with local colleges and universities, while also keeping a high value on the experience of older employees by offering them options as they near retirement.

What percentage of employees are male versus female?



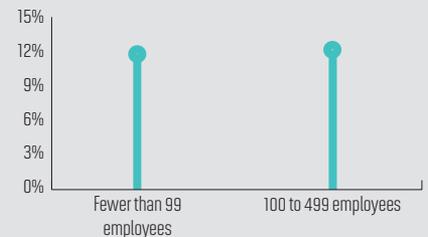
What's the gender breakdown at the executive level?



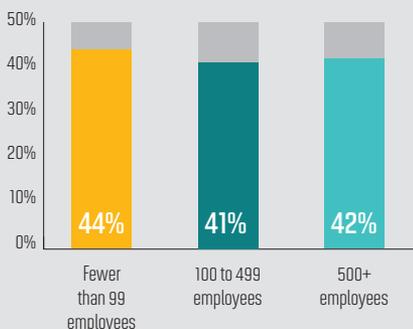
What percentage of employees identify as a racial or ethnic minority, LGBTQ+, or a person with disability?



What's the proportion of minorities at the executive level?



What percentage of employees are millennials?



WHAT TOP WORKPLACES ARE DOING DIFFERENTLY

“We are led by a woman CEO and have a Women & Allies Employee Resource Group, LGBTQ & Allies Resource Group and Multinational Resource Group. At the beginning of each year, our CEO and HR leader meet to set diversity goals. There is accelerated leadership training for minority groups.”

“Recognizing that our success is enhanced by diversity, we seek to recruit, develop and retain top talent from a diverse candidate pool. We also have worked with SUCCESS to hire personnel recently immigrated to Canada.”

“Our diversity and inclusion committee is focusing on how we can promote an inclusive workplace and celebrate diversity. The intent is to launch meaningful initiatives in the following key areas: education and awareness, creating conversations, attracting diverse talent, and targeted partnerships.”



TOP INSURANCE WORKPLACE

RED RIVER MUTUAL

Headquarters: Altona, MB
Year founded: 1875

Red River Mutual works to be a leading insurance provider in the Prairies. The company's values – long-term sustainability, being a positive force in the community, and caring for employees and customers like family – create an environment for its 120-plus employees to grow and achieve.

"At Red River Mutual, people really do come first," one employee says. "I feel like I have opportunities to improve in my career and like I'm making a difference even beyond providing insurance."

Red River Mutual prioritizes innovation and digitization by upgrading its software and technology to provide stronger capabilities for employee workflow and to become a paperless business. While the company adapts to fit the changing needs of the insurance industry, its dedication to people and community remains. Red River Mutual employees can volunteer with charities like Habitat for Humanity, access health and wellness resources, participate in various training opportunities throughout the year, and more.

Everything we do is about you



At Red River Mutual, we're committed to having a positive impact in our community. This means caring for our customers and employees like family – through advancement, sustainability and wellness initiatives and protecting the special places where people connect, laugh, learn and share.

If you're ready to be at the centre of a new story, we're ready to meet you.



Your Story is Ours to Protect

To learn more, visit redrivermutual.com/careers

TOP INSURANCE WORKPLACES

What's the proportion of millennials at the executive level?

- Fewer than 99 employees 26%
- 100 to 499 employees 17%
- 500+ employees 11%



WHAT EMPLOYEES HAD TO SAY

“We have done a great job of taking on practicum students looking for first-time office experience and recent immigrants looking for work experience in Canada. I see our company is being very inclusive and respectful of diversity.”

“Very open to accommodate parents with young children. They offer parental leave and allow parents to leave and work from home when a child is sick.”

“We have strong representation of minorities, including women and people of colour.”

“Supportive, employee-centric, innovative, inclusive and forward-thinking.”

EMPLOYEE DEVELOPMENT

Supporting employees' growth is a common thread among this year's Top Insurance Workplaces. From access to online learning tools to weekly educational seminars and subsidized courses, education is an important pillar of these organizations. "If an employee is interested in taking a course that they feel can better their skills and the company, then the company will pay for it," one workplace said.

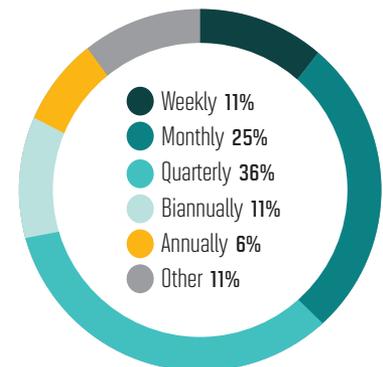
The overwhelming majority of this year's

Top Insurance Workplaces offer education programs and development opportunities above and beyond what's required in the industry. In addition, almost all have strong mentorship programs that offer regular meetings and training sessions with company leaders. "We work with each employee's educational and professional goals," said one workplace, while another noted that "the training of our employees is at the centre of our strategy."

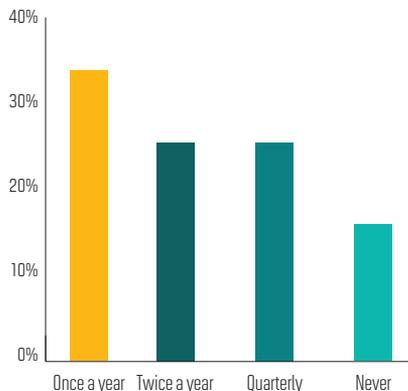
Does your organization offer education programs and opportunities outside of what's required industry-wide?



How often does your organization conduct company-wide meetings?



How often does your organization conduct performance reviews?



WHAT TOP WORKPLACES ARE DOING DIFFERENTLY

“We have a weekly management book club meeting where our CEO selects books that have made the biggest positive impact on him, and we discuss how we can use philosophies from the book to improve our organization.”

“Our brokerage hires third-party experts to come to our offices and provide additional insurance training. The professional development realized from these significant investments in training enables all of us to know and do our business better, thereby providing additional value to clients.”

Does your organization have programs aimed at employee training, mentorship and/or leadership development?



WHAT EMPLOYEES HAD TO SAY

“My organization is incredible when it comes to my career development and growth. I have regular one-on-one meetings with my manager where we discuss my goals and the steps needed to achieve them. Opportunities are created for me based on the direction I want my career to take. I am listened to and respected for my ideas, insights and questions.”

“All employees are encouraged to grow in their roles and are given whatever resources they need to pursue that growth.”

“The company offers an educational assistance program and fosters training and development through lunch and learns, webinars, shadowing/mentorship, etc.”

“They not only invest in our education, they promote it by including it as an annual company goal for a high percentage of staff to obtain or be working toward an industry designation.”

CULTURE

Company culture is increasingly important at a time when many companies have been forced to take their workforces remote due to COVID-19. Encouraging collaboration, open dialogue and constructive feedback, along with accommodating life obligations outside of work, are all hallmarks of this year’s Top Insurance Workplaces, which boast an average retention rate of 84%. Many employees praised their companies for being “warm and welcoming” or “safe and inclusive” with a focus on maintaining a healthy work-life balance.

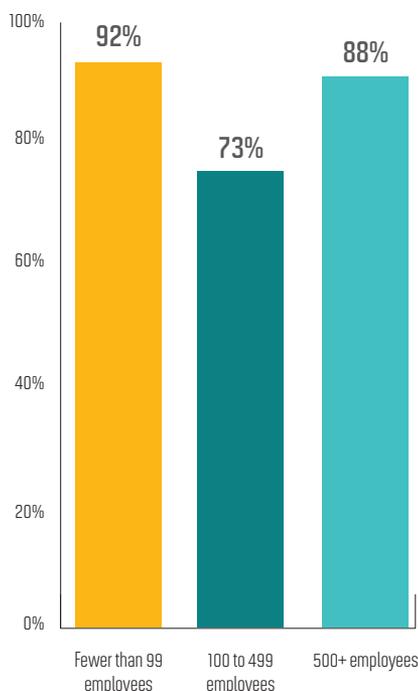
Now more than ever, flexible work options are worth their weight in gold. Most of this year’s Top Insurance Workplaces have some form of flexibility, but the pandemic has forced many to expand those offerings. One organization said it has always offered flex time and the ability to work from home, but

“given that 2020 has been rather ... unique, [we have] quickly adapted to ensure our employees have access to whatever they need to stay healthy, happy and productive during these strange times.”

To further ensure their employees’ overall health, many Top Insurance Workplaces offer extra health and wellness benefits, from free fitness trackers and company-wide fitness challenges to on-site offerings like yoga, healthy snacks and nutrition lunch-and-learn sessions.

Nearly all of this year’s Top Insurance Workplaces also prioritize charitable giving – many support their local communities, offer paid days off to volunteer, or sponsor a scholarship or a charitable outing or event. One company even combines wellness incentives with charitable giving, donating \$5 to charity for every workout completed by an employee.

What is your employee retention rate?

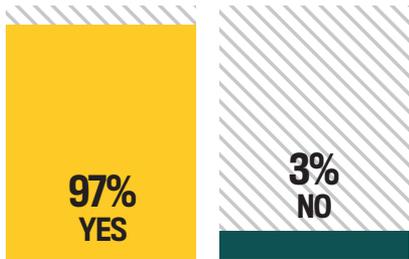


Does your organization offer wellness programs or incentives?

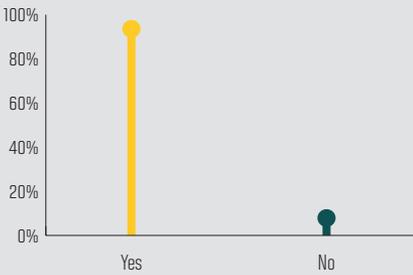


TOP INSURANCE WORKPLACES

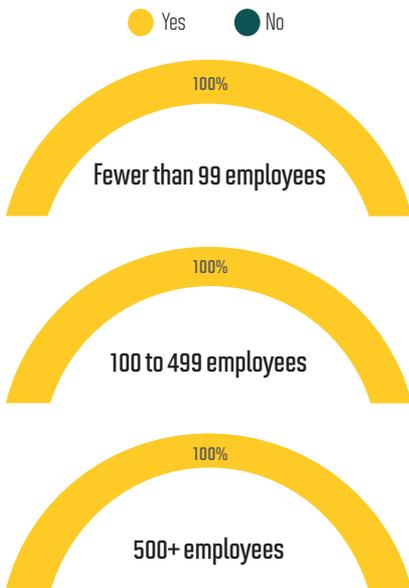
Does your organization support any community or charitable organizations?



Does your organization partake in team-building and/or leisure activities?



Does your organization offer any flexible work options?



WHAT TOP WORKPLACES ARE DOING DIFFERENTLY

⚙️ “We have an employee lounge and games room [where employees can] take time to relax or de-stress. We also implement different initiatives throughout the year with a focus on wellness. This year, we gave each of our staff an additional day off to take some time to focus on themselves and decompress from the additional stresses on a personal and professional level.”

⚙️ “After a three-month probation, all employees are eligible for a gym membership paid by the company. With COVID, the company is paying for online fitness classes twice a week where all employees can log on for an hour to work out together with a trainer.”

⚙️ “We offer no-questions-asked paid family emergency leave and family flex time to leave work early for planned events such as sports games.”

⚙️ “We allow paid time off for employees to participate in external mentoring activities for immigrants. We also provide extra paid time off for volunteer work.”

WHAT EMPLOYEES HAD TO SAY

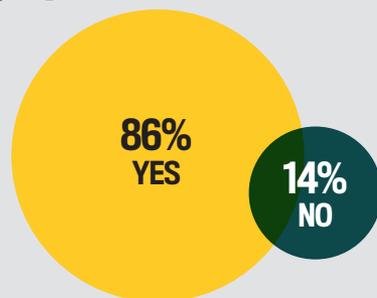
💬 “We have an amazing culture! You can be as open as you like, and you never have to worry about not being heard. Everyone respects one another and collaborates to move the company forward.”

💬 “They have done regular check-ins with staff over the course of the pandemic to make sure everyone is well and feels supported. We have monthly social events that have carried on virtually over the past several months with virtual drinks, a virtual summer party, fun online contests and challenges, etc.”

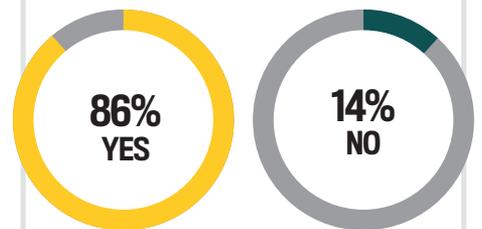
💬 “Everyone works together. There are no silos – everyone greets each other in passing. Management, VPs, the president and CEO all take time to sit with and talk to all associates on a regular basis.”

💬 “Our company is a culture of connection, a culture of caring and looking out for one another. You truly feel like you are part of a family.”

Does your organization have employee recognition programs or awards?



Does your organization have any family-friendly benefits or programs?





TOP INSURANCE WORKPLACE

FIRST INSURANCE FUNDING OF CANADA

Headquarters: Toronto, ON
Year founded: 2000

A leader in payment solutions, FIRST Canada is committed to continuous investment in technology and its people to support industry partners. FIRST Canada's technical solutions, innovations and expertise in insurance payments have greatly improved the process and reduced the workload for brokers. Brokers can streamline their processes,

including quoting, providing customized payment options and obtaining signed contracts, via an entirely paperless workflow.

These solutions are only made possible by FIRST Canada's dedicated team of enthusiastic individuals, who thrive in an entrepreneurial environment. They proudly promote a culture of collaboration, community and creativity, paving the way for innovation in the industry.

"Our people are our greatest strength,"



says FIRST Canada CEO Stuart Bruce. "Building lasting business relationships with our industry partners is integral to the success of our business – we couldn't accomplish this without our amazing team."

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TOP INSURANCE WORKPLACES



TOP INSURANCE WORKPLACES 2020

The following companies achieved an average satisfaction rating of 80% or greater from their employees

500+ EMPLOYEES

CAA CLUB GROUP

Headquarters: Thornhill, ON
Year founded: 1903

Score: **90.4%**

NORTHBRIDGE FINANCIAL

Headquarters: Toronto, ON
Year founded: 1862

Score: **89.2%**

100 TO 499 EMPLOYEES

THE COMMONWELL MUTUAL INSURANCE GROUP

Headquarters: Lindsay, ON
Year founded: 2014 (mutual originated in the 1800s)

Score: **92.4%**

AXIS INSURANCE GROUP

Headquarters: Vancouver, BC
Year founded: 1928

Score: **91.0%**

UNICA INSURANCE

Headquarters: Mississauga, ON
Year founded: 1955

Score: **89.9%**

BILLYARD INSURANCE GROUP

Headquarters: Welland, ON
Year founded: 1998

Score: **89.7%**

OPTA INFORMATION INTELLIGENCE

Headquarters: Markham, ON
Year founded: 2010

Score: **87.3%**

SUREX INSURANCE

Headquarters: Magrath, AB
Year founded: 2012

Score: **86.9%**

APRIL CANADA

Headquarters: Brossard, QC
Year founded: 1988

Score: **86.6%**

ZURICH CANADA

Headquarters: Toronto, ON
Year founded: 1923

Score: **86.0%**

SPECIAL RISK INSURANCE MANAGERS

Headquarters: Langley, BC
Year founded: 1994

Score: **82.9%**

RED RIVER MUTUAL

Headquarters: Altona, MB
Year founded: 1875

Score: **81.9%**

ARCHWAY INSURANCE

Headquarters: Amherst, NS
Year founded: 1985

Score: **80.9%**

STORM INSURANCE GROUP

Headquarters: Dartmouth, NS
Year founded: 1980

Score: **80.5%**



TOP INSURANCE WORKPLACE

NORTHBRIDGE FINANCIAL

Headquarters: Toronto, ON

Year founded: 1862

Northbridge Financial is a leading commercial P&C insurance company that is 100% Canadian, owned by Fairfax Financial Holdings. For more than 100 years, the company has helped Canadian businesses build a safer and brighter future by offering innovative insurance products and responsive solutions through the Northbridge Insurance, Federated Insurance and TruShield

Insurance brands. Today, Northbridge has more than 1,600 employees across Canada.

As a people-first company, Northbridge keeps workplace culture at the heart of its business operations. The company brings this culture to life by facilitating meaningful experiences, investing in the development of its workforce, and supporting a vibrant and engaging workplace. With an employee retention rate of 91%, the company offers leadership development opportunities, personalized programs and services, and a flexible work environment.

Through the Northbridge Cares program, the company supports a variety of social and environmental initiatives. Last year, Northbridge donated more than \$1.3 million to charitable partners. Recognizing the



impact of COVID-19, Northbridge has donated \$100,000 to Food Banks Canada, and it matches employee donations to this charity and others.

During the pandemic, wellness continues to be an integral part of the employee experience, and Northbridge has launched virtual initiatives to promote physical, mental and financial well-being.

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TOP INSURANCE WORKPLACES

FEWER THAN 99 EMPLOYEES

NEXT WAVE INSURANCE CANADA

Headquarters: Toronto, ON
Year founded: 2018

Score: **97.9%**

LEIBEL INSURANCE GROUP

Headquarters: Edmonton, AB
Year founded: 1981

Score: **97.2%**

LATITUDE FINANCIAL

Headquarters: Kelowna, BC
Year founded: 2013

Score: **96.4%**

KENT & WHITE INSURANCE

Headquarters: Bathurst, NB
Year founded: 1946

Score: **95.2%**

J.T. INSURANCE SERVICES (CANADA)

Headquarters: N/A
Year founded: 1969

Score: **94.9%**

APOLLO EXCHANGE

Headquarters: Vancouver, BC
Year founded: 2018

Score: **94.8%**

STANHOPE SIMPSON INSURANCE

Headquarters: Halifax, NS
Year founded: 2000

Score: **93.5%**

CHES SPECIAL RISK

Headquarters: Toronto, ON
Year founded: 2004

Score: **93.0%**

AHA INSURANCE

Headquarters: Waterloo, ON
Year founded: 2016

Score: **92.7%**

PLATFORM INSURANCE MANAGEMENT

Headquarters: Toronto, ON
Year founded: 2014

Score: **91.3%**

TRILLIUM MUTUAL INSURANCE COMPANY

Headquarters: Listowel, ON
Year founded: 2004 (amalgamation of two mutuals established in the 1880s)

Score: **91.1%**

INSURANCE SYSTEMS

Headquarters: Toronto, ON
Year founded: 1991

Score: **90.4%**

INSURANCE INSIGHT

Headquarters: Oakville, ON
Year founded: 2009

Score: **90.0%**

DULIBAN INSURANCE BROKERS

Headquarters: Pelham, ON
Year founded: 1976

Score: **88.4%**

WILL MARSHALL INSURANCE BROKERS

Headquarters: Barrie, ON
Year founded: 1989

Score: **88.1%**

MORISON INSURANCE

Headquarters: Hamilton, ON
Year founded: 1994

Score: **87.1%**



GUARDSMAN INSURANCE SERVICES

Headquarters: Kingston, ON
Year founded: 1961

Score: **86.3%**

BURNS & WILCOX CANADA

Headquarters: Toronto, ON
Year founded: 1969

Score: **86.1%**

FIRST INSURANCE FUNDING OF CANADA

Headquarters: Toronto, ON
Year founded: 2000

Score: **85.3%**

VERTAFORE CANADA

Headquarters: Montreal, QC
Year founded: 1988

Score: **84.5%**

GILLONS INSURANCE BROKERS

Headquarters: Fort Frances, ON
Year founded: 1924

Score: **83.1%**

THE MUTUAL FIRE INSURANCE COMPANY OF BRITISH COLUMBIA

Headquarters: Langley, BC
Year founded: 1902

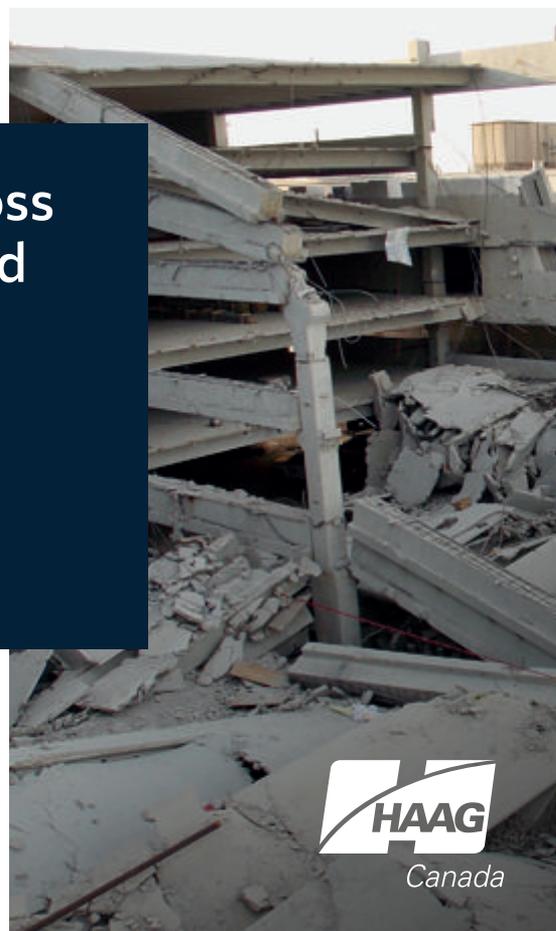
Score: **80.3%**

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INSURTECH

Never too old to start up

BOXX Insurance co-founders **Vishal Kundi** and **Mike Senechal** open up about creating one of Canada's first cyber insurtechs

● **What led you to create BOXX Insurance?**

Vishal Kundi: With 20 years of experience working with global insurance corporates in progressively senior roles, I still had a feeling that I could be doing more. My good friends were successful technology entrepreneurs, and their passion was inspiring. I shared my ideas and vision with them, and one thing led to another.

Mike Senechal: My entire career has been in tech; I built my own software development company and then co-founded a fintech that was sold to SoFi in Silicon Valley. I was attracted to Vishal's vision at BOXX – to make insurance less painful for brokers and their clients – and the impact we could make in the cyber insurance world.

● **What's different about working at BOXX compared to a large insurer?**

VK: At BOXX, we work exclusively in the cyber space. It requires a different mindset to big corporates. Cyber is one of the fastest-growing insurance categories; it's also the most dynamic. To be successful, we stay zealously focused on what we do and follow three key principles: have a bias for action and deliver daily results, truly put the customer

and the broker at the centre of everything we do, and be very close to our partners and stakeholders.

MS: Our brokers and partners are the lifeblood of our business. Our goal is to have as many of the daily tactical decisions made closest to them. This means everyone, including our technical team members, is front line with brokers and customers.

● **How has COVID-19 impacted BOXX, and have you noticed any shifts in demand for cyber insurance?**

MS: As a 100% digital business, our service to brokers and clients didn't miss a beat. We were lucky enough to seamlessly switch to working remotely. We've seen more brokers and companies sign up with BOXX to help protect their businesses. People are waking up to the digital risks and the need to stay ahead of cyber threats, particularly as they become increasingly dependent on digital technology to communicate with customers and operate their businesses.

● **Vishal, what was your approach when crafting Cyberboxx Business Edition?**

VK: Businesses and brokers told us they

found the enrolment for cyber insurance to be a very painful process, they didn't see the product fit for their business, and the coverage was hard to understand. We made it our mission to address all three pain points.

We truly believe the best underwriters can see the world from their customers' perspectives. As a young business, we face many of the same issues our policyholders do – managing cash flow, making payroll, servicing clients and fighting the odd fire. It's easy to see how cyber insurance can quickly fall down the priority list if not given an appropriate explanation, so we made the policy super simple to understand and took the application process back to the studs to enable brokers to quote and bind a policy in less than two minutes on our digital platform.

We also needed to approach this from the idea that no one wants to buy more insurance. The biggest fear for businesses is losing customer confidence and market reputation, and they told us time and time again they wanted to stay ahead of a digital disaster and get support to help them respond and recover should one occur. These insights led to the design of BOXX Academy and the BOXX Hackbusters. We help them stay ahead of threats with better-informed employees and, of course, our risk management services and tools.

● **You've invested heavily in broker-facing sales and marketing technology and tools. Can you talk a bit about that?**

MS: We want brokers to feel comfortable explaining cyber risks, and we want to provide the sales and marketing to help them do that. Cyber breaches are in the news nearly every week, yet SMEs still find it difficult to see how they are exposed and if cyber insurance is worth the investment until it's too late.

Brokers want to have the risk conversation with their clients but feel they can't go



BOXX Insurance co-founders Vishal Kundi (left) and Mike Senechal (right)

in unprepared. To overcome this, we talk to brokers about ways they can help clients put the spotlight on the risks in their business and work out how they can reduce their risk and use insurance to transfer the remainder.

Once a client decides to purchase, we wanted to kill the complexity in the buying

process. We enable brokers to send us paper applications, but they can also quote and even bind policies on our platform, track sales, and set up marketing campaigns.

● **What can we expect going into 2021, in terms of the cyber insurance**

market and from BOXX insurance?

VK: COVID-19 has had a devastating effect on people's health and well-being on a global scale. One of the most striking features of the pandemic is how broad its impact on consumers' and employees' lives has been. We expect the lines of work and home life to continue to blur and are taking a closer look at how these evolving consumer habits and preferences could shape the products we bring to market.

“Our brokers and partners are the lifeblood of our business. Our goal is to have as many of the daily tactical decisions made closest to them”

Mike Senechal, BOXX Insurance

● **What advice do you have for someone thinking of setting up their own insurtech?**

MS: Go for it! In Canada, we're building world-class insurtechs and putting Canadian innovation on the world stage. Look at how well Fineo, Zensurance and APOLLO are doing. More broadly in fintech, Borrowell and WealthSimple are also exemplary.

VK: I'd add that it's important to pick your timing. Spend time in your chosen field to develop core skills and, more importantly, self-awareness. This will give you a good understanding of your strengths and weaknesses and the type of people you will need to surround yourself with when you are ready to take the leap. 

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MARKET INSIGHT

Embracing the hard market

Brokers must learn to work with tough market conditions, says Unica Insurance COO **Dave Smiley**

A HARD market across many lines of P&C insurance has been building for some time now. It's causing angst, pricing increases and reductions in coverage – and putting service levels under severe stress. At its core, the hard market stems from years of underpricing, along with depleted investment income caused by the low interest rate environment and challenges in the stock market – two issues that have only been exacerbated by the COVID-19 pandemic.

“Generalist insurers who may have gotten into certain segments or offered new products that maybe weren't adequately priced are suddenly pulling away from those markets or really ramping up pricing,” says Dave Smiley, chief operating officer at Unica Insurance. “Industries like trucking, taxis, residential realty and hospitality are really coming under some pressure now.”

The pandemic has also brought on

increased risk of business interruption and cyber incidents, forcing insurers to tighten underwriting conditions and increase pricing at a time when clients are already struggling. In Unica Insurance's 2020 Insights Report, more than half of the 250-plus insurance brokers surveyed identified the hardening market as the biggest challenge they are currently facing, aside from pandemic.

Whether it's brokers or customers, Smiley says hard market conditions are already apparent and will continue this way for the foreseeable future. “Until underwriting profits are restored or investment incomes takes a sharp increase – which I don't see happening anytime soon – we need to accept this reality,” he says. “Resistance is futile.”

Forty-seven per cent of the brokers Unica surveyed cited changing customer expectations as the biggest current challenge, up 10% from the insurer's last survey in April. More

people have incorporated technology into their lives than ever before, and now that they can easily complete many transactions from start to finish online, Smiley says insurance customers are anticipating the same ease of doing business that other industries offer.

“We are not compared to the insurance broker down the street; we are judged by our service and offerings and how the experience matches up to every other industry,” he says. “The forced use of technology through the pandemic is elevating how customers expect every industry to respond to their needs.”

As the insurance industry adapts, brokers will need to pivot their focus to include a continued investment in digital solutions that make it easy for customers to engage, communicate and do business. But according to Smiley, technology isn't the panacea of making life easier for the customer. It's more about managing customer expectations, providing a high level of customer service and solving problems before they grow.

“Engaging staff is equally important,” he says. “The younger generation of insurance professionals haven't experienced hard market conditions before. There is going to be a lot of pain and discomfort in the short term, but it will pass.”

Semi-exclusive partnerships can also be an asset to brokers in today's environment. Two out of three brokers surveyed by Unica say their semi-exclusive partner is more supportive than their other insurance partners, and they send, on average, more than half of their business to that partner. Smiley encourages brokers to build robust relationships with insurers, as it can lead to more flexibility in claims and underwriting decisions – or, in some cases, products that aren't available to everyone.

He also advises brokers to focus on the customers who value advice, who are likely to stick with their brokers in 2021 and beyond, no matter how digital the market gets.

“Commercial or high-net-worth customers want to talk to their brokers,” he says. “Through these conversations, hopefully they will recognize the realities of the marketplace and appreciate the protection and coverage they still have, along with the advice and advocacy from their broker.” **IB**





A budding success

Kelli Hunt of Next Wave Insurance weighs in on the highs and lows of the cannabis insurance market

THE COVID-19 pandemic has had an immeasurable impact on several sectors of the insurance industry, resulting in increased pricing, reduced capacity and tighter underwriting. In the cannabis insurance market, however, the effects have been minimal.

“The cannabis industry was already in a hard market at the beginning of 2020, and that hasn’t changed,” says Kelli Hunt, vice-president of underwriting at Next Wave Insurance. “The pandemic, however, hasn’t really negatively affected the space. If anything, it gave the market some pause to sit down and rethink their strategies.”

Cannabis was designated an essential service through the pandemic, meaning mandatory closures didn’t apply to producers. Companies have been able to deliver to clients, and with added stresses and more people at home, cannabis consumption has increased dramatically. Canadians spent close

to \$650 million on non-medical, licensed cannabis in the second quarter of this year, up from \$372 million during the same period in 2019, according to Statistics Canada.

But while the cannabis insurance market has remained somewhat untouched by the virus, it isn’t immune to brewing challenges and emerging risks. “We’ve found a lot of problems stemming from lighting, which can cause fires and smoke damage across a lot of product,” Hunt says. “We’ve seen a handful of large claims in the last 60 days.”

The introduction of edibles, topicals and extracts also introduced new risks from a product liability and product recall standpoint. Risk changes significantly when insuring cannabis-infused chocolate and drinks, compared to the dried cannabis flower. With so many unknowns, Hunt expects some issues to come, especially from edibles’ food and beverage manufacturing risks.

Navigating the legal framework is difficult as well – Health Canada is also traversing through new territory, resulting in constant changes to regulations. Another concern is insuring vape cartridges; the severe negative press around the impact of e-cigarettes and vapes, along with controversies around vitamin E acetate, have left few insurers willing to take on that risk.

“No one wants cannabis to be the next big, bad tobacco,” Hunt says. “We need to navigate these waters together while ensuring insurance companies are protected but the insureds are still able to get coverage.”

There have been some pricing and underwriting changes, but these aren’t as widespread as in other sectors and aren’t pandemic-related. In the two years since cannabis was legalized in Canada, the increase in data and information has allowed for more accurate underwriting and proven risk mitigation strategy. This year, Next Wave managed to secure an additional \$30 million in property capacity, taking its total to \$100 million, when the rest of the marketplace was reducing capacity.

“This is what we’re here for – hard markets are an underwriter’s Olympics,” Hunt says. “We do our best to work with the markets to provide service to our clients.”

For brokers curious about the space, Hunt suggests visiting a production facility. There’s still a lot of stigma when it comes to cannabis, but producers are running sophisticated operations and want to learn more about insurance. The cannabis community has been welcoming and collaborative, according to Hunt, who says Next Wave has been working extremely closely with brokers and insureds to mitigate risks.

“Risk mitigation is on a case-by-case, building-by-building basis; there is no ‘one size fits all’ solution,” she says. “We work with each one of our insureds individually, often sending in risk engineers who understand the problems at no cost to the insured.”

Next Wave was named a Top Insurance Workplace by *IBC* after just two years in business and expanded its team by 35% amid the pandemic. Hunt says the company is looking to launch new product lines in the new year and plans to continue growing the team. **IB**

Sign of the times

Karim Chandani, HUB International's vice-president of hospitality, chats with *IBC* about the impact of COVID-19, the hotel crisis and why captives could be key for the hospitality industry

IBC: What effects has the COVID-19 pandemic had on the hotel industry in Canada?

Karim Chandani: There are huge cost pressures on our hotel clients right now. When COVID-19 first struck and business and leisure travel basically halted, the wage subsidy did help to some degree, and beyond that, the banks supported businesses with six-month loan payment deferrals. But a lot of that support is now coming to an end. As a result, the pandemic has forced hoteliers to look at the financial picture of their hotels in much more detail than they've ever had to before. Every dollar saved makes a huge difference.

IBC: Meanwhile, insurance costs are going up when hotel revenues are down. What impact is this having?

KC: We have hotels with lower revenues and lower profitability than ever before, and at the same time, the insurance rates have absolutely skyrocketed. At a minimum, insureds are looking at rate increases of 30% to 100%, and they can't just reduce their coverage because they need to insure their property at full value.

The reason for these price increases is that there are just not enough insurance companies in Canada today that have the capacity to insure these hotel properties to their full

value. For brokers, that means we have to work a lot harder for our clients because we might have to bring multiple insurance companies onto a policy. Traditionally, it may have been one insurance company that took the entire risk of a hotel, but now we sometimes need four or five companies – if not more – to cover the risk on one hotel.

IBC: What strategies can brokers implement to help larger hotel clients through this hard insurance market?

KC: It's a lot of work, and there's a lot more rate pressure involved, but there are lots of different strategies that we're starting to incorporate, especially for the larger hotel groups. For insureds with multiple hotels, we're putting strategies in place to help ownership groups form their own hospitality-focused captive insurance companies.

I truly believe this is going to be the wave

of the future. Rather than suffering through 30% to 100% premium increases, insureds could actually get something closer to a 50% reduction in premium if they use a captive. These captives are the only way to get sustained, long-term rate guarantees. There's really no indication of any kind that rates are coming down; everything indicates that insurance rates will continue to go up over the next three years at a minimum.

IBC: Can these captive insurance programs expand beyond hotels?

KC: Absolutely. For example, I could create a captive insurance company with five hotels, and then I could invite other risks into that captive, such as a restaurant group or some apartment building owners. If it's run successfully, you can actually create a side business within the captive, and there are also some incredible tax advantages.

ABOUT KARIM CHANDANI



A seasoned entrepreneur, Karim Chandani understands the importance of serving as a trusted advisor to his clients to help them proactively meet their needs and solve their business challenges. As a former business owner, he is familiar with the challenges associated with costs, cap rates and profitability. In his role as a vice-president and hospitality expert at HUB International, Chandani works closely with hundreds of hoteliers, retirement homes, real estate owners and large manufacturers to provide them with the best pricing and coverage options.

BENEFITS OF CREATING A CAPTIVE INSURANCE COMPANY

- ⚠️ Improves risk management
- 💰 Reduces costs
- ☂️ Provides comprehensive coverage
- 💵 Returns underwriting profits
- 📈 Returns investment income
- 💵 Improves cash flow

Source: HUB International

One thing that's important to note is that in Canada, there's only one province that allows captives to be formed, which is British Columbia.

IBC: So you see captive insurance as the future for hospitality clients?

KC: Nobody is really talking about the benefits of captive insurance, but I truly believe this is going to be the only way to stickhandle around a situation where hotel owners are going to have to take on a bit more risk. Captive solutions enable insureds to transfer that risk from an insurance company to themselves while also profiting from the savings.

The problem is, not enough people understand captive insurance, and not enough companies or brokers have access to it. There's only a handful of brokers, with HUB International being a leader in this space, that can actually offer this. That's why we'll work with other brokers to help them form a captive. Ultimately, our job is to do the right thing for our clients, to keep the hospitality industry strong and vibrant, and to create the best overall playing field that we can. **IB**



“I truly believe this is going to be the wave of the future. These captives are the only way to get sustained, long-term rate guarantees”

DIVERSITY AND INCLUSION

Leading the change

Jo-Anne Yanuziello, Tina McAvella and Colette Taylor are leading Sovereign Insurance through unfamiliar territory

DIVERSITY AND INCLUSION is an increasingly vital focus for many insurance companies. More organizations are striving to address barriers of entry and help more women and people of colour into leadership roles. While entry-level positions in financial services in North America are made up of roughly equal portions of men and women, McKinsey & Company found that women are severely underrepresented in leadership roles; only two in 10 women hold C-suite positions.



“We aim to embrace difference and look for those who will add diversity and value to our organization”

Jo-Anne Yanuziello, Sovereign Insurance

Sovereign Insurance prides itself on prioritizing its people and championing an inclusive culture. Recently, Sovereign partnered with its parent company, The Co-operators, to build a strategy, design a D&I hub, and create a cross-functional, company-wide steering committee to move D&I forward. Sovereign also practices what it preaches – women make up half of its senior leadership team.

“One item we’ve been discussing more with our HR team is embedding the concept of ‘culture add’ versus ‘culture fit,’” says Jo-Anne Yanuziello, Sovereign’s VP of marketing, human resources and corporate admin. “We aim to embrace difference and look for those who will add diversity and value to our organization.”

For several years, Yanuziello was the only woman on the senior leadership team before she was joined by Colette Taylor, VP of commercial and specialty lines solutions, and Tina McAvella, VP of underwriting and risk engineering. This significant increase in female leadership set an important precedent, while also increasing collaboration and highlighting the value of varied perspectives.

“I feel the strength of our complementary styles when we are working on strategic plan-

ning,” McAvella says. “We have worked hard to understand each other’s style, communication preferences and core competencies. At the core, there is respect and an honest desire to listen.”

Mentorship in various forms has played an important role in each woman’s path to leadership. McAvella says while she’s never been a fan of mentor/mentee labels, she’s had many people invest in her journey throughout her career. Yanuziello has also benefited from informal mentorships and often turns to her current team for support and to challenge and expand her thinking. Taylor, meanwhile, has actively sought out mentorship from other women in senior leadership roles.

“Having that support and insight is essen-

tial to my ongoing growth and development, and the concept of paying that forward is important to ensure I honour all the time those ladies have invested in me,” she says.

Collaboration has never been more important, as COVID-19 has only intensified the stresses of a hardening market, climate volatility and emerging risks. McAvella says underwriters are carefully navigating within this framework to ensure years of soft-market pricing are corrected while still being mindful of the challenges insureds are facing.

“These forces put negative pressure on the insured’s perception of the insurance industry,” she says. “It’s difficult enough to explain a pricing correction in an environment that is otherwise normal, but at this unusual time, the industry’s correction seems harsher. We understand the difficulties businesses are up against, which is why working in alignment with our values and executing with empathy for the broker and the insured is more important than ever.”

Amid these challenges, the leaders at Sovereign have prioritized supporting their team, starting with simply having realistic expectations. “We can’t expect everyone to be at the top of their game every day,” Taylor says. “I believe that enthusiasm mixed with openness and authenticity allows the team to truly understand the value and importance of what we do for our customers and the communities they serve.”

The pandemic has also brought on significant challenges specific to female professionals. According to the Prosperity Project, one-third of Canadian women have considered quitting their jobs to take care of home responsibilities through the pandemic, and working mothers are more than twice as likely to have considered this compared to those without children.

“It is key that we continue to foster work environments that provide all leaders with the opportunity to balance their professional and personal responsibilities and offer the flexibility needed to ensure they are able to bring their best self to their role,” Yanuziello says, adding that this starts at the top. “If leaders feel empowered, they can promote this environment for team members and truly make an impact organizationally.” **IE**

Making waves

In response to the COVID-19 pandemic, **The Commonwell** stepped into action for its members and communities

THE COMMONWELL'S C.A.R.E. corporate social responsibility program is all about “creating a ripple effect,” but the company is doing so much more than that. Because it’s a mutual insurance group, being a good neighbour is built into The Commonwell’s DNA, so when the COVID-19 pandemic began ramping up, the team was more motivated than ever to make a difference.

“There’s a unique aspect of mutuality,” says Tim Schauf, president and CEO at The Commonwell. “It can sometimes be hard to stand out, so we’ve always tried to be innovative and creative when it comes to being a part of our communities.”

Since the C.A.R.E. program was formed in 2011, The Commonwell has donated millions of dollars and countless volunteer hours in the communities it serves. The team looked for areas of increased need during the pandemic and worked to fill those voids. They kicked off their community initiatives by providing long-term care workers across Ontario and those dealing with food security issues with \$120,000 worth of food boxes from Chef’s Plate, as well as emergency food boxes from Food Banks Canada.

“Front-line workers were working a lot of overtime to keep everyone safe,” says Miki Paczek, director of sales and distribution at The Commonwell. “At that time, several long-term care homes were struggling with COVID-19 outbreaks and negative press, and we wanted make dinner one less thing they had to worry about.”

The Commonwell’s next initiative was to help students who had lost out on summer employment opportunities due to mass closures across various industries. The Lockdown 101 initiative gave grads a chance to earn

\$1,000 towards their education by sharing a lockdown lesson video. The Commonwell committed \$100,000 to this initiative.

Perhaps the most exciting of all was the Pay-it-Forward Initiative. At the start of the pandemic, Schauf knew The Commonwell had an opportunity to make a significant impact. He wasn’t quite sure how, but after bouncing some ideas around, the team eventually landed on this initiative. The Commonwell put \$100 in each of their 84,000 member households’ hands, totalling an \$8.4 million commitment. Each member could either use it ease their own financial pressures or pass it along to someone else in need. The response was amazing.

“The level of engagement and response from our members was phenomenal,” says Enrico Mastrangeli, vice-president of distribution and member innovation at The

Commonwell. “It wasn’t just seeing the joy of the recipient, but the emotional response of the person who was able to pass it along and feel good about that.”

“We got photos, handwritten notes, phone calls and emails – it was overwhelming,” Schauf adds. “We really felt like we made an impact. It was a great reminder of how much \$100 can mean to so many people.”

Not only did this initiative cause a ripple effect, it made waves. There were several examples of recipients matching the \$100 to make an even greater impact in their communities. A member in one Kawartha Lakes community emailed to say, “We have chosen to match your funds and make a \$200 donation to the food bank nearest to our cottage.” Another recipient took her \$100 to her office and turned it into \$1,000 before donating it to a local non-profit.

Paczek says The Commonwell made a point to not just focus its initiatives in the communities that host its physical offices, but in all the neighbourhoods it serves, which is why putting the money into the hands of members was so effective.

As The Commonwell and its C.A.R.E. program continue to evolve, the goal remains the same: “This country started with neighbour helping neighbour,” Schauf says, “and there’s something vital and truly inspiring about helping people around us.” **IB**



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NOVEMBER 19, 2020 • ONLINE

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The fifth annual Insurance Business Canada Awards are coming soon. Meet the stellar group of finalists vying for the big prizes

On November 19, the Insurance Business Canada Awards will recognize top-performing insurance professionals and organizations across 20 categories for their outstanding achievements, innovation and leadership in moving the industry forward during a difficult time. This year's first-ever virtual awards show will celebrate their tireless efforts, which have redefined success in the insurance industry.

Despite the challenges inherent in 2020, it was once again a fantastic year

for nominations. *Insurance Business Canada* would like to thank all those who made their voices heard during the nomination process. This event relies on the input of hard-working insurance professionals like you.

On the following pages, *IBC* presents the organizations and individuals who have been named as finalists across all 20 prestigious categories. The deserving winners will be revealed at the virtual Insurance Business Canada Awards show on November 19.



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Sharp Insurance
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- **RSA Canada**
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- **Trisura Guarantee Insurance Company**
- **Unica Insurance**

INSURANCE INDUSTRY EMPLOYER OF CHOICE

- **CNA Canada**
- **Crawford & Company (Canada)**
- **OVC Assurance**
- **Red River Mutual**
- **RSA Canada**
- **Storm Insurance Group**
- **The Commonwell Mutual Insurance Group**
- **Trisura Guarantee Insurance Company**
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Zehr Insurance Brokers
- **Jill Fratpietro**
Canada Life
- **Josh Pillsbury**
APOLLO Exchange
- **Michael Craig**
SGI Canada
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- **Sharon Sharma**
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- **Vedran Hodzic**
Wawanesa Insurance

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Trisura Guarantee Insurance Company
- **Andre Prasad**
CHES Special Risk
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MENTAL HEALTH

The growing need for mental health care

It's time to move from dialogue to action when it comes to mental health in the workplace, writes **Marc Avaria** of Medavie Blue Cross

THE CANADIAN workplace is more progressive than ever, and corporate cultures are changing to become more employee-centric. While these types of changes address many problems, new challenges have also arisen, not the least of which is mental health. For years, Canadians have silently struggled with issues related to mental health and wellness, but as the stigma surrounding mental health dissipates, the once-taboo topic of employees affected by mental health issues is now at the forefront of the conversation.

The continued challenges of COVID-19 have amplified the frequency and need for support, too, as Canadians from coast to coast

employees reporting mental health challenges. In addition, 69% of those surveyed have seen an increase in employee absenteeism, and 61% have seen an increase in mental health disability claims.

The Conference Board of Canada reports that roughly 500,000 employees are off work every week as a result of mental health issues; according to Medaca Health Group, the associated costs of these issues can consume up to 14% of an organization's net annual profits.

All of these statistics are surely even more inflated during COVID-19 and as we enter a second wave. The number of Canadians in need of mental health support and coverage

More needs to be done to bridge the gap between creating a dialogue and equipping employees in need with the tools and resources necessary to receive adequate care

grapple with the social and economic factors affecting our mental health.

Just how severe is this issue? In dynamic work environments, conversations around mental health and wellness are welcomed with accepting and open minds; however, progressive health benefits are needed to advance the conversation from acceptance to adequate support.

A growing need

According to research commissioned by Medavie Blue Cross, more than 68% of HR professionals have seen an increase in

continues to rise, and more needs to be done to bridge the gap between creating a dialogue and equipping employees in need with the tools and resources necessary to receive adequate care.

Our research found that only 62% of small businesses adequately address the mental health needs of their employees in their current health benefits package, compared to 82% of large businesses. Canadian businesses should be applauded for their progress to date; however, room for improvement remains for the many businesses that are missing the mark when it comes to mental health benefits.

Embrace change to improve care

As the health and wellness needs of employees change, so should health and wellness benefit plans. Fortunately, the emergence of virtual care has helped create benefits that are more employee-centric and cost-effective.

Virtual care enables on-demand access to the mental health tools and resources that employees need and includes virtual cognitive behavioural therapy, along with other virtual psychiatry and psychotherapy services.

This is important, especially in the middle of a pandemic that has resulted in restricted access to many of the basic healthcare needs Canadians rely on day in and day out.

Consumers want choice and flexibility. In the context of a health benefits plan, choice and flexibility empower plan members to take control of their mental health by making the healthcare decisions that best address their unique needs – which have drastically changed since the onset of the pandemic.

It's no wonder, then, that Medavie Blue Cross has seen a 28% reduction in the average duration of mental health short-term disability claims since we began offering expanded member-centric solutions, including virtual psychiatry and psychotherapy services.

Employers are moving in the right direction. Now is the time to take action by enabling employees to take their mental health and well-being into their own hands with flexible health benefit options. **IB**

Marc Avaria is vice-president of product and disability management at Medavie Blue Cross.





Start trusting your team

If you want your team to be successful, you have to stop treating them like kids, writes **Gustavo Razzetti**

LEADING IS like parenting – everybody thinks they do a better job than they actually do. There’s a definite gap between how most executives assess themselves and how their direct reports do. Leaders and their teams seem to be watching two different movies.

Organizations want employees to become more mature, accountable and to drive change

– yet their policies and rules treat people like kids. Without realizing it, many executives act like helicopter bosses: They have good intentions, but their need to control and protect their people doesn’t allow them to grow.

There’s a tension that keeps repeating over and over – when things don’t go well, there’s a tendency to blame it on ‘the people.’ I help

organizations build cultures of change – to become more experimental, innovative and adaptive. When I kick off a project, I receive a brief from senior executives. Most of the time, the diagnosis focuses on how their teams are not performing as they should. The company is trying to push change forward, but people’s behaviours and mindsets are supposedly getting in the way. While the description isn’t necessarily wrong, it’s far from being accurate. Afterward, when we interview the broader team, we get to listen to the other side of the story.

Both stories are right and wrong at the same time. Driving change is not about taking sides, but a collective experience. Don’t expect people to change if your rules stay the same.

Addressing this gap with my clients, I’ve come to a simple realization. Most senior executives believe they are good at delegating and inspiring people based on a different standard – a paternalist leadership style they

LEADERSHIP

learned from their bosses decades ago.

But delegation and freedom ain't what they used to be. Today's environment requires removing the boundaries between leaders and 'the rest.' People expect a more transparent, experimental and participatory culture. Leadership is about co-creation – people want to be active contributors, not just passive implementers. Your team wants to be treated as equals, not as kids.

Stop planning, start experimenting

We live in an uncertain, volatile and fast-changing era. However, most senior executives were trained to manage organizations in a predictable world. Most companies keep thinking on annual cycles. Annual planning, employee performance reviews and promotions, to name a few, are based on a 12-month period. We need to become better at adapting

Rules control how and what people should do, rather than enable them to act freely and do what they believe is best for the company

rather than anticipating. As Susan Peters, GE's head of human resources, put it: "The world isn't really on an annual cycle anymore for anything."

The same applies to organizational structures or policies. They were written when things were supposedly predictable – organizations wanted to control how things should be done. That model operated under the assumption that leaders knew better. They were in charge of making strategic decisions and then persuading others to follow.

However, a top-down approach is ineffective. Every person in a team is a sensor. They can detect problems and opportunities; every member can develop new ideas, information or ways to operate.

The future is uncertain. Modern leaders must be humble and vulnerable enough to admit they don't have all the answers – least of all that they can predict what will happen tomorrow. Rather than being stuck in 'best

practices,' organizations need to promote an experimental mindset. Rules and processes must be constantly challenged and improved.

We must stop treating people like children and let them actively participate, design and influence how the company operates. Your team needs more room to experiment, make mistakes, adapt and evolve.

Five ways to start treating people like adults

Here are some ways to unleash the leaders within your team by treating them as such. These are not meant to be comprehensive or perfect, but rather to get you started.

1 Create rules that enable rather than forbid

Most companies have rules that are based on a command-and-control mentality that

was originated in the Industrial Revolution. Managers had to supervise that people showed up, did their jobs and followed the policies.

The problem with this approach is that it doesn't promote trust. Rules control how and what people should do, rather than enable them to act freely and do what they believe is best for the company.

Also, corporate rules tend to be one-way. Employees are supposed to clock in and out but are expected to reply to work emails during the weekend. Netflix's unlimited vacation policy is the opposite – rather than tracking time, it focuses on performance. When a culture is built around accountability, people behave like adults – there's no need to cheat.

2 Delegate decision-making rather than tasks

I have yet to hear a senior executive acknowledge that they are not good at delegating.

The problem is that they task people with managing projects but don't delegate decision-making. No matter how empowered a team is, in the end, they always need their boss's approval.

Real delegation includes full accountability for both actions and repercussions. You can start by encouraging your team to make decisions in small doses. Safe-to-try decisions are an excellent contribution from Holacracy, a self-management system. It moves teams into action rather than waiting for the perfect solution or for the boss to chime in.

Think of safe-to-try as a litmus test. To accept or reject a proposal, there are two questions the team should consider:

- Will this decision move the team backward?
- Will the proposal, if implemented, cause harm that cannot be mitigated promptly?

There's always time to course correct. Let the team adjust its path based on actual feedback instead of hypothesis based on fear or anticipation.

3 Trust people's criteria over the process

Organizations that prioritize processes over results end up encouraging politics rather than accountability. Zappos gives its employees freedom to follow their own criteria versus telling them what's right or wrong. An employee can send a new pair of shoes free of charge to a bride whose shoes never showed up without asking anyone for permission. Solving the client's problem is priority number one – employees use their best judgment rather than follow a rigid process.

Do you encourage your team to follow or break the rules? What is most important? To get the job done or to follow the process? Rules shouldn't limit your team's ability to perform their jobs. Breaking rules isn't bad when it's done with a purpose.

4 Encourage failure rather than protectionism

Helicopter bosses aren't just micromanagers – they tend to be overprotective, too. By trying



Freedom drives accountability – contrary to popular belief, the more freedom people get, the more engaged and committed they are

to protect the team from getting hurt, they can cause more damage.

Teams need to make mistakes to learn and grow. At Nixon McInnes, a social media company, the Church of Fail is a monthly ritual. Employees are invited to stand and confess their mistakes and are wildly applauded for doing so.

Does your organization punish mistakes or encourage people to learn from them? Embracing mistakes promotes transparency and experimentation. Everyone makes mistakes; publicly acknowledging them ensures that people can learn from them and that others won't make the same one. Also, mistakes are a means to an end – action is always better than inaction.

5 Provide challenges instead of direction

People want to be challenged so they can give their best. However, more than three-quarters of workers believe their bosses don't motivate them to unleash their true potential.

Most senior managers tend to define the path rather than letting their team members find the solution. They provide unsolicited advice instead of challenging people with questions. When work is organized around projects, people's responsibilities become repetitive and predictable, thus decreasing excitement and engagement.

Assign challenges rather than tasks. It's more interesting to be in charge of "How can we inspire and educate our clients?" than to be

the monthly newsletter manager. A challenge invites people to improve their game, not just to continue playing the same way.

Leadership requires a new standard. Invite your team to co-create how your organization works and operates. Encourage people to experiment and fail, to break the rules with a purpose, to make decisions, and to prioritize results over processes.

Freedom drives accountability – contrary to popular belief, the more freedom people get, the more engaged and committed they are. Your team is made up of responsible adults who should be trusted. They don't need to be controlled. What you give is what you get. **IB**

Gustavo Razzetti is the CEO of Liberationist, a change leadership consultancy that helps organizations become more innovative. He is also a keynote speaker and the author of *Stretch for Change* and *Stretch Your Mind*. For more information, visit liberationist.org.





Spilar's recent adventures have taken him through Ontario's pristine wilderness, including the Queen Elizabeth II Wildlands Provincial Park



INTO THE WILD

The pandemic might have limited his travels, but account executive **Ryan Spilar** has found plenty of adventure in his home province

THE COVID-19 pandemic has put a damper on many a travel plan, but that hasn't stopped Ryan Spilar, a commercial account executive at Brampton, Ontario-based Heartlake Insurance Brokers, from enjoying the great outdoors. Instead, Spilar has been exploring closer to home by embarking on several backwoods camping trips in his home province, going completely off the grid without running water, cell service or electricity.

On one such trip, he hiked 32 kilometres from Devils Lake to Victoria Falls over very unforgiving ground in the middle of bear country. "This was an extremely difficult hike through flooded marshland and over rocky terrain, which lasted three days," he says. "We had to cross multiple beaver dams, through a foot and a half of swamp, up and down mountainous terrain – all with no one else in sight."

Yet for an avid adventurer like Spilar, it was heaven. "The best thing about this was being able to get outside and explore our own country at a time when we shouldn't be leaving it," he says. "Aside from the enormous amounts of exercise and fresh air, it also gave me a greater respect for the province I have lived in my entire life."

7

Kilometres Spilar
hikes daily

100+

Number of hikes he
took this summer

30+

Countries Spilar
has visited

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