

THOMPSON'S WORLD INSURANCE NEWS

Fortress takes slow and steady approach

IT'S JUST over a year since the Western Investment Co. of Canada announced its re-entry into the p&c market with a 50% share of Fortress Insurance Co.

Considering that Fortress was previously an Alberta-only captive ensuring the Budget Rent-A-Car business and parking at Calgary International Airport, and that it was decidedly small (capitalization: \$4m), it could easily have foundered in the tsunami of the coronavirus.

As it turns out, however, the company's small size and small ambitions let it weather the lockdown with ease.

"It (COVID-19) really hasn't made much difference at all," Fortress chairman and CEO Scott Tannas told *Thompson's* last week.

"We don't have any big, grand plans for rapid expansion. We're taking capacity as a follower on subscription policies, and we're content to kind of make that our business for now."

Riding on the coattails of large, well-established insurers, Fortress has actually seen growth

in its first year.

"The pandemic itself seems to have, if not tightened the insurance market a little more, at least kept it fairly tight for commercial and residential property," Mr. Tannas said. "And so our timing is pretty good, and we're slowly but surely gaining some opportunities to write business."

Fortress is looking at the development of a couple of products, probably one to two years down the road.

"That would be niche, specialty insurance products that would be well out of the mainstream, where we think there's some opportunities for a homegrown player," he said.

"The current products in that space are dominated by providers that are part of the domestic insurance crowd.

"We are still doing a lot of research around that and we want to take careful steps."

Together with its partners, WICC has developed an expansion strategy that goes beyond the rental car business and parking lot operation.

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Home insurance must adapt as more work from home

ALMOST one-third of Canadians plan to work from home even after COVID-19 restrictions are lifted, according to a recent survey from Rates.ca.

And that could change the kind of home insurance people require.

"Home insurance is not business insurance — it's not designed to meet the specific needs of individuals who work from home," Rates.ca editor Liam Lahey said in a release late last month.

The firm said data has shown that there has been a shift in the kinds of perils that are most common with more people in their homes all day due to lockdown measures.

It said flood damage has become less of an issue, as problems like burst pipes and leaking water tanks are being noticed more quickly, but fire rates seem to be rising.

"The data that's being reported through the fire marshal is that they are seeing an increase in house fires, because people are home more, they're cooking more, but also you're likely cooking while working, so they might not be focused on one task versus the other so that might lead to more fires," Pete Karageorgos, director of consumer and industry relations at the Insurance Bureau of Canada, told *Thompson's*.

Working from home also means that people have items in their homes that belong to their employers, including computers and cell phones, that could require additional coverage.

"It's a disclosure question, said Chris Floyd, president of the Insurance Brokers Association of Canada.

"If someone is working from home they need to ensure that equipment that's owned by their company is insured properly."

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Economical launches eligibility campaign

ECONOMICAL Insurance has launched a campaign to alert eligible policyholders to possible financial benefits from its bid become the first Canadian p&c insurer to demutualize.

It is urging past and present policyholders to visit joinourfuture.com to determine if they are eligible, and if so, to activate an online account and register for demutualization updates.

For customers who held a policy for the 12-month period ending on Nov. 3, 2015, eligibility may apply for one-time financial benefits in the form of cash or shares once the mutual insurer becomes a publicly traded company owned by shareholders.

Economical said policyholders who are eligible to participate but have not registered online are likely unaware of their potential financial benefits.

"By using a geographically targeted social media campaign, Economical aims to reach tens of thousands of their policyholders in an

efficient way that allows for broad visibility with a minimal environmental impact," the Waterloo, Ont.-based company said last week.

The campaign will use targeted social media advertisements, stories and other content throughout the summer.

"At a time when many Canadians are under financial pressure, this campaign is timed to ensure as many eligible policyholders as possible are aware of their potential financial benefits," said David Bradfield, Economical's marketing and communication VP.

"Encouraging more policyholders to register will also facilitate the process associated with our future special meeting, where more than 630,000 Canadians will have an opportunity to vote to approve our demutualization."

Economical board chairman John Bowey said in an update last week that a third and final special meeting will not be held in 2020, as had been expected before the pandemic.

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P.O. Box 1027
Waterloo, ON N2J 4S1

Phone 519-579-2500
Email mpub@rogers.com
Internet www.thompsonsnews.com

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EDITORIAL

TONY THOMPSON (1931-1999)
Founder

MARK PUBLICOVER
Publisher / Manager

CAITLIN GAUDET
Staff Reporter
(416) 553-3602
ecgaudet@gmail.com

SHANE McCUNE
Daily Editor
(250) 890-9252
coastwords@yahoo.ca

LOUISE PEVREAL
International Editor
011 44 7905 468 457
louise@gdiyup.co.uk

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Former Zurich Canada CEO Lundy joins NFP

FORMER Zurich Canada CEO Patrick Lundy has joined global broker NFP's Canadian team as senior VP, manufacturing and real estate.

Mr. Lundy has worked in the insurance industry for more than 24 years, in executive and business line leadership roles handling risk advisory, underwriting, brokering, operations and distribution management.

He headed Zurich Canada from 2012-2017 and prior to that held executive roles at AIG and Travelers. He currently serves as a board director for Assurant Life of Canada.

"NFP continues to invest in people who have expertise and leadership that accelerate growth," managing director Daryn McLean said.

Mr. Lundy will work with the NFP's business development team on growth strategies and opportunities to introduce other financial services. He will also join the brokerage's business insurance leadership team.

NFP first entered the Canadian market in 2008 in the benefits and life and wealth management

sector and expanded into the p&c market in 2017.

NFP said it is now one of the top 10 brokerages in Canada. It has grown its Canadian team to 750 employees since entering the market in 2008 and generates more than \$140m of annual revenue.

In December 2018, it acquired Markham, Ont.-based p&c brokerage Mass Insurance Brokers and Easyway Insurance Brokers, which both operated under the Mass banner. In 2019 it bought Windsor, Ont.-based PBL Insurance and its nine additional offices throughout the province.

In February, it rebranded several of its holdings, including Mass, PBL, Capital Benefit Financial Group, Corporate Benefits Analysts Insurance Agency, Consortia Group, Dalton Timmis Insurance Group, McLean Hallmark Insurance Group, Elective Benefits Services, and Indemnis Trade Risk Management under the parent company banner.

NFP is headquartered in New York and also has offices throughout the U.S., Puerto Rico and the U.K. In Canada NFP has offices throughout Ontario and also in Calgary and Montreal.

CSIO finalizes small retail business standard

THE CENTRE for Study of Insurance Operations has finalized a standard set of questions that is required for underwriting small retail business submissions.

Standardizing the questions supports workflow efficiencies between brokers and insurers by improving the speed of information exchange.

The finalized questions support real-time quoting for nearly 90% of the Insurance Bureau of Canada's retail industry codes. This includes retail services, such as florists, bakeries, drug stores, hardware stores and electronics shops.

The questions are built using the foundational minimum data set that consists of common data elements used by insurers to underwrite commercial risks.

The questions allow insurers to determine the appropriate industry group classification needed to

quote a risk. Once programmed in the broker management system, brokers can approach multiple markets using the same information.

This results in more accurate quotes provided in real-time, reducing redundant work, creating less paperwork and improving customer service.

"In an increasingly competitive marketplace, these technology advancements using data standards allow us to provide greater value to the brokers and better service to their customers," said Chris Farris, director of business development of Brokercore Inc.

"Using this structured standard data set is the most effective way for the industry to implement and program real time quoting. We have demonstrated how this works with the contractors' industry segment and we are excited to build the functionality for retail risks."

Fortress planning to take on supporting role

► *Continued from front page*

Those businesses have been hit hard by the pandemic, but Fortress has been 'ring-fenced' against that.

"It's capital, revenue and expense neutral," Mr. Tannas said.

For the foreseeable future, Fortress will remain a very small player, taking on a supporting role in policies led by much larger companies.

WICC has a 50% position in Fortress — not 49%, not 51% — so it relies on seeing eye to eye with its partners on expansion plans.

"It's a true partnership," Mr. Tannas said. "We know the shareholders; they were significant share-

holders in Western Investment Company before we were ever in this business, and when they heard some of my talk about our desire to get into the insurance business they came to us and said, 'Well look, what do you think about our company . . . is this the kind of platform you're looking for?' and we got all excited."

They applied for and received permission from the Alberta regulator to expand Fortress into property insurance, and eventually were licensed in B.C., Saskatchewan and Manitoba.

"We have been taking on business over the last few months, and now it has started to accelerate.

"It's a watch and learn strategy."

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Economical says third special meeting will be delayed

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"For now, there are too many unknown factors affecting our business," Mr. Bowey said.

"Almost all of those unknown factors are related to the impact that COVID-19 will have not just on us, but on the Canadian economy as a whole and on capital markets.

"And, for the most part, they are not within our control and so a final decision on the timing of our IPO must wait for now."

The future special meeting stems from an earlier one in March 2019 where the mutual policyholders overwhelmingly supported a change to the company bylaws to allow non-mutual policyholders to vote at a third special meeting of all eligible policyholders to continue the demutualization bid.

Mr. Bowey said there are three key areas that need to come together before Economical can finalize the timing of an IPO.

"First we need to improve our performance, second we need to complete the necessary regulatory and governmental approval steps, and lastly we need to ensure capital market conditions are favourable."

He said that before the COVID-19 outbreak, the company was making significant progress in each area.

"It was momentum in all these key areas that prompted a prediction from me earlier this year about moving forward with our third special meeting in 2020.

"Unfortunately, since then, it has become clear that the onset of COVID-19 could slow

our performance improvement, particularly in relation to the returns we can earn on our investment portfolio and the impact the pandemic is having on capital markets and public offerings," Mr. Bowey said.

"In this environment, it is impossible to deliver a responsible prediction about the timing of our future IPO, and therefore our third vote."

AN IPO will be the culmination of a very long — and, at times, litigious — process that began in December 2010, when a group of so-called mutual policyholders raised the prospect of demutualization.

Generally speaking, 'customers' of a mutual insurance company are considered members, and thus co-owners.

But Economical's mutual policyholders constitute a special class of members, who in decades past agreed to chip in financial support if the insurer ever ran short of funds.

At one time this was a fairly common feature of mutuals, but Economical is the last mutual of any size in Canada to retain separate classes of members.

It is a large and stable company and no mutual policyholder has ever been called upon to bail it out.

But some of the mutual policyholders saw in demutualization an opportunity to convert their particular memberships into 'shares' of a cash surplus of up to \$1bn in surplus assets.

Initially the board and management of Economical opposed the idea, and in late

2010 and early 2011 the disagreement erupted as the dissident policyholders engaged a venture capital firm called VC & Co. that led the charge to replace the board.

The dissident policyholders won a couple of skirmishes but ultimately lost the battle of the boardroom.

Then the victorious board members launched their own campaign for demutualization in 2011.

No Canadian p&c mutual has ever converted to a share-based company.

Several major life insurance companies did so in 1999, but the federal Finance Department determined that the rules governing those transitions did not apply to p&c mutuals.

The federal regulator also made it clear early in the process that there would be no exclusive windfall for mutual policyholders.

Eventually an Ontario Superior Court judge worked out the convoluted process for drawing up two committees, one for each class of policyholder.

Federal regulations provide that a converted company must be widely held, with no one having more than 10% of any class of shares for at least two years after the conversion.

The rule was designed to prevent a hostile takeover of a company shortly after conversion and to prevent 'sponsored demutualization,' in which an investor agrees to buy a controlling interest in the company as part of the process.

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Insurers welcome task force looking into towing industry

INSURERS have welcomed news that the Ontario government has launched a task force to establish better oversight of the towing industry.

The new task force will create regulations designed to increase safety and enforcement, clarify protections for consumers, improve industry standards and consider tougher penalties for violators.

The announcement comes following high-profile incidents in the Greater Toronto Area involving alleged criminal activity and violence in the towing industry that included intimidation of claims adjusters (*Thompson's*, last week).

The Insurance Bureau of Canada has been calling for provincial regulations to standardize a response to the problem in jurisdictions across the province, which currently has a patchwork of local bylaws.

"IBC applauds the Ontario government for taking action against criminal activity and violence in the towing industry," the bureau's Ontario VP Kim Donaldson said.

"Insurance fraud is a safety issue for consumers. Lives can be put at risk as a result of these criminal actions. Insurance fraud costs Canadians in higher insurance premiums, and strains our already burdened health care services, emergency services and court systems."

As part of the review, the task force will look at increased protections for consumers against 'first-to-the-scene' practices.

And it will explore opportunities for insurance savings through a crackdown on fraud and improved consumer choice for payments and repairs.

An investigation into tow truck turf wars in the GTA, dubbed Project Platinum, found that insurance companies were defrauded with vehicles involved in collisions and staged accidents.

It found that tow companies partnered with auto repair shops — and also car and truck rental companies — to carry out the alleged frauds.

Insurance companies worked to mitigate the fraud and additional costs to the consumer and actively pursued legal action against various tow companies.

One law firm in Vaughan, north of Toronto, which was hired by the insurance companies, became the target of violence, threats and extortion.

In a separate investigation, a Toronto Police Service officer was charged in a crackdown on illegal practices by the tow truck industry.

The officer was one of 11 people charged. The others were employees from multiple tow truck companies, TPS said in a release.

The investigation began in August 2019 after the theft of encrypted police radios.

The police service alleges that several tow truck employees from different companies were in possession of stolen police radios. And it says the radios' encrypted transmissions were used to gain information about traffic collisions in order to arrive before other tow truck drivers for financial gain.

It is also alleged that the information was broadcast by one driver to other tow truck drivers for a monthly fee.

TPS said it seized six tow trucks and a loaded firearm as part of that investigation.

The new provincial task force will review a number of topics related to the towing industry, which could include provincial oversight of safety, consumer protection, improved industry standards, training and background checks.

Members of the task force will include representatives from the Ministry of Transportation, the Ministry of the Solicitor General, the Ministry of Government and Consumer Services, the Ministry of Municipal Affairs and Housing, the Ministry of Labour, Training and Skills Development, the Ministry of Finance and the Ontario Provincial Police.

Once the task force has developed proposals for discussion and comment, it will consult with industry, municipalities and public safety experts.

The government said it is also looking for ways to clear accidents from the roads more quickly in order to minimize lane reductions and reduce congestion on highways.

Shift to working from home changes risks

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The IBC's Mr. Karageorgos said liability is another concern. People are ordering more items to be delivered and even seeing clients in their homes.

"The potential for someone being injured on someone's property . . . someone tripping or falling on your steps or porch and injuring themselves opens up the potential for a property owner to be sued," he said.

Home insurance rates aren't likely to rise to any considerable degree due to these changes, but homeowners need to make sure they're covered if circumstances have changed.

"It's not always about what you're paying," Mr. Karageorgos said. "People also need to consider that they're properly protected, so if there's a greater risk it needs to be understood in order to have the appropriate coverages in place."

Cyber coverage could also be a major concern with the shift to work from home, as people move away from working on secure networks to home setups.

"Cyber is something that everyone needs to be aware of," he said.

"Businesses obviously need to be concerned because of the exposure to their networks and data. And individuals need to be cautious of that as well, not just for business but also their personal lives."

Mr. Floyd agreed, noting that people working from home should consider obtaining personal cyber coverage to protect themselves in case of a breach.

The Rates.ca survey suggests that auto insurance is likely to see a lasting shift as a result of the COVID-19 pandemic as more people work from home even after restrictions are lifted.

It found that 25% fewer people expect to travel to work post-lockdown than did before the pandemic. One result of that will likely be a demand for more usage-based insurance and telematics in Canada.

"Companies have realized that how they

rate pleasure use (of vehicles) has changed because of COVID, so moving from a business use to a personal use rate wasn't sufficient to really recognize the lack of driving that was really happening," Mr. Floyd said.

"I think what we'll see is the acceleration of telematics or usage-based insurance. We've already heard some companies talk about accelerating that."

The push will likely come from consumers who have been frustrated with rebates that were smaller than they'd hoped for from insurers, he said.

Canada has been slow to adapt to telematics compared to the U.S. and U.K., which have much more robust UBI programs, he noted.

Part of that is because of a challenging regulatory environment in Canada, the IBC's Mr. Karageorgos said.

"The challenge with the Canadian regulatory environment is that in those provinces and jurisdictions that do have it, it's typically just offered as a discount and there are specific metrics used to calculate the discount," he said.

He agreed that the pandemic is likely to increase interest from both consumers and insurers for this type of insurance.

While traditionally rates have been based on history and broad trends, UBIs would allow an automatic response to a change in driving levels that would reduce confusion for insurers as well.

Something that's unlikely after the pandemic passes is for auto rates to rise, even given the hard market that was beginning before the virus hit.

"The government, in Ontario especially, has been very clear that the insurance companies should be reducing rates for consumers," Mr. Floyd said.

"So regardless of the hard market pressure, they're going to be instilling this environment that rates need to stay at or lower than they are. For a company to try to apply for or get approved for rate increases might be very difficult for the foreseeable future."

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IN THE COURTS

Judge offers defence lawyers advice on conflict of interest

IN DISMISSING a charge of conflict of interest against a lawyer, an Alberta judge offered advice to defence lawyers on their obligations to report to and take instructions from insurers and insureds.

And the judge also identified potential conflicts of interest that may arise when a lawyer is retained by an insurer to act for an insured.

Liliana Kostic was a financial adviser with Raymond James Ltd., and along with her employer was named in a lawsuit by the Piikani First Nation in 2006 for negligence and fraud, among other things. Although the suit was eventually dropped, Ms. Kostic was concerned about the effect that fraud allegations could have on her reputation.

So at an early point in the proceedings, she raised with defence lawyer Jeffrey Thom the possibility of seeking summary dismissal in the Piikani action.

Mr. Thom, who was hired on her behalf and that of RJL by insurer AIG, said there was no chance of succeeding in a summary dismissal application at that early stage. Ms. Kostic was aware of this opinion and did not push the matter further at that time.

But several years later, she instructed Mr. Thom to have the claims made against her dismissed. The lawyer advised her that he could not follow her instructions as AIG had the sole right to instruct counsel and, even with the passage of time, he held his opinion that the summary dismissal application would likely not succeed.

Still later, the Piikani Nation made an offer of discontinuance on a without costs basis.

The insurer and employer consented to this, but Ms. Kostic did not — by then she had her own lawyer and felt she was entitled to costs, even though AIG was paying for her defence.

Mr. Thom withdrew as counsel for Ms. Kostic due to this disagreement.

In April 2014, Ms. Kostic's new lawyer brought an application for summary dismissal of the Piikani action. The application was successful in striking fraud as a cause of action, though the factual allegations relating to the fraud claim were not struck. No costs were awarded to either party.

Ms. Kostic then sued Mr. Thom.

"What Kostic alleges is that Thom misunderstood the nature of his obligations to her as his client, and failed to take appropriate steps in his defence of her in the Piikani action," John Rooke, Associate Chief Justice of the Alberta Court of Queen's Bench, wrote in his decision.

Justice Rooke also noted that Mr. Thom acknowledged, "at least to some extent, he misunderstood his obligations to Kostic."

However, the judge ultimately dismissed Ms. Kostic's claim against Mr. Thom.

"Because Thom mistakenly believed he had only one client — AIG — he failed to recognize a conflict of interest between Kostic and AIG," Justice Rooke wrote.

But he found "no evidence of a conflict of interest, until different instructions were received from Kostic, compared to AIG and RJL."

The judge held that the prior disagreement on bringing a summary dismissal application was a mere disagreement with respect to litigation strategy, which did not amount to a conflict of interest.

"If it did, the insurer's right to control the defence stipulated in the policy would be effectively meaningless," Justice Rooke concluded.

In a commentary on the judgment, Patrick Heinsen, Sarah Makson and Amal Jabar of Borden Ladner Gervais LLP observed that the case is not ground-breaking.

"Where *Kostic* is of greater assistance is in its commentary respecting communication obligations.

"While insurers may have control of the defence of an action, it is clear that there must be communication with insureds to an extent that would permit the insured to understand strategic decisions."

Insurtech firms expected to benefit from hardening market

INSURANCE technology firms should benefit from the COVID-19 pandemic, researchers from Cass Business School in London, U.K. say.

The global pandemic has triggered business continuity plans around the world and has created a widespread change in working practices for insurers, with speed and efficacy of data becoming increasingly important.

"In a hardening market, chasing down frictional cost drops down the agenda," said lead researcher Sarah Ruberry.

"Insurers who can facilitate adequately priced risks through the efficient mining and analysis of data will be better positioned than their peers moving forward."

Insurers can take advantage of this unprecedented situation, according to the researchers, by undertaking the following recommendations:

- Insurance and reinsurance firms should focus on transforming the traditional perception of risk as the 'second line of defence' into a value-identifying 'second line of opportunity';

- The role of a chief risk officer is now more important than ever,

and companies must have an active individual to navigate the difficulties while seeking opportunities in a timely manner. CROs can also support areas of the business where delivery on strategic objectives has been sub-optimal;

- There should be a greater focus on realistic stress test and scenario planning that considers the possibility of a potential second COVID-19 outbreak and our susceptibility to future pandemics. However, firms should not lose sight of other emerging risks — such as cyber crime and climate change — that are evolving simultaneously, and

- Commercial insurers cannot afford a 'wait and see' policy on technological modernization, especially when competitors are already adapting.

"A year ago, the insurance industry would have dismissed the idea of a wholesale working-from-home model and new business not needing to be conducted in person," Ms. Ruberry said.

"COVID-19 has created an opportunity and a paradigm shift and similarly, insurers should refocus their digital-change lens."

Companies at risk of government cyber attack, ethical hackers say

CANADIAN organizations could be at increased risk of state-sponsored cyber attacks because of the COVID-19 crisis.

Packetlabs, a collective of ethical hackers that specializes in real-world simulated cyber attacks, has warned that the danger of those attacks has increased exponentially due to remote working during the pandemic.

"We just saw a very serious, active cautionary tale play out in Australia after they announced a massive and successful cyber attack," said Richard Rogerson, managing partner of Packetlabs.

"Australia was targeted by a state-sponsored cyber attack across several industries and all levels of government. In the wake of the attack, the Australian PM urged businesses to shore their defences, stating that the 'malicious activity' was also seen globally. Canada clearly needs to take that warning seriously and get our house in order."

Because companies had to act quickly to set up remote working access when lockdown measures were put in place, many cut corners on security measures.

Packetlabs created a list of suggestions for actions that Canadians and organizations can do to protect themselves. It includes:

- Consider themselves a target even if they are far removed from the government or sensitive information;
- Actively test weaknesses and schedule a penetration test, and
- Educate staff about phishing.

Hail, the 'sleeper peril,' needs more attention

HAIL HAS been an overlooked hazard and the recent storm in Calgary highlighted it as a major peril, experts said during a virtual seminar held by the Institute for Catastrophic Loss Reduction.

"It's a sleeper peril. People just don't pay attention to it as much as they should," said Glenn McGillivray, managing director of ICLR during the seminar, titled 'The Anatomy of a Billion Dollar Hailstorm.'

"Our industry has paid over \$6.7bn in hail claims since 2008, not including this event, so it's costing us a whole lot of money. Sometimes we focus on other things too much."

The storm that hit northeastern Calgary on June 13, caused extensive damage due to the large size and volume of hailstones, and high winds that accompanied the hail.

"I've seen some impacts from this storm that I've never seen before from hail," said Julian Brimelow, physical sciences specialist at Environment Canada.

Though the final costs have yet to be determined, it's expected the storm caused at least \$1bn in damage.

Hailstones create serious damage to buildings and vehicles when they are five centimetres or larger, which was the case in this storm.

The impact of a five-centimetre stone is increased by 25% when winds reach 50 km/h compared to calm air, and by 50% at 70 km/h, Mr. Brimelow said.

There has been a statistically significant increase in the amount of hailstorms in Alberta over the past 20 years, Mr. McGillivray said, which is likely due to climate change.

That's because warmer air can hold more moisture and can destabilize the atmosphere, Mr. Brimelow said.

Though it would seem that warmer weather would melt hailstones, the large stones fall so quickly that they don't have time to melt in the warmer layers of the atmosphere.

More efforts need to be put into reducing the amount of damage hailstorms cause, in order to reduce the costs to the insurance industry, said Ian Giammanco, meteorologist for the Insurance Institute for Business and Home Safety in the U.S.

That will require using better building materials that can resist the impact of hail impact.

Roof damage is usually the highest expense after a storm, though vinyl siding and windows were also major problems in Calgary.

Asphalt roofing materials are widely used in Canada and the U.S., unlike most other countries, and are very vulnerable to hail damage, Mr. Giammanco said.

The safety institute has conducted extensive testing on roofing materials that can better withstand hail and found that polymer modified asphalt products performed best.

He said the biggest challenge to more widespread use of these materials is lack of awareness.

Mr. Giammanco urged homeowners to shop around and demand the product that will protect them best — even if they face push-back from reluctant builders.

Financial incentives could also help move people towards better materials, he said, noting some insurers in the U.S. have offered discounts to homeowners who use better materials.

Flood actions found lacking

A SERIES OF reports on building flood resilience in a changing climate, produced by the Geneva Association, offer a comprehensive look at the state of flood risk management in the U.S., Germany and England.

Studies on Australia and Canada are forthcoming.

Findings suggest that despite actions taken by stakeholders in the focus countries, they are generally reactive to floods, and current approaches do not adequately factor in the changing risk landscape linked to climate change, land-use planning and development practices.

A more forward-looking, 'all-of-society' approach is needed and governments, insurers, businesses and homeowners all have a role to play in order to strengthen societal resilience to floods.

"Floods are the most costly weather-related event globally, and climate change is likely to increase their frequency and severity," said Jad Ariss, managing director of the Geneva Association, an international think tank for the insurance industry.

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READERS NOTE:

This is the **penultimate** weekly edition of *Thompson's* before our annual summer break.

Following our issue on July 13, the next weekly edition will be published for Sept. 14.

Our daily email upgrade service will run to July 10 and resume Sept. 8.

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Further refunds issued

DESJARDINS said its p&c subsidiaries will be issuing a further \$100m in premium refunds to auto insurance clients. The refunds are for eligible personal and commercial insurance clients, who will receive a refund between 25% and 40% of the premium they pay for one month, depending on their market realities. Desjardins said 2.1 million clients will automatically receive the refund through their usual payment method. Last week's announcement follows an initial refund of close to \$50m to auto insurance clients in April (*Thompson's*, April 13).

CRU joins global network

TORONTO-based claims specialist CRU Group and its subsidiary Maltman International have joined the Context International Loss Adjusting Network. Context is a global network of loss adjusting companies focusing on major and complex losses which have over 300 offices in more than 40 countries. "The honour of representing Context International will allow us to not only increase our service offerings to our insurer partners across the U.S. and Canada, but also offer newer and better services within our market and around the world," CRU board chair Gary Winston said.

CSIO reports solid activity

MORE THAN 2,200 insurance professionals have participated in online seminars and courses this year with the Centre for Study of Insurance Operations this year. Many p&c brokers faced challenges in completing continuing education requirements due to the cancellation or postponements of conferences or in-person classes because of COVID-19. In response, CSIO hosted more than 20 internet seminars over the past four months. It said the sessions met broker demand for free, accredited distance learning to help build their digital competencies.

AIRB amends guidelines

ALBERTA's Automobile Insurance Rate Board has issued a bulletin outlining amendments to filing guidelines for private passenger and other vehicles. It said the changes were made to streamline the flow of the guidelines, clarify the instructions and reduce redundancy. The amendments came into effect July 1. Complete information is available on the AIRB website at www.airb.alberta.ca.

WICC relay raises \$194k

THE WOMEN in Insurance Cancer Crusade raised almost \$194,000 for the Canadian Cancer Society during a 'Relay at Home' event on June 13. The event was a virtual version of the Canadian Cancer Society's annual Relay for Life. The two-hour live streamed event replaced the traditional outdoor relay due to COVID-19. Overall, more than 4,000 people took part and raised \$4.4m. "I am so inspired to see how quickly the insurance community rallied with WICC and came together to support CCS and the Relay at Home event," said Shari Dodsworth, WICC Relay for Life co-chair and senior VP, sales and distribution at insurer Northbridge.

Trillium supports 4-H

LISTOWEL, Ont.-based Trillium Mutual Insurance has donated \$50,000 to 4-H Ontario to support its Taking Our Mental Health to Heart program. The funding will help the youth organization develop a program to improve the mental health of young people across Ontario. "Being a mutual organization, Trillium is focused on investing in the long-term success of our communities," the insurer said. "Through strategies and training that will be included in both local and provincial opportunities, 4-H will ensure that youth have the resilience tools necessary for long-term success."

Renewal date extended

THE ONTARIO regulator has extended the deadline for renewal of adjuster licences. In May, the Financial Services Regulatory Authority of Ontario had advised that all corporate insurance adjusting firm and individual adjuster licences would expire June 30. That deadline has now been extended to August 31. FSRA said it is reviewing renewal applications that have already been filed and noted processing times may be longer than usual due to limited in-person office support during the pandemic.

Travelers offers donations

INSURER Travelers Canada has pledged \$40,000 to support organizations advancing racial equality in recognition of Canadian Multiculturalism Day, June 27. The commitment will include two \$20,000 donations. The first is for Indspire, an Indigenous-led organization serving First Nation, Inuit, and Métis youth across Canada. The second \$20,000 recipient will be announced at a future date.

Broker warns jobs in peril

TECHNOLOGY could put most insurance underwriters out of a job over the next decade, says Peter Cullum, founder of London, U.K.-based insurance broker Global Risk Partners. "Insurance is one business that is all about data," Mr. Cullum said in an interview in Britain's *The Telegraph* newspaper. "It's about the algorithms. Quite frankly, in 10 years' time, I predict that 70% or 80% of all underwriters will be redundant because it will be machine-driven. We don't need smart people to make what I'd regard as judgmental decisions because the data will make the decision for you."

BIBA renews cyber plan

THE BRITISH Insurance Brokers Association has renewed its member cyber insurance scheme with long-standing provider CFC Underwriting. The program allows BIBA's members to provide businesses of all sizes with innovative coverage to protect against growing threats such as cyber crime, business interruption and privacy events. First launched in 2004, the program has proven extremely popular with members. CFC provides expertise, support and guidance on all cyber issues to association members.

YIP B.C. gains partner

FIRST Insurance Funding of Canada, which offers payment solutions for the p&c sector, is providing support for Young Insurance Professionals of B.C. YIP B.C. is a network of young professionals aiming to foster collaboration through professional development programs, networking and celebrating achievements. "We are pleased to have the support of industry leaders like First Canada," said Margo Lyons, founder and chairperson of YIP B.C. "Their partnership will enable us to expand our reach in the industry."

Group holds AGM online

THE CO-OPERATORS Group held its annual general meeting online for the first time late last month. It presented its public accountability statement, showing how the group creates financial and non-financial value for its clients, employees and communities. That included \$7.5m in community investments, representing more than 4% of The Co-operators' pre-tax profits. The group also invested 19% of its assets in projects that address the world's most pressing environmental and social challenges.