

# Insurance brokers exchange ideas at gala gathering

By Martin Cash

IF you were having trouble getting hold of your insurance broker this week, chances are they were at the Fairmont Hotel.

Close to 2,000 industry professionals were jammed into the downtown hotel for the annual Insurance Brokers Association of Manitoba conference, which draws industry heavyweights from across the country.

Dave Schioler, the CEO of the association said the annual event — which always includes a mystery, big-name performer as the after-dinner entertainment at the gala dinner — has become the go-to industry conference.

“One thing we do is that in addition to the insurance people, we bring the lawyers and restoration people and the adjusters and all the people involved in the business,” said Schioler. “Our sister organizations don’t do that.”

Peter MacKay, the former federal Conservative cabinet minister, hosted two sessions of panel discussions with insurance company CEOs and senior executives of companies that probably run

about \$20 billion in annual business.

Issues and challenges such as industry consolidation, introduction of sophisticated online digital technologies, managing broker networks and the introduction of new products were discussed.

Senior officials from giant insurance companies such as Aviva and Intact talked about new kinds of insurance for the ride-sharing businesses such as Uber.

Probably the most interesting new product from the perspective of the Manitoba market is the gradual introduction of overland-flooding insurance.

It’s the first time that kind of insurance is being offered, and the industry is gingerly tiptoeing its way into that market.

Some companies across the country started writing some policies last year. Brian Esau, CEO of Winnipeg-based Red River Mutual, said his company is planning to introduce the product this year.

“It is quite complex,” said Esau. “It’s going to take a few years to figure out.”

Typically, the insurance industry works off the model where the premiums of the many pay for

the losses of the few.

But in the case of flood insurance, those dynamics won’t work because people who have never been susceptible are not likely to buy it, and it may be prohibitively expensive for those who want it.

On top of the unequal demand scenario, the industry that is normally analytics-driven doesn’t have much data to work with.

“We have not been tracking flood losses, so we don’t really understand from a historical perspective how much flood damage there actually is,” Esau said. “The industry normally looks at 10 to 15 years of data, and then they take into account changing weather events and model from that.”

Red River Mutual does not expect to do a lot of business in that sector this year, and Schioler said there is plenty of high-level discussions going on around the issue.

“Government has to be involved one way or the other to backstop it,” said Schioler. “It is a difficult issue, because why buy the coverage if people think that government will protect them at the end of the day?”



[martin.cash@freepress.mb.ca](mailto:martin.cash@freepress.mb.ca)

Dave Schioler: government involvement