

## THOMPSON'S WORLD INSURANCE NEWS

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## Minimum liability levels set for railways

CANADA's p&c insurers have welcomed the introduction by the federal government of minimum levels of liability insurance for railways.

"Making sure adequate insurance is in place is vital, and this legislation aims to do just that for the transportation of dangerous goods," Insurance Bureau of Canada ceo Don Forgeron said following the introduction of Bill C-52 last month.

It proposes that the levels of liability coverage be based on the type and volume of dangerous goods being transported. Railways will have to demonstrate that they have insurance coverage before the Canadian Transportation Agency will issue the certificate needed for them to operate.

"Federal railway companies must obtain and maintain legislated minimum levels of insurance based on the type and volume of dangerous

goods they carry. Minimum insurance levels will vary from \$25m for no or low quantities of dangerous goods up to a maximum of \$1bn for substantial quantities."

Shippers of crude oil will be required to pay a levy per tonne of crude oil shipped to build up a supplementary fund to pay for damages exceeding a railway's minimum insurance level if an accident involving crude oil occurs.

The government said the new liability and compensation regime will be consistent with those introduced for other modes of transport, such as marine tankers and oil pipelines.

It is based on the 'polluter pays' principle and makes railways and shippers responsible for the cost of accidents, protecting taxpayers and communities by ensuring that adequate resources are available for compensation if an accident were to occur.

## IBC, Institute offering anti-fraud seminars

THE INSURANCE Bureau of Canada and the Insurance Institute of Canada are teaming up to mark the 11th annual fraud prevention month with a cross-country series of seminars titled 'Don't Get Fooled Again.'

The first will be held March 5 in Halifax, followed by March 10 in Toronto, March 16 and 17 in Vancouver, March 18 in Edmonton, March 20 in Calgary and then returning to Toronto March 26.

Kathy Metzger of IBC's investigative services division is leading the series that explores the impact of fraud on the insurance industry and what companies can do to combat the problem.

Active in the insurance industry since 1993, she began by working with Fidelity Bond insurance in the credit union system, where she investigated employee frauds and was involved in fraud and

robbery loss prevention initiatives.

In 2000 Ms. Metzger joined an Ontario auto insurer's special investigation unit and moved to the IBC four years later. Her investigations have included false employment, staged collisions and identity theft of health practitioners. She now lectures to insurers and law enforcement professionals on staged auto collisions and general insurance fraud issues.

"Insurance fraud is a big business that siphons resources away from our health care system, ties up emergency services and our courts while driving up insurance costs," Ms. Metzger said. "We're pleased to join forces with the insurance institute to help raise awareness about fraud and provide information on how to detect, prevent and report it."

More info at [www.insuranceinstitute.ca](http://www.insuranceinstitute.ca).

## Brokers cheer 'first step' for flood coverage

► *Continued from front page*  
well as representatives of our broker network," Ms. Ludlow said. "Our goal is to make this coverage accessible and affordable for the vast majority of our customers."

The news of Aviva's flood insurance was music to George Hodgson's ears. The ceo of the Insurance Brokers Association of Alberta has been hoping for and working toward some kind of overland flood cover for years.

"We're excited about that," he told *Thompson's*. "We had suspected for some time that Aviva was working on a product. Obviously they didn't tell us how close they were, but we felt they were getting closer."

He described the announcement as a first step.

"The details of it we don't know at this point. We don't know how much the premiums will be, we don't know what the coverage will be, we don't know what the deductibles will be," he said.

"But just the fact that they have come out with a product I think is a great first step. The next thing we get to see is how the other companies are going to react to that."

Mr. Hodgson said he expected other insurers would follow suit sooner or later.

"But right now we're quite happy that somebody has taken the first step. That is nothing but good news for the industry," he said.

"It's heartening for us that the company that took the first step in introducing something was a broker-channel company."

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