

Bullfrog reinforces online offering

BULLFROG Insurance has reinforced its online offering for small commercial clients, now promising quotes via computers or smartphones in 90 seconds.

"The entry to the site (www.bullfroginsurance.com) has been improved and right from the homepage we have enhanced our offering," ceo Sam Natur told *Thompson's*.

The venture is backed by the seven members of the Canadian Broker Network, with coverage now available in B.C., Alberta and Ontario. Headquartered in Mississauga, Ont., Bullfrog has partnered with several insurers including Aviva Canada, The Guarantee Co. of North America, Northbridge Insurance and MGA South Western Group.

Mr. Natur said small business insurance has traditionally been considered too complex and time consuming for online sales but Bullfrog "has taken that out of the equation."

He noted that it offers insurers a simplistic explanation of data, which it collects in a variety of ways including through Google Analytics and the 'chat' component of its website, to provide a breakdown of what is being purchased.

"It's remarkable how they see this," he said. "I'm just the messenger but what we can offer is the evidence of what customers want."

Bullfrog said its research shows roughly 85% of small business owners purchase commercial insurance within the first year of operation — with 74% of that group doing so within the first six months.

"Many business owners may tend to put off searching for or renewing their business insurance because it can be a complicated, confusing, time consuming process."

Hail loss payouts continue to climb

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The CCHA said hail claims were reported in all but 36 of Saskatchewan's 297 rural municipalities, but this year the storms were smaller and came earlier. That, combined with a long summer, meant many crops recovered in time for a good harvest.

In Alberta payouts totalled \$50m, down from \$99m last year. The 2015 loss ratio was 66.3% compared to 106.4% last year.

"Payouts per acre and per-acre insurance limits have climbed steadily over the years as individual farm size increases across the Prairies," the CCHA said in its final hail report of the year.

"This year, while there were several storms of significance across the Prairies, the overall impact was less severe than a year ago. The average claim in 2015 was \$12,645, down from \$18,628 in 2014."

Wasylenko inherits heavy agenda at IBAS

SHELDON Wasylenko has three top priorities for his term as president of the Insurance Brokers Association of Saskatchewan.

"The first one would be doing what we can to preserve the customer-broker relationship," he told *Thompson's*. And the No. 1 item on that file is the proposed new contract between brokers and SGI Canada, which IBAS believes reduces the broker's role to that of an agent.

"We're continuing to have dialogue with SGI and trying to work toward a successful conclusion, which I'm sure they would want as well," Mr. Wasylenko said.

His second priority, closely related to the first, is preserving "the value of our brokerage asset," whether that means hammering out a deal with SGI or lobbying MPs to fend off in-branch insurance sales by banks.

The Bank Act is not up for review until 2017, but with the raft of fresh faces in the House of Commons brokers must make their case early.

"Activity is obviously starting now and the plans for it are well underway," he said. "I'd venture to say (there are) at least 150 new faces we want to make sure understand our message."

Third on his agenda is accelerating his colleagues' embrace of technology.

"We've done so much work over the past five, 10 years to better our operations within our offices, because we have to be competitive," he said.

"That has meant taking as much friction as possible out of the transaction food chain, if I could describe it that way, between our brokerage offices and the insurers that we deal with.

"The flip side of that is making sure that we do what we can to make that same kind of

seamless extension to our customers in an online world.

"I guess traditionally we've done very well to service our customer by inviting them through our physical door. Now it's about getting them comfortable and working with them through our electronic front door."

Mr. Wasylenko is uniquely qualified for that task. He spent more than 20 years in tech companies before joining the family business, Saskatoon's Rayner Agencies, a dozen or so years ago. For most of that time he has also served as a Western Canada representative on the board of the Centre for Study of Insurance Operations.

Now IBAS is working toward creation of a province-wide online marketing presence for brokers. Mr. Wasylenko said it will be not be a carbon copy of myinsuranceshopper, which has been a success in Ontario but less so in Alberta.

"We're going about it slightly differently," he said. "We're at, I guess, the halfway point of being able to say it's complete. But we're hoping . . . that we can see a launch of it perhaps this year.

"I don't want to say for 100% certain, but that's our goal and we're pretty excited."

Taking the IBAS helm is something of a family tradition for the Wasylenkos. Younger brother Shawn held the post a decade ago, as dad Norbert did before that.

All three are principals in Rayner Agencies, founded by Lorne and Ruth Rayner in the 1940s and bought by the Wasylenko family in 1971. An avid golfer, Mr. Wasylenko left the world of multi-billion-dollar tech giants in part because he wanted to remain in Saskatchewan and spend more time with his family.

Insurers gaining ground on UAV cover

IN AN effort to properly price coverage for the emerging unmanned aerial vehicle market, Swiss Re has studied the U.S. government's experience with military drones.

"They found that the leading cause of 'class A mishaps' (which are defined as causing death, disability or damages of over \$1m) was pilot error," Swiss Re Corporate Solutions senior vp and claims counsel Kate Browne said last week at the Insurance Institute's annual Lowes Fund Breakfast in Toronto.

"We are able to get data from the air force that shows what we should be focusing on (and so far) unmanned aircrafts have proven to be far safer than the manned aircraft in the air force."

Another insurance consideration is how to insure drones themselves.

"The most obvious is property damage to

the drone itself or when it causes damage to somebody else," she said, noting that underwriters may want to focus their attention on the mechanical details of the drones.

There is also the potential for both third party coverage and first party coverage and importantly the cyber and data liability coverage that creates a special kind of risk.

"Typically your market standard property policies will exclude data as property so you will likely need special cyber consideration," Ms. Browne said.

"In which case underwriters need to pay special consideration and attention to what privacy protections are in place and what you are doing to make sure people's information will not be available to a hacker."

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THOMPSON'S WORLD INSURANCE NEWS

November 2 2015 • Back page

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Airbnb boosts coverage

ONLINE accommodation provider Airbnb has introduced its host insurance program for those who list their properties in Canada. Previously only available in the U.S., the program provides primary liability coverage for up to \$1m per occurrence in the event of third party claims of bodily injury or property damage. Airbnb said it also covers landlords' and homeowners' associations in many cases when claims are brought against them because a guest suffers injury during a stay. It also covers certain claims if a guest damages building property.

Shareholders OK deal

ACE Ltd.'s previously announced acquisition of Chubb Corp. was overwhelmingly approved by shareholders of both companies late last month. Both insurers reported 98% approval of the deal, which is worth roughly US\$28bn. Upon completion, expected in the first quarter of 2016, Chubb shareholders will receive US\$62.93 per share in cash and 0.6019 shares of ACE common stock for each share of Chubb common stock. Also approved by ACE shareholders was a proposal to change the company's name to Chubb Ltd. following completion of the transaction.

Quebec increases access

LICENSED drivers in Quebec can now access their auto insurance claims file 24 hours a day, seven days a week by visiting the Groupement des assureurs automobiles website (www.gaa.qc.ca). It administers the Fichier central des sinistres automobiles, which provides insurers with information related to all auto losses in which Quebec drivers have been involved and for which an insurance claim was filed. Quebec's regulator, the Autorité des marchés financiers, said consumers can consult their claims file to better understand changes in their insurance premiums.

Drones offer advantages

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Despite these underwriting challenges, insurers also can utilize drones in their day-to-day business, Ms. Browne said. For example insurers and adjusters can capture real time images of locations where they provide cover and they can also handle claims resolutions, particularly where humans are unable to gain access due to safety considerations.

Alberta brokers meeting

ALBERTA insurance superintendent Mark Prefontaine will address the province's brokers association this week at their annual fall conference. The Insurance Brokers Association of Alberta is also welcoming Aviva Canada senior vp Paul Fletcher, who will explore technological disruptors, and a panel of executives at the event which will be held Nov. 6 at the DoubleTree by Hilton Hotel in Edmonton. Keynote speaker Linda Edgecombe will address organizational challenges and a series of concurrent educational sessions will also be offered. Info at www.ibaa.ca.

Icahn calls for AIG split

BILLIONAIRE activist investor Carl Icahn has told insurance giant American International Group that it has become too big to thrive. He has recommended spinning off its life and mortgage insurance subsidiaries and cutting costs. AIG ceo Peter Hancock said in response that the company has taken important and significant steps to reposition itself by simplifying and de-risking and realizing attractive valuations from non-core asset sales. "We remain on course and are determined to continue and accelerate these efforts."

ACE employees pitch in

CANADIAN employees of ACE Group volunteered at the Second Harvest food rescue program in Toronto and the cleanup and tree planting projects as part of the insurer's recent Global Day of Service. The initiative involved more than 6,000 ACE employees in 50 countries who took part in roughly 250 volunteer projects focused on education, poverty and health and the environment. ACE employees donated more than 25,000 hours in the communities where they live and work. The insurer began the tradition in 2005.

Intact announcing results

INTACT Financial Corp. said it will announce its 2015 third quarter results Nov. 4 at 7 a.m. with a conference call for analysts and investors planned for 11 a.m. ET the same day. Conference call participants will be ceo Charles Brindamour; Louis Marcotte, senior vp and chief financial officer; Patrick Barbeau, senior vp personal lines; Alain Lessard, senior vp commercial lines, and Mathieu Lamy, senior vp claims. Information on participating in the conference call is at www.intactfc.com.

SGI adopts new ID cards

SASKATCHEWAN Government Insurance is adopting facial recognition technology for drivers license and identification cards. It has contracted Veridos Canada Inc. to produce the new cards starting in April, 2016. SGI said the new technology will protect Saskatchewan residents from identity theft and prevent people from obtaining multiple licences and/or ID cards. And the insurer said it will also improve road safety by preventing suspended drivers from using a false identity to obtain a licence. SGI works with a network of almost 400 motor licence issuers across the province.

ICBC launches campaign

THE INSURANCE Corp. of B.C. has launched its annual safety campaign with the province's coroners service and police to urge pedestrians and drivers to do their part to avoid collisions. The insurer says almost two times more pedestrians are injured in crashes from November to January compared to June to August as the weather changes and daylight hours decrease. A graphic offered for sharing shows that crashes involving pedestrians occur most often at intersections, between the hours of 3 p.m. to 6 p.m. and on Fridays.

IBC funds senior projects

THE INSURANCE Bureau of Canada has donated \$14,000 to support community groups that promote seniors' safety initiatives in Nova Scotia. The funding announced last week will support safety initiatives including driving courses, identity theft prevention workshops and injury prevention promotion. "Today's seniors are more active and using technology more than ever, all of which increases their ability to stay well in their communities but may also increase their vulnerability," said Leo Glavine, the province's Minister of Seniors.

Kingsway shrinks Q3 loss

KINGSWAY Financial Services reported a US\$894,000 net loss for the third quarter of 2015, compared to a loss of US\$6.1m for the same period last year. For the nine-month period it posted net income of US\$3.4m, after losing US\$12.6m over the first three quarters of 2014. The Toronto-based holding company, which now operates as a merchant bank in the U.S. p&c business, reported higher net premiums from its non-standard auto business in Q3 and increased net investment income.