

Adoption rates low for mobile websites

THE CENTRE for Study of Insurance Operations has found that only 38% of brokerages across Canada have a mobile-optimized website.

It has summarized the results of its research, conducted among CSIO member brokerages, in an interactive map that illustrates the mobile adoption rates for each province.

The map also provides an analysis of brokerages that have a company website. Surprisingly, CSIO's research shows that roughly 18% of brokerages nationally have no website at all.

"The importance of having a mobile-optimized web presence cannot be overstated today, as more and more customers are using their mobile devices to shop for insurance," CSIO president and ceo Catherine Smola said last week.

"This map provides compelling evidence that there is a significant opportunity for brokers to optimize their websites for mobile, better servicing the online needs of their existing and potential customers."

Insurers urged to step up digital efforts

CANADIAN insurers have been slow to adopt new technologies and need to step up their digital efforts in order to remain competitive, the president of Aviva Canada has warned.

"Statistic after statistic reinforces that today's customers have evolving needs and preferences," Sharon Ludlow said at the recent Insurance-Canada.ca executive forum in Toronto.

"Digital needs today are ramping up and expanding very quickly."

She said that the tipping point for insurance is coming soon and the "Uber" for insurance is just around the corner.

Technology, she stressed, will play a critical role going forward.

Ms. Ludlow cited the U.K. insurer Guevara Insurance, which provides peer-to-peer insurance.

"The premise of this is quite simple. The one thing that customers have continually complained about in the insurance industry is that they must pay a higher premium the year after they have an accident," Ms. Ludlow said.

"In the Guevara business model, that premium will never be more than the first year you entered as a member.

"Clearly, they are addressing customers' needs."

Ms. Ludlow offered another example of technological innovation closer to home. It involves Sharp Insurance in Alberta which has allowed customers to present their proof-of-insurance information via a mobile application.

"Police are reportedly accepting the image as proof of insurance," Ms. Ludlow said.

"It seems that only the regulator is forcing the notion of an actual printed pink slip."

She noted there is direct lobbying to the regulator to formally remove the physical requirement.

"While it's not fully legal today it appears the application version of this pink slip is being accepted in most circumstances."

It is not only customers who benefit from this technology.

"Fake pink slips being sold online, an issue that insurers contend with today, should

diminish as more insurers and regulators embrace digitization."

Ms. Ludlow said insurers must also look beyond the insurance sector for ideas on how to revolutionize the industry and monitor the technology that is changing customer demands.

However, there are real drawbacks that are stifling growth in the insurance industry in Canada, Ms. Ludlow added.

"Current economic and marketplace development suggest a continuation of the challenging of the highly competitive p&c insurance conditions," Ms. Ludlow said. "Historically low interest rates, volatile investment returns and a low GDP forecast continue to persist, adversely affecting the industry's profit margins and premium growth."

She noted that many insurers are also making investments in infrastructure which further erodes profit margins.

"Regulatory and accounting changes continue to challenge insurers in Canada including the need to implement risk management processes and control functions organizationally."

Report shows Canadian p&c industry endorses CIP designation

WHEN RETIRED RCMP officer Greg Thierman was looking to make a jump from investigating to claims adjusting, his company suggested he take four Insurance Institute courses.

Now a branch manager at Crawford and Company in Kelwona B.C., he quickly realized the benefit of the courses and ended up taking eight more and obtaining his CIP designation.

Mr. Thierman's story is not unique, as a report released last month by the Conference Board of Canada shows.

It surveyed more than 1,000 p&c insurance industry stakeholders and found that almost all employers in the industry offer some form of support to their employees to undertake the CIP program.

More than three-quarters of respondents said they saw a return on investment in the CIP program, higher quality service to clients and more capable employees. Almost as many said they view CIPs as more attractive hires than those without the designation.

"Given employers' preferences for job seekers with a CIP designation. It is not surprising that CIP holders are able to garner a wage premium," the conference board said. "In fact, on average, those with a CIP designation can expect to earn \$8,000 more a year than their colleagues with a similar level of expertise but no CIP designation."

Mr. Thierman noted that Crawford supported his educational endeavour by paying for the courses, providing time off for exams and financial incentives when the designation was obtained.

He has since worked as an instructor for the Insurance Institute and says that he sees students from all walks of life enter the program.

"(Companies) encourage their staff to get involved in the CIP program and get their designation. It just gives them that exposure."

He suggested that it is well known within the p&c arena how valuable the CIP designation is and that it is important to promote that awareness outside of the industry as well.

Phillip Robichaud, an adjuster at ClaimsPro in Nova Scotia, is another industry professional who sees value in the CIP designation.

He started out in the industry without any previous insurance experience and the firm he worked for encouraged him to pursue CIP courses. Finishing the first four on his own dime, he proved that he was a serious candidate to complete the whole program and his employer paid for it the rest of the way.

"Then they hired me and subsidized my remaining eight courses," Mr. Robichaud said.

"I just hope that some prospective (students) read the (Conference Board) survey and say: 'You know, this sounds interesting.'

"I've been trying for 15 years to recruit bright experienced individuals into the field with extremely limited success."

Bob Tisdale, chief operating officer of Pembroke and Pafco, Allstate Canada Group vp and deputy chair of the Insurance Institute, said the Conference Board report confirms what most already know about the CIP program.

"When you see the survey and you see how valued (the program) is by employers and how much more money they are prepared to pay for those skill sets, that shows you the industry sees value in it."