

Flood risk explored at CatIQ conference

CLIMATE change is increasing the risks and costs of flooding and efforts will be needed from all stakeholders across the policy-making spectrum to tackle the issue, an audience heard last week at the CatIQ Connect catastrophe conference in Toronto.

Several experts addressed the flood issue during a session called 'Standards: A New Tool for Flood Resilient Design.'

John Sankey, director of investigative services for Ontario claims at Intact Insurance, said climate change is making the problem of flooding worse and it is irreversible — so the insurance industry has to learn to adapt to the new reality.

He said insurers need to work with governments and academics to deal with the issue and reduce its impact.

"There is a ton of work going on behind the scenes that will really pick up speed to help communities become more resilient and adapt to climate change," he said.

Flood mapping is one important tool. In the long-term it will prevent the building of new homes in flood-prone areas and improve planning. In the short-term it could cause problems, as people who live in vulnerable areas may be forced to move or lose insurance and disaster relief coverage.

The tensions that could arise from the policies that come out of flood mapping need to be addressed by ensuring that the public understands what is happening, said Bert van Duin, drainage technical lead for water resources at the City of Calgary.

More education is needed and there needs to be a dialogue between policymakers and the public, he added.

David Foster, senior adviser, policy and communications at Canadian Home Builders Association, agreed that transparency and trust are key. He said people need to trust the information behind the decisions that are being made.

Mr. Foster said expertise matters and it needs to be used to create consensus standards and create a plan that's comprehensive and equitable. In order to do that, forward-looking climate data is necessary so that building standards aren't based on old information that predicts weather that no longer exists.

"We need to build new infrastructure that's based on some sense of where the climate is going," Mr. Foster said.

He said money needs to be invested in communities that will work to prepare them for the future that experts know is coming.

■ *More from the conference next week.*

Intact posts solid year-end results

INTACT Financial Group, Canada's largest p&c insurer, has reported gains in net income and direct written premiums for full-year 2019.

The parent company which operates through several prominent brands in Canada and the U.S. posted net income of \$745m for the 12 months, a 7% increase over 2018. Its DWP rose 9% to surpass the \$11bn mark.

Both Intact's underwriting income and combined ratio deteriorated slightly. The former by 2% to \$465m and the latter by 0.3 percentage points to 94.5%.

"We delivered strong results in the fourth quarter with double-digit topline growth and a low-90s combined ratio," Intact Financial CEO Charles Brindamour said last week.

"Overall, 2019 marked another successful year for IFC as we advanced meaningfully on our strategies.

"We continued to improve the customer experience, digitally and in claims, while enhancing our use of data in risk selection, including leveraging our artificial intelligence expertise.

"At the same time, we bolstered our leadership position in Canada with the acquisition of The Guarantee Co. of North America and Frank Cowan Co., and pushed deeper in the claims supply chain with On Side Restoration," Mr. Brindamour said.

"With a strong balance sheet and momentum in favourable market conditions, we are pleased to increase dividends to our common shareholders for the fifteenth consecutive year."

Intact Financial said it expects upper single-digit premium growth for the Canadian p&c industry this year. It noted that market conditions are hard as weak industry profitability in all lines of business continues to put upward pressure on rates.

Insurance Institute launching new courses

THE INSURANCE Institute of Canada is introducing new courses as national education month continues.

A new course on p&c organizational socialization — or onboarding — will be available starting this month. It includes a one-hour introduction to the fundamentals of insurance and various roles and the competencies needed to succeed in the insurance industry.

"This free, self-paced course is ideal for people new to the industry providing the basic tools to kick start a new employee's career in insurance and is just one of our educational offerings designed to help professionals develop at all stages of their career," institute programs VP Lisa Boniface said.

Meanwhile, the institute's flagship Chartered Insurance Professional program has undergone a major update over the past year. A comprehensive industry consultation has also just wrapped up to determine the needs for the CIP program in the coming years.

The consultation included interviews with industry leaders, focus groups and a survey of the broader membership of the institute.

The institute is launching several other educational opportunities later this year.

The Canadian Managing General Agent designation program will be available in 2020. It was developed in collaboration with the trade forum Canadian Managing General Agents, known by the acronym CAMGA, and is

designed specifically for professionals operating in and interested in learning about the managing general agency sector.

A new advanced CIP course will also be launched this year. It will replace the current CIP elective for ACIP accreditation. Updated licensing courses with online tutorials are now included in licensing kits. They are currently available in eight provinces. The institute has also streamlined and revised its FCIP courses.

The THOMPSON'S TSX TICKER

■ Closing prices for shares of Canadian p&c-related companies trading on the TSX.

COMPANY	SYM.	MARKET VALUE	JAN 14	JAN 21	JAN 28	FEB 4	Yr. HIGH	Yr. LOW
Co-operators Gen.	CCS.PR.C	95m	23.52	23.60	23.70	23.71	25.11	21.96
Echelon Financial	EFH	73m	6.11	6.04	6.10	6.10	14.24	5.02
Fairfax Financial	FFH	16,948m	614.39	605.93	594.70	612.04	667.23	542.71
Genworth MI Can.	MIC	5,261m	58.78	60.38	58.30	59.39	61.39	39.44
Intact Financial	IFC	21,822m	143.11	143.47	141.88	145.76	146.47	103.42
Trisura Group	TSU	391m	41.18	41.57	42.61	43.95	45.01	26.40
Westaim Corp.	WED	362m	2.53	2.52	2.46	2.51	2.93	2.30

All figures in Canadian dollars. Market value is approximate, in millions, as of Feb. 4, 2020.