

ICBC rate cut will be biggest in 40 years

THE INSURANCE Corp. of B.C. has applied to the province's utilities commission for a 15% cut in basic auto rates.

The request is part of its new 'enhanced care' program, which switches the province to no-fault auto insurance. As part of the change, customers who also purchase optional coverage from ICBC will experience savings that bring the total rate cut to 20%.

That would translate to savings of about \$400 for the average ICBC customer.

ICBC said in a news release before the holiday break that its new enhanced care coverage plan will see drivers start saving money on basic rates May 1. In addition, some drivers may get their optional insurance reduced proportionally in a one-time cut Feb. 1.

"If approved by the (B.C. Utilities Commission), this basic insurance rate decrease will be the largest in our province in more than 40 years," Solicitor General Mike Farnworth said in a statement.

He said the rate decrease was made possible by savings in legal costs as a result of shutting lawyers out of the claims process.

"In moving to the enhanced care system we are literally taking \$1.5bn that would have gone into fighting cases in court," Mr.

Farnworth said during a press conference.

The government has directed BCUC to make the rate applicable for two years. The basic rate application also sets out how ICBC will begin building a rate stabilization fund to rebuild the corporation's shaky finances.

"ICBC is committed to more affordable insurance premiums and rate stability for British Columbians now and into the future," said Nicolas Jimenez, president and CEO of ICBC.

"The vast majority of British Columbians can expect to start seeing significant savings on their auto insurance in 2021, in addition to enhanced care refunds."

The move to lower rates has drawn praise from the Insurance Brokers Association of B.C.

"The NDP government has been working hard to find ways to bring ICBC back to financial stability while at the same time working to reduce the cost of auto insurance for consumers," said IBABC president Aly Kanji of InsureLine Brokers in Port Coquitlam. "We support ICBC's transition to enhanced care, and we're happy to see any cost savings passed on to the consumers. It's an added bonus for the public to realize some of those cost savings sooner."

BCFSA suggests captive for condos

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Nevertheless, it said, this option should be pursued — and the government as promised it will be if nothing has changed by the end of this year;

- Captive insurance. B.C. is the only jurisdiction in Canada to legislate captive insurance and the BCFSA suggests self-insurance might be the way to go for some large condo councils, and

- Home warranty insurance. While it was conducting 'engagement sessions,' with condo owners and property managers, the authority noted a good deal of confusion as to whether a claim should be pursued through a home warranty program or as a condo insurance claim. "Another matter raised was the need for clarity whether consequential damage is covered under home warranty insurance."

Additional steps already identified by the BCFSA include:

- Creating guidelines clarifying what condo corporations are required to insure and identifying circumstances when condo properties are not required to get full replacement value insurance coverage;

- Limiting and/or capping liability for individual condo owners held responsible for damage or loss, and

- Strengthening depreciation reporting requirements and changing minimum required contributions to a condo corporation's contingency reserve funds.

Despite problems with market availability of condo insurance, Chuck Byrne, the executive director of the Insurance Brokers Association of B.C., said the insurers are doing their best to meet demand.

"I would personally commend all the Canadian insurers for doing what they can to rebalance, refocus . . . to take on more (condo) exposure in B.C. over the last year."

MGA to offer cover for home cyber threats

TORONTO-based MGA Boxx Insurance is set to launch new coverage in Canada to cover personal cyber threats.

Its 'Cyberboxx Home Edition' integrates cyber insurance incident response and preventive services. It is underwritten by HSB Canada, which is part of Munich Re.

Cyberboxx Home membership includes Equifax consumer service's premium credit monitoring service.

Policyholders will have access to assistance at any time from the company's specialist breach response team, which is known as the 'Hackbusters.'

"When it comes to protecting your family and home, digital threats are collectively the biggest uninsured gap for most households in Canada," said Till Heydel, VP of strategy and development for HSB Canada.

Digital attacks targeting consumers have surged in 2020, as online shopping gained popularity during the pandemic.

A recent survey by Equifax Canada found 65% of shoppers said they were likely to shop online this holiday season, which leads to greater exposure to digital threats.

"We share Boxx's goal to make the digital world a safer place for families and individuals," said Joel Heft, senior VP at Equifax.

The policy includes coverage for attacks to computers and connected home devices, as well as online fraud, cyber extortion, privacy breaches and cyber bullying. It will be available early this year through brokers that specialize in personal insurance and employee benefits.

Boxx Insurance also has offices in Singapore, Miami, Mexico City and Santiago.

Institute teams with RIBO for online exams

THE INSURANCE Institute of Canada has partnered with the Registered Insurance Brokers of Ontario to provide RIBO licensing exams in an online, virtually proctored format.

This will provide an opportunity for students to take exams that may not have been available since the onset of the pandemic.

All RIBO exams including Unrestricted Management and Technical, and the equivalency exams will be available online.

The institute is also providing flexible options to become licensed either through its licensing materials or Certified Insurance Professional course equivalencies for Alberta General Levels 1, 2 and 3 licensing.

Recent changes to the CIP course requirements for Level 2 and 3 will help licensing

candidates across the country in the broker/agent stream to progress to a higher level of licensing during the pandemic.

The institute decided to offer additional exam sessions in order to ensure everyone had access despite quarantine measures due to lockdown.

"We are pleased to be able to support our partners at RIBO by hosting exams for their students and also that we are able to provide a flexible solution that will allow for industry professionals and new entrants to get licensed," institute CEO Peter Hohman said.

"With our virtual, and now new flexible licensing options, we can prepare brokers with the proper knowledge base to better serve their customers."