



**Remarks by
Don Forgeron, President & CEO,
Insurance Bureau of Canada**

CHECK AGAINST DELIVERY

IBC 2017 Annual General Meeting

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Don Forgeron remarks, IBC 2017 Annual General Meeting

Thank you, Kenn. Your leadership as IBC's chair has strengthened the voices of all our members around the board table and in committee rooms. I appreciate your ongoing counsel and support.

Before I look ahead to the coming year, let me add to Kenn's comments about last year's Fort McMurray disaster.

As the largest insured loss in Canada's history, the Fort McMurray wildfire was a huge test for our industry.

Insurers are the second responders. We arrive to help on day two or three of a disaster. And we are there until the community is back on its feet.

Everyone in our industry should be very proud of the Fort McMurray response. Canada's insurers were there when their customers needed them. That is very much the essence of what this industry is all about.

And while natural catastrophes get media attention, the industry's strategic priorities represent the opportunities and the challenges our members face day in and day out.

Let's start with our largest file -- Ontario Auto.

The current reality is that Ontario consumers still pay too much for their car insurance. There are too many players who profit too much from the car accident business. Some profit illegally through fraud.

David Marshall's recent report -- Fair Benefits Fairly Delivered -- takes clear aim at the systemic problems of the Ontario system. Marshall consulted closely with all stakeholders and recommends new and practical solutions. He has placed consumers at the centre of the solution. We strongly urge the government to act -- and act quickly.

The government is moving forward with a new regulator -- the Financial Services Regulatory Authority. Its mandate will be to focus on market conduct and innovation.

Our goal will be to ensure that FSRA, fully formed, fulfills the promise of a modern regulatory system for Ontario. A regulator that brings proportional regulation to the market. Regulation that balances consumer protection with innovation and helps create and maintain a strong, stable and competitive financial sector.

Let me move on to our Natural Catastrophe file. IBC, working closely with the industry, is making good progress – as Kenn alluded to. Our approach to mitigation has the attention of key federal ministries developing a national flood strategy. The new strategy promises to balance a private residential flood program with another appropriate role for government.

Last month's federal budget focused squarely on climate adaptation. We were particularly pleased to see \$2 billion set aside for a Disaster Mitigation and Adaptation Fund. This is the largest federal investment in mitigation and adaptation in the country's history.

On earthquake, IBC is making headway on a financial commitment from government in the event of a large earthquake. We strongly believe that catastrophic risk will form part of Ottawa's approach to the financial sector review, including future changes to the Insurance Companies Act.

Our efforts on our natural catastrophe files are showing good progress. To amplify our messages, we have collaborated with other respected organizations -- including the C.D. Howe Institute and the Conference Board of Canada. Both organizations produced research findings that added credibility - and profile -- to the public policy issues that we have been communicating.

I want to acknowledge the hard work of all of our board members. They have given long hours and have participated in many key meetings to move these complex public-policy files forward.

Third on our list of strategic priorities is Alberta Auto. The industry has illustrated to the government that cost pressures within the system are hurting consumers. Now the government has asked for advice on changes to maintain the right balance between benefits and premiums.

The government has signalled changes by the end of 2017. Determined to help consumers hurt by Alberta's severe economic downturn, we believe that the government needs to move quickly.

Turning to our fourth strategic priority, we will always have different points of view on where to draw regulatory lines. However, we agree with the widely held view that Canada's regulatory framework is among the best in the world. But in a rapidly changing world, we cannot rest on our laurels.

Fundamentally, good regulations should be proportional to the problem it is trying to solve. And -- as I have already mentioned -- the regulatory system is out of step with the market and with auto insurance consumers in Ontario and Alberta.

This year -- and for the first time -- provincial regulators are collecting data on our market conduct practices. And IBC will be carefully monitoring the outcome.

Our industry is faced with many new and emerging technologies. Block chain, big data, cyber risks, insurtech and the sharing economy all have the potential to transform how we do business.

As regulators, policymakers and the industry deepen their collective understanding of the changes to come, we must never lose sight of the importance of **balance**. Balance between consumer protection and innovation, competition and the important role our sector plays in strengthening the Canadian economy.

I have often said that the most important linkage between any association and its members is how decisions are made. Last year I told you that, in the spirit of continuous improvement, we would implement a new member-led committee structure this year. With our members, we are truly building a stronger IBC.

We designed the new structure with the generous input of IBC members -- for IBC members. Our goal was to increase collaboration and points of connection between members and IBC. After just three months in action, the new structure is proving its value to all of us.

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We are arriving at decisions more efficiently, our members are more engaged and our communications to members is more targeted and efficient. A special thank-you to those members who provided critical input into the design and roll-out of this important initiative.

I will close with thanks. Thank you to all of the Board members for your dedicated leadership and for challenging IBC to take a national leadership role on issues important to Canadians.

Thank you to our members for your support and collaboration. No association can truly be successful without this.

And finally, thank you to our incredibly dedicated employees who work hard every day on behalf of our members. While IBC is about 20% smaller than it was eight years ago, the quality of our work, and most importantly, our results have improved significantly. This is a testament of the commitment to excellence – one of our values -- that IBC staff live up to each and every day.

And the drive for excellence has never been more evident than in the aftermath of the Fort McMurray wildfire. Like many people across the industry, many IBC employees put their lives on hold to lend a helping hand. Our industry is often called on to help in time of crisis. It's the bedrock of who we are.

That's why I'm so proud that IBC has been awarded what I'm told is the 'Oscar of the communications world' for our work in Fort McMurray. IBC won an International Association of Business Communicators Gold Quill Award of Excellence for "Issues Management and Crisis Communications". Competition was intense with entries from more than 16 countries. This award is a testament to the dedication and professionalism of the entire IBC team.

Thank you for what you did for the people of Fort McMurray, and for our members. I think I speak for the Board when I say this prestigious honour is well-deserved.

IBC, together with our members, will continue to advance files that are vital for our industry. And most important, we are advancing files that are vital for all Canadians.

Thank you.