



**Remarks by
Kenn Lalonde, Chair of the Board,
Insurance Bureau of Canada**

CHECK AGAINST DELIVERY

2017 IBC Annual General Meeting

Wednesday, April 26, 2017



Good morning - bonjour chers collègues, et bienvenue.
It is a pleasure to be speaking at IBC's Annual General Meeting.

I'd like to begin by recognizing the contributions of our two recent IBC Chairs.

First -- Sylvie Paquette. Everyone who has worked alongside Sylvie knows that she believes there are great benefits in aligning interests for the good of all.

As IBC's chair, she encouraged us to seek solutions to industry-wide issues by working together and wherever possible, speaking with one voice.

This year, in the midst of the Fort McMurray crisis, I was reminded of her wisdom and guidance. We all saw how alignment improved the lives of the people of Fort McMurray. Thank you, Sylvie.

I'd also like to recognize Charles Brindamour, who is retiring from IBC's board after nine years. Thank you, Charles, for your expertise and guidance – and for doing double duty as Chair!

I'd like to note that Charles is the longest serving Chair in the recent history for the IBC. The role of deputy chair appeared to be cursed during that time, and Charles agreed to steer us through until Sylvie took over the chair duties in June 2015.

And now, I'd like to take some time to look back at 2016.

At IBC, we embarked on a new path to be truly member led by implementing our new committee structure. Our goal was to strengthen the voice of every member – noting that, with a stronger voice, comes more accountability and commitment from our members. This was only going to be successful if we had real commitment and engagement from our members. I'm very pleased to see the participation among members in our committees, investing their time and knowledge to the benefit of our industry – and for customers. Being more integrated as an industry makes us more effective.

We can't talk about 2016 without talking about Fort McMurray. No doubt about it – it was **the** story of 2016. Helping thousands of customers – all with urgent needs and all at once -- was the single largest challenge Canadian insurers have ever faced. And meeting that challenge was also our finest hour. We should all take great pride in how our industry came together for the residents of Fort McMurray.

And I'm proud of our trade association too. IBC connected the industry with all levels of government from day one, brokered access to the area quickly, and raised the industry's concerns with diplomacy. IBC took the lead – and took the load off – so that insurers could get down to the business of adjusting claims.

When organizations join a trade association, they're putting their values, reputation and brand of their company into someone else's hands. IBC did its members proud in Fort McMurray in representing those shared values.

But none of us are done yet. Our industry will be in Fort McMurray over the next few years, helping the community get back on its feet. And we know there'll be bumps along the way. We've already faced some. But insurers are in Fort McMurray for the long haul. And our customers know that.

Turning now to financial performance, last year was a very tough year for our industry– a fact made abundantly clear when the 2016 year-end numbers came out last month.

Because of higher claims costs, underwriting income dropped by more than \$1 billion. The combined ratio stood at 99.5%. ROE was 5.6% compared to over 10% in 2015.

And we can't just blame the Fort McMurray losses – although at \$3.77 billion they are staggering. There were another \$1 billion in cat losses last year as a result of other large weather events including flooding in Ontario and across the Prairies.

The frequency and intensity of severe weather will continue to increase. It's important that we work with government on solutions that will protect all Canadians. I'm pleased with the progress we have made on this file, but clearly there is more to do.

I'd like to close by recognizing the entire IBC staff for their dedication and their knowledge and thanking them for all of the great work they do on behalf of the industry. And I'd also like to thank Don and his leadership team for their vision and commitment to serve the interest of our member companies and all Canadians.

And before I hand it over to Don, I would like to acknowledge what a distinct pleasure it is serve as chair of such a capable, vibrant and engaged board. I would like to thank each of our directors for their continued hard work on behalf of our industry – and the consumers we collectively serve.

Merci Beaucoup.