



**Casablanca Insurance Meeting –  
Moroccan Federation of  
Insurance and Reinsurance**

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Check against delivery



Good afternoon, everyone. I appreciate the opportunity to be with you today – to discuss the effects of the past year on the insurance industry, and share some thoughts on the road ahead.

As a reminder: Later today, Susan Neely of the American Council of Life Insurance – who also serves as GFIA’s Vice President – will be delivering a keynote with a focus on the L&H perspective.

Before I begin, just a bit of background.

I am the CEO of Insurance Bureau of Canada – which represents the property and casualty industry in our country.

I’m also President of the Global Federation of Insurance Associations. We are a worldwide voice for insurance associations.

These dual roles have given me an interesting perspective on the impact of the COVID-19 pandemic – and the unique and ongoing challenges to our industry and its people.

I want to start by emphasizing that the pandemic is first and foremost a global health emergency.

Many people have endured loss over the past year – many more have known sacrifice and challenge.

I know that everyone in our industry looks forward to the day when the pandemic is a matter of history – and we begin to move together toward a sense of normalcy.

Until that moment comes, we need to stay focused on supporting one another – and doing our best to support our customers and clients.

I am going to begin today by looking at the response to the pandemic by members of our industry.

And I will do so with pride – because around the world, insurance companies stepped up to help people during a very difficult and challenging period.

I'll give you just a few examples from across the globe.

In Germany, temporary premium-free periods are being extended to auto insurance customers in some cases.

The insurance sector has even gone above and beyond to help keep supply chains working – even as some suppliers struggle to cope financially during the crisis.

In Italy, some companies have even extended free health coverage on a temporary basis to ensure that policyholders have access to daily allowances in case of home quarantine or hospitalization.

In the United Kingdom, we've seen a number of measures aimed at supporting customers, including the prioritizing of health claims from workers within the National Health Service.

The UK insurance industry also helped to drive the creation of the COVID-19 Support Fund – which is providing urgent assistance to essential charities.

In Canada, meanwhile, I can tell you that our industry acted swiftly – and has delivered close to \$2.5 billion (Canadian) in direct savings and deferred premiums.

I can't think of another business sector in our country that's provided that level of relief.

In some cases, the effort goes beyond savings.

Even though the border between Canada and the United States has been closed to non-essential traffic for many months now, our life and health insurers have come together to maintain out-of-country coverage for commercial truckers.

This is crucial to their ability to work.

Globally, the insurance industry has done as much as or more than any other sector to provide real and tangible assistance.

It's worth mentioning that insurers around the world also took action – especially in the early days of the crisis – to acquire and donate personal protective equipment. And to help guide self-employed people and local entrepreneurs to relevant government programs.

Beyond that, we have fulfilled another crucial role. We have served as a kind of economic shock absorber – a buffer that has limited the overall financial impact of the crisis.

National economies have benefited from our stability and reliability. Premium rebates and deferrals have served as a form of stimulus.

Around the world, we have shown that our industry can be relied upon to help support the longer-term recovery from the pandemic and its effects.

Now – let me turn to a key challenge facing our industry in this uncertain time -- the commercial insurance market.

Even before the pandemic, we were witnessing challenges in certain lines of business and regions. Some customers were struggling to find or access insurance.

We certainly saw this in Canada. And I know it's true in many other countries.

If anything, the pandemic has exacerbated the situation.

In the final quarter of 2020, for example, aggregate commercial insurance prices in the U.S. increased by more than 10 per cent over the same quarter in the previous year.

How we respond to this challenge is important.

On one hand, we can take a step back and say to ourselves – these things happen in a free market. Eventually, the market will sort itself out.

In a purely economic sense, that's true.

But as an industry, we need to confront some practical realities.

Foremost among them: If people can't find or afford the insurance they need, there are risks to our collective reputation – and risks that government may step in to try to solve the problem with new regulations.

So, it's important that we step up and take action.

Let me tell you a bit about how we've confronted this challenge in Canada.

Right away, we launched a National Task Force on Commercial Insurance to bring together customers, business groups, insurers, brokers and other key stakeholders.

The focus was on defining practical steps that can be taken to improve availability and affordability.

But even as the task force was still at work, we moved forward with a four-point plan.

First, we expanded our roster of risk managers – who work to find solutions for business owners. These are experienced insurance professionals – and they're helping business owners, free of charge, to find a path to available and affordable coverage.

We're seeing some real progress from this.

Second, we put in place a strategy to reach out to both governments and the general public.

We want to help people understand what's happening in the marketplace – and why it's happening. And we want to emphasize that we are taking real and meaningful steps to help clients as best we can.

Third, we established a national stakeholder engagement plan. That means working directly with some of the key groups that are being affected by the hardening market.

And finally, we invested to increase our market intelligence and our own understanding of both the broad trends and the nuances in the commercial insurance market.

That's the Canadian example. Other countries are responding in their own way. The Insurance Council of Australia is launching a consultation to identify coverage gaps and challenges in the market.

Here's the bottom line as I see it on commercial: No matter where we live in the world, none of what we're facing can be solved by any one player.

We need to work in partnership with governments, with stakeholders and with our customers.

We also need to have a degree of patience. These challenges will not vanish overnight – there is no silver bullet solution.

We can get through this, but our industry is going to need to show leadership – and we are all going to need to work together.

Clearly, there are a number of challenges before us as an industry. As we look to the future, the GFIA will continue to act as a leading voice.

As an organization, we have four clear priorities for the year ahead and beyond. I will note that these priorities are being finalized now, but I don't anticipate substantive changes.

The first, of course, is the pandemic and its impact on our industry. We want to keep members fully informed about developments related to the COVID-19 response and its effect on markets.

In particular, we will be keeping a close eye on any regulatory and supervisory interventions.

In some areas, far-reaching changes are being proposed. A number of GFIA Working Groups are examining the potential impact of these measures – and propose responsive action.

Our second priority: cyber security.

Technological progress and innovation are creating new opportunities for our industry – but they are also bringing new challenges.

Cyber represents a quickly evolving landscape of risk.

The market for cyber insurance is expected to grow significantly – but so are the threats to information and data.

As a global organization, GFIA is well placed to educate policy makers and advocate for the kind of regulatory flexibility we'll need to allow this important new market to develop.

We have a number of working groups that will continue to offer insight and guidance in this crucial sector of our business.

Our third priority is a matter of demographics.

Our ageing population is creating a number of challenges relating to retirement.

Governments are focused on pension pressures. And customers are increasingly interested in access to products geared toward retirement security and savings protection.

Our role at GFIA will be to engage with policy makers at an international level to advocate for prudent regulations in this important area.

Finally, our fourth priority as an organization: the evolving nature of climate risk and the growing number of severe weather events.

We need to inform not only policy makers, but also consumers, about the short-term impacts of climate change – and in particular, the need to invest now to protect our communities and increase our resilience.

Supported by our Climate Risk working group, we will advocate for adaptive measures and share best practices about reducing climate risk.

In conclusion today, I'll say this:

When we look back on the COVID-19 pandemic, we will see it as a defined period in history – a time in which the routine of life was altered.

But its impact will continue to be felt.

We don't know for how long we will hear the echo of this pandemic year.

We don't know what the future holds for our industry.

Will we see an immediate uptick in small business activity – or will it take some time for entrepreneurs to once again embrace risk?

Will we all go back to the office? Or will a significant number of people continue to work from home, reducing the need for personal transportation?

Will people travel again with the same frequency and enthusiasm? Or will they need time before they are once again ready to venture out into the world?

The answers may be different in different parts of the world.

But one thing is universally true:

As people, we will continue to live and work in a time of uncertainty and volatility.

As an industry, we will continue to be relied upon as a force for stability and support.

Together, I know we'll be up to the task.

Thank you.