



Workshop on Motor Insurance and Road Safety (ii)

**Remarks by
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Thank you, Miquel. It's a pleasure to be with you all. I welcome the opportunity to participate in this timely discussion.

I come today wearing two hats. I am 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 our industry. The companies we represent account for almost 90 per cent of insurance premiums around the globe. Motor insurance is huge market, accounting for more than US\$880 billion in 2019, and is the entry point for many clients to other types of insurance.

I know I speak for those companies when I say: We all have an interest in improving road safety – and each of us has a role to play in better protecting drivers, cyclists and pedestrians.

This truly is all about partnership – working together to make a positive difference.

This workshop is an important part of that process.

Though we all understand the scope of the road safety challenge, the numbers can still be shocking: More than one million people are lost each year in road accidents.

And on top of that, the financial burden: In some countries, a cost equivalent to three, five, even 10 per cent of GDP. Road safety is an issue in every country. In some, it rises to a crisis.

So, how do we move forward?

From our perspective, we strongly believe that insurers can play a crucial role. In many ways, we already do.

In many countries around the world, insurers advocate for laws that better promote road safety and personal protection – like fines that punish distracted driving.

And we promote safe driving habits – by rewarding good drivers with lower premiums.

This commitment to public safety isn't new for insurers. I'll share the Canadian experience as an example.

Back in the 1970s, insurance companies led the lobbying campaign to make wearing a seatbelt the law.

Looking back, it can be hard to believe that anyone seriously opposed this idea. But people did!

Happily, common sense ultimately prevailed. Almost overnight, traffic deaths fell significantly.

In the 1990s and early 2000s, Canadian insurers advocated for a graduated system for licensing drivers.

The numbers told us plain and simple: novice drivers were more likely to be involved in collisions. Something needed to be done to change that.

I'll tell you a story. I'm from a relatively remote area of Canada – an island in the Atlantic, with all the wonderful and unpredictable weather that entails.

When I was a teenager, we'd rush to get our driver's licence on the day we turned 16.

Without any real practice, I found myself driving along a difficult road, with sharp turns and changes in elevation, and a number of friends packed in along for the ride.

And that's when the fog rolled in.

To this day, I can remember the feeling – the thrill of driving but also the anxiety of not feeling in charge, trained or confident.

I was lucky. But, we should never leave road safety to luck.

As a parent, I am grateful for the graduated system – where new drivers get better training and face a series of restrictions until they gain experience and demonstrate skill behind the wheel.

Graduated licensing has saved lives. A study found that graduated licensing reduced fatalities in Canada and the U.S. by nearly 20% for 16-year-olds – the youngest, most inexperienced group of drivers.

It's important to encourage and incentivize good driving habits right from the get-go.

When we look to low- and middle-income countries, we of course understand that the scope of the challenge is more dramatic. These countries have 60 per cent of the world's vehicles – but experience 93 per cent of the world's accidents.

Africa has the lowest penetration rate for non-life insurance at just 1%. A 2019 Deloitte study found the high cost of insurance was a barrier for consumers, coupled with a low level of trust and a lack of understanding of insurance products in general.

In Latin America, estimates suggest that about 50% of the vehicles are not insured. One out of every two people who suffered a road accident might not receive compensation.

While any one of those factors is a considerable challenge to overcome, I hope that we also see the potential benefits of strong insurance markets.

No one in our industry thinks we have all the answers.

We are not just willing but eager to work with other stakeholders to develop stronger insurance markets and encourage safer driving habits in countries around the world – no matter where they're starting from.

In higher-income countries, that could mean a greater focus on the potential benefits of technological solutions.

For instance, we now have the technology to be able to track a driver's behaviour and tendencies behind the wheel.

In the United States, it is common for drivers to voluntarily submit to being monitored – in exchange for lower premiums, if their habits are good.

What matters most for the future is that this kind of innovation represents a true win-win: People are rewarded for driving safely. That makes our roads safer.

In lower- and middle-income countries, progress might mean making third-party liability mandatory – and establishing a system where people see the personal financial benefits of taking greater care on the road.

At GFIA, we are squarely focused on doing what we can to enhance road safety.

That means advocating for the highest safety standards for vehicles – to protect occupants and prevent collisions.

It means understanding and preparing to cover future risks – like those related to autonomous driving.

It means improving our underwriting by understanding how people drive – and how we can better rate their performance.

In conclusion, let me thank you once again for the opportunity to participate in this conversation.

Our members are passionate about improving road safety and reducing the tragic toll of accidents on our roads. And we welcome the support, the experience and the guidance of all who share in pursuing these goals.

We all have a role to play.

With that, I'll turn it back over to Miquel. Thank you very much.