



# 2021 Risk Management Looking Ahead

Electro Federation Canada



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INSURANCE GROUP



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## AGENDA

1. Introduction – Steve Evans
2. Employee Benefits – Laura Diaz
3. Commercial Insurance – Aaron MacFarlane
4. Personal Insurance - Fil Giannini
5. Q/A



## WHO WE ARE

- One of Canada's largest independent insurance brokerages
- Broad suite of capabilities across commercial property and casualty, employee benefits consulting, and personal insurance
- Over \$2.5bn in market place through Intersure (US) and Canadian Broker Network
- 95%+ client retention
- Over 100 professionals and growing
- Celebrating over 37 years in business



# INDUSTRY PARTNERSHIPS & ASSOCIATIONS



## Canadian Broker Network

Access to over 100 insurers across Canada and can facilitate regional servicing for our clients as needed.

[www.canadianbrokernetwork.com](http://www.canadianbrokernetwork.com)

## Intersure

Independent insurance agencies whose members share the combined buying power of more than \$2.5 billion in premiums.

[www.intersure.com](http://www.intersure.com)



## Globex

Exclusive access to a dedicated international department, fully integrated within our operations acting as an extension of our team.

[www.globexintl.com](http://www.globexintl.com)

## Techassure

Members work on a local and regional level to impact legislation and business practices that enable innovation.

[www.techassure.org](http://www.techassure.org)



# OUR HOLISTIC APPROACH

## Group Benefits

Customized Insured Plans, Administrative Services Only (ASO), Compliance Audits, Benefits Administration

## Group Retirement

Plan Design, Governance Support, Employee Education, Funding Reviews

## Specialty Programs

Sector Defined Programs, Group Home & Auto, Trade Credit, Reps & Warranties

## Full Service Capabilities to Clients

## Risk Management

Full Suite of Services & Risk Mitigation Tools

## Commercial Lines

Property, Liability, Fleet, etc., Errors & Omissions, D&O Liability, Business Interruption

## Personal Lines

Home, Auto, Recreational Homes & Vehicles, Art, Jewelry, Boats, Travel, Personal Collections



## COMMERCIAL INSURANCE

Bespoke coverage tailored to your company's individual needs with premiums 10-20% below market average.



## EMPLOYEE BENEFITS & ADMINISTRATION

Our program refunds any money you paid that did not go towards claims or expenses.

We are pleased to offer our Benefits Administration Outsourcing services at a 20% reduction to EFC members.



## PREFERRED HOME & AUTO INSURANCE PROGRAM

EFC members & member employees have access to savings of up to 40% on their home and auto.





**01**

**Employee  
Benefits**





## Mental Health coming out of a pandemic

- Isolation has led to depression, anxiety and fear amongst individuals
- The state of the economy and the future of it, has people losing sleep about their jobs and business
- Reported 30% increase in suicidal ideation in the calls coming through Morneau Shepell's employee and family assistance plans

A few stats and trends.....

- 25% of the workforce reported they are overworked, work strained or burnout specifically because of the pandemic
- Younger workers (millennial cohort) are at higher risk in terms of their decline in mental health
- Those who are still employed but had their salary reduced are feeling worse than those who lost their jobs
- Women fear worse than men

## COVID Impact and What to Expect

### Disability

- Increase in the number of mental health related claims.
- Increase in the duration of disability claims due to longer wait times for specialists.
- Increase of Long Term Disability claims that should have only been Short Term.
- Disconnect in the communication between disability carriers and clients – important to have carrier meetings

**Expect disability cost to significantly increase in 2021 due to the following:**

- Increased mental health related claims
- Increased number of litigations
- Claim process taking longer than usual which makes the claim more costly
- Continued low interest rates

## COVID Impact and What to Expect

### Healthcare

- Significant decrease in paramedical claims in the first wave
- Spike in at-home ergonomic assessments for those plans that offer it
- Prescription drugs were not heavily impacted
- Emergence of Telemedicine

#### What to expect in 2021:

- Paramedical claims to return to normal levels or even higher
- The introduction of some highly utilized biosimilars, i.e. Humira biosimilar
- Uptake in personal coaching, particularly relating to Diabetic individuals

## COVID Impact and What to Expect

### Dental Care

- Significant decrease in dental claims during the first wave – premium relief
- PPE cost passed on to employees in some situations
- Longer first time visits in some situations

#### What to expect in 2021:

- Dental claims to return to normal levels or even higher
- Potential increase of Dental Fee Guide at a higher than normal percentage

## Items to Consider Moving Into 2021

- Consider alternative funding mechanism such as refund of premium or self funding, to capitalize on the lower claims utilization
- Redesigning your Benefits Program through the use of Health Spending Accounts to cap future costs
- Redirecting company dollars into unique services such as home office equipment and supplies; care packages; online subscriptions (online personal trainers, tutors, educational material for kids, etc)
- Implementation of a Wellness Taxable Spending Account to provide added flexibility and “company perks”
- Implementation of Flu Shot Clinics
- Promotion of Employee and Family Assistance Programs
- Conduct a full Benefits Efficiency Review



02

## Commercial Insurance

# The Market

## Good

- Signs of recovery
- Pandemic had positive impact on personal auto

## Bad

- Commercial Loss Ratios are up
- Class action law suits on the rise.

## Ugly

- D&O loss ratios have gone from 30% to 81%
- Cyber loss ratios have gone from 114% to 407%

# What does this mean for your business?

- Market is tight
- Premium increases
- Reduced capacity
- Lack of options

# Navigating this Market

- Choose a competent broker
- Start early
- Reduced capacity
- Lack of options



# Navigating this Market

## Auto

- Manage drivers
- Formal driver policy
- Inspection and maintenance
- Radius of operations

## Property

- Building updates
- House Keeping
- Fire Protection
- Plan ahead

## Liability

- Certificate of Insurance
- Quality Control
- Contract review

# Trends

## Cyber

- Not just private information
- Severity of claims
- Train your employees
- Contracted services
- Act NOW!

## Director & Officers

- Management Liability
- Protect your employees
- No coverage on your General Liability
- Employment Practice Liability
- Affects from Covid

# Cybersecurity & insurance to keep your business safe.

Hackers are smart, breaches are common, accidents happen. You need the most comprehensive protection.



# Personal Insurance





## PREFERRED HOME & AUTO INSURANCE PROGRAM

A Group Insurance Program is a simple, low maintenance way for employees to access exclusive discounts on home and auto insurance. We're here to help you get started, with plenty of resources and marketing tools to set up and promote the plan:

- ✓ EFC member employees could save up to 40% on home and auto insurance
- ✓ Convenient payment plans
- ✓ Fast, courteous, 24-hour claims service
- ✓ Potential extra savings when bundling multiple policies
- ✓ Licensed insurance representatives who provide professional insurance counselling

# WE ARE HERE TO PROTECT YOUR LIFESTYLE.

Our Signature Team is committed to delivering professional risk management and insurance services to high achieving individuals and families.

Exclusive Clients enjoy our **Personal Concierge Service**, offering 24hr claims service, private meetings, and custom appraisals.

Lawrie  
*Signature*  
Private Client Services

Private insurance solutions to protect your  
lifestyle and high value assets.



# Efficiency Review

## Financial Management

- Expenses
- Pooling Charges
- Commissions
- Funding Arrangement

## Plan Design

- Risk & Exposures
- Adequate replacement coverages for income loss
- Transfer of risk

## Administration

- Policy & Procedures review
- Compliance
- Billing audits
- Employee changes
- Insurer integration

## Employee Experience

- Newsletters
- Benefit statements
- Employee education
- Technology

## Value Add

- Health Care Spending Platform
- Pharmacy Management
- Group Home & Auto for employees
- Compassionate Care







Thank you  
Questions?



**POWERGUARD**  
ADVANTAGE



**Lawrie**  
INSURANCE GROUP