

## Special

## INSURANCE TRENDS

# Extreme year highlights the importance of dealing with a qualified insurance professional



By Peter Hohman, MBA, FCIP, IC.D., President and CEO, The Insurance Institute of Canada

**B**y the middle of this year, natural disasters around the world had already made 2011 the most expensive on record. According to Munich Re, a multinational reinsurer, the \$256 billion in damages far outstripped 2005, once the costliest year on record as a result of Hurricane Katrina.

In Canada, the Slave Lake fires were the second most costly insured disaster in our history, with damages estimated at more than \$700 million. (The ice storm of 1998 remains the most expensive disaster in Canada, with insured damages of more than \$1.8 billion.)

Even as fires raged in the northern Alberta town, the insurance industry was there to help. According to the Insurance Bureau of Canada (IBC), insurance company representatives visited evacuation centres within 36 hours of the fire to offer help to affected residents and businesses.

Most of us don't think about the consequences that natural disasters or severe weather would have for our lives and businesses, which makes the expertise of qualified

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insurance professionals invaluable. As members, students and graduates of the Insurance Institute, more than one-third of all people employed in property and casualty insurance in Canada actively participate in ongoing educational programs to ensure they have the latest information and knowledge required to assess, underwrite and fairly compensate for losses of this magnitude. The Institute sets the standard for education of Canada's property and casualty sector through its internationally recognized Chartered Insurance Professional (CIP) designation.

As the risks of property and casualty damage rise, the right insurance policy ensures that your business and property are protected and that you can get back to business and on with your life. Chartered Insurance Professionals complete a rigorous qualification process, requiring several years of study, strict adherence to a code of conduct and lengthy professional experience before passing stringent national exams. They are uniquely qualified to offer the right insurance to protect the assets that mean the most to you if disaster strikes.

The insurance industry is taking note, as global expectations of employee credentials and knowledge requirements shift to match professional trends. Professional qualification is becoming a baseline requirement. While experience has traditionally been a prominent strength for individuals in the insurance industry, it's

no longer enough. In order to remain competitive and keep up with industry standards, and to better serve Canadians, organizations increasingly encourage their employees to upgrade and work toward professional designations, chiefly the CIP. Additionally, leaders in the industry are encouraging even further education and have worked with the Institute to relaunch the Fellow Chartered Insurance Professional (FCIP) designation, now emphasizing more strategy, leadership, enterprise risk management and the study of emerging issues.

The FCIP is entirely online developed to high academic standards. Major insurer and broker companies offer Institute CIP programs in-house, or employees study online or at any of the Institute's 20 provincial institutes or chapters across Canada.

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The private property and casualty insurance industry, which provides insurance protection for most homes, motor vehicles and commercial enterprises across the country, plays a vital role in our economy. According to the Insurance Bureau of Canada, it employs more than 108,000 Canadians and contributes more than \$5.7 billion in taxes to our federal and provincial governments.

As extreme weather events continue to become more common, the importance of this industry to Canada's social and economic well-being will continue to grow. In this environment, the value of education is greater than ever. With professional designations acknowledged as valuable assets, the Institute continues to work alongside members to stay ahead — for the benefit of all Canadians.

## THE VALUE OF ADVICE

The Insurance Institute of Canada plays an integral role in the shift toward higher education, with the Chartered Insurance Professional (CIP) and Fellow Chartered Insurance Professional (FCIP) programs leading the way.

In surveying professional designations, 46 per cent of broker respondents cited the CIP and FCIP designations as the best choice for career advancement.

At a recent roundtable discussion hosted by the Institute, senior industry members further explored the question of education. The tone remained consistent: designations, notably the CIP and FCIP, play an influential role in career advancement. More importantly, they allow individuals to differentiate themselves.

Customers seeking out the most qualified insurers, and the consolidation and competition within the insurance industry, mean that individuals who have completed professional designations such as the CIP and FCIP will be increasingly valuable to their organizations.

Respondents to the survey noted that 60 per cent of customers expected a designation behind a name, with 64 per cent indicating it as an important addition. This represents a deeper knowledge base and a more detailed commitment to the business of insurance.

## ABOUT

### Setting professional standards for the insurance industry

Established in 1899, the Insurance Institute of Canada is the premier educator to the country's property and casualty insurance industry. A volunteer-driven, not-for-profit association, it includes 20 provincial institutes and chapters across Canada, serving 37,000 members.

The Institute sets professional standards for the industry through the internationally recognized Chartered Insurance Professional (CIP) and Fellow Chartered Insurance Professional (FCIP) programs. With rigorous programming developed by a dedicated team of learning and development specialists, taught by instructors and university-level facilitators, programs are delivered across the country by e-learning technologies, distance-learning self-study or in class. Institute programs and the examination process are reviewed by independent educational consultants to ensure excellence in content and delivery. Graduates of the Chartered Insurance Professional designation further enhance their education, experience and ethical standing through membership in the Institute's prestigious CIP Society.

All of the Insurance Institute's programs emphasize real-world applications, providing rewarding educational, professional development and networking opportunities.

Learn more at [insuranceinstitute.ca](http://insuranceinstitute.ca).

## ONLINE?

For more information, visit [insuranceinstitute.ca](http://insuranceinstitute.ca).

**Insure your company's growth.**

**A Chartered Insurance Professional has your business interests in mind.**

While you're focused on growing your business, it's reassuring to know that a professional is focused on protecting it. Working with a Chartered Insurance Professional, you're dealing with a dedicated expert who has completed a rigorous qualification requiring several years of study, strict adherence to a code of conduct and years of insurance industry experience before writing and passing national exams. A CIP acts as your partner in protecting your assets and minimizing risk. That's the bottom-line.

- Educated
- Experienced
- Ethical

Design a plan to protect your business. Look for the **professional standard**, an insurance expert with the CIP Designation.

[www.insuranceinstitute.ca/consumer](http://www.insuranceinstitute.ca/consumer)

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As extreme weather events become more common, the value of insurance education is greater than ever. PHOTO: ISTOCKPHOTO.COM

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# Slave Lake catastrophe offers insight into the key roles insurers play in disaster recovery



By Michele Gauthier, Vice-President Claims, RBC Insurance

**W**hen devastating wildfires ripped through the small Alberta community of Slave Lake, a whole community saw their lives change forever, in a matter of minutes.

Insurance companies across Canada kicked into gear, even as authorities battled the forest fires, knowing that residents would turn to their insurers for help. Adjustors and insurance representatives raced to get on the ground to assist and provide immediate relief.

When they arrived to find Slave Lake ravaged by the forest fires, and much of the town completely destroyed, words couldn't explain what they saw. While it's unfortunate that insurance companies come into people's lives at the worst possible time, we want to get them back on their feet as quickly as possible.

## BEING THERE WHEN CLIENTS NEED US MOST

An insurance adjustor is often the first person you would see after you've experienced considerable damage to your home. When they arrive at your home, their initial task is to meet with you, survey the situation and begin the process of providing financial assistance and advice, including co-ordinating temporary living arrangements for you and your family as needed.

Adjustors also need to be able to know when it's time to discuss business and when it's best to back away for a while to give you time to absorb the situation and deal with your emotions. When you are standing there wondering what to do next, they will take you through the insurance process, step by step. Not only will they provide you with answers to your questions,

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but they will provide guidance and advise you to call them whenever you need to discuss a concern or understand a procedure.

## LOGISTICS AND COMMUNICATION

Since the community of Slave Lake was displaced with little warning, communication to clients was a challenge. Where adjustors had cell phone information or e-mails, they were able to reach out to clients directly to let them know they were in the area and could come to them, whether it was at an evacuation centre or at the homes of family and friends.

Beyond insurance needs and advice, adjustors can help you in other ways. In Slave Lake, we did everything we could to get our clients money for food, accommodations, basic emergency needs, and getting a restoration contractor in as quickly as possible so they could start to rebuild their lives.

## SHIFTING INTO RECOVERY MODE

Ultimately, we want to help you and your family get settled and continue with a normal life as quickly as possible. We understand that every situation involves a 'loss' of one form or another, and everyone deals with things differently. Some clients bounce back almost instantly and others take



Insurance professionals help the victims of natural disasters get settled and continue with normal life as quickly as possible. PHOTO: ISTOCKPHOTO.COM

more time to heal.

In the aftermath of Slave Lake, the extensive and severe damage had become even more apparent. Now that residents have returned and the rebuilding has begun, it will take some time for

the community to recover. Like many other insurance companies, RBC Insurance will continue to be there to help our clients get back on their feet and help residents, businesses and the community rise from the ashes.

## ABOUT

### Are your contents covered in your home insurance policy?

Home insurance policies generally provide protection against incidents that can cause damage or loss to your home and contents. However, most people assume their home insurance policy will cover the total value of all of their contents for any type of loss, but you need to understand there can be limits. It's important that you regularly assess your belongings, including valuable items like jewelry, and check with your insurer to determine if you have the right amount of coverage.

To ensure your valuable contents, like jewelry, are fully insured, you can purchase additional coverage, known as a "rider," on individual items to recover the full replacement cost, for any type of loss.

Here are some tips to make sure your valuables are covered:

- Contact your insurance company immediately and find out what the limits are on your current home policy
- Get a proper appraisal from an accredited appraiser to determine the correct value of the item
- Keep a copy of the appraisal/receipt in a safe place
- Take pictures of the item
- Ensure you know and understand what you are being covered for when you purchase the rider



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Shepard Centre  
Signal Hill Centre  
Edmonton  
Bonnie Doon  
Hollick Kenyon Landing  
Windemere

### New Brunswick

Dieppe  
Fredericton  
Saint John

### Nova Scotia

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### Ontario

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Brampton  
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Hwy 50 & Ebenezer  
Brantford  
Burlington  
Etobicoke  
Guelph  
Hamilton  
Kanata  
Kingston  
Kitchener  
London  
Fanshawe & Hyde Park  
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Markham  
Highway 7 & McCowan  
Major Mackenzie & Woodbine  
Milton  
Mississauga  
Dixie & Burnhamthorpe  
Highway 10 & Eglinton  
Meadowvale  
North York  
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