



COMMERCIAL INSURANCE

MANITOBA CHAMBER OF COMMERCE

MAY 12, 2021



ROB DE PRUIS • DIRECTOR, CONSUMER & INDUSTRY RELATIONS - WESTERN • INSURANCE BUREAU OF CANADA

BRETT MCGREGOR • PRESIDENT | GUILD INSURANCE BROKERS • INSURANCE BROKERS ASSOCIATION OF MANITOBA PRESIDENT

ABOUT

INSURANCE BUREAU OF CANADA

ESTABLISHED IN 1964

National association for Canada's
private home, auto, business insurers.
IBC members represent 90% of the
Canadian P&C market.



CANADA & MANITOBA'S P&C INSURANCE INDUSTRY

AT A GLANCE



More than **192 private Property & Casualty (P&C) insurers** actively compete in Canada, with **141** operating in Manitoba



The P&C insurance industry employs **131,600 Canadians**
2,400 people in Manitoba



About **29.9%** of Direct Written Premiums in Manitoba are for commercial property coverage; **15.6%** commercial liability



Canadian insurers contribute **\$10.5 billion*** in taxes and levies to the federal and provincial governments

*Tax figures as of 2019

Source: 2020 Facts of the Property and Casualty Insurance Industry in Canada

OVERVIEW OF PRESENTATION

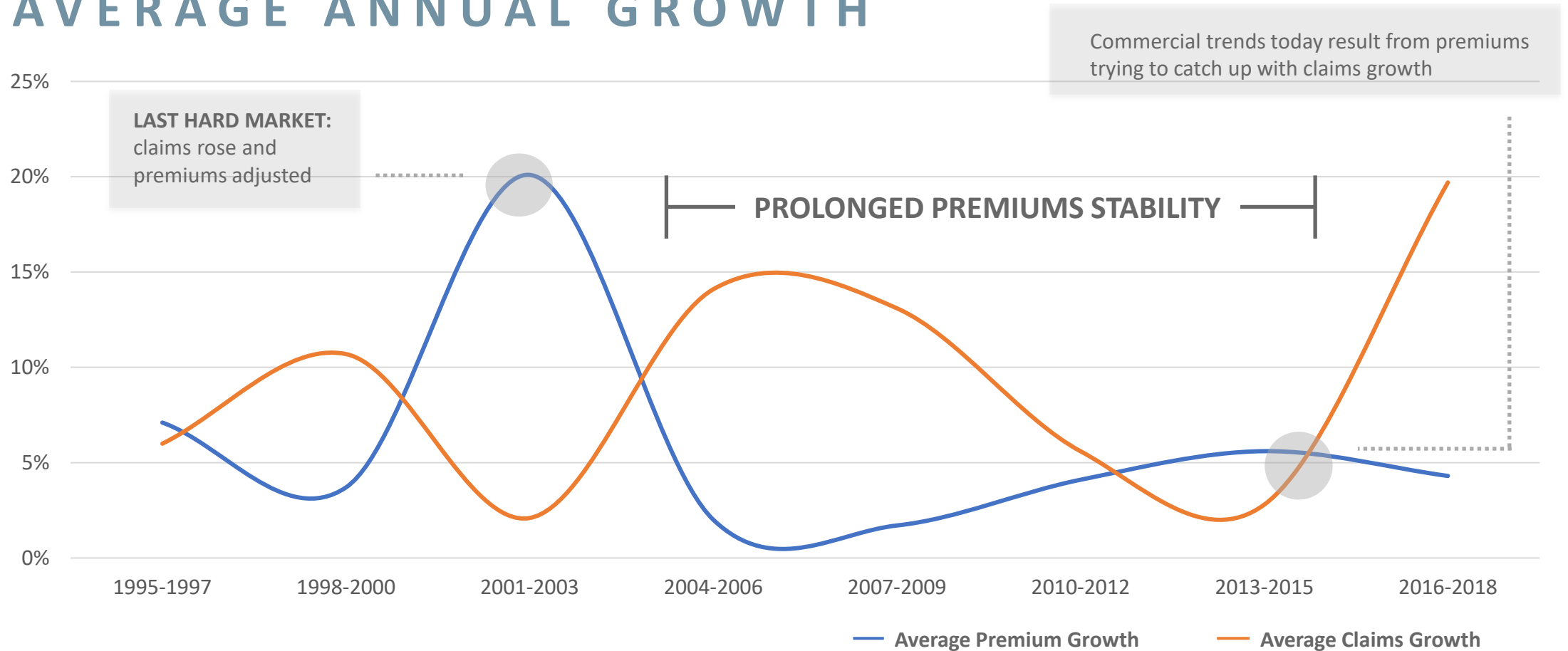
1. CURRENT STATE OF COMMERCIAL INSURANCE INDUSTRY
2. STATE OF THE MANITOBA COMMERCIAL MARKET
3. HOW THE INSURANCE INDUSTRY IS SUPPORTING BUSINESSES
4. WE'RE HERE TO HELP RESOURCES
5. HOW TO FIND A LOCAL BROKER
6. QUESTION AND ANSWER SESSION



CURRENT STATE

CANADA:

COMMERCIAL PROPERTY 3-YEAR AVERAGE ANNUAL GROWTH



Source: IBC with data from MSA

CURRENT STATE OF

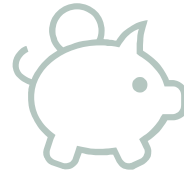
COMMERCIAL INSURANCE INDUSTRY



INCREASING
CLAIMS



INCREASED
INSURER LOSSES



IMPACT ON RESERVES
(TO PAY OUT OTHER
CLAIMS)



RATE
INCREASES



FACTORS AFFECTING COMMERCIAL INSURANCE



**SEVERE
WEATHER**



**MAGNITUDE/
FREQUENCY OF
CLAIMS**



**LOWER INTEREST
RATES & DECREASING
INVESTMENT INCOME**



COVID-19

IMPACT

While challenging market conditions existed in the pre-pandemic environment, insurers are coming together to help customers in their time of need.

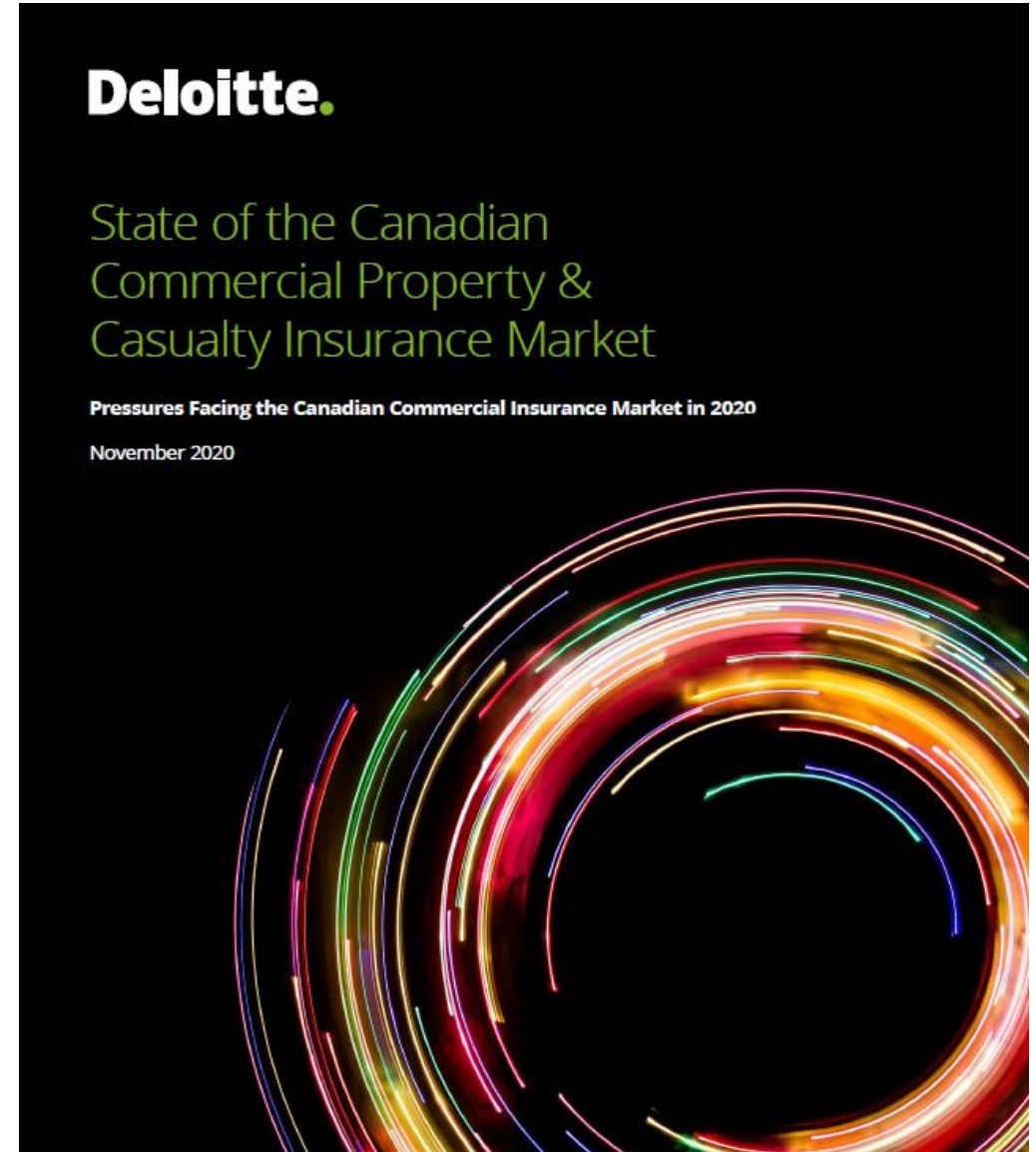


MARKET INTELLIGENCE

KEY FINDINGS

An IBC commissioned report from Deloitte found the environmental and macroeconomic events of 2020 exacerbated market dynamics the commercial insurance industry was facing, driven by three immediate pressures:

- Rise in extreme weather events
- COVID-19 pandemic
- Macroeconomic conditions



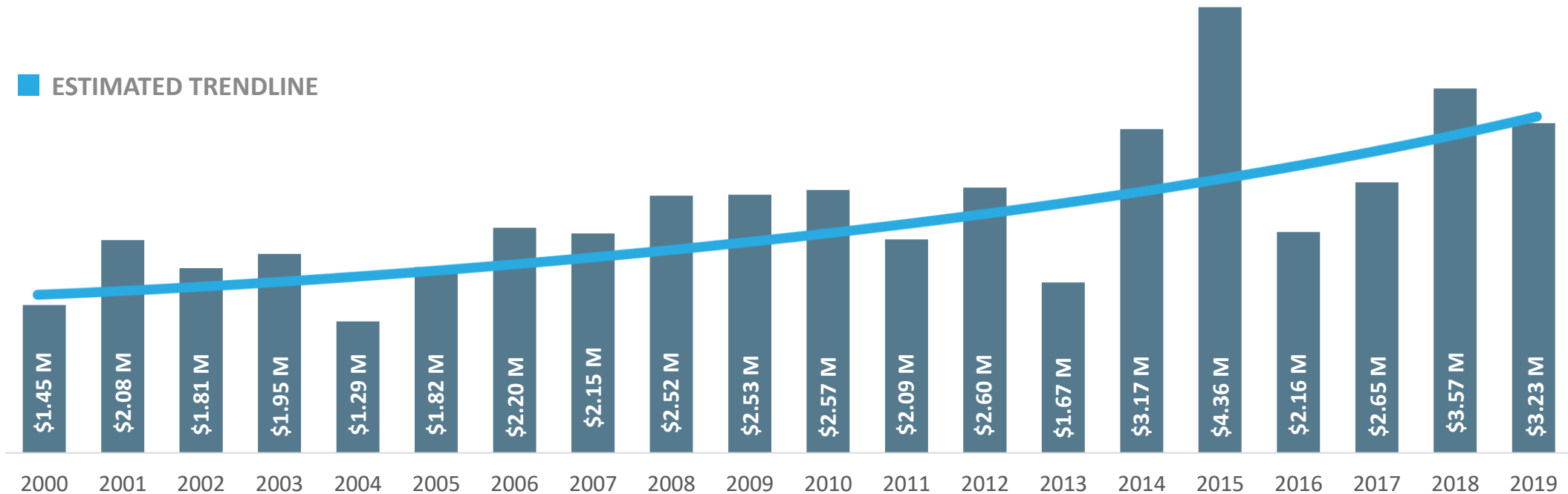


STATE OF MANITOBA COMMERCIAL MARKET

MANITOBA:

COMMERCIAL PROPERTY AND LIABILITY DIRECT CLAIMS INCURRED

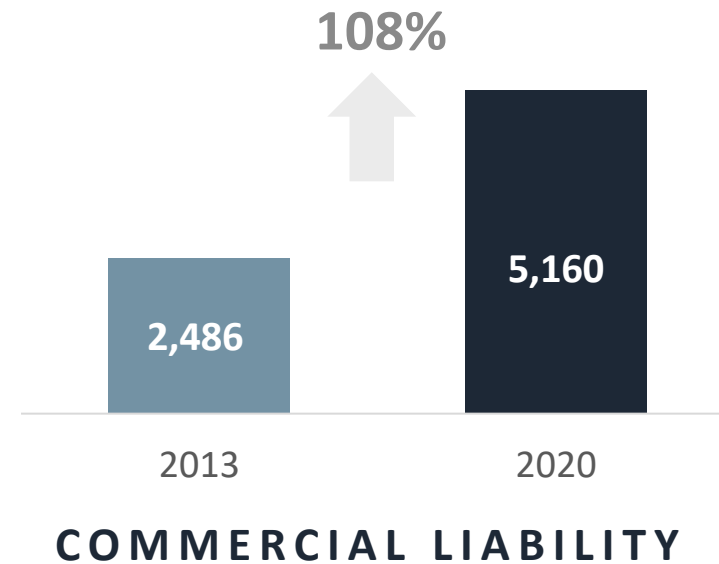
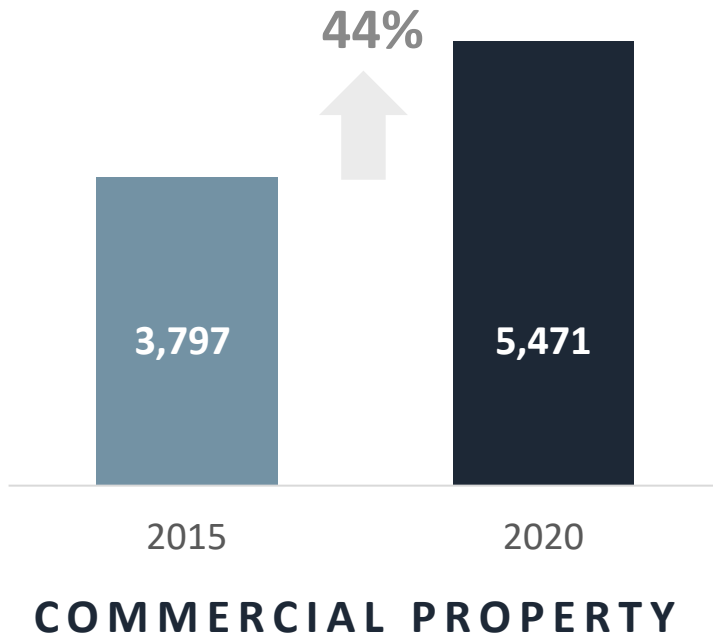
(ADJUSTED FOR INFLATION, 2019 DOLLARS)



Source: IBC with data from MSA

CANADIAN P&C INSURERS

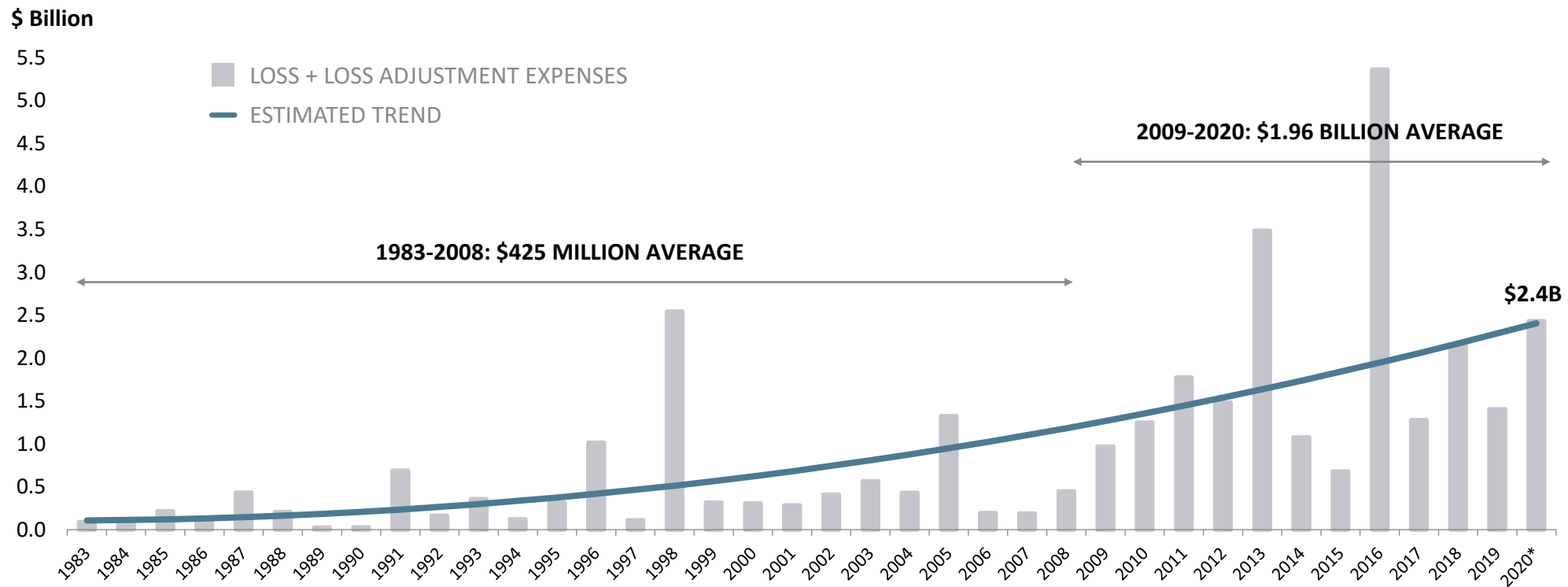
NET CLAIMS INCURRED



Sources: IBC, MSA, SCOR, AMF

INSURED CATASTROPHIC LOSSES IN CANADA

***A CATASTROPHIC LOSS = 1 EVENT COSTING \$25 MILLION OR MORE IN INSURED DAMAGES**



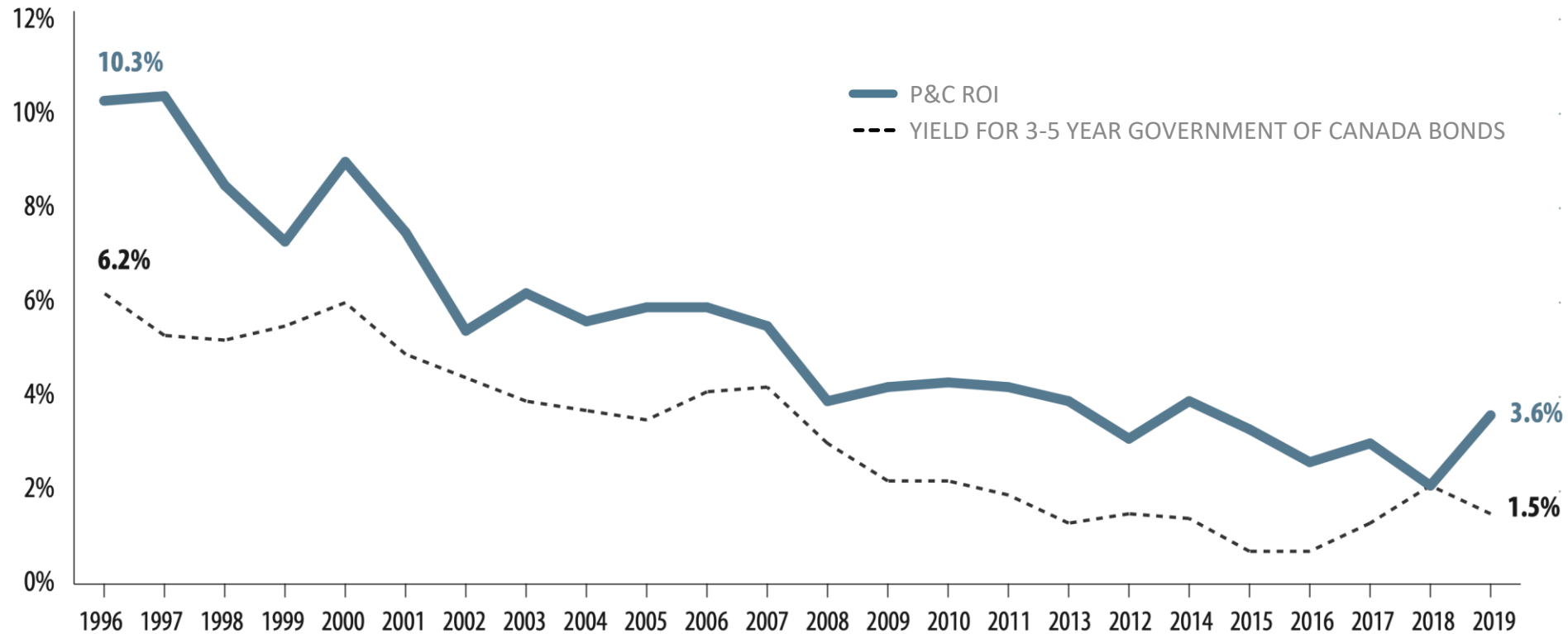
Source: IBC Facts Book, PCS, CatIQ, Swiss Re, Munich Re & Deloitte

Values in 2019 \$ CAN

*2020 preliminary

RETURN ON INVESTMENT (ROI)

COMPARED WITH GOVERNMENT OF CANADA BOND YIELD, 1996 TO 2019



Sources: IBC, MSA, SCOR, AMF, Bank of Canada

GLOBAL CATASTROPHIC LOSSES TRENDS

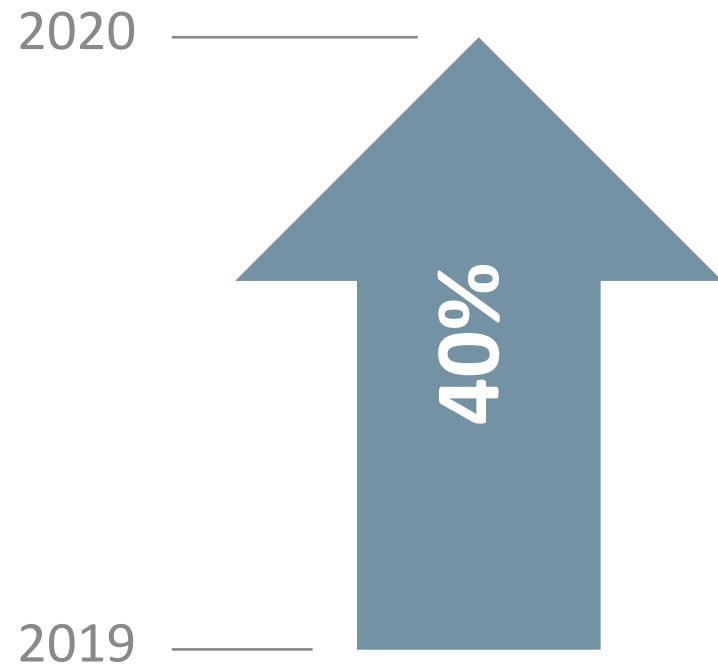
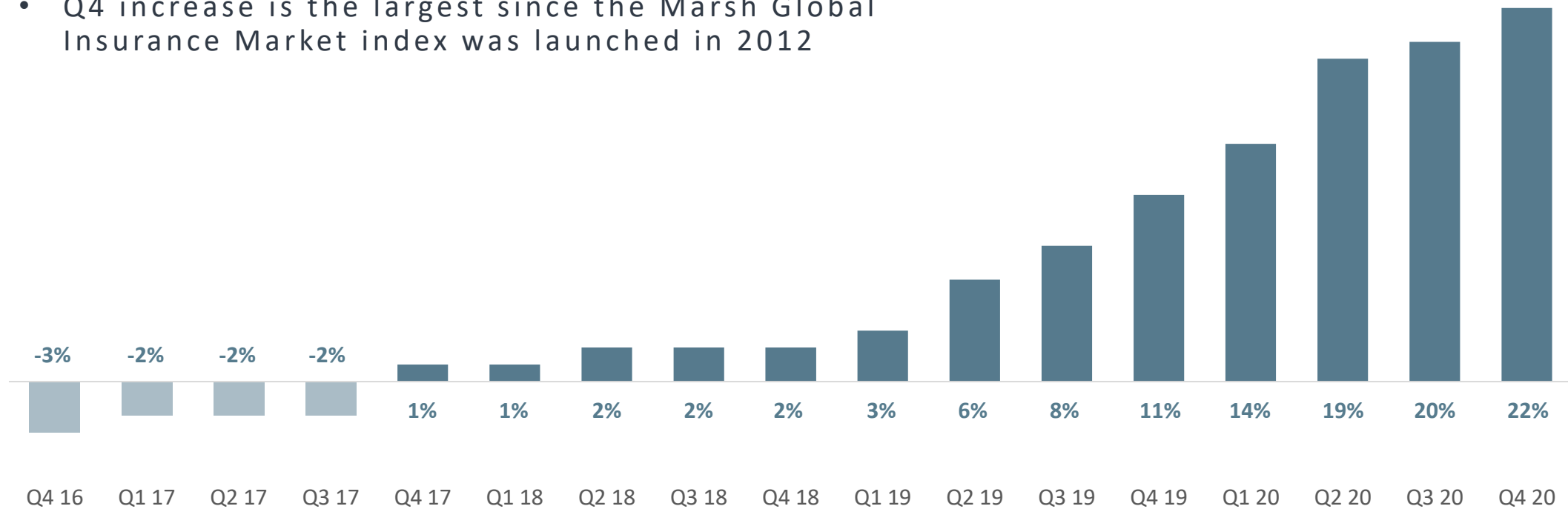


FIGURE ONE:

GLOBAL INSURANCE COMPOSITE PRICING CHANGE

- 13 Consecutive Quarters of Increase
- Q4 increase is the largest since the Marsh Global Insurance Market index was launched in 2012



Source: Marsh quarterly Global Insurance Market Index

INDUSTRY FINANCIAL PERFORMANCE IMPROVING





SUPPORTING BUSINESSES

COMPREHENSIVE APPROACH TO **SUPPORTING BUSINESS**



Launched a National Task Force on
Commercial Insurance



Established a commercial support team
and dedicated commercial helpline



COMPREHENSIVE APPROACH TO **SUPPORTING BUSINESS**



Hired trained risk managers in challenged jurisdictions to work directly with commercial clients



Increasing public awareness and education

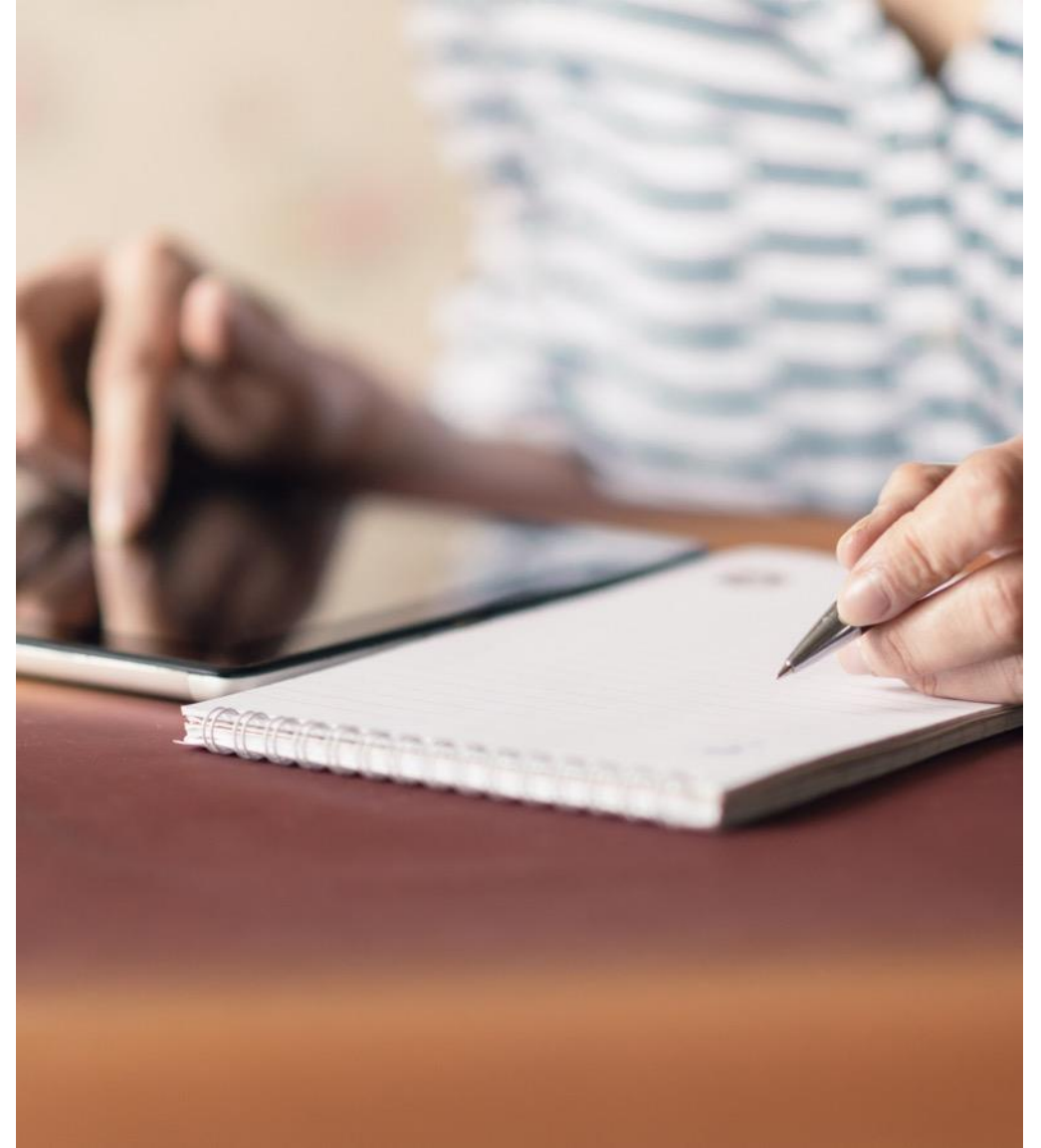


Engaging with government and stakeholders

WE ARE HERE TO HELP

IBC'S RISK MANAGEMENT SERVICES

IBC's highly experienced team of risk managers specializes in identifying risks to your business and recommending preventive measures to minimize these risks, which impacts the long- and short-term cost of your insurance plan.





RISK MANAGEMENT

Managing risk is an essential part of every business, large or small. You can help control the cost of your insurance premiums and improve your business operations by adopting risk management strategies.

STEPS YOU CAN TAKE TODAY:

1. Get a proactive insurance representative
2. Priorities to consider
3. Partnership for prevention

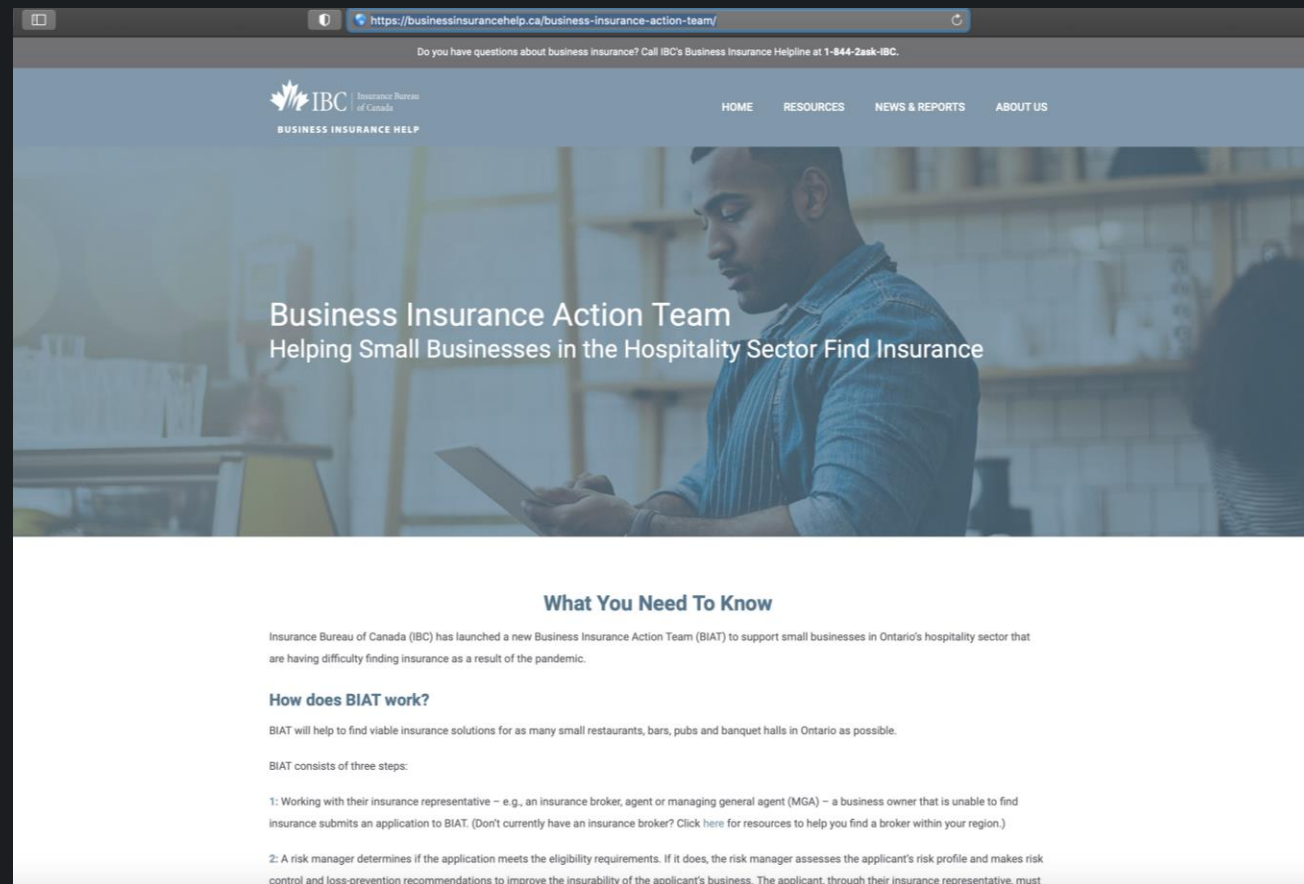


BUSINESS INSURANCE HELP WEBSITE

businessinsurancehelp.ca



Our dedicated business insurance site provides resources and up-to-date information for businesses.



WHAT BUSINESS OWNERS CAN DO

- Work with their insurance representative to ensure they have the right coverage for their needs
- Develop a robust risk management strategy

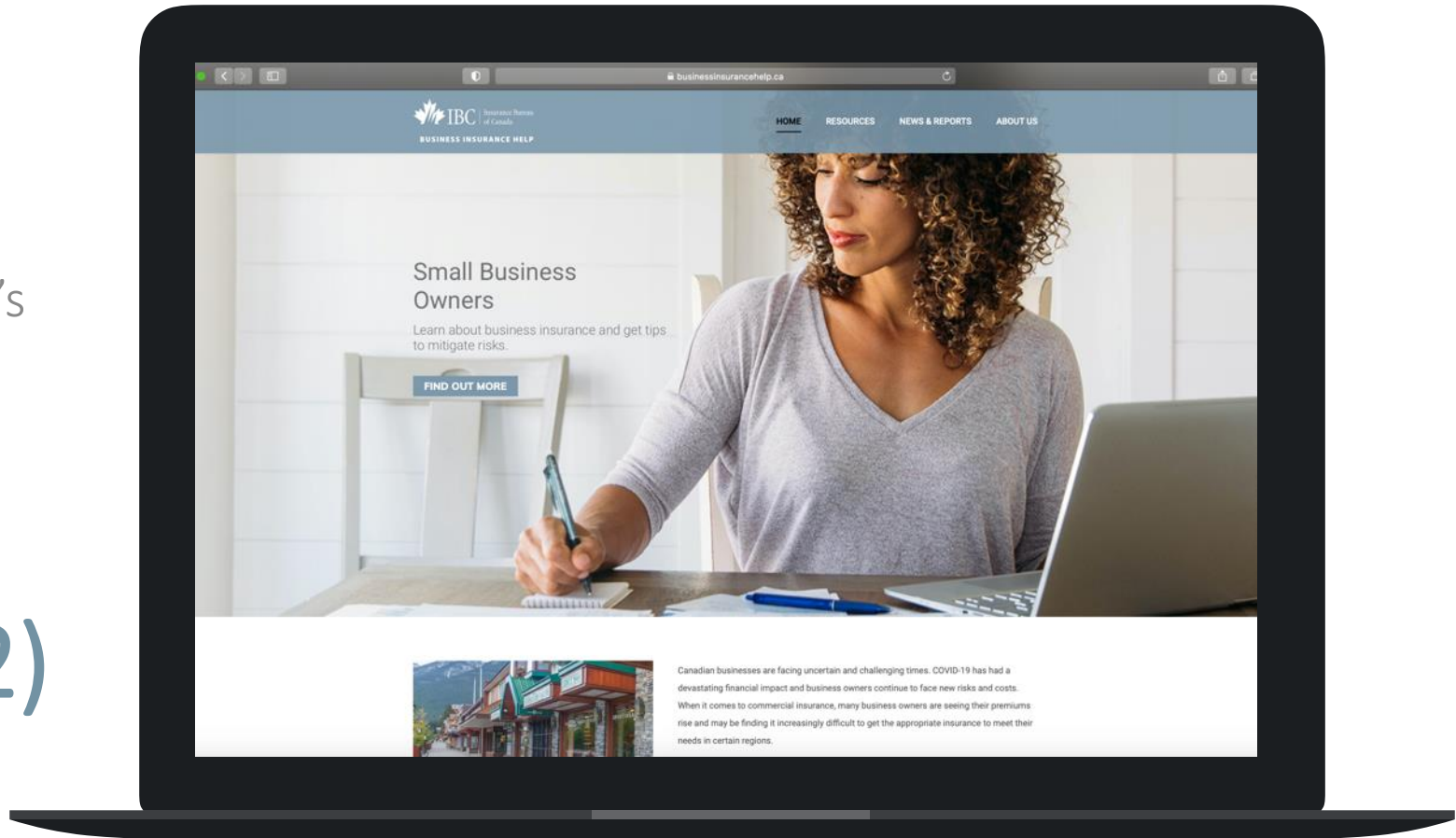


COMMERCIAL INSURANCE QUESTIONS?

Visit businessinsurancehelp.ca
for resources and up to date
information.

Call Insurance Bureau of Canada's
Business Insurance Helpline at:

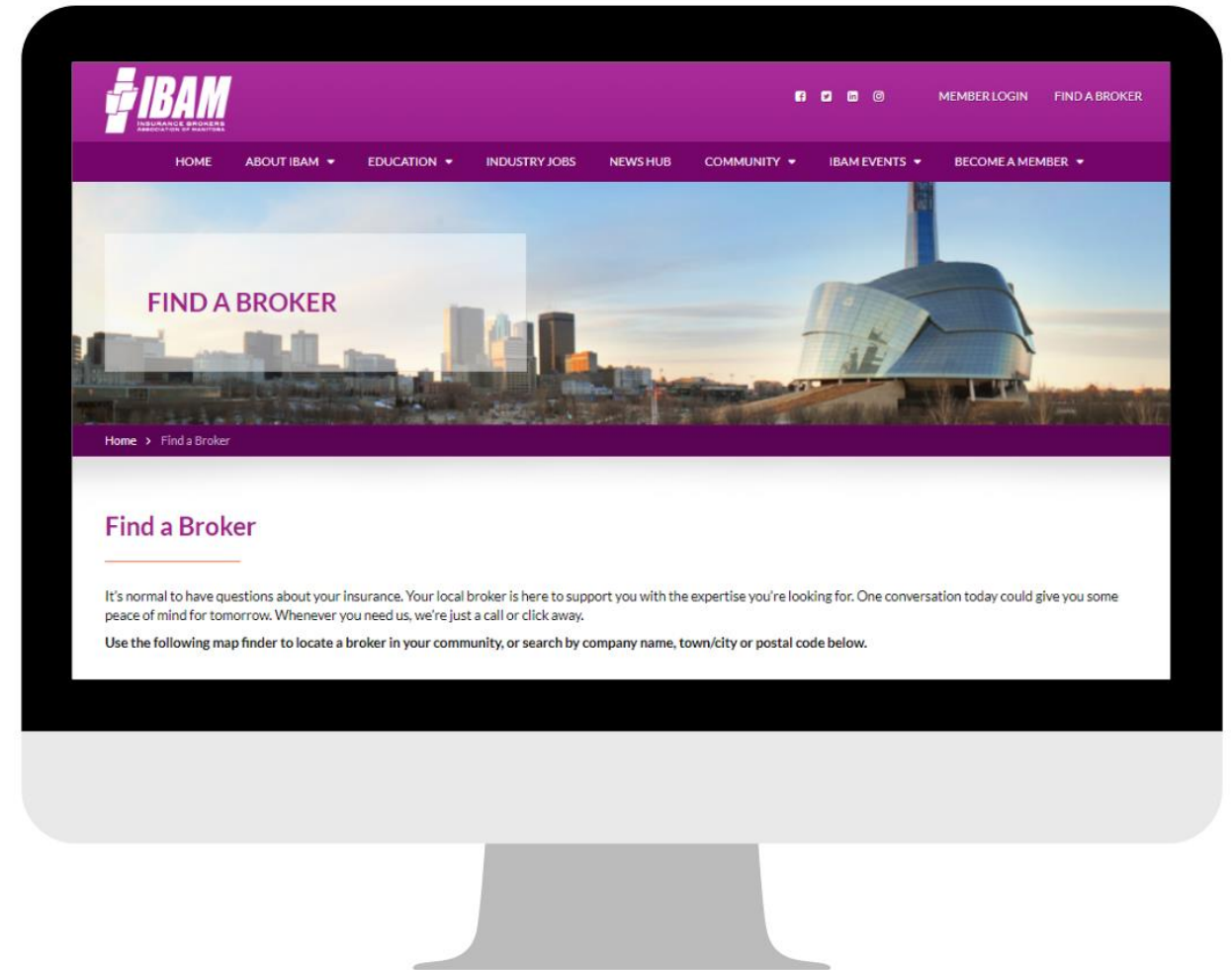
1-844-2ask-IBC
(1-844-227-5422)



COMMERCIAL INSURANCE QUESTIONS?

Find a local broker, visit:

www.ibam.mb.ca/find-a-broker/





THANK YOU