



Grassroots Advocacy Kit

You are more important than ever to your community and to your elected representatives in government.

Everyone is feeling the impact of the increased frequency and severity of extreme weather events – wildfires, storms, floods, and heat. While tens of thousands in B.C. are evacuated or put on alert¹ each year, hundreds of thousands more are following the news with growing concern, helping family and friends, dealing with supply-chain disruptions, and assessing their own risks and exposures.

“Community resilience” is taking on a new focus and urgency. But what is it exactly?

Resilience means to build skills to endure hardship and adapt to life's misfortunes and setbacks.

An extensive literature review² identified nine core elements of *community* resilience: local knowledge, community networks and relationships, communication, health, governance and leadership, resources, economic investment, preparedness, and mental outlook.

Insurance brokers are an integral contributor of most, if not all, of these elements.

You are keeping your community strong and resilient through your localized expertise, advice, and ability to obtain the right insurance coverage for individuals and businesses.

You are close at hand with the knowledge, solutions, and advocacy your clients need and expect.

You are a resource to your elected representative through your understanding of your customers’ needs and concerns, and of the threats and risks in your community and region.

Your representatives in government need your perspective and front-lines experience. The insurance brokerage industry needs engaged professionals to foster the relationships that will ensure consumer protection is maintained.

This is grassroots advocacy.

Let’s get started.

¹ At one point during summer 2023, 35,000 people were under an evacuation order, and a further 30,000 were under an evacuation alert. In 2021, at least 32,882 British Columbians were displaced by wildfires; another 20,000 had to evacuate their homes because of floods. According to new research by KPMG Canada, the extreme weather events of 2023 have impacted nearly 60 per cent of Canadian small- and medium-sized businesses.

² <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5693357/>



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Elements of successful advocacy

The insurance brokerage industry is widely acknowledged to have developed a highly effective advocacy program over many decades; critical to that success is the engaged and active membership that periodically, and at critical times, makes its presence felt directly on decision-makers. You are needed to continue that success.

Make your time with elected officials count:

Stay consumer-focused. Frame your comments and recommendations in terms of how they serve the greater public good. Reinforce to elected officials that, by regulation and by professional ethos, insurance brokers keep the interests of the consumer paramount in all dealings, to avoid any perceptions of self-interest.

Communicate early and often. Bring issues to officials early enough that solutions can be acted upon. Help them stay on the leading edge of emerging problems and changes. Present workable solutions. Success depends on government becoming convinced a solution is less risky than ignoring the problem. Reduce positions/requests to bullet points. Have backup available to provide as required or requested.

Bring real-world experience and facts. You are the insurance expert and the go-to person in your community for advice on managing risks. Educate your elected representatives and their constituency staff. Make yourself available to help them understand issues, develop positions, and shape public debate. Always make the official's job easier, not harder: Make information simple; Reduce information to bullet points. Have backup available to provide as required or requested.

Be an industry ambassador. Describe the roles of insurance broker associations provincially and nationally, the presence of insurance brokers in every community, and their influence on consumers in making key financial decisions. Government will immediately assess your credibility in terms of how organized and well-resourced your advocacy efforts are.

Any time is the right time to build connections

B.C.'s next provincial election is scheduled for October 19, 2024, to elect Members of the Legislative Assembly (MLA).

Elected representatives are currently fulfilling their stated objectives, as outlined in mandate letters to cabinet ministers, and responding to issues as they emerge. They are in Victoria while government is in session, and back in their constituencies for the balance of their time. While at home they are reaching out to residents and businesspeople and letting their constituents know that they are listening. As election campaigns grow closer their public appearances become more frequent, but they'll have less time to sit down and engage in meaningful discussion.

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In addition to long-term advocacy issues like auto insurance, the increased frequency and severity of extreme weather events has made community resilience a top-of-mind issue. Now is the right time, therefore, for brokers to share their experiences and recommendations with officials at the constituency level.

Who are your representatives? If you are not sure what constituency (or riding) you are in or who your provincial representatives are, you can find them online at:

- [Elections BC search tool](#): Enter the postal code of your home or business to find your MLA, their bio, and their contact information.

You can access the sitting calendars for MLAs here:

- [B.C. parliamentary sitting calendar](#)

Make contact. There are a variety of ways to connect with your MLAs and continue to strengthen those connections.

- **Attend events:** MLAs will often have booths at community events where you can stop by and meet them. Many also often host annual events – summer barbeques, holiday toy drives, town halls, etc. – giving community members an informal opportunity to meet with them.
- **Invitations to events:** If you are sponsoring a charity event or volunteering in the community at an event, invite your MLA to participate. Consider giving them a speaking role such as bringing greetings or presenting awards. Invite your representatives to tour your office and meet employees. IBABC also hosts the Robert P. Vickerstaff Insurance Industry Dinner & Distinguished Speaker Series, where brokers can invite their elected representatives to participate in an evening of networking.
- **Request a meeting:** Email or call your elected representative to request a meeting, either virtually or in person. Introduce yourself, tell them about your role in the community and outline some of the issues you'd like to talk about. See "Meeting Tips" for additional guidance.
- **Representative emails:** Ask to be added to your MLAs' contact list for their regular communiques to constituents.
- **Newsletters and bulletins:** If you have a regular newsletter or bulletin you sent to customers, add your MLA to your distribution list. Offer your elected officials the opportunity to include messages in your bulletins.
- **Social media:** Follow your elected representatives on social media. Find opportunities to engage with them through social media by commenting on their posts, sharing their posts, or tagging them in your own posts on relevant issues.

Keep it win-win. Remember that elected representatives have their own interests and agendas, and you want to position this relationship as a worthwhile investment for them, too. The relationship you are building is mutually beneficial. You are able to talk about issues important to the insurance industry, and by inviting them to attend your events, or giving them space in your newsletter, you are offering them a platform to raise their profile among constituents and network with the community.



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Meeting tips

B.C.'s insurance brokers are in every community and provide customers with choice, advice, and advocacy along with their insurance coverage. As insurance professionals, brokers have powerful voices and can use them to influence public policy. Elected officials rely on industry organizations such as IBABC and its members to educate them on insurance and therefore shape future policies.

- Be prepared. Review the key messages and understand the issues.
- Your meeting may be as short as 15 minutes long, so be brief and to the point. You may need to focus on only one or two of the key issues. If another broker is attending the meeting with you, decide on a principal spokesperson to handle the main points, while ensuring that everyone is included in the conversation.
- Begin by thanking them for taking the time to meet with you. Introduce yourself and offer your business card. Briefly describe what an insurance broker does, and point out that brokers work for the consumer, not the insurance companies.
- Mention your affiliation with the IBABC; we have a good reputation with our provincial government and most MLAs will be familiar with our organization. Outline the purpose of the meeting:
 - a. To build a productive relationship with your elected representative.
 - b. To inform them of IBABC's and insurance brokers' key advocacy messages.
 - c. To offer your assistance on local or insurance issues.
- Briefly summarize the issues, referring to the key messages outlined in this briefing sheets. Print the issue briefing sheet you want to discuss and leave it with them for future reference. Please note that our message changes for provincial and federal representatives because their jurisdictions differ. This will also ensure that you are conveying a message that is consistent with IBABC's advocacy direction. Offer to provide additional information, or IBABC can follow up.
- At the end of the meeting, ask to take a photo with your elected representative to share on your social channels.

Post about your meeting – include photos where available, tag the person you met with and IBABC [Facebook: @insurancebrokersassociationofbc; Twitter: @ibabc; LinkedIn: @insurancebrokersassociationofbc; Instagram: @_ibabc].

Keep the tone positive. Example: “Thanks @[representativehandle] for the great talk about how brokers help protect Canadians #InsuranceBrokersintheCommunity @IBABC”

Share posts from @IBABC and @IBACanada when they share meetings from other brokers.

- Ask the representative's staff person for their business card; they will likely become your key contact person in that office.
- After the meeting, send an email thanking them for their time and summarizing the discussion. Include the picture you took; elected representatives like to promote their engagement with constituents and your picture may end up in their community newsletter or on their social media.
- Let IBABC know how the meeting went so we can update our advocacy files and provide any follow-up information if requested. (Email Sarah Polson, spolson@ibabc.org)



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Key messages

From the time of B.C.'s earliest settlements in the mid-1800s, insurance agents have been part of the fabric of society, providing residents with unbiased advice, choice, and advocacy while consistently demonstrating their strong commitment to consumer protection. This focus on consumers underpins the IBABC's advocacy on several public policy issues that affect both insurance brokers and consumers.

Insurance brokers are small-business professionals who operate in virtually every city and town in B.C. as well as across Canada. Brokers contribute to the local economy and are leaders who make a positive difference, donating to important causes, volunteering to help others, and participating in advocacy activities at all levels of government.

Insurance brokers are an important constituency and proud contributors to the prosperity and well-being of your community.

Insurance brokers are the chosen, trusted, and respected experts for Canadians' insurance needs. They work for their clients, not the insurance companies, and provide unbiased advice, choice, and advocacy.

Key issues

IBABC has identified auto insurance, flood, wildfire and earthquake as priority issues related to the insurance industry and consumer protection at the provincial level. The key issues are outlined in a printable handout for your information and for you to give to your MLA at the end of this guide.

IBABC sent an earthquake insurance briefing to applicable provincial and federal contacts in April 2023. If you would like to include the briefing in your takeaway for elected officials, it is available for download: [2024 Earthquake Briefing](#)

On any given day, the Earthquakes Canada website lists several recent “significant” earthquake events within B.C. or just offshore. A 2013 study by the risk assessment firm AIR (now Verisk) estimated that a major quake off the west coast would result in economic losses of \$75 billion, of which only an estimated \$20b would be insured.

This study, the lessons learned from major earthquakes around the world, and further research and consultation prompted the Office of the Superintendent of Financial Institutions to upgrade its earthquake Guideline B-9, which sets thresholds for how insurance estimate their probable maximum loss arising from a major earthquake. The changes led to increased costs of earthquake insurance, increased earthquake deductibles, and reduced insurance capacity - all factors that have contributed to widening the earthquake protection gap.

The market penetration for earthquake insurance in B.C. is considerably higher than Washington state, (60% in B.C. vs. 14% in Washington), even though both places are subject to similar and significant earthquake risk. But IBABC members remain deeply concerned about the earthquake protection gap. A major earthquake event would result in financial hardship for individuals, businesses, and communities, and put severe pressures on Canada’s entire economy.

Brokers help reduce consumers’ earthquake exposure through various services

- Insurance brokers explain available earthquake coverage and risk-management options. They explain how earthquake deductibles differ from standard deductibles: a percentage of the value of the insured property vs a predetermined amount. They bind coverage, process mid-term and material changes to the policy, and absorb the errors and omissions risk.
- Brokers advocate for their clients with the insurance companies to keep earthquake affordable and available.
- Brokers bring localized knowledge and informed perspectives to discussions about earthquake coverage to insurers, government, and stakeholders. Brokers educate the public through face-to-face interactions and offer risk-management advice and emergency-preparedness resources.

Key issues

- Earthquake insurance is available, but capacity is tightening, and premium costs are increasing as insurers revise their earthquake programs to meet the updated OSFI guidelines. Because earthquake is considered insurable, earthquake losses are not eligible for government Disaster Financial Assistance.

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- Most insurance companies have restricted the availability of coverage in high-risk earthquake zones in B.C. and are not accepting earthquake coverage on new business, nor adding or increasing earthquake coverage on existing policies in these designated regions. Some insurance companies have left the B.C. earthquake market.
- For catastrophic losses - i.e., more than \$25 million in insured damage - insurance companies typically buy reinsurance from international reinsurers. As a result, hundreds of millions of dollars in earthquake insurance premiums that Canadians are paying are going offshore, and are not contributing to an earthquake financial backstop within Canada.

Ask

- The creation of a provincial and national backstop to reduce costs and expand the use of earthquake insurance to aid in consumer recovery in the event of a damaging earthquake.
- A call to the insurance industry for investigation, innovation, and redesign of the current earthquake insurance products and practices that allows insurance companies to provide better, more sensible coverage for consumers.

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The 2023 wildfire season was B.C.'s worst year in terms of affected area, with 2.25 million hectares burned, and insured losses estimated at \$720 million - slightly more than record-breaking cost of 2021's losses when the entire town of Lytton was destroyed by fire. B.C. is on track to spend the most it has ever spent on wildfire response this season, with costs projected to be close to \$1 billion in the 2023 fiscal year. Our fire season is now year-round and an increased threat to communities.

As communities grow and encroach on surrounding forest and grassland, the risk of "interface" fire increases. Instead of the solid-wood construction of the past, new homes are built and furnished with laminates and synthetics that contain foams, glues, and synthetic components. Today's house fires burn eight times faster and produce 200 times the amount of smoke that a fire would have 50 years ago. Alarms save lives, but do not deter the fire.

Coverage for fire is the basis of all insurance contracts, and is widely available. But insurance companies place binding restrictions on new policies for properties within a certain radius of active wildfires, and those insurers rely on B.C.'s wildfire activity maps to determine those restrictions. Wildfire activity maps are not always updated in a timely manner when the official wildfire status changes. This can result in the temporary inability to insure newly built or newly purchased properties.

Brokers mitigate fire damage through various services

- Insurance brokers explain fire coverage and risk-management options. They assist customers in determining replacement-cost valuations for their homes and outbuildings, and advise on limits to coverage for recreational equipment, valuables, and other possessions. They bind coverage, process mid-term and material changes to the policy, and absorb the errors and omissions risk.
- Brokers are on the front lines in the aftermath of fire events, providing critical services and support to individuals and businesses affected, and helping them regain productivity.
- Brokers help clients initiate the claims process and if, after the loss has been adjusted and coverage is limited or denied, brokers will advocate for their clients with the insurance companies.
- Brokers bring localized knowledge and informed perspectives to discussions about fire coverage to insurers, government, and stakeholders. Brokers educate the public through face-to-face interactions and offer risk-management advice and emergency-preparedness resources.

Key issues

- Insurance companies place binding restrictions on new policies for properties within a certain radius of active wildfires. The radius of that restriction is set by each insurer independently.
- Insurers often rely on B.C.'s wildfire activity maps to determine where they have places restrictions and when they lift those restrictions.
- The wildfire activity maps are not always updated in a timely and consistent manner.
- Properties may be left vulnerable to risk while waiting for insurance companies to drop their binding restrictions for an area.

Ask

- Government, insurance brokers, and insurance companies collaborate to improve the flow of information about wildfire activities between all parties.
- Improvement of the timeliness of updates to B.C.'s wildfire activity map.



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Flooding is Canada's most common natural hazard, with 80% of Canadian cities built in part on flood plains and 10% of homes at high risk of flooding.

Changing climate patterns - not just wetter, warmer winters, but also drier, hotter summers - along with aging flood-protection infrastructure and increased growth and density in marginal areas, puts more homes, farms, and businesses at risk of overland flooding.

The insurance industry has expanded its flood coverage, but it's still not enough. Insurers responded after the 2013 Calgary floods by extending residential insurance for overland water damage, which had previously been excluded. But a lack of uniformity of coverage, gaps in flood-mapping, cost, and slow acceptance of available insurance products by some consumers means that many are still at risk of losing everything to a flood.

The Disaster Financial Assistance program compensates, with certain limits, losses for which insurance is not readily and reasonably available. In addition to flood damage, this can include mudslide and land subsidence. Accessing DFA compensation can be complicated for consumers. Brokers are called upon to confirm that coverage was unavailable or unaffordable. After the 2021 floods in the Fraser Valley, the B.C. government enhanced and expanded the Disaster Financial Assistance (DFA) program to compensate flood losses. However, DFA compensation is still limited: 80% of the amount of total eligible damage, to a maximum of \$400,000.

Brokers mitigate flood damage through various services

- Insurance brokers explain available water-escape coverage, such as for sewer backup and overland flooding, and risk-management options. They bind coverage, process mid-term and material changes to the policy, and absorb the errors and omissions risk.
- Brokers are on the front lines in the aftermath of flood events, providing critical services and support to individuals and businesses affected, and helping them regain productivity.
- Brokers help clients initiate the claims process and if, after the loss has been adjusted and coverage is limited or denied, brokers will advocate for their clients with the insurance companies.
- Brokers help clients navigate the DFA application process and provide confirmation that insurance coverage was unavailable or unaffordable.
- Brokers educate the public through face-to-face interactions and offer risk-management advice and emergency-preparedness resources.

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Key issues

- The DFA qualifications are ambiguous in determining what is "unaffordable."
- Insurance companies each use their own flood maps, which vary in age and detail, with the result that some companies are willing to provide coverage in certain areas and others are not.
- An independent assessment of B.C. flood risks is necessary, followed by a standardized flood plan that considers the future affects of climate change. More uniformity is required to help simplify what insurers consider insurable. This in turn would simplify the DFA process.

Ask

- Create a standard flood map of the province for insurance companies to use in the consideration of their overland-flood insurance policies.
- Ensure that high-risk lands such as flood plains are thoroughly assessed before allowing development or redevelopment.
- Work with brokers to streamline communication process between insurance brokers and government regarding Disaster Financial Assistance for consumers.

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ISSUES BRIEF

AUTO INSURANCE

Success in providing affordable and responsive vehicle insurance insuring for the high level of risk inherent in vehicle use has always depended on responsible provincial government oversight and regulation - whether the auto insurance system is privately run (AB, ON, Atlantic provinces) or publicly run (BC, SK, MB. PQ has a hybrid system).

That's why B.C. established ICBC as a Crown corporation in 1973. For 50+ years, every B.C. driver, regardless of age, demographic or region, has consistently had access to universal auto insurance coverage and limits, which protects them as well as other road users. As a result of providing accessible public auto insurance, B.C.'s estimated uninsured rate is less than 2% - much lower than other jurisdictions in North America.

Thanks to low levels of fraud, and economies of scale in system integration, auto insurance has been largely stable, and any profits derived have stayed in B.C. Approximately 95% of premiums are returned to customers in the form of claims payments, which compares to approximately 56% for private insurers, which typically have higher expenses and higher profits that don't stay in B.C.

According to an Ernst & Young report, commissioned by ICBC and released in December 2022, B.C. auto insurance rates are among the most affordable in Canada.

Insurance brokers believe in the B.C. system:

- Universally available coverage and limits, whereby no risks are refused coverage. The optional portion of the auto insurance market is about 40% of the total market and is open to private competition today; yet private coverage is not consistently available to brokers and their clients.
- Mandatory insurance requirements, which can only be efficiently enforced when integrated with policing in a public system, virtually eliminates the number of uninsured drivers and reduces the high costs of uninsured motorist protection.
- Non-discriminatory rating, which does not base rates on age, gender, or marital status.
- Economies of scale made possible by the size of the B.C. insurance market, which enable brokers also offering Autoplan to operate with the full spectrum of products from B.C.'s smallest communities to major urban locations.
- Whereas some sectors of the global insurance market have required injections of capital during the past decade, ICBC surpluses have solely benefited the citizens of B.C.
- Historically ICBC has offered comparatively high accident benefits. Enhanced Care coverage increased the maximum

allowance for care and recovery from \$300,000 to at least \$7.5 million.

Key issues:

- In the half century ICBC has operated, the insuring public in B.C. has never faced a lack of market, a withdrawal of market, or an inability to insure any driver.
- The B.C. system is meeting consumer needs better than those of the provinces served by private auto insurers. Governments in Alberta and Ontario have capped rate increases, or they have removed the caps and then launched reviews to understand how to reduce the double-digit increases that followed.
- B.C.'s Enhanced Care coverage, implemented in 2021, provides improved access to medical care and significantly enhanced income replacement benefits while saving registered vehicle owners about 28% or \$490, on average, on their combined (Basic and Optional) insurance premiums.
- B.C. brokers have studied the alternatives to the public system for B.C. and have yet to see a universally available, consumer-friendly option that represents long-term and sustainable value for B.C. auto insurance consumers.

Ask:

- Maintain the existing auto insurance system in B.C.

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