

# INSURANCE BROKERS ASSOCIATION OF BC



## ABOUT IBABC

The Insurance Brokers Association of British Columbia (IBABC) is the professional association for property and casualty insurance brokers in B.C., representing more than 700 business locations and more than 12,000 brokers. Our members live and work in every community, providing insurance coverage, service and unbiased advice for British Columbians each year.

Over the decades we've brought our customer-facing perspective and consultation to all aspects of public policy relating to insurance, consumer protection and public safety. Brokers have always advocated for what is in the best interests of our communities and we take that responsibility very seriously.

## \* KEY ISSUES \*

### ICBC AND AUTO INSURANCE

✦ IBABC has long been a part of the consultations with government on auto insurance in B.C., and we will continue to do so to advocate for the best interests of B.C.'s insurance consumers. Our Good for BC proposition outlines the many reasons why the current system, while not perfect, works in the best interests of all British Columbians.

For decades now, B.C.'s consumers have been provided with insurance from ICBC's public auto insurance without discrimination against age, gender, or marital status – all factors that private insurers consider when determining who they are willing to insure and at what rates. **Insurance Brokers in B.C. support all drivers with over 3.7 million vehicles registered in the province.**

While there have been calls for B.C. to examine moving towards a fully private auto insurance market, IBABC does not believe that approach would lower rates or provide the widespread access for all B.C. drivers to obtain auto insurance coverage that the ICBC model does now.

A simple comparison with the private insurance models in Alberta and Ontario would show that both provinces are in the middle of auto reform. Both are seeking ways to counter rising premiums. Alberta is shifting to a no-fault system similar to B.C., and Ontario is implementing auto insurance reform reviewing their current offerings in the province. **Alberta, Ontario, and Nova Scotia were far and away the costliest auto insurance markets by premium in Canada in 2024, a trend which has been consistent over recent years.**

IBABC is keen to work with the government to improve and strengthen the ICBC model, and build upon the reforms that have been made, **rather than dismantling our current model.**

## OUR ASK

Commit to maintain and improve upon the ICBC public auto insurance model for British Columbia. On balance, it is better than any comparative model in Canada and offers broad, affordable coverage.



## NATURAL CATASTROPHES

- British Columbia is unique in its susceptibility to extreme weather and natural catastrophes in Canada. **2024 shattered records as the costliest year for severe weather-related losses at over \$9 billion in Canada.**

Our province experiences flooding and wildfires and is at risk for earthquakes. While earthquakes are unpredictable, we are seeing an increase in frequency and intensity of wildfires and floods. B.C. can and must learn lessons from the changing nature of these events and take steps to protect residents from spiraling insurance costs or in the event insurance companies are unwilling to provide coverage in certain regions.

Our advocacy efforts include working with various regulators, government, and insurance carriers in key areas like wildfire, flood, and earthquake. In 2023, IBABC provided an earthquake briefing to provincial and federal representatives, underscoring the challenges of the current earthquake insurance products being offered and the increasing costs for it. Regarding wildfire and flood, we have collaborated with the province and key stakeholders to update the Disaster Financial Assistance Program (DFA) and are committed to further collaboration.

The provincial government can take steps to address concerns, like bringing about reforms to the building codes to ensure homes are required to be built or rebuilt using more robust materials and methods to withstand major weather events. It can also advocate more forcefully for federal partnership on offering insurance coverage options in some regions and provide guidelines for consistent mapping of high-risk areas.

### OUR ASK

Work with IBABC to better understand risks and impacts of natural catastrophes and ensure B.C. is doing its part to build smart, resilient infrastructure. Understand where the most high-risk regions are with consistent mapping that makes certain we properly assess and do not build inadequate infrastructure in high-risk areas. Ensure the federal government is advancing natural catastrophe support plans that will work for British Columbia.

## TARIFFS

- The property and casualty insurance sector is not immune to the impacts of tariffs with the United States. In terms of auto insurance, if the cost of replacing or repairing vehicles increases, it may cause insurance premiums to rise to cover the increased cost burdens.

Similarly, home and business insurance may also see increased premiums if the cost of building materials rises, as the cost for insurance companies to cover damages from claims will be more expensive.

### OUR ASK

Government continue to monitor the tariff situation and do their due diligence to support consumers facing increasing household expenses.

