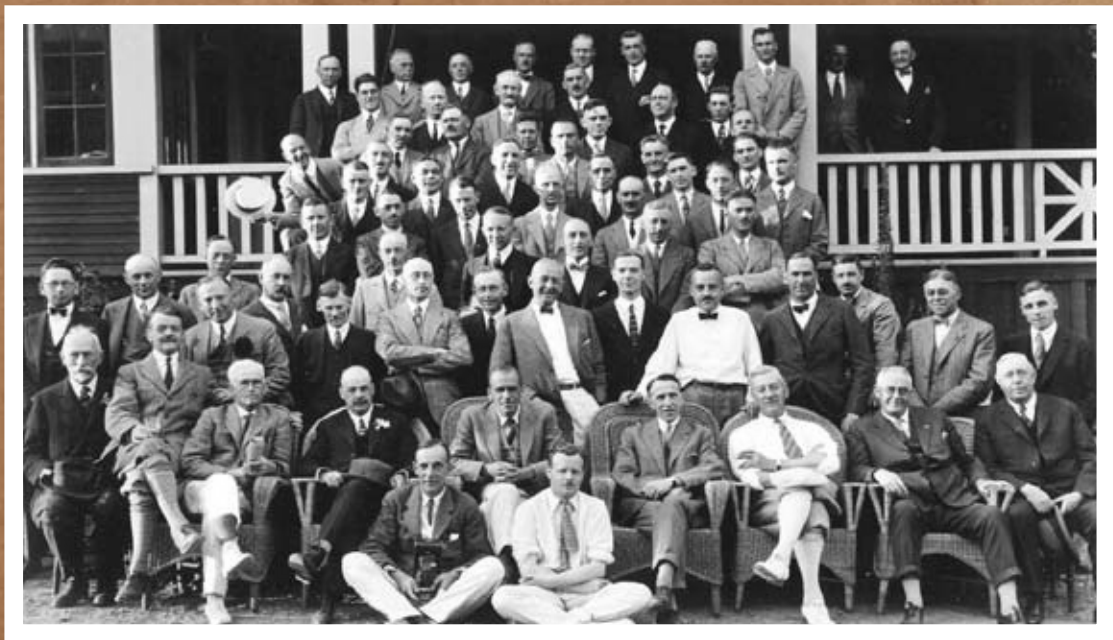


— THE —  
**HISTORY  
PROJECT**

1858 — 2010



**HELP WRITE THE HISTORY OF THE  
P&C INSURANCE BROKERAGE INDUSTRY IN B.C.**











# PASSION AND PURPOSE...

## THINK ABOUT WHAT MAKES THE P&C INSURANCE BROKERAGE INDUSTRY IN B.C. GREAT...

- A regulatory structure that protects consumers and provides certainty for practitioners;
- Legislative protections that maintain insurance as a separate and distinct financial pillar, allowing the principle of utmost good faith to be upheld;
- A professional image that promotes trust and loyalty;
- Economic stability that allows brokerages to serve their customers and communities, to adapt to change, and to prosper.

These accomplishments didn't just happen. They are the result of nearly a century of grassroots effort by brokers. Mostly through volunteering with the Insurance Brokers Association of B.C. and its previous iterations. Always with passion and purpose.

This publication celebrates the hard work and contributions of those who made the P&C insurance industry in B.C. the excellent career and business choice it is today. We hope it will also inspire you to continue the tradition. Here's what you can do:

1. Get involved. Volunteer, become active in the industry and in influencing public policy at all levels.
2. Help us capture the details of that history so that it will be fully appreciated, now and in the future.

Contact IBABC at 604-606-8000 or go to [www.ibabc.org](http://www.ibabc.org) for more information.

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1858 1860 1870 1880 1890 1900 1910 1920



1858 British Columbia became a Crown colony of the United Kingdom.

1909 The population of Vancouver reached 85,000, served by about 100 insurance agents.

1918 The Vancouver Fire Insurance Agents Association was formed.

1922 Insurance agents across Canada start the fight against banks retailing insurance.

1923 The Victoria Insurance Agents' Association was formed.

# 1858

**GOLD WAS DISCOVERED ON THE FRASER RIVER**, near Yale. Along with the influx of people and wealth in the province came the need for insurance. Fire protection was introduced in Victoria a year later. In 1860, the first documented insurance policy was sold in Victoria.

# 1886

**ON MAY 28, THE FOUNDING MEETING OF THE VOLUNTEER FIRE BRIGADE** for the village of Granville, pop. 600, took place at George Schetky's men's clothing store. They made plans to raise money for uniforms and equipment, but their good intentions weren't enough when on June 13 a sudden fire levelled the town. Although it lasted less than an hour, it was devastating, killing 20 people and destroying an estimated \$1.2 million in property, hardly any of which was covered by insurance. Rebuilding of what was to be the city of Vancouver started the next day, and the city ordered a pump, hose and hose reels for the new fire brigade – the beginning of today's Vancouver Fire Department.

# 1890

**THE COMING OF THE CANADIAN PACIFIC RAILWAY IN VANCOUVER** led to the incorporation of The Pacific Coast Fire Insurance Company through a special act of the Legislature. The first officers of the company were James W. Horne, president, Charles Hay, manager, and R.W. Harris, secretary. Mr. Hay secured the first policy on August 27, 1890; he was the great-grandfather of Peter Wright, who after a long career in insurance, in 1998 founded the Insurance Dispute Resolution Services of B.C.

# 1902

**FARMS WERE GROWING TO KEEP PACE WITH THE GROWING POPULATION**, but farmers could not easily obtain affordable coverage. The risk of fire from steam-powered equipment kept rates high, until 46 farmers in the Fraser Valley incorporated The Mutual Fire Insurance Company of British Columbia.

# 1918

**GEORGE SCHETKY BECAME THE FIRST PRESIDENT OF THE FIRST ORGANIZED GROUP OF INSURANCE AGENTS:** the Vancouver Fire Insurance Agents Association. He was also the first secretary of the Insurance Institute of B.C. and of the Association of Marine Underwriters of B.C., and a pioneer of the Insurance Board of B.C., the precursor to today's Insurance Council. George Schetky (born in 1867 and likely the son of the haberdasher in whose store the Vancouver Fire Department was founded) fought the Vancouver fire, held the post of U.S. consular agent in Nanaimo for a time, and in 1906 returned to Vancouver to join the firm of Ross & Shaw Insurance and Financial Agents, leaving in 1914 to open his own agency.

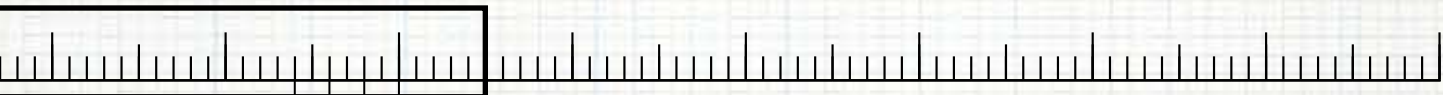
# 1922

**BY NOW MOST OR ALL OF THE PROVINCES HAD INSURANCE AGENTS' ASSOCIATIONS.** Jean-Charles d'Auteuil, the Secretary to the Quebec association, travelled across Canada and convinced agents to join their efforts in the creation of a national organization, which became known as the Canadian Federation of Insurance Agents and Brokers Associations. The inaugural meeting of what is today known as the Insurance Brokers Association of Canada was held in the Windsor Hotel in Montreal in January 1922. On their agenda was the need to influence federal public policy in keeping insurance separate from banking. This has been the national association's "prime directive" ever since. As a result of association lobbying, the federal *Bank Act* was revised the following year, prohibiting banks from interfering with insurance contracts or placing insurance for clients.



*The Pacific Coast Fire Insurance Co. was incorporated in B.C. in 1890 and by 1921 was national, reporting a 40% loss ratio and \$120,000 in reserves.*





- 1950 The first qualification exams for the broker profession were held.
- 1948 Brokers hosted their first annual industry conference. The *Motor Vehicle Act* was passed.
- 1946 Regional broker groups formed a provincial association.
- 1944 Saskatchewan established the first public auto insurance plan in Canada. Manitoba 1978; Quebec 1978.

— 1925 B.C.'s first *Insurance Act* was passed. The next major revision would be 2009.

# 1925

**IN 1925 THE VANCOUVER FIRE INSURANCE AGENTS ASSOCIATION HAD ABOUT 100 MEMBERS** who paid dues ranging from \$5 to \$50; they held a “lecture course”, dance and banquet, and published a directory and bulletin; they paid dues to the national “Insurance Federation”, and showed a surplus for the year of \$75.27. By 1939, the name had changed to the Vancouver Insurance Agents’ Association, and it collected assessments from its members and from “affiliated insurance associations” on behalf of the Insurance Board of B.C.

# 1946

**THE INSURANCE AGENTS’ ASSOCIATION OF B.C. WAS FORMED** as an umbrella group of the approximately 32 regional broker associations in the province. For many years, it and the Greater Vancouver Insurance Agents’ Association, the Insurance Council of B.C. and the B.C. Association of Marine Underwriters operated out of the same office. Woody Woodman was an early secretary-manager, followed by Neville Reid, and then by George Rickart, who served from the early 1960s to 1978. After retiring to his homeland of Scotland for a few years, Rickart returned to Vancouver and was a CAIB exam marker for IBABC until well into his 90s.

# 1948

**THE INSURANCE AGENTS’ ASSOCIATION OF B.C. HOSTED THE FIRST ANNUAL INDUSTRY CONFERENCE** in Vancouver; Richmond was also a frequent venue. Having displays was a logical addition to the event, and each year more and more industry associates sought the opportunity to reach brokers in this manner, leading to today’s Conference & Trade Show.

# 1949

**THE INSURANCE AGENTS’ ASSOCIATION OF B.C. BEGAN SENDING “INFORMATIONAL BULLETINS”** under the banner of *The BC Agent* in 1949. The first edition in 1949 stated: “We admit to no grand style. We have no scurrying reporters, no roaring presses, no barking editor. Statistically, our staff is something like .15 persons.” Early editions were compilations of articles culled from other insurance publications and copied on the office duplicating equipment.

# 1950

**GEORGE RICKART WOULD LATER REMINISCE:** “On June 15, 1950, *The BC Agent* announced that, finally, qualification exams for other than life agents had been adopted as a prime requisite for licensing. These examinations would be conducted by the Insurance Board of B.C., now the Council. This after years of effort by the agents.” For decades, the Association’s ultimate goal was to have insurance brokering recognized as a profession and Association members fought hard for the establishment of licensing requirements and standards. In time the Association took over the role of providing the courses and the exams, and the Council issued the licences.

# 1955

**BROKER ASSOCIATIONS EVERYWHERE BEGAN RECOGNIZING THE NEED FOR PUBLIC RELATIONS CAMPAIGNS** to raise awareness and understanding of consumers and government officials about the profession. The Insurance Agents’ Association of B.C. had for many years by then retained PR counsel. In early 1963, Canadian brokers adopted the “Big I” logo being used successfully by their U.S. counterparts.



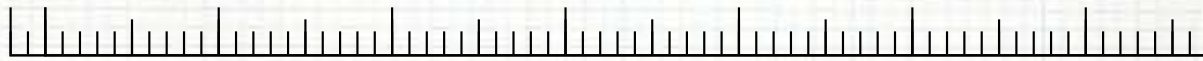
1966 LEN NORRIS CARTOON USED WITH PERMISSION SFU LIBRARY

“... and this company undertakes to pay all claims except in cases where vehicles involved were being driven at the time of the accident, or at a speed by a male or female, minor or major, or damage resulted due to accident and provided said accident did not occur between 12 a.m. and 12 p.m. and while on the way to somewhere, and notwithstanding ...”





1858 1860 1870 1880 1890 1900 1910 1920



# 1961

**THE TRAFFIC VICTIMS INDEMNITY FUND WAS ESTABLISHED** to compensate victims of uninsured motorists and hit-and-run drivers. The Assigned Risk Plan offered insurance for drivers who could not get it in the standard market. But even with these changes, problems of accessibility and affordability of auto insurance remained.

# 1966

**THE GOVERNMENT APPOINTED HON. R.A.B. WOOTTON OF THE B.C. SUPREME COURT** to look into all aspects of auto insurance in the province. The commission studied the conduct of approximately 175 companies. Two years later the Wootton Royal Commission on Automobile Insurance concluded that B.C.'s rates were excessive, lacked justification and were based on faulty judgment. It recommended compulsory bodily injury insurance coverage for drivers, dependents and passengers, but it did not recommend a public model for B.C., preferring to give the private market time to meet government's conditions.

# 1974

**DAVE BARRETT'S NEW DEMOCRATIC PARTY FORMED GOVERNMENT IN 1973**, and within months tabled legislation to create a Crown corporation for auto insurance. The Insurance Corporation of B.C. sold its first auto policy on March 1. Private insurers questioned the constitutionality of monopoly public insurance, but the B.C. Supreme Court ruled the plan is within the province's jurisdiction.

Motor vehicle branches were also granted the right to sell Autoplan insurance. In November brokers staged a 'grey flannel' strike, winning government-mandated exclusivity for distribution of Autoplan. Private insurers were excluded from the auto insurance market entirely.

# 1977

**AUTO INSURANCE RATES INCREASED SUBSTANTIALLY** – in some instances drivers faced doubled premiums. With enabling legislation passed, 10 private insurers re-entered the auto insurance market to compete for the sale of optional coverage. Two years later, underinsured motorist protection was implemented. CounterAttack was launched; ICBC offered discounts for safe driving.

# 1978

**JACK LEWIS, WHO WAS ONE OF THE 50 ORIGINAL EMPLOYEES AT ICBC**, replaced George Rickart as manager of the Insurance Agents' Association of B.C. The manager still wore four hats, managing as well the Greater Vancouver Insurance Agents Association, the Insurance Council of B.C. and the Association of Marine Underwriters of B.C. That same year he contracted with Bill Earle to build and publish *The BC Agent* in a magazine format on the Association's behalf. The name was changed to *The BC Broker* in 1988 and to *BC Broker* with 'The' being dropped in 2007.

*When the provincial government threatened in 1974 to cancel Auto-plan contracts, North Vancouver agents Luke Moyls, Don Davis, Syd Nash, Steve Peake and Don Wanamaker picketed the ICBC claims centre on Pemberton Avenue. At the time there were 45 agencies employing 120 people on the North Shore, and auto insurance comprised 60% to 70% of their business.*





1964 The Insurance Bureau of Canada was established. First *BC Insurance Directory* published.

1974 The Insurance Corporation of B.C. sold its first auto policy.

# 1980

**ICBC AND ITS RELATIONSHIP WITH ITS SALES FORCE** were still undergoing growing pains. Credit unions, banks and direct writers were having an impact on the distribution channel, and the province was suffering through an economic downturn that saw interest rates hit double digits. Some brokerages were not surviving this upheaval; bankruptcies were reported in *The BC Agent* with disturbing frequency. A stronger, more united governance structure was needed.

IAABC formed a task force to explore ways to bring the various regional associations more cohesively under the provincial umbrella. The task force (Don Ledgerwood, chair, Derek Francis and Stew McIntosh) recommended a name change and a board of 21 “wards”, each represented by a director elected by the members in the ward. The board would elect an executive committee from its ranks who would meet 10 times per year. They urged the formation of a Past Presidents’ Council to ‘provide advice in times of crisis’. The recommendations were fully adopted in 1982, and largely continue in the Insurance Brokers Association of B.C.’s governance structure to this day.

Fundamental Auto Insurance Rating (FAIR) prohibiting insurance companies from rating for auto insurance on the basis of age, gender, geographical region and marital status came into effect on March 1; six of 10 private insurers left the B.C. auto optional market as a result. The legislation also called for individuals to be rewarded for good driving and penalized for bad driving. In the early 1980s, ICBC, through the broker channel, started to collect vehicle registration and licensing fees and manage the issuance of licence plates and decals on behalf of government. In 1982 ICBC unveiled a new automobile claim-rate scale, a rating plan that followed the car (plate) and not the driver.

# 1981

**ICBC EMPLOYEES EMBARKED ON A FIVE-MONTH STRIKE** due to ‘an economic conflict in the field of industrial relations with no precedent in British Columbia’. IAABC had, some years before, implemented a courier system to enable members to maintain operations during postal strikes and other disruptions. That courier system was quickly activated to assist members through the ICBC employees’ strike.

# 1982

**BROKERS PASSIONATELY DEBATED** whether or not credit-union-owned agencies should be able to join the newly formed Insurance Brokers Association of B.C. A compromise was reached with the creation of an associate member category for brokerages with majority ownership by financial institutions. Conrad Speirs was the first president of the association under its new name; Jack Lewis was the secretary-manager.

# 1983

**ICBC LAUNCHED THEIR GENERAL INSURANCE DIVISION**, but it was short-lived. The sale of the General Division of ICBC was completed in January 1985, resulting in the subsequent creation of Canadian Northern Shield Insurance Company, under the umbrella of the Cumis Group of Burlington, Ontario. At time of sale, ICBC General wrote 120,000 policies per year, totalling \$35 million.

*In the late 1970s, IBABC set up a courier service to help members through postal and other service-delivery strikes.*

*During the ICBC strike, August, 1981: Margaret Kerr, Fred King, Lesley Claman.*







1858 1860

1870

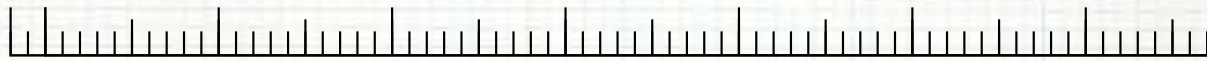
1880

1890

1900

1910

1920

**1984**

**LICENSING STANDARDS FOR BROKERS WERE CALLED INTO QUESTION**, which resulted in the Superintendent of Insurance ruling that all insurance intermediaries who work with the public must be licensed. The Insurance Council of British Columbia was established and delegated with the authority to license insurance agents, salespersons and adjusters, and subsequently given authority to investigate and discipline licensees.

Autoplan agents could now link their “dumb terminal” computers to ICBC’s mainframe, allowing them to verify vehicle and policy information while customers were in the office. Two years later, IBABC negotiated ICBC computer access for all Autoplan agents, not just the large-volume ones.

**1985**

**A LICENSING AND EDUCATION STANDARDS BOARD WAS FORMED** under the chairmanship of IBABC president Barry Amies, with the mandate to determine educational and professional standards to better serve and protect the public. Following a nine-month study, the board recommended three levels of licensing for general insurance agents. A report was sent to the Insurance Council of B.C. for approval.

The Insurance Brokers Association of Canada first introduced the Canadian Accredited Insurance Broker program (CAIB), based on a program developed by the Insurance Institute of America.

**1986**

**JACK HAMILTON TOOK OVER AS GENERAL MANAGER OF THE IBABC.** (Kamloops broker Jack Robertson held the post for a year after Jack Lewis’s retirement in 1985.) Hamilton had served a two-year term as IAABC president in 1973 and 1974, followed by a term as national president.

Regulatory bodies across Canada started to accept CAIB courses as the requisites for the step-licensing systems. In B.C., 676 people had enrolled for CAIB courses by June 1986. IBABC hired its first education co-ordinator. IBABC is still the primary provider of broker education.

**1987**

**IBABC AND ITS MEMBERS**, including then-president of the Canadian Federation and late IBABC-president Conrad Speirs, played a prominent role in lobbying the federal government against the proposed restructuring of the financial services sector. Thousands of IBABC members engaged in a letter-writing campaign against banks and their trust companies being allowed to sell insurance in their branches. The campaign proved successful, but is still fought with every *Bank Act* review.

*The BC Agent* magazine launched its first biennial insurer performance survey. The first company to receive the top rating by brokers was Manitoba’s Wawanesa Mutual.

**1989**

**IN 1989, IBABC MEMBERS AGREED UNANIMOUSLY TO PAY AN ASSESSMENT**, based on the number of licences in each member office, for a national identity program (NIP) proposed by the Insurance Brokers Association of Canada (IBAC). A study conducted by IBAC had confirmed that brokers had a low image in the eyes of their consumers; the ’87 *Bank Act* review had alarmingly revealed that Members of Parliament similarly had a low awareness of and regard for brokers and their community roles.

The program, with a new logo, was launched the following year with a mandate to increase public and political awareness of the benefits of dealing with an insurance broker. The program continues today under the name of the Broker Identity Program (BIP).

**1991**

**FINANCIAL SERVICES HAD TRADITIONALLY BEEN OFFERED IN “FOUR PILLARS”** – banks, trust companies, securities brokerages and insurance. Deregulation in world markets (for example, Margaret Thatcher’s 1986 “Big Bang”) was followed in Canada with *Bank Act* amendments that eliminated the separation between three of them, but kept insurance as a separate pillar in acknowledgement of its fundamental difference from other “wealth-creation” products and services.



- 1984 The Insurance Council of B.C. was established.
- 1985 IBAC introduced the CAIB designation.
- 1988 *The BC Agent* changed its name to *The BC Broker*. The National Identity Program was launched.
- 1989 The *Exxon Valdez* disaster sparked industry-wide reforms in addressing environmental risks.
- 1990 *Financial Institutions Act* amendments included the "Section 90" disclosure clause.
- 1991 Continuing education became a condition of licensing for all general agents.
- 1995 Autoplan 12 financing was introduced.

# 1992

**"DON'T WASTE TIME LEARNING THE TRICKS OF THE PROFESSION;** instead, learn the profession. And learn to listen. Opportunity sometimes knocks very softly." With these words, John Glavin accepted the first Insurance Person of the Year award at the inaugural Salute banquet. After wartime service in the Navy, Glavin spent his insurance career with the Dominion of Canada, and still serves in a volunteer capacity with the Insurance Dispute Resolution Services of B.C. in his retirement. "Utmost good faith," Glavin said, "is the golden thread which weaves its way through the fabric of the general insurance industry." Founding the Insurance Person of the Year award were Bill Earle of Insurancewest Media, Jack Hamilton of IBABC, Jim Ball of Reliance Insurance and Brian Wills of Axa Pacific.

The Motor Vehicle Branch announced that all licensing and sales tax functions formerly carried out by the MVB would now be completed by Autoplan brokers. The AirCare program was launched in Greater Vancouver.

# 1993

**IBABC PRODUCED 16 SEMINAR VIDEOS FOR THE VIDEO LIBRARY,** which would be a popular component of the IBABC education program until 2004 when it was phased out in favour of online courses.

ICBC launched the RoadSense program.

# 1994

**IBABC GENERAL MANAGER JACK HAMILTON NOTED IN *THE BC BROKER*:** "We're getting tired of the 'take it or leave it' attitude that ICBC has adopted in the last couple of years. We want to formalize the rather loose unwritten arrangement that has been in existence between Autoplan brokers and ICBC for the last 20 years." The result was the Memorandum of Understanding Council (MOUC).

Alan William, IBABC counsel and former B.C. attorney general, drafted the Memorandum of Understanding between IBABC, CUISA and ICBC. The agreement mandated a Council of representatives from the three parties to deal with adequacy of fees and commissions; increases in workload and obligations imposed by ICBC and in fulfilling MVB functions; compensation for administrative functions; impact of changes to computer equipment to accommodate the services required by ICBC; adequacy of fees for bad debt collection; administration of payment programs and collection of court fines. In effect, the MOU gave the broker associations authority to negotiate on behalf of all ICBC contracted agents.

ICBC launched the Electronic Data Interface (EDI) for transmittal of insurance information and other data.

# 1995

**AT THE IBABC CONFERENCE IN MAY,** a Memorandum of Understanding between ICBC and IBABC was signed. The MOU outlined a strategic partnership and terms of reference for a Council to manage issues of mutual concern.

IBABC offered the Best Practices Program. Described as the most popular management tool ever offered by the Independent Insurance Agents of America (IIAA), the program benchmarked the business functions of successful agencies and brokerages and helped other brokerages to compare their performance.

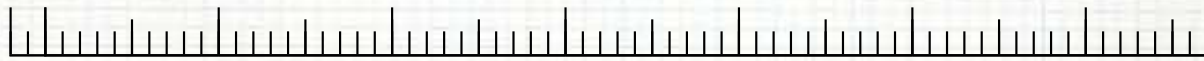
*Today's Broker Identity Program was launched in 1989. Within a few years, brokers knew it was achieving its goal when politicians were saying, "I see that symbol everywhere in my riding."*







1858 1860 1870 1880 1890 1900 1910 1920



# 1996

**AT THE IBABC ANNUAL GENERAL MEETING IN BANFF**, members decided to augment the national Broker Identity Program with a similar provincial advertising program.

The accounting firm KPMG studied ICBC's extraordinarily high claims costs, and in its report entitled *Motor Vehicle Insurance in British Columbia – At the Crossroads: A Case for Change* it recommended, among other things, that ICBC reduce the number of Autoplan agency agreements as a cost-cutting measure. ICBC asked MOUC broker reps to sign a Letter of Understanding agreeing to this reduction.

The photo radar program was introduced and ICBC rates were frozen. The government announced the amalgamation of ICBC and the provincial Motor Vehicle Branch.

# 1997

**IBABC GENERAL MANAGER JACK HAMILTON STEPPED DOWN AFTER 10 YEARS** and was replaced by Chuck Byrne, who had been B.C. branch manager for General Accident Assurance and Prudential Assurance.

The broker force rejected the Letter of Understanding. Conrad Speirs, Pat Anderson, David Keen and several IBABC directors initiated a court order to, first, rescind the LOU and send the parties back to the table to work out an acceptable agreement, and second, have IBABC amend its *Constitution and Bylaws* to provide more clarity in the definition of members and voting rights. The new member definitions came into effect on Jan. 9, 1999.

# 1998

**TO REGAIN STAKEHOLDERS' CONFIDENCE IN THE RELATIONSHIP BETWEEN ICBC AND ITS BROKER FORCE**, a five-year Strategic Accord was signed, and ICBC recommitted to maintain the current number of Autoplan contracts, universality of contract, and exclusivity of brokers as sole distributors of ICBC's Autoplan. The Strategic Accord between ICBC, IBABC and CUISA was formally approved and signed on Jan. 14, 1998.

The Strategic Accord included a partnership between ICBC and its broker force to partner in RoadSense initiatives. The program, which focused on educating youth about road safety, continued for 10 years.

IBABC held its first video-conferenced seminar, which took place in Vancouver and was seen and heard in Victoria and several communities in the B.C. interior.

In honour of its 50th annual Conference & Trade Show, IBABC commissioned Peter Wright in 1996 to write *Risk and Responsibility*, the history of the B.C. insurance industry, published in 1998.

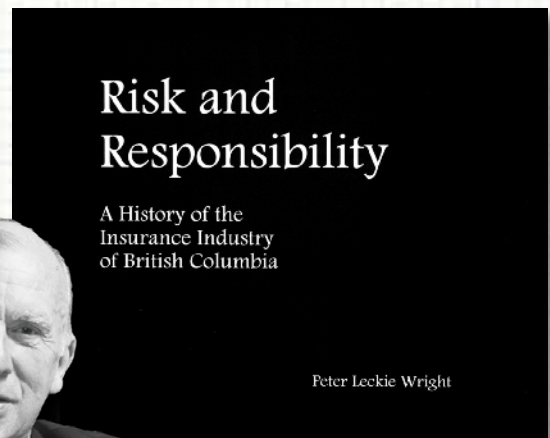
IBABC provided funding for Peter Wright to establish the Insurance Dispute Resolution Services of BC. The IDRSBC was developed with the mandate to provide neutral, objective and impartial alternative dispute resolution (ADR) services to the insuring public and the insurance industry.

# 1999

**IBABC OFFERED CAIB IMMERSION COURSES FOR THE FIRST TIME**, through which licensees could take an intensive five-day course and write the exam on the final day.

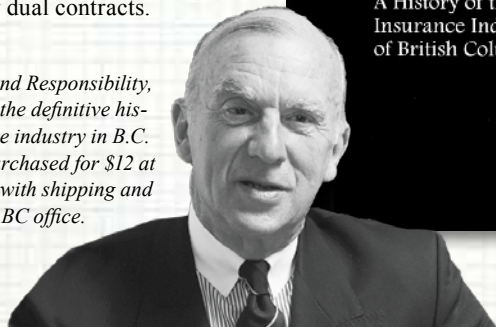
IBABC's website [www.ibabc.org](http://www.ibabc.org) was launched.

The MOUC debated an outstanding issue from the Strategic Accord, which related to ICBC's right to offer dual contracts: one for basic coverage, cancellable only for just cause, and one for optional coverage, under differing terms. This had the potential to leave a broker with no market for optional coverage. An agreement was issued on Oct. 29 to void Section 6 of the Strategic Accord and thereby disallow dual contracts.



*Peter Wright's Risk and Responsibility, published in 1998, is still the definitive history book of the insurance industry in B.C.*

*The book can be purchased for \$12 at the counter, or \$20 with shipping and handling, from the IBABC office.*



Peter Leckie Wright



1996 Finance Minister Paul Martin maintained the *Bank Act*'s prohibition against chartered banks retailing insurance.  
 1998 The first *ICBC/Broker Strategic Accord* was signed. Insurance Dispute Resolution Services of BC was established.  
 2000 Brokers went online with the ICBC Extranet system.

# 2000

**ICBC ROLLED OUT ITS STRATEGY FOR PHASING OUT ITS MAINFRAME TECHNOLOGY** in favour of a web-based system, with all brokers entering transactions on an Extranet. The transition would take about two years and require every Autoplan broker in the province to obtain an Internet connection. With this transition, B.C. brokers were ahead of their colleagues across Canada in having the capability to engage in online education.

Renate Mueller became the first woman in IBABC's 55 years to lead as president.

ICBC's commitment to the Strategic Accord was put under scrutiny when it allowed call-centre sales of Autoplan without prior consultation.

# 2001

**IBAC INTRODUCED THE CANADIAN PROFESSIONAL INSURANCE BROKER (CPIB) DESIGNATION**, which allowed licensees to combine mainstream education obtained through local colleges and universities with specific industry courses for the next level of designation after the CAIB.

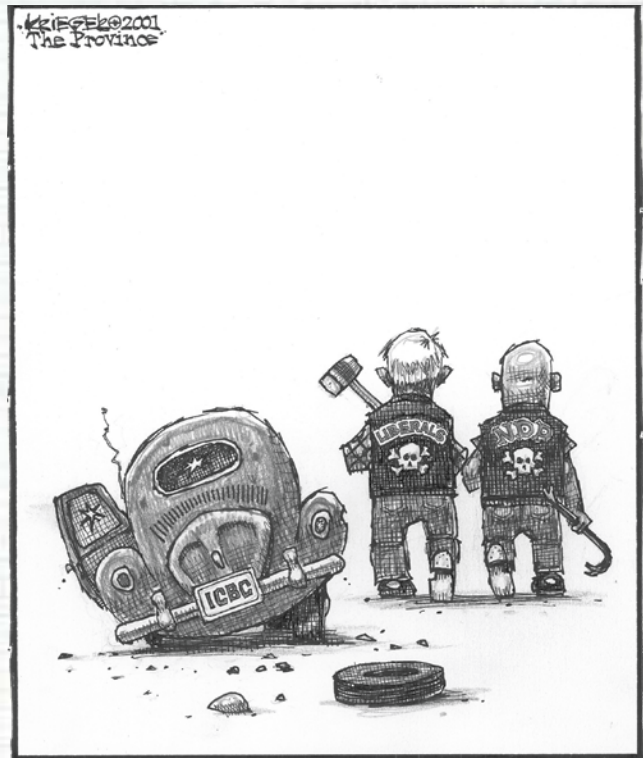
Gordon Campbell's Liberal Party formed government after nearly a decade in Opposition, and hit the ground running. Every ministry and Crown corporation underwent a core services review. Given that one of his pre-election promises was to increase competition in the auto insurance market, the industry held its collective breath as it waited to see how the new government would act on that promise. Government started to review many statutes important to the industry; IBABC stepped up its government-relations activities accordingly.

# 2002

**IBABC REVVED UP ITS POLITICAL MACHINE**, urging members to tell their MLAs:

- That auto insurance is a social issue, and that ICBC should be maintained; any revisions to it should be made incrementally to maintain stability in the marketplace.
- That to best protect the public, regulations regarding the sale of insurance should be maintained; the financial services sector is not the place to "cut red tape." Specifically, that the prohibition on rebating be maintained.
- That provincially regulated financial institutions continue to be prohibited from retailing insurance through their branches, and that the separate-premises regulations for financial institutions and their insurance subsidiaries continue.
- That the "just cause" provision of the Autoplan contract be maintained so that contracts could not be cancelled for low sales volumes or adverse selection.

The P&C insurance market across Canada experienced one of the hardest market cycles ever. Fall-out from the September 11, 2001, attacks on the World Trade Center towers was seen as contributing to the poor results.

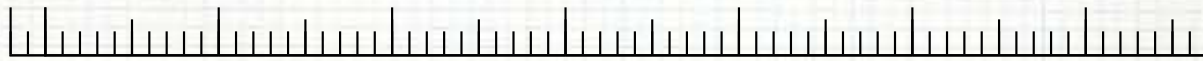


2001 CARTOON REPRODUCED WITH PERMISSION OF BOB KRIEGER; ALL PROCEEDS TO THE FOOD BANK





1858 1860 1870 1880 1890 1900 1910 1920



# 2003

**B.C. BROKERS WERE THE FIRST IN CANADA TO HAVE ONLINE ACCESS TO HIGH-QUALITY TECHNICAL COURSES** to meet their licensing and mandatory education requirements with IBABC offering an online version of CAIB 1.

After several years of insurers and brokers across Canada working toward what was understood to be an industry-wide goal of single-entry, multi-company interface (SEMCI), the Centre for Study of Insurance Operations (CSIO) launched the first phase of the insurance portal for Ontario auto insurance transactions. The project was scrapped shortly thereafter.

Spadework with government paid off as legislation was passed that restructured the public auto system in B.C.:

- The auto sections of the *Insurance Act* were repealed, leaving it to govern the statutory requirements for contracts of insurance other than auto insurance.
- The *Insurance Corporation Amendment Act* (Bill 58, 2003) appointed the BC Utilities Commission as the regulator responsible for setting ICBC's basic insurance premiums and for ensuring there was to be no cross-subsidization between ICBC's basic and optional products. This effectively recognized auto insurance as a public utility and de-politicized the rate-setting process.
- Bill 93 (2003) brought all vehicle-specific legislation into one statute called the *Insurance (Vehicle) Act* that governed the operation coverage provided by ICBC and the private markets.
- Provisions were maintained for the cancellation of an Autoplan agency contract only for "just cause" of an agent's negligence or other regulatory breach of conduct.

The summer of 2003 was the worst season for forest fires in 50 years; 7,600 people battled 2,460 blazes; 43,000 people were evacuated from their homes and businesses, creating the largest fire loss in Canadian insurance history, with about 230 homes totally destroyed in the Kelowna area alone, and about \$200 million paid out in claims (about two-thirds of the total private-property claims paid by all insurers in B.C. in 2002).

# 2004

**JUST BEFORE RESIGNING, FINANCE MINISTER GARY COLLINS APPROVED A REGULATORY CHANGE** that allowed rebating to a maximum 25% of premium; however, he maintained the regulation that financial institutions operate their insurance subsidiaries in premises separate and distinct from the banking operation.

The first Robert P. Vickerstaff Insurance Industry Dinner was held, with Premier Gordon Campbell as speaker. The event honours Bob Vickerstaff, who built Axa Pacific Insurance into one of Western Canada's leading insurers, and who died in 2003 shortly after his retirement. It is also a political networking event as insurance industry guests are encouraged to invite elected officials. Guest speakers have been former provincial premiers Frank McKenna, Brian Tobin, Bob Rae and Ralph Klein, Vanoc CEO John Furlong and CBC television news anchor Peter Mansbridge.

After exposing mutual-fund irregularities, New York Attorney General Eliot Spitzer turned his attention to insurance and initiated an industry-wide probe. This had a ripple effect across Canada over the next two years as regulators reviewed provincial disclosure practices. While some jurisdictions made some reforms, the status quo prevailed in B.C.

# 2005

**THE INSURANCE COUNCIL OF B.C. WAS GRANTED RULE-MAKING AUTHORITY**, which allowed it to make rules that would have previously required an Order in Council from the Minister of Finance.

# 2006

**IBABC'S PROVINCIAL BIP AD CAMPAIGN** featured brokers talking about the value they bring to the insurance transaction, to their clients' prosperity and peace of mind, and to their communities.

Appointed agents were finally provided with contracts that formalize their roles as providers of Motor Vehicle Services, and along with the contracts, a negotiated remuneration schedule.



2003 ICBC lines of business separated, with BC Utilities Commission having authority over basic coverage.  
 2004 Privacy legislation came into effect, requiring brokers to obtain consent before collecting and using personal information.  
 2009 First major amendments to the *Insurance Act* since 1925.

# 2007

**AUTOPLAN INSURANCE TRANSACTIONS HAD FOR MANY YEARS BEEN SUBJECT TO REFUSE-TO-ISSUE (RTI) ORDERS** for motor-vehicle-related debts, fines and violations. This year brokers had to accept the prospect of some new non-MV-related RTIs for defaults on child-support payments, for bridge tolls and for environmental compliance. IBABC did, however, have the support of the provincial government in refusing the request from the Union of B.C. Municipalities for RTI orders for municipal bylaw violations.

As mandated in Bill 93, the *Insurance (Motor Vehicle) Amendment Act*, 2003, as of June 1, ICBC issued insurance certificates for basic coverage (as was previously the case, policy wordings are in legislation) and separate policy wordings for optional coverage. Brokers had consulted at great length on this over the previous four years.

IBABC launched its Young Broker Network for licensees under the age of 40 to engage in educational and social activities that develop leadership and professional skills.

# 2008

**AT AN ITV SYMPOSIUM HOSTED BY IBABC IN FEBRUARY**, brokers expressed the frustration they were experiencing with determining insurance valuations on residential properties. The symposium led to the formation of a task force and the development of recommended ITV Best Practices for B.C. It raised the discourse on the topic across Canada.

IBABC was the first broker association in Canada to offer online Fundamentals of Insurance exams. IBABC also phased out its CAIB night school classes in favour of online discussion groups, which are today known as the Online CAIB Exam Preparation courses.

The Strategic Accord was renewed for another five-year term, ending Dec. 31, 2012. The Accord included one of the largest increases in broker remuneration seen in the history of ICBC.

Royal & Sun Alliance purchased Canadian Northern Shield, but pledged that CNS would operate separately and would grow in B.C.

# 2009

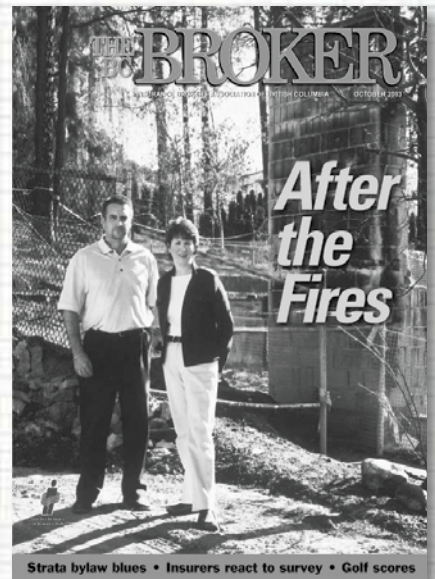
**THE INSURANCE AMENDMENT ACT** (Bill 6), the first major revision of the *Insurance Act* since it was first implemented in 1925, received Royal Assent on Oct. 6. IBABC members had consulted on the drafting of the new act for at least five years.

Finance Minister Colin Hansen announced government's intention to harmonize its provincial sales tax with the Goods and Services Tax effective July 1, 2010. The Insurance Council of B.C.'s amended continuing education (CE) requirements for broker licensees came into effect on the next licence renewal date of June 1.

The February edition of *BC Broker* launched the first HyperArticle. By reading the article, along with supplemental online information, licensees could earn CE credits.

IBABC had expressed concerns as early as 2005 about the practice of credit-scoring for underwriting purposes. Regulators started to take note in 2009 when consumer complaints and media stories started to highlight potential problems.

Federal Finance Minister Jim Flaherty in October announced his intention to adopt specific policy measures requiring bank websites to be subject to the insurance business regimen that currently applies to branches, bringing the intent of the *Bank Act* to bear on online insurance transactions.



# 2010

**AMENDMENTS TO THE FINANCIAL INSTITUTIONS ACT** (FIA) came into effect on January 1, increasing the compliance requirements for agents placing business with unauthorized foreign insurers.

Richard Pindral is slated to become the first IBABC president to serve two non-consecutive terms, returning to the IBABC board in 2008 after serving as president in 2001.

*The forest fires of 2003 in the B.C. interior were the largest fire loss in Canadian insurance history.*





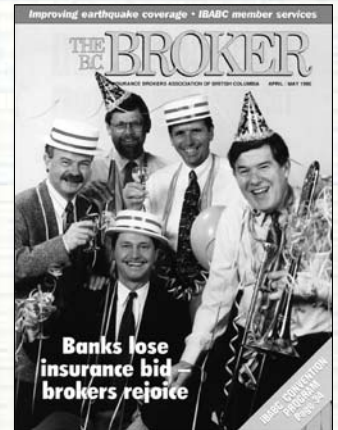
December 1978



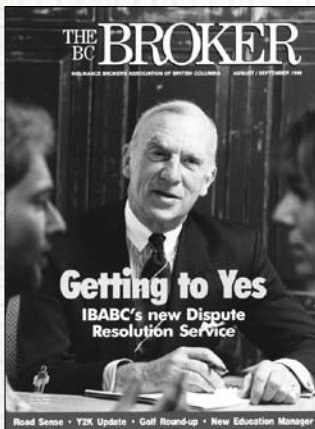
April 1982



February 1985



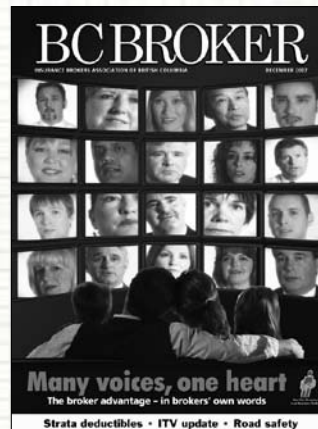
April 1996



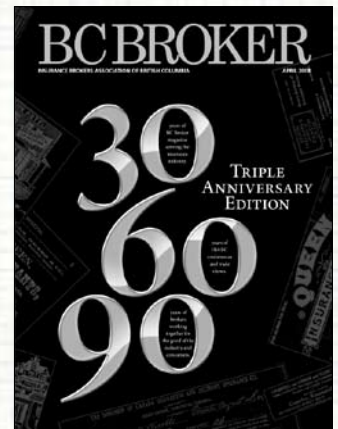
August 1998



December 1999



December 2007



April 2008

## INSURANCE PERSONS OF THE YEAR

- 1992: **John Glavin**, B.C. manager of Dominion of Canada General Insurance Company
- 1993: **Ron Newcomb**, president of S.J. Kernaghan Adjusters.
- 1994: **Jack Hamilton**, general manager of IBABC.
- 1995: **Bob Vickerstaff**, president and CEO of Axa Pacific Insurance Company.
- 1996: **Herb Osen**, president and CEO, TOS Insurance Services.
- 1997: **Mike Porter**, president and CEO of Canadian Northern Shield.
- 1998: **Dave Clarke**, senior vice-president, insurance operations, Axa Pacific Insurance Company.
- 1999: **Jake Brouwer**, chairman and CEO, Brouwer Claims Canada & Company.
- 2000: **Eric Laity**, education services manager, operations education, Insurance Corporation of B.C.
- 2001: **Ron Defieux**, vice-president, TOS Insurance (formerly Defieux Saxelby Insurance Services).
- 2002: **Terri Johnson**, vice-president and general manager, B.C., Gore Mutual Insurance Company.
- 2003: **John Toomer**, partner, Vancouver General Insurance.
- 2004: **Vince Pritchard**, partner, Pritchard Woodall & Associates.
- 2005: **Conrad Speirs**, principal, Speirs & Co., Sports-Can Insurance Consultants.
- 2006: **Patti Kernaghan**, president & CEO, Kernaghan Adjusters.
- 2007: **Jim Ball**, principal, Reliance Insurance Group.
- 2008: **Rick Parent**, president, Coast Capital Insurance Services.
- 2009: **Mark Woodall**, CEO, Sports-Can Insurance Consultants.

## RISING STARS

- 2007: **Carla Smith**, regional vice-president, ING Insurance Company of Canada.
- 2008: **Steve Sache**, partner, Atkinson & Terry Insurance Brokers.
- 2009: **Shelly Maurer**, senior manager, insurance operations, Valley First Insurance.



# IBABC PRESIDENTS



1946-48  
Harold Hutton



1949-50  
Taylor Spittal



1951-53  
Ben Whitaker



1954-55  
Alex MacKenzie



1956-57  
John Babcock



1958-59  
Alan Davidson



1960  
George Atherton



1961  
Roger Odium



1962  
Herb Brown



1963  
Walter Medica



1964-65  
Justin Harbord



1966  
Bud Day



1966-67  
Jack Roberts



1968  
Bob Spray



1969-70  
Jack Robertson



1971  
Gerry McGaw



1972  
Alan Finnie



1973-74  
Jack Hamilton



1975  
Tom Norton



1976  
Spoon Wotherspoon



1977  
Bob Parkinson



1978  
Ron Kassell



1979  
Walter Siemens



1980  
Brent Atkinson



1981  
Tom Martin



1982  
Conrad Speirs



1983  
Derek Francis



1984  
Barry Amies



1985  
Harry Geddes



1986  
Gordon Chambers



1987  
Bill Brown



1988  
David Bakes



1989  
Bob Minniss



1990  
David FitzPatrick



1991  
Rick Roberts



1992  
Ken Campbell



1993  
Rick Frost



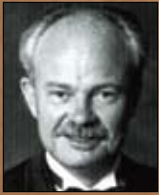
1994  
Jim Ball



1995  
Doug Strong



1996  
Reg Esau



1997  
Mel McMillan



1998  
Michael Megson



1999  
Ralph Libby



2000  
Renate Mueller



2001  
Richard Pindral



2002  
Don Ungaro



2003  
David Keen



2004  
Bryan Fitzpatrick



2005  
Kevin McIntyre



2006  
Douglas Guedes



2007  
Ted Lewis



2008  
Fraser Lyle



2009  
Lorne Perry



