

LORNE PERRY ON TRACK

As leader of the national broker association, Lorne Perry CAIB will focus on its potential to provide value to every broker in Canada.



By Laurie Jones

The Insurance Brokers Association of Canada (www.ibac.ca) has only 11 members – the provincial and regional insurance broker associations – but within that small number can be seen Canada’s general insurance brokerage industry in all its endless diversity.

The IBAC board of directors is comprised of a representative from each member association, ranging from Newfoundland’s, which represents about 1,000 licensees in the province and has no full-time staff, to Ontario’s, with about 12,000 licensees within its membership and 13 staff, to the Toronto Insurance Conference, a group of commercial brokers serving Toronto’s corporate clients. They come from six time zones, bringing their experience in a broad spectrum of business models (from very small brokerages to very large), regulatory systems (public and private auto insurance), education requirements (using the CAIB designation courses, or not), language (English and French), share of market (from less than half to 90%), use of technology (low to high), and so on.

Achieving consensus amongst their strongly held opinions can be challenging, to say the least. Taking on the role of cat-herder-in-chief is seen by many as a thankless task. For Lorne Perry, CAIB, IBAC’s potential to provide value to every broker in Canada through its political action, professional development and image-building work was reason enough to take it on. The managing partner of Port Moody Insurance Services was sworn in as IBAC’s president in Quebec City on Sept. 26.

It also marks his 10th consecutive year of service to association governance for the insurance brokerage industry. He joined the IBAC board as an area director in 2005 and served as president in 2009, then continued on to the IBAC executive. During that decade, Perry has become known coast to coast as one of the nicest people in the industry.

Originally from Vancouver, Perry started his insurance career in Quesnel in 1976, working with Peter R. Gook Agencies. By 1979, he had moved to

Prince George to join Barton Insurance, now Hub International Insurance. “I moved back to the Lower Mainland in 1989 to work with Barton at their new location in Maple Ridge before finally settling in Port Moody,” he says. “I’m also involved with a couple of different offices, either as partner or manager, although I spend most of my time in the Port Moody office.”

In addition to managing three offices,

all part of the InsureBC Group, his suitcase will be perpetually packed during the coming year as he attends committee and board meetings, strategy sessions and industry events, mostly in Toronto.

“There are several points that we are going to address this year. First, we will review the Broker Identity Program, which has been in existence for more than 25 years,” he says. “Last year we held strategic planning meetings and

A LONG LINE OF ADVOCACY

As soon as people accumulate wealth and property, they understand the value of insuring it against loss. And from our country’s earliest days, insurance agents have upheld the principle of utmost good faith in providing that insurance.

The fire that levelled Vancouver on June 3, 1886, was a defining moment for a young resident named George Schetky, who just days before had attended a meeting to organize a fire brigade for the city. He helped fight the blaze, and some years later became an insurance agent with the firm of Ross & Shaw, leaving in 1914 to open his own agency. In 1918 he became the first president of the first organized group of insurance agents in B.C., the Vancouver Fire Insurance Agents Association, which expanded to become today’s Insurance Brokers Association of B.C.

Within a few years 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’s 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. 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.

Insurance brokers from across Canada, working directly with federal officials in their communities or collaboratively through IBAC, have continued to safeguard this key legislative prohibition. Through years of deregulation, when banks absorbed other financial products and services such as mortgages and trusts, and through technological change when banks tried to sell insurance through their websites, brokers have prevailed with elected leaders by explaining the importance of maintaining the separation between insurance and other financial products and services:

Insurance protects against pure risk as opposed to speculative risk. In other words, insurance protects the assets that people can’t afford to lose. For their own protection, consumers should be able to purchase insurance for their assets without inducements, pressure or coercion and have access to unbiased, professional advice in a manner that holds the customer’s interests paramount. In order to provide that expertise, insurance brokers and agents are licensed, covered by errors and omissions insurance, undergo ongoing mandatory education, and adhere to a Code of Conduct.

Insurance contracts are based on the principle of utmost good faith: all parties to the insurance contract are legally obliged to reveal to the others any information that might influence the others’ decision to enter into the contract. If one party fails to disclose material information, the other party usually has the right to void the agreement. The requirement to exercise utmost good faith is also a critical factor in any settlement for an insured loss. The offer of inducements to purchase an insurance policy is not a good-faith transaction.

Canadian regulations and codes of conduct for insurance sales align with international Insurance Core Principles – the best practices established by the International Association of Insurance Supervisors (www.iaisweb.org). In this way, Canadian insurance products and practices contribute to Canada’s success in international trade and commerce by instilling worldwide confidence in our economy and our insurance system.

The *Bank Act* includes a provision that it must be reviewed every five years to ensure that it stays current with the marketplace. The next review will start in the next 12 to 24 months. And just as they have been for nearly a century, brokers will be there.

went to the board to ratify our thoughts. As a result of that, we may make some changes throughout the year." The program has branded brokers with the now-familiar magenta logo known by brokers as the "Bipper", and more recently, through the national TV advertising campaign, has positioned brokers as providers of "blanket coverage" that allows insureds to sleep easy. The strategy sessions reaffirmed that the brokers' role as advocate is also an important part of their brand personality that should be communicated.

"This includes the different roles of advocacy – whether it's representing brokers on Parliament Hill or representing consumers when it comes to their insurance issues. That's been a big part of what we do, and I think that will continue. The focus of the advertising may change a bit in certain areas, but we will make that decision in the fall."

On Oct. 20, when it's known which elected leaders will be heading to Ottawa, IBAC's political action begins anew. The redistribution of ridings will bring 30 new MPs to the House; add the usual attrition and election upsets and there could be as many as 100 new MPs out of a total 338. "It will be very important to meet with them and explain why maintaining the prohibition on banks retailing insurance through their branches benefits consumers," Perry says.

Perry says IBAC has been concerned about succession planning. "As the broker force grows, we have a lot of amalgamation happening so we want to be able to perpetuate the broker field. That's something we've spent some time on and will continue to do so."

Abbotsford broker Fraser Lyle – former president of both IBAC and the IBABC – has first-hand experience with the path Perry is taking. "Lorne's background with the IBABC has provided a good base for him to move into the position of president of the Insurance Brokers Association of Canada," he says. "He is a very thoughtful person, he listens a lot, takes notes and he thinks carefully before speaking. I think that is a strong attribute."

Speaking from experience, Lyle says no IBAC president goes into the role as a placeholder for the next president. "There's always something happening that you don't find out about until you are into the first few months of the job," he says. "Some issues need work, some are watch-and-wait, and some are more long-term strategic. That's what you have to consider when you're in there. It's not an easy job because of the complexities you deal with nationally. You have to have that

discipline and your own view that will allow you to move the ball ahead in the right direction without leaving anybody behind. Lorne has a good sense of where people are coming from in terms of their personality, and I think he can make those very different personalities feel welcome and comfortable."

During Perry's term IBAC will review its professional development, or education, programs and his people skills will be called upon. "At present, some of the courses, such as the CAIB program, are used in some provinces as the licensing standard, and in some provinces they aren't," he says. "Going forward, I think we have to determine a national standard and decide whether these products should be designed more for basic licensing, or would they be best as professional standards. We have to look at how each of the provinces would use the products."

"We have a number of products and I think we want to take a look at those. But I will feel good if, at the end of the year, we have some directions that work for the majority. It may not work for everybody, but I'd be quite happy if we felt we had created some positive news."

Perry's reputation for thoughtful consideration of all aspects of a situation he encounters is well known. "He's got a lateral thinking ability and thinks carefully before he puts his comments into the current conversation," says Richard Pindral, former owner of Hyde Park Insurance Agencies Ltd. in Burnaby, IBABC president in 2001 and 2010, and friend to Perry for two decades. "I think that's an asset that he brings to any table. He's also very considerate. He wants to gather all information available before he'll make a decision that might affect other people."

Pindral says Perry is the right person for the IBAC president position because he will be working for the initiatives that benefit brokers. "He's not taking on the position just for the title that he can put on his resumé; he does the work that goes with the title. That is so rare in people. He is a doer; he is a thinker, and he respects people and where they

are coming from. In the end, his answers may not be what they want to hear, but he would have taken their opinion into consideration."

Pindral notes that, throughout the years, Perry has had strong background support, particularly from his wife Patricia and business partner Jack Meier from the Intercity Group.

The loss of brokers' market share to insurers' direct sales – also referred to as disintermediation, or elimination of

the "middle-man" – has been a national topic for the better part of the past decade. Brenda Rose, Sheldon Wasylenko and other brokers have represented IBAC members at the Centre for Study of Insurance Operations (www.csio.com) as it develops new technologies for the broker channel and its insurers and software vendors. A web portal developed by the Ontario association called www.myinsurance-shopper.ca, that provides customers with an online buying experience for brokered transactions, has been adopted by other private-auto provinces. Insurers are tooling up for more online direct sales – Intact and Aviva both announced this spring that they will be

selling direct in B.C. The game continues to change. How brokerages adapt will in turn affect what products, services, guidance and advocacy they want from their associations at the provincial and national levels.

"I've always felt confident that brokers have a role to play. I don't think the product will ever get so simple that the customer can totally understand it and it could be sold online. As soon as companies try to do that, there will be an opportunity for somebody to create a niche market. They will somehow find a way to make things a little more detailed, requiring the need for the consumer to turn to a trusted advisor for advice."

During his year as president of IBAC, Perry will focus on bringing value to the diverse membership across the provincial and territory broker associations. Between red-eye trips to Toronto and back, and days running his own business, he still wants to slot some time in for his first passion – playing hockey. ♣

IBAC PRESIDENTS FROM B.C. IN THE PAST 45 YEARS:

Lorne Perry CAIB

Port Moody
2015-16

Fraser Lyle BA CAIB

Abbotsford
2010-11

Jim Ball

Vancouver
1999-00

Rick Frost CCIB

Kamloops
1997-98

Conrad Speirs BA FIC

Vancouver
1985-86 (deceased 2007)

John (Jack) Hamilton BCOMM

Vancouver
1978-79 (deceased 1998)

Jack Robertson CCIB

Fort St. James
1975-76