



INTRODUCING TOKIO MARINE CANADA

In Good Company

With Mike George and fellow industry veterans at the helm, new insurance start-up **Tokio Marine Canada** sets its sights on filling the solutions-driven gap with a single mission: to be a **good** company.

By GLORIA CILLIERS

New insurance start-up Tokio Marine Canada enters the Canadian property casualty space this year with the boldness, hunger and solutions-driven mindset it takes to succeed in today's hard market.

Whilst the new insurer has received its letters patent and order to commence from OSFI and now awaits its provincial licences, the company is already showing considerable promise:

First: The ship is steered by a team of Canadian industry veterans, including Mike George as CEO - the former Trisura exec who brings a proven track record of incubating and grow-

ing Canadian insurance companies; **Second:** While Tokio Marine Canada will operate autonomously, they will also leverage the strengths of the Tokio Marine Group and numerous sister companies to create choice and *real* solutions for its select broker partners and their customers - something many brokers have been pining for; and, **Third:** perhaps most importantly, its vision is to be a *good* company - which means, at the heart of Tokio Marine Canada lies not just the drive for profit but a *genuine* mission to deliver on the promise of insurance: *being there* for customers and society in times of need.

It's this particular vision that most resonated with George and led him to join the Tokio Marine Group to begin work on starting Tokio Marine Canada (TMCAN), he says.

"The company is focused on doing the right thing, and we have a unique opportunity here in Canada to deliver on that promise," George says. "I feel honoured and fortunate to again have the opportunity to be involved in an insurance start-up. I love the energy, challenge and opportunity a new company brings. It's such an exciting, rewarding and often humbling experience."



TOKIO MARINE
CANADA

TOKIO MARINE CANADA COVERAGES AT A GLANCE:

COMMERCIAL INSURANCE

Property, General Liability,
Commercial Auto

PROFESSIONAL AND FINANCIAL SOLUTIONS

D&O, EPL, Fiduciary, E&O,
Fidelity and Cyber

SURETY

Contract, Commercial
and Developer

RISK SOLUTIONS

Innovative and customized insurance
solutions for 3rd party administrators,
affinity groups and captives

GROUP ORIGINATED BUSINESS

Facilitating requirements of other
group companies in all product lines

Humbling as it may be, TMCAN brings with it the strength and capability of a global group – a massive advantage, George says, “In addition to being entrepreneurial, agile, and not reliant on legacy systems or bureaucracy dragging down the new venture.”

GLOBAL STRENGTH, CANADIAN EXPERTISE

Tokio Marine is one of the world’s largest insurance groups. The Japanese powerhouse has been operating in Canada as a branch, Tokio Marine & Nichido Fire Insurance Co. Ltd. (Canada Branch), since the late 1950s. The Canadian Branch has primarily been offering insurance solutions to global Japanese customers in partnership with Northbridge Financial, which acts as its chief agency providing administrative and support services on behalf of the Canadian Branch – a relationship that will continue unchanged.

Tokio Marine has made numerous global-scale acquisitions over the past 15 years, including Tokio Marine Kiln (TMK) and Tokio Marine HCC (TMHCC in the US), which includes subsidiary Tokio Marine HCC International (TMHCCI). Both TMK and TMHCCI have significant international presence and con-

duct business in Canada through Lloyd’s. A number of other Tokio Marine companies also have an interest in writing business in Canada, including TMHCC, Philadelphia Insurance Companies, Reliance Standard and Safety National.

However, Tokio Marine has long wanted to expand further and strategically in Canada and in December of 2020, an application was filed with OSFI to establish a new federally licensed P&C insurer, Tokio Marine Canada Ltd. Once TMCAN receives its licenses this year, the company will write specialty and commercial business in all provinces and territories across Canada. “We intend on writing business across a broad spectrum of classes and segments to become a leading Canadian specialty and commercial insurance provider,” says George.

“We have two main strategic approaches,” George elaborates. “The first is to build our own business organically for Tokio Marine Canada working with a select group of strong broker partners; and the second is to help facilitate the needs of a number of our global sister companies in Canada. We hope to give brokers more choice in the Canadian marketplace, since they can choose which Tokio Marine company best suits the unique requirements of their customers.”

“In terms of the ‘organic’ business, we will have four operating segments, three of which are focused on specialty lines including surety, professional liability and customized risk solutions, and a fourth,

offering more conventional commercial insurance solutions. Our fifth segment, what we are calling Group Originated Business, will help facilitate needs for the group in Canada.” he elaborates.

“Tokio Marine operates on a federated model basis - each group company runs its operation with a high degree of autonomy in a manner that is best for its brokers and their customers,” George explains. So, while TMCAN will work collaboratively with its sister companies, these companies will continue to operate in Canada as they always have. “Our group companies have done a great job of supporting Canadian brokers and coverholders and their customers in the past and will continue to do so. The new company will be here in order to help facilitate placements for those firms if and when they need our assistance.”

GOOD COMPANY, GOOD LEADERS

This symbiotic Group Originated Business, together with organic growth, will fuel TMCAN’s ambitious five-year growth plan.

Looking back five years, George says he would never have guessed he’d be here now.

He’d taken some time off to re-evaluate his career path after leaving Trisura Group - the successful insurer he’d helped build from a plan he and his fellow founding partners once drew on a napkin - in 2019, two years after the company went public in 2017. “Trisura was my baby, I loved every minute of building that company, but my life there changed a lot after going public,” George says. “I decided to leave, take some time off and reflect. I realised I really missed the business and most importantly, the people in the industry - and I wanted to do it all over again.”

When Tokio Marine offered the opportunity, George jumped at the chance. “I knew right away my first order of business would be building the right team of top quality, experienced individuals who would work well together, sharing a service and solutions-oriented mindset and a common vision for the future,” he says. “That’s our real recipe for success – a cohesive team of experts, all rowing together in the same direction providing valued expertise to help our brokers be even more successful in fulfilling the insurance needs of their customers.”



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WHY PARTNER WITH TMCAN?

- Canadian autonomy and decision making
- Top talent strategy – expertise with decision maker access
- Global reach – solutions oriented
- Responsive – being available when you need us most
- No legacy – underwriting without bias

George started work on TMCAN's business plan in the fall of 2020. Shortly before filing the application to OSFI, he made his first hire with Daniel Singer joining as Chief Financial Officer, also overseeing enterprise risk management and compliance. "Daniel has been absolutely fantastic to work with," George says. "He has a great sense of humour, is a super nice guy and has a tremendous work ethic. Daniel has since hired Jagneet Arora as Corporate Controller, leaving us in great shape on that side of the house."

Sharing in the enthusiasm, Singer says of the experience: "It's an exciting proposition to have the opportunity to work with such a great group of people and to help launch a new insurance company, building on a value proposition that is new, fresh and responsive to the needs of the industry."

George has also recruited fellow industry veterans Joe Vachon as head of Commercial Insurance; Chris Kucman to lead Surety; Elizabeth Diotte, as head of Professional & Financial Solutions; and seasoned marine underwriter Kaiji Takagi, who moved from Tokio Marine in Japan to Toronto in April 2021 to take on responsibility for TMCAN's Group Originated Business.

Says Takagi: "Coming to Canada, I am excited to be able to build this Group Originated Business with the Canadian market, TMCAN and the global Tokio Marine Group members."

And the experts keep joining. The latest additions to the team include leaders who will soon join in Risk Solutions, Claims, Legal and IT. Méline Van Slyke recently started as head of human resources and will help oversee the company's expected accelerated talent growth over the coming years.

"There are many lessons I've learned from starting insurance companies, but two ring true every time," George says. "One: it's the employees and team and the culture we create that make a company

a success. We're hoping to build a good company with a winning culture and high employee engagement. Two: The value of personal relationships is huge in commercial and specialty lines and I really hope that never changes, so nurturing deep and trusting relationships with our brokers and helping them succeed in



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JOE VACHON

business will always be a priority."

This clear vision, which includes working closely with a limited number of select brokers during its launch phase, positions TMCAN nicely to exceed some of the highest service standards across the country and addressing the solutions-focused gap brokers and their customers in certain segments have been waiting for carriers to fill.

UNDERWRITING SOLUTIONS IN A HARD MARKET

"TMCAN will achieve this by utilizing efficient technology, capitalizing on its underwriting expertise and enabling front-line underwriter decision-making," says Joe Vachon. "We have an experienced IT leader in Scott Hastings who is working hard with the front-line underwriting teams in developing solutions for our business and ultimately our brokers," he says. "Scott and his team, Samuel Leake-mariam and John Cunha, have been amazing to work with."

"Brokers have endured a hard market for a while now," Vachon says. "They are challenged by last-minute underwriting

decisions that shrink or withdraw capacity on renewals or seek changes to existing wordings. We believe taking a solutions-approach to these situations will earn us better growth and success than our competitors who do not. Our underwriters will write our share of the "easy" accounts but will also look beyond the commodity-type business and use pricing, deductibles, facultative reinsurance and policy terms and conditions to find solutions for customers with exposures that aren't easy," says Vachon.

"We believe there are very few bad risks – only bad prices," Vachon, a highly reputed leader with decades of experience in Canada and the US, adds.

It's a sentiment shared by Vachon's entire Commercial Lines division, which is made up of deeply experienced underwriters. "I'm so pleased and fortunate to be joined by industry experts Joe McKeown as our head of Property, Vince Rende, head of Liability and Tim Shannon leading our SME segment," says Vachon.

Vachon and his team have worked through insurance hard/soft cycles, capacity crises and are endorsed by TMCAN's broker partners for their knowledge and solutions-approach to underwriting challenges. Commercial Lines will be segmented into Small Business, Midmarket and Upper Mid-market.

Says Shannon of the SME segment: "Our strategy will be leveraging technology to deliver speed and ease of doing business, along with providing client self-serve applications. We will provide multi-year or continuous policies, package policies and broad coverage overall."

"In the Mid-market and Upper Mid-market segments, TMCAN's underwriting experts are poised to step into the market soft spots with solutions and exceptional service," Vachon says.

Joe McKeown, head of Property and a qualified engineer, adds: "We have an opportunity as a new company to make selections of best in class risks, as opposed to just selection of risks within a certain appetite."

"By harnessing new technology and automation, unhindered by any legacy systems, to streamline process throughout the entire business operation, the "art" portion of the underwriting initiative is able to flourish," McKeown says. "We want our underwriters spending more of



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ELIZABETH DIOTTE

their time talking with brokers to help address more difficult exposures, enabling our brokers and their customers to focus on what they do best."

Vince Rende, who has over 40 years of Casualty experience, notes that "New exposures and social inflation continue to drive claims awards up in an already firm market. The high level of expertise on the TMCAN Casualty team will provide brokers with both capacity and tailored underwriting solutions for insureds."

No more robotic underwriting. *Only* solutions.

"It's an exciting opportunity," Vachon adds. One he was prepared to come out of retirement (following 12 years with Aviva) for. "Over my entire career, the best learning experiences I've had have been at a start-up. We will crawl, walk, then run - focus on the best opportunity, deliver on it, and grow."

GROWTH FUELED BY FLEXIBILITY

"As TMCAN grows, we hope to enable more and more enterprises to flourish by helping them with their approach to risk management and mitigation", says its Financial & Professional Solutions leader Elizabeth Diotte.

Diotte brings over 25 years' extensive experience in underwriting, claims and loss control management and business development to TMCAN. She has built a trusted network with brokers over her 21-year tenure at Travelers and prior to joining TMCAN, as insurance COO of a Québec-based niche insurance company.

For Diotte, the opportunity to work with George and the TMCAN team and to lead nationally from Québec, combined with "the freedom to create a flexible strategy to address the needs of the industry today", most attracted her to the role.

"At TMCAN there is no requirement to

do things the way they have always been done," Diotte says. "We have the autonomy and flexibility to make underwriting decisions locally. Brokers are looking for capacity and we are empowered to provide that. Though in our early phase we'll focus on certain classes of business, over time we'll expand our appetite, hire more experts and ensure we support all our brokers' needs. We'll always be looking for ways to collaborate with our sister companies to provide further solutions and choice."

Diotte is putting together an "exceptional team of experienced, trusted leaders and underwriters who have deep knowledge of Professional & Financial lines". Within the Professional and Financial Solutions segment, TMCAN will focus on D&O, EPL, Fiduciary liability, E&O, Fidelity and Cyber.

MUTUAL TRUST, SHARED RESPECT

Supporting all lines of insurance for TMCAN will be its Surety team, led by Chris Kucman, an expert in surety solutions with over 20 years' experience.

TMCAN's focus on contract surety will be supporting small to mid-size contractors (revenues of \$250,000 - \$250 million). However, Kucman says the company will also be focused in providing solutions in each of the commercial and developer surety industries as well.

Kucman is joined by Michelle McCafferty, a surety specialist with extensive underwriting and process management experience in both contract and commercial surety.

Kucman recognizes the opportunity to help clients get out in front of post-pandemic exposures and challenges that an eventual harder surety market will bring.

"The Surety team will always be empowered to remain involved in the relationships and decision-making at the

frontlines," Kucman says. "Through this, and emphasizing mutual trust, we will avoid underwriting in a box. Rather, we'll utilize a 'bag of options' when tailoring solutions and go above and beyond to support client needs."

As TMCAN builds out a solutions-driven, entrepreneurial-minded team and gears up towards writing its first policy, Kucman says it wasn't just the opportunity to be strategically involved in building a new insurer from the ground up that attracted him to TMCAN.



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CHRIS KUCMAN

"More than anything, I was struck by the humility and respect behind the company's mission to be a good company - *This* is the way we want to conduct our business and treat our colleagues, brokers and their customers," Kucman says.

McCafferty agrees: "Profit is something all companies strive for, but it is not what inspires most people. Inspiration comes from being part of a larger, more noble purpose, with people who are equally as energized about doing the business the right way, with more than just our own interests at heart."

"Essentially," Kucman concludes, "We want to build a team of *good* people working alongside *good* brokers and *be good by doing good*."

OUR NOBLE PURPOSE

We believe in a future Canadian society that is innovative, progressive, and prosperous. This will require businesses to grow, challenge the status quo, and take calculated risks. We exist to help Canadian businesses by supporting them in the risks they take on by partnering with select professional brokers in providing practical solutions, superb service and being there in their times of need.



**TOKIO MARINE
CANADA**

We are Tokio Marine Canada - we aspire to be a Good Company - and you can trust us to always do the right thing.