



2017

FRONT, CENTRE, & ON THE SPOT...

Once again, we reached out to top
execs of major insurers to find out
what they've got planned for next year.

BY GLORIA CILLIERS

Innovative solutions in both
the customer and broker
experience will be top of
mind for many insurers in 2017.

While most carriers will continue to broaden their product and service offerings, quite a number of insurers are setting their sights on expanding into new growth markets.

In addition, brokers will garner even more attention, as some insurers will be growing their broker channels, and investing in broker relationships will be a key priority for most...

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ECONOMICAL

They invested greatly in a multi-distribution strategy, including the launch of their direct channel, Sonnet, however, Economical also has “significant growth plans” over the next few years for its broker channel, which represents 60% of its business, says Tom Reikman, senior vice-president and COO.

For example, it’s investing \$125 million in customizing GuideWire, a new policy administration system geared towards making the company’s legacy systems more customer-focused, and enabling its more than 900 brokers across the country to be more efficient in processing transactions.

Economical’s also targeting bigger fish next year. “We’ll be partnering with our brokers to expand our commercial lines offerings and capabilities,” Reikman says.

Advancing pricing sophistication and improving ease of business in personal lines are also top priorities.

New CEO Rowan Saunders says he is excited by the bold growth strategies at Economical. “Following successful demutualization, we will introduce the market to a strong, independent Canadian insurer.”

Brokers will continue to be at the heart of Economical’s success, Saunders emphasizes. “Traditional models of business will continue to shift, resulting in new ways of working together,” he says. But the insurer will continue to “aggressively support our broker partners with their sales and service efforts,” Saunders says.

ZURICH

Zurich is setting its sights on the service sector in 2017, says Patrick Lundy, president and CEO of Zurich Canada. “While we’ll continue to enhance customer service in construction, manufacturing, technology and commercial real estate, where we have a longstanding footprint, we’ll start to write retail, high-end restaurants and other professional services. There are great opportunities in this space across Canada, and we’ve developed a clear go-to-market strategy for obtaining this business.”

In addition, next year will see continued focus on innovation and technology, with Zurich’s underwriting staff benefiting from a significant investment in a single web-based user interface that streamlines efficiency in the underwriting process, leveraging

Salesforce technology that will enable Zurich to better understand customer needs.

“There’ll be a big emphasis on writing good quality, profitable new business with the help of technology, and a renewed focus on our middle-market-sized business, where we’ve re-focused our appetite. Given this, we’re excited to announce we’ll be lowering our minimum premium threshold for SMEs in order to expand future opportunities.”

Another focus will be innovative solutions in cyber liability, tailored to Zurich’s SME customers. Educating its brokers across 500 distributor locations in Canada on their role in cyber exposure awareness will be key, says Lundy.

RSA

For new president and CEO Martin Thompson, 2017 will be a year in which RSA remains focused on broker channel growth and creating valued broker experiences. “We’ll do this by being easier to deal with, more responsive and consistent,” he says. “In the past, brokers may also have felt that we have only been competitive for a small segment of personal lines business. But, we aim to restore broker confidence by undergoing a massive transformation of pricing for a broader range of customers.”

According to Thompson, RSA’s broker channel, which represents about 65% of its business, will be fundamental to its future success. That’s why RSA will be actively seeking to appoint new brokers – a testament, Thompson says, to RSA’s investment in the broker channel. “Over the next three years, we are looking to expand our broker footprint, while still maintaining our niche broker distribution strategy.”

Thompson sees a “bright independent future” ahead for RSA. “Our financial position is strong again and the noise around RSA as a takeover target has disappeared.” The insurer is ready to start winning again on all fronts, he adds.

ALLIANZ

Allianz Global Corporate & Specialty is on an ambitious journey of growth, aiming to become a \$500 million organization in the next four years. To help them do this, says Ulrich Kadow, chief agent for Canada, the company will focus on four key areas in 2017.

“Firstly, we want to maintain our market leader

“Every product or service being consumed is increasingly being facilitated through mobile... brokers should be paying attention to the opportunities...”

position in aviation, construction and international insurance solutions, as well as build out our capabilities in other selected industry segments. In addition, we want to develop new growth markets, such as cyber. We started writing cyber about a year ago and are investing significantly into developing products and hiring people. We’ll need to have our finger close on the pulse of the market and adjust our products as the market quickly develops.”

Allianz is also delving deeper into certain segments in manufacturing, programs and agricultural growth, he adds. The second focus area is growing Allianz’s broker distribution presence in Vancouver and Montreal. “We are a broker market and I don’t foresee that changing. We want to deepen our relationships and alignment with our main broker partners.” Thirdly, Allianz will invest in “becoming an employer of choice,” while the fourth goal is to optimize performance to return profit to its shareholders.

AVIVA

A multi-disciplinary approach to access customers is Aviva’s top priority for next year, says Greg Somerville, president and CEO. And that includes digitizing its broker channel. “An accessible, digitized, innovative broker solution can be equally as attractive to the customer as the alternatives,” Somerville says. Aviva will help its brokers on their digital journey through a digital consultancy group that assists with assessments of digital capabilities, supporting technology and propositions to attract and retain customers.

Over the next three years, the majority of Aviva’s growth will continue to come from its broker channel, Somerville says, so the insurer “will continue



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supporting brokers who are willing to make the required investments to stay relevant and deliver value to their customers.” “The broker value proposition of advice, advocacy and choice is a strong one, and we want to enable our brokers to deliver this in a way that respects the preference of the customer.”

“Innovation” is synonymous with Aviva’s future plans, Somerville adds. The insurer will continue creating innovative solutions in response to the emerging needs of consumers, but with a focus on “moving from protection to prevention.” One example will be premiums levels that recognize the “reduced risk associated with cars that have collision avoidance technology,” Somerville explains. Aviva will also take an active interest in the FSCO Mandate Review discussions.

THE GUARANTEE

While he remains coy about the details, The Guarantee’s CEO Alister Campbell says 2017 will be another year of innovation for the insurer. “I’m confident that there will be true innovation in each of the categories we specialize in, including trade credit insurance, transportation, fidelity and D&O,” he says. “I don’t want to let the cat out of the bag, but one example will be expanding our trade credit insurance product. Trade credit is an under-appreciated opportunity in the Canadian market. Many brokers have clients who are buying it directly from the government, but would buy it through their broker if they knew their broker offered it. Ours is an innovative, proactive solution offering the broker the opportunity to grow new business from existing clients.”

The Guarantee will also launch its overland flood product in January, Campbell adds. “We’ve spent time getting broker feedback and monitoring the market before launch.” GUARANTEE GOLD will offer broadened coverage for increased value to differentiate it from competitive products.

Innovations like their water shut-off valve, offered to its highest value homeowner clients under the Gold Watermark Program, has set a new benchmark for The Guarantee that will continue to drive its innovation agenda as a specialist market leader, Campbell adds.

THE CO-OPERATORS

Client engagement, competitiveness and wealth management will be the top priorities next year, says incoming president and CEO Rob Wesseling.

“We’ll be developing and expanding our advisor network, contact center, self-service and mobile capabilities to enable better client engagement and interaction. It’s a critical requirement that consumers are able to interact with insurers in the way they choose, and mobile is, increasingly, becoming more important,” Wesseling says. “Every product or service being consumed is increasingly being facilitated through mobile, and advisors and brokers should be paying attention to the opportunities around these changing consumer preferences. The industry will need to catch up in this space.”

Next year, the insurer is also rolling out its flood product, Comprehensive Water, to the rest of the country after having launched it in Alberta and Ontario. The plan offers coverage to 100 percent of its homeowner clients, Wesseling says. “In Alberta we’ve had a take-up rate of more than 90 percent. Flooding remains a critical, growing issue for Canadians, and we’re not close to getting this right from a societal basis. But our hope is that, by putting a price on the risk, even in extreme risk areas, we’ll move the conversation along significantly,” he says.

NORTHBRIDGE

Continuing to create truly innovative experiences for brokers and customers will be Northbridge’s key priority next year, says Silvy Wright, president and CEO. “Great customer service remains a key differentiator,” she adds.

The insurer is investing significantly in an innovative claims experience that is already being piloted with great success. The unique mobile app will see a seamless and transparent customer experience, and reduce turnaround times in claims settlement. In its pilot phase on small auto claims, 73 percent of

claims processed through the app were closed within one business day. Wright wants to bring more innovations to market like the insurer's eDelivery, which enables broker partners to send policy documents to customers electronically; and the epost™ solution, which gives personal customers real-time access to policy documents online.

Industry specialization is another key priority in 2017, Wright adds. "The winning solution to our long-term success will be the customer seeing both Northbridge and the broker as an expert in their particular industry," Wright explains.

The insurer works with a limited number of brokers, which allows it to invest in strengthening broker expertise in the industries they cover. "We're focused on building the right expertise in Canada's largest industries, including construction and transport."

CHUBB

2016 marked one of the biggest years in Chubb Canada's history when it was formally acquired by ACE Limited, creating the new P&C company Chubb Insurance Company of Canada. The new Chubb offers significant opportunities for brokers, says Ellen Moore, president and CEO of Chubb Canada. "2017 will be an exciting time to be part of Chubb, as we bring wider distribution of more products to the market," she says. "Whereas ACE worked with just a handful of brokers in Canada, the new Chubb does business with over 500 brokers across the country in four branches, offering at the local level greater commercial products and cross-selling opportunities in both commercial and personal lines."

Brokers are viewing the merger positively "as an industry game changer," Moore says. The four integrated segments Chubb now specializes in have begun to gain momentum and will guide how the company performs in 2017, Moore adds. These are two commercial lines segments (large and middle-market), and two personal lines segments (private risk and A&H).

"With the majority of the integration behind us, in 2017 we can continue to execute the growth strategy Chubb brings to the Canadian marketplace with more products and enhanced relationships with our broker partners."

TRAVELERS

Investing in its people and brokers will be top priorities for Travelers Canada in 2017, says newly appointed president and CEO Heather Masterson.

Masterson categorizes the insurer's 2017 plans into three key priorities: financial and operational excellence, employee engagement, and broker relationships and customer-centricity.

"We're deploying an employee engagement strategy to increase recruitment and retention success, as well as service and productivity."

Brokers can expect even better attention going forward. "We've revisited our broker compensation model and introduced a new compensation agreement to market for our brokers, effective January 2017, which has been well received."

Travelers will be rolling out TRAVELERS OPTIMA™ to Atlantic Canada in late 2017, while enhancing its E-CLIPS™ portal. It's also looking into technological innovation for its main platforms, which can provide its brokers with an opportunity, Masterson says, as an answer to the "digital relevance" strategy for brokers.

One such innovation is their Digital Marketing Tool, launched recently to a pilot group, which gives brokers access to their digital content library, including educational sales materials.

"Emerging technologies are creating an exciting time for the industry. We are committed to understanding the potential impacts, so we can be strategically positioned to help brokers best serve customers in the future." **TB**

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