

POSITION PAPER ELECTRONIC COMMUNICATION WITH THE ONTARIO CONSUMER

JUNE 2017

The Insurance Brokers Association of Ontario (IBAO) is fully committed to working with our broker network and our insurance company partners and vendors, to find solutions to deliver information more efficiently to customers, in the way they want to receive it.

The Government of Ontario released its 2017 budget recently, which included statements: “drivers will benefit from the option of using electronic proof of insurance”. In addition the Ontario government stated, “To ensure that these savings are passed along to the consumer, the government will require that insurers offer a discount to policyholders who choose to receive documents electronically”. (2017 Ontario Budget)

WHAT DOES THIS MEAN?

The Government of Ontario recognizes that more and more consumers are opting for digital solutions, such as accessing information related to billing, banking and other aspects of their daily life, either online or through a mobile app.

Recently, several insurance companies have launched, or are about to launch, consumer service portals and mobile applications which will provide their policyholders with access to some of their information electronically.

HOW IS THE IBAO ADDRESSING THIS?

Insurance company solutions, if accessed directly by consumers, will lead to multiple avenues for consumer communication within any one broker’s office. Creating multiple access points for a consumer to obtain electronic communications from their broker, including e-documents, will be detrimental to the Ontario consumer. Not only will this cause confusion if the consumer has different company policies and avenues through which to access them, it will create a fragmented consumer experience and dilute the broker consumer value proposition and ultimately the broker brand. The inefficiencies that will be introduced through multiple insurance company solutions within a broker’s office will restrict the broker’s ability to evolve digitally through added complexity and hinder our efforts to modernize the broker distribution channel for the Ontario consumer upon which so many of our business partners rely.

In order for brokers to remain relevant in a digital marketplace, it is imperative insurance companies and vendors allow brokers the option to provide the above digital experiences through a broker-chosen solution that brokers control so they can provide a consistent service model for Ontario consumers.

The IBAO and its members expect that the **primary** vehicle for electronic communication with consumers will be provided by the Broker.

Any insurance company that has developed, or is developing a Consumer Service Portal, must ensure that they provide their brokers the opportunity to be the primary conduit for all electronic communication for consumers who choose to obtain insurance products through a broker. The IBAO and its members also expect that insurance companies will only develop consumer self-service solutions IF they offer a similar broker delivered solution prior to, or at the same time. Only in this way will the Ontario consumer have a seamless experience with their broker and realize the true value of using a broker as opposed to being serviced directly by an insurance company.

It is understood that work needs to be done and education provided to enable such services to be put in place within many broker offices throughout the province. The IBAO is committed, in partnership with willing business partners, to ensure that this is done in a timely manner. It will be imperative that insurance companies and industry vendors work to provide this experience through the broker in a timely manner.

If a broker chooses to opt out of providing such services, then and only then, will the IBAO support an insurance company providing such services directly to that broker's customers without the broker being the primary vehicle for such contact. In such cases, any communication with such consumers must be co-branded between the Insurance Company and the broker.

In addition, the Centre of Study of Insurance Operations (CSIO) has developed standards to ensure the data moving between an insurance company and the broker management systems is consistent. We actively encourage both insurance companies and BMS vendors to update their systems based on the latest CSIO standards.



**Insurance Brokers
Association of Ontario**

700-1 Eglinton Avenue East
Toronto, ON M4P 3A1
416 488 7422 | 800 268 8845
www.ibao.org

MOVING FORWARD

IBAO intends to present its members with a comprehensive technology road map in early July to help them identify how to evolve their digital relationship with customers and, at a minimum, to ensure they can service their customers electronically by this coming fall.

Many of IBAO's industry partners are very supportive of our efforts to move the broker network forward and have consumers' interests upfront and foremost. Given market conditions, time is of the essence, and we request that those insurance companies and vendors that rely on the broker network for their business models to step forward and join us in our efforts to deliver electronic consumer communication through the broker.

This positioning paper has been issued with the full weight and support of the broker associations across Canada, as undersigned by each President of their respective association, and our national association, Insurance Brokers Association of Canada (IBAC).

We look forward to many productive conversations and meetings over the coming weeks with industry partners committed to the Broker distribution channel.

COLIN M SIMPSON
CEO, IBAO
csimpson@ibao.on.ca
Cell: 416.407.0677

TRACI BOLAND
President, IBAO
tboland@ontariowest.ca
Cell: 519.852.1679

OWNED & PRESENTED BY THE IBAO TECHNOLOGY COMMITTEE:

Greg Kruk (Chair), Traci Boland, Jeff Jones, Michael Loeters, Jamie Martyn, Adam Mitchell, Rick Orr, Jeff Roy, Colin Simpson, Tim Wylie, Danish Yusuf

ISSUED WITH THE FULL SUPPORT OF:

ROBERT HARRISON
President, Insurance Brokers Association of Canada (IBAC)

LINDA DOLAN
President, Insurance Brokers Association of British Columbia (IBABC)





**Insurance Brokers
Association of Ontario**

700-1 Eglinton Avenue East
Toronto, ON M4P 3A1
416 488 7422 | 800 268 8845
www.ibao.org

GERRY BAERT

President, Insurance Brokers Association of Alberta (IBAA)

BLAIR ANDREW

President, Insurance Brokers Association of Saskatchewan (IBAS)

DARREN PETERS

President, Insurance Brokers Association of Manitoba (IBAM)

JAY KIMBALL

President, Insurance Brokers Association of New Brunswick (IBANB)

KATHLEEN ANN RAKE

President, Regroupement des cabinets de courtage d'assurance du Québec (RCCAQ)

KENT ROWE

President, Insurance Brokers Association of Newfoundland (IBAN)

CATHIE ROBSKI

President, Insurance Brokers Association of Nova Scotia (IBANS)

MICHAEL LOETERS

President, Toronto Insurance Conference (TIC)