



**Insurance Institute**

**PARTNERS IN EDUCATION**

The Insurance Institutes of Canada and of Newfoundland and Labrador respond to the OLIVER WYMAN REPORT:  
Minor Injury Reform Cost Estimates — Private Passenger Automobiles; Newfoundland and Labrador Insurance Industry.

**June 1, 2018**

## **PARTNERS IN EDUCATION**

### **INTRODUCTION**

The Insurance Institutes of Canada and of Newfoundland and Labrador are pleased to respond to The Board of Commissioners of Public Utilities (The Board) in its consideration of Oliver Wyman's report concerning, "Minor Injury Reform Cost Estimates in Private Passenger Automobiles".

Our observations are made as not-for-profit educators and examiners; partners to both our industry and the regulator. It is our duty at the Insurance Institute (the Institute) to foster and maintain the culture of professionalism that consumers in Newfoundland and Labrador enjoy today from the property and casualty (p&c) insurance industry—insuring their homes, cars and businesses.

In this paper we provide an overview of the Institute's contribution to our industry's professionalism and its high ethical standards. We also reaffirm our commitment as educators. Over the decades, the Institute has trained tens of thousands of individuals for every business climate and we are prepared to teach the details for auto insurance in NL however they unfold.

#### **The Insurance Institute**

In 1952 the various insurance institutes across Canada joined to form the national organization we now know as The Insurance Institute of Canada. Today there are nineteen institutes and chapters across Canada, including the one in Newfoundland and Labrador. Together, we partner with the Institute for Global Insurance Education (IGIE), a worldwide network of sister-institutes focused on the professionalization of insurance services and securing the confidence of consumers internationally.

The Institute operates on a non-profit and non-partisan basis, governed by a Board of Governors and still committed to its founding purpose:

*"To co-operate with all organizations, both insurance and educational, in the interests of insurance education, all to the end that the service of the business to the insuring public and to Canada generally will be maintained and enhanced, and the efficiency, progress and general development of the business will be promoted."*

Almost 70 years later, in NL and across Canada, every employment sector of the P&C insurance business comes within the Institute's umbrella. This includes brokers, broker-represented insurers, direct writing insurers, crown-owned insurance companies, managing general agents, reinsurers, independent adjusters, and risk managers, plus others in the related financial services.

These professionals all contribute to consumer service in a way that demystifies insurance and matches the customer's individual needs.

#### **The Institute at a Glance:**

- Bilingual education and service
- 39,000 total members nationally
- 18,000 of these hold the Chartered Insurance Professional designation
- We offer three formal designation programs through classroom, virtual and independent study:
  - Chartered Insurance Professional (CIP)
  - Advanced Chartered Insurance Professional (CIP {Adv})
  - Fellow Chartered Insurance Professional (FCIP)

- Administers 3,000 licensing exams annually
- Partners with community colleges and universities to provide full-time post-secondary insurance programs
- Authors dozens of customized programs, texts, examinations, textbooks

The Institute's cumulative impact on the professionalization of the insurance industry in Canada is profound.

NL's consumers have the benefit of a p&c insurance industry with long roots in the ethical provision of services, the result of decades of CIPs building on best practices and advancing standards.

All of the Institute's training is informed by our partners in industry, education and government. There is no gap between what is taught in class and what is required in real-world practice. This allows us to foster clarity and uniformity while providing a framework through which individuals can apply principles custom-suited to the variables present in each situation.

At each stage of the insurance professional's career the Institute offers training in the business of insurance, including licensing education for both adjusters and brokers.

As a partner of provincial superintendents of insurance, our courses, texts and examinations lead to the licensing of Agents, Brokers and Adjusters in all four Atlantic Provinces. In the Western provinces, the Institute also acts as the course and examining body for licensing candidates. For more than a 50 years, the Ontario Ministry of Finance and its regulator, FSCO, have relied on the Institute as the examining body for licensing insurance agents.

In turn, we rely on representatives from throughout the insurance industry and regulatory community to serve as subject matter experts who help develop course material for the Institute's licensing curriculum. This ensures the relevance of study content to the licensing examinations and provides a real-world perspective that aligns with the provincial broker skills profile.

We provide formal education that leads to the Chartered Insurance Professional (CIP) designation. It includes an applied professionals' stream specifically designed for adjusters. The CIP program also has automobile insurance as a core mandatory component with separate textbooks covering the specific requirements of each province.

Additionally, we are pleased to offer seminars on many topics including those related to automobile insurance as well as an adjusters training program that includes the course, "Understanding Serious Injury".

The Institute is very mindful of our responsibility to help the CIP community and others in the business stay abreast of developments that bear on educational needs and ethical considerations. With this in mind, we are proactive in scheduling topics quickly so that members nationally can stay up-to-date with changes in all areas of practice.

These are just some examples of the invaluable real-world training that ever more closely ties the Institute and its members to the principles of technical knowledge and ethical grounding.

Over time, an insurance professional with their CIP designation may go on to achieve the higher designations of "CIP Advanced" and "Fellow Chartered Insurance Professional (FCIP)", deepening their level of knowledge and professionalism.

The P&C insurance industry has changed many times since the first Insurance Institute was founded in 1899. As a reliable partner to industry, it was ready at each stage with the education and knowledge CIPs needed in order to instil confidence with their clients and abide at all times by the standard of utmost good faith.

This has been true under a variety of regulatory approaches over the years. And as the regulatory environment shifts again, we maintain our commitment to society and our partnership with industry to prepare an educated and ethical workforce of insurance professionals.

As the current market environment unfolds, and as provinces adjust their regulations in order to stay abreast, the expertise and guidance of a CIP will become ever more important.

We hope this paper has illustrated how the Institute has, is, and will remain the Board's partner in educating those employed in the industry. It's our overarching goal to have knowledgeable professionals serving the public's property & casualty insurance needs.

With so many parts of the insurance and regulatory process on the move, the Institute and its community of Chartered Insurance Professionals are a source of continuity and stability for the industry. With institutional knowledge and a record of fairness based in over a hundred years of service, we have a great deal to share with all parties involved with insurance markets: government, regulators, insurers and consumers. And we will continue to do so every day with the goal of fulfilling our role well into the future.

Regards,

A handwritten signature in black ink, appearing to read "M Divjak". The signature is written in a cursive, slightly slanted style.

Michael Divjak, BComm, FCIP, CRM  
Vice President, Operations