

Institute prepared to address emerging industry issues

THE INSURANCE Institute of Canada is working to prepare students to take on emerging issues such as cyber risk, the challenging commercial market and technological changes.

The industry's professional development provider had to pivot quickly at the onset of the pandemic last spring to move all of its offerings online and CEO Peter Hohman said the transition went smoothly.

He noted that one of the major challenges in the market right now is on the commercial side, in terms of availability, pricing and increased government attention.

"That leads to the need for specialized commercial knowledge, and we can help develop that by providing comprehensive programs in that area," Mr. Hoahman said.

The institute is offering a three-course commercial insurance certificate program targeting brokers, agents and underwriters that Mr. Hohman said would also benefit adjusters and risk managers.

It is also planning to launch a

three-course MGA program in the first quarter of of this year in collaboration with the Canadian Association of Managing General Agents.

Cyber insurance has been in the spotlight recently, with concerns about extremely high combined ratios for the sector, and the Institute has launched a new Certified Insurance Professional course to help insurance players gain better understand of that line of business.

Meanwhile, the institute is planning to release a paper on artificial intelligence and big data in March.

Coinciding with that release will be a two-day hackathon in partnership with university students and Toronto-based technology incubator Cookhouse Labs.

Students will compete to develop real solutions to topics such as big data and analytics within the p&c industry.

"The idea is we'll introduce this important topic to students and hopefully attract them to graduate into the insurance industry," he said.

Security subject to increasing concern: Cyber risk exposure growing

CYBER security will be a top concern in 2021, as the pandemic led to a rise in the number and size of attacks in Canada.

"Almost overnight as a result of the pandemic, people were transitioned to working remotely, which has only heightened the vulnerabilities associated with that," said George Bozanin, managing partner and head of business development Canada at cyber insurance specialist Coalition Inc.

Small and medium businesses have historically considered themselves less likely to be at risk from cyber attacks, and have not purchased cyber coverage as a result.

"Unfortunately, the facts speak otherwise," Mr. Bozanin said.

"A great majority of them will experience a cyber incident. It's clear that here in Canada many of them remain uninsured despite the fact that this is a very pervasive risk."

Some businesses gain a false sense of security when they purchase any kind of cyber policy, even if it is not sufficient to cover their needs.

"Unlike fire and flood coverage, there's not a sense of a need to mandate coverage (for cyber) but it's going to become more and more prevalent and there's going to be more and more of a need," said Mr. Bozanin.

Along with the vulnerabilities created by the shift to working from home, the pandemic has created the type of economic turmoil that has historically led to a rise in fraud, including cyber crime, said Maria Dalcin, senior VP insurance fraud and operations at Insurance Bureau of Canada.

Three components make up the fraud triangle, she said — increased motivation because of economic distress, increased opportunity caused by the chaos of a crisis, and rationalization, whereby someone can convince themselves the crime is victimless.

Insurance businesses themselves are vulnerable to cyber attacks, warned Patti Kernaghan, president and CEO of Kernaghan Adjusters.

"All of us have to be very careful with how we're using technology and we have to be more mindful of having the right security in place."

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