

Helping you understand and explain hard market trends to your clients



**Did you know?** Severe weather across Canada continues to highlight the financial costs of climate change to insurers.



**In 2018:**

- January storms and floods caused \$54 million in insured damage across Eastern Canada
- A mid-April ice storm that affected southern Ontario and resulted in more than \$190 million in insured damage

## Traits of a hard market

Higher insurance premiums



Less competition among carriers



More stringent underwriting criteria



Reduced capacity and lower limits

## AN INDUSTRY PERSPECTIVE

### Costs are driving premium rate increases

The challenge in pricing insurance is based on market and regulatory framework. **The focus needs to be on mitigation** to get the best rates for your clients.

#### Property rates are increasing

primarily due to weather catastrophes such as floods, wind, hail, and wildfires, across the country.

**Prevention Tips:** Visit our [Climate Smart](#) page to learn how your clients can safeguard their property from weather damage.

**Auto rates are increasing** due to new and increasingly expensive technology in cars, and rising bodily injury costs.

**Prevention Tips:** Good driving habits, and a lack of convictions and losses lower insurance premiums. For more information, visit our [Emerging Trends in Auto](#) takeaway sheet.

## HOW DOES RSA HELP



#### Renewal release:

We release renewals well in advance of policy expiry to allow you time to review policies and examine the variables that could impact your customer's coverage needs.



#### Broker education:

We take the time to educate our brokers on emerging trends and changing economic & regulatory environments, while also providing the resources they need to prepare their clients for changing market conditions.

Learn more at

[www.rsabroker.ca/rsa-advantage/education-training](http://www.rsabroker.ca/rsa-advantage/education-training)



#### Tough conversations:

In order to prepare our brokers for conversations with their clients, we send out regular communications of policy changes well in advance to equip them with tools and information to answer difficult questions.

Login to [BRAVO](#) today to see the latest bulletins in your region

## TOP 5 CHALLENGES IN A HARD MARKET CYCLE



Turning down long-term customers

Dramatic premium increases

Tough conversations with customers

Increased remarketing activities

Customer retention

### Test your knowledge:

1. Which two industries are impacted the most by the hard market in the short run?
2. What are the current market differentiators compared to previous hard market cycles?
3. What is one sure way to minimize the threat of the direct channel in a hard market?
4. Name two previous hard market cycle periods.
5. What is the role of IBC in the hard market?

#### Answers:

1. Commercial property and auto liability
2. We have adequate capacity, no major catalysts, and our interest rates are enough to offset the losses
3. By brokers doing what they do best: providing custom advice for clients tailored to their specific needs.
4. 1980, 2001-2002
5. To work on behalf of insurers to have conversations with government to get reforms and improvements underway

## ADVICE TO BROKERS



Be transparent



Be Informed



Be available



Go beyond customer emails



Build relationship with markets



Take time to explain the market to your customers

### Claims Point<sup>®</sup>

Start your claim now

Improve your customers' claims experience:

Visit [rsabroker.ca/claimspoint](https://rsabroker.ca/claimspoint) to submit new claims and look up existing claim updates/information

**Retaining customers in a hardening market:**  
**Try loyalty programs!**

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