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ISSUE 6.05 | \$12.95



# FIVE-STAR MGAs

Brokers speak out about where  
their MGAs are excelling



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# FIVE-STAR MGAs

**Which Canadian MGAs are outperforming the rest? Heather Turner reports on where brokers said MGAs are excelling – and where they have room to improve**

**CLIENTS' NEEDS** are constantly evolving, as are the needs of the retail brokers who rely MGAs to meet varying and increasingly niche risks. In *Insurance Business Canada's* annual Brokers on MGAs survey, those brokers voiced their top concerns while also commending the MGAs that are setting the standard for the rest to follow.

To gauge which MGAs are among the industry's best, IBC asked brokers to rate their MGAs' performance on a scale of 1 (poor) to 10 (excellent) across 10 business-critical areas, including turnaround time, premium pricing, product range, claims support and technical expertise. Brokers also shared their thoughts on how their MGA partners could improve their service in each of those key areas.

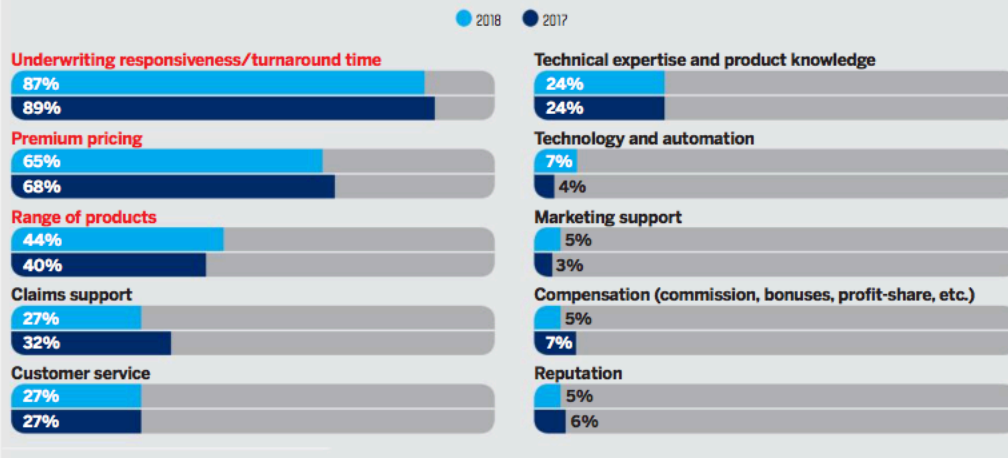
While the three qualities brokers consider most

important in an MGA have remained the same – underwriting responsiveness/turnaround time, premium pricing and range of products – there has been a slight reshuffling of priorities on the other end of the spectrum. Brokers ranked both technology and automation and marketing support as higher priorities this year than reputation and compensation.

Performance-wise, MGAs took quite a hit this year. Every single category, with the exception of claims support, received lower ratings from brokers compared to last year. However, 30 MGAs still managed to score an 8 or higher in at least one category, earning them the title of Five-Star MGA, which represents a slight increase from last year's list of 27 Five-Star MGAs. Read on to find out what else brokers had to say about their MGA partnerships.

## FIVE-STAR MGAs

### WHAT ARE THE MOST IMPORTANT THINGS BROKERS LOOK FOR IN AN MGA PARTNER?



### OVERALL RELATIONSHIP

#### FIVE-STAR MGAs

- \* ABEX
- \* Anderson McTague & Associates
- \* Angus Miller Insurance
- \* Brownstone Insurance Managers
- \* Burns & Wilcox Canada
- \* Cambrian Special Risks
- \* Cansure
- \* CHES Special Risks
- \* Chutter Underwriting Services
- \* Encon Group
- \* Frank Cowan Company
- \* GroupAssur
- \* Milnco Insurance
- \* PAL Insurance Brokers
- \* Premier Canada
- \* Signature Risk Partners
- \* South Western Group
- \* SRIM
- \* Sum Insurance
- \* TCB Underwriters

**WHEN IT** comes to their overall relationship with brokers, MGAs are aware that this is one of the most basic and fundamental aspects of their business, which explains their relatively consistent performance in this area. Although their score dropped quite a bit this year (from 8.64 to 8.34), the category again ranked highest in terms of performance, and 20 MGAs received five-star ratings.

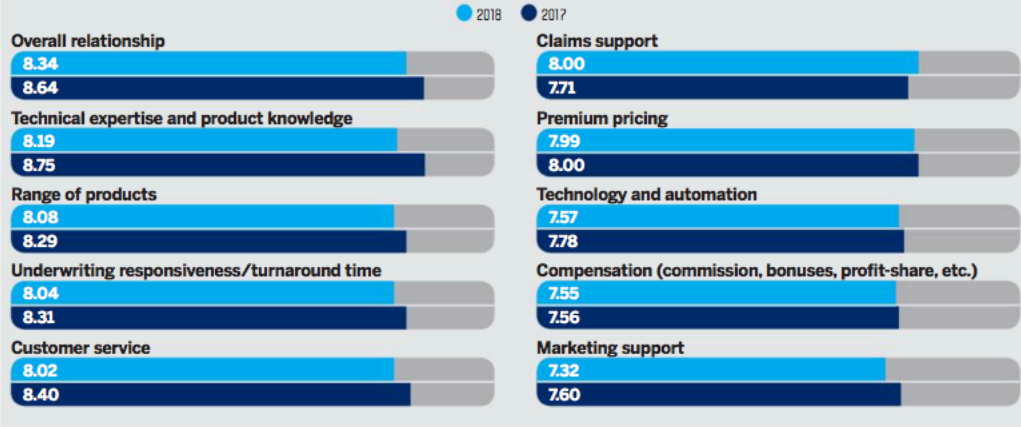
To assess their relationship status, brokers often consider several facets of their MGA's performance and service, and the consistently positive results in the category prove that MGAs know what compels brokers to stay with them in the long run: regular communication and going the extra mile to give brokers what they need. "They are amazing to deal with and are very quick to reply to inquiries. Very rarely do I have to follow up" and "I feel like we have a great relationship with [our MGA], and they are always quick to help us with hard-to-place risks" were a few of brokers' more effusive comments.

However, some brokers who gave relatively high marks have noticed some decline in attentiveness from their MGAs. Brokers remarked that their MGA's representative "used to come in once a month" or "more than once a year," and said they could definitely use "more business development visitations" to keep the MGA attuned to brokers' needs.

Many brokers who gave lower marks referred to communication issues such as delayed responses or a lack of acknowledgement on requests and emails. Any changes in the relationship between the broker and MGA can easily trickle down to the interaction between the broker and client, which is what the business is all about, as one broker reminded his MGA partner: "We must focus on the client's needs, not ours!"



### HOW WELL DID MGAs PERFORM ON AVERAGE?





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# FIVE-STAR MGAs



## TECHNICAL EXPERTISE AND PRODUCT KNOWLEDGE

### FIVE-STAR MGAs

- \* ABEX
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**THIS YEAR**, 19 MGAs earned a five-star rating for their expertise with a variety of products. The category ranked second in terms of the number of five-star MGAs and overall rating, though the latter experienced the sharpest decline from last year of any category, plunging from a score of 8.75 to 8.19.

Brokers were most frustrated with MGAs whose underwriters fail to show initiative in this area and are not living up to their role as advisors. As one broker put it bluntly, "It's not helpful if I asked a question and the response is a blank email with a wording attached. If I asked a question, that means I've already looked through the wording and couldn't figure it out."

Others called for their underwriters to "make recommendations if they see a coverage that would most likely apply to a risk," give "more suggestions on complex risks" and have "restrictions/exclusions on relevant coverage items identified proactively" instead of leaving the brokers to pore over the documents on their own. "[It's] really educating the brokers," one respondent said. "I know some brokers really rely on underwriters' knowledge."

Other brokers noted that it's simply a matter of giving them more time and more training, especially for the "newer staff [who] still have strides to make." For those MGAs that are doing exceptionally well in this area, brokers were quick to acknowledge that they're "absolute brains" and "have vast knowledge of all the products inquired about."

## RANGE OF PRODUCTS

### FIVE-STAR MGAs

- \* ABEX
- \* Anderson McTague & Associates
- \* Angus Miller Insurance
- \* April Canada
- \* Brownstone Insurance Managers
- \* Burns & Wilcox Canada
- \* Cambrian Special Risks
- \* Cansure
- \* CHES Special Risks
- \* Chutter Underwriting Services
- \* GroupAssur
- \* GroupOne Insurance Services
- \* PAL Insurance Brokers
- \* Pistagnesi Doyon
- \* Signature Risk Partners
- \* South Western Group
- \* Sports & Fitness Insurance Canada
- \* SRIM
- \* Sum Insurance

**PRODUCT RANGE** remains one of the top three qualities brokers look for in an MGA partner - 44% of respondents named this area as a priority. This time around, performance seems to be on par, as the category also placed third based on its overall rating.

A number of positive reviews went beyond mentions of product range and variety to include flexibility, thoroughness, and ease of access and process: "They offer a large variety of products; if they haven't heard of what I'm asking about, they inquire and accommodate," said one broker. "Good variety with easy access on the portal," said another.

When it comes to products, brokers aren't just looking for breadth - those working in niche markets appreciate specialist MGA partners who "focus on what they do best." As one respondent put it: "[They] can't really be an expert in all areas," adding that pricing also affects how much an MGA can offer. Still, most brokers would welcome expanded offerings when possible, and perhaps "a little more room for some of the smaller risk types."

Beyond the existing range of options, brokers are also looking for an MGA that's responsive to market changes. One broker remarked that "new product features and extensions are constantly evolving, [and] there is a need to keep up as best as possible." Another urged his MGA to "continue [their] responsive innovation." More specifically, one respondent mentioned that marijuana legalization is "just around the corner" and noted that "there is a lack of information on how various markets plan on handling these needs in the future."

## FIVE-STAR MGAs

### UNDERWRITING RESPONSIVENESS/TURNAROUND TIME

#### FIVE-STAR MGAs

- ✦ ABEX
- ✦ Anderson McTague & Associates
- ✦ Angus Miller Insurance
- ✦ Brownstone Insurance Managers
- ✦ Cambrian Special Risks
- ✦ Chutter Underwriting Services
- ✦ Frank Cowan Company
- ✦ Milnco Insurance
- ✦ PAL Insurance Brokers
- ✦ Premier Canada
- ✦ Signature Risk Partners
- ✦ Sports & Fitness Insurance Canada
- ✦ SRIM
- ✦ Sum Insurance
- ✦ TCB Underwriters

**AS ALWAYS**, underwriting responsiveness and turnaround time remains the most important aspect for brokers when assessing an MGA partner; however, MGAs have yet to keep up in terms of their performance. Consistent with last year, underwriting responsiveness and turnaround time was MGAs' fourth best-performing category, though the average score slid to 8.04, down from 8.31 in 2017.

Despite the dip in rating, several MGAs were able to outperform others, leaving their broker partners pretty satisfied with the status quo, commenting that things are "pretty good as it stands" and "hard to improve, as sometimes [turnaround] is [the] same day." For brokers, it's not just about receiving quotes quickly, but also getting prompt answers to their calls and emails; a couple of others also mentioned that having an online quoting option can make quite a difference.

Understandably, "no one is 100% all the time," and some brokers noted that delays might be due to volume/peak season demands or "the London connection." While brokers understand that these instances are often out of MGAs' control, they would like to see better communication in these cases. Some brokers stressed the importance of receiving a response within a day or two, because "more than two days is unacceptable to our customers." They added that if the MGA cannot respond on time because the underwriters have yet to find the answer, they should "advise instead of just letting an email sit in the inbox unanswered."

### WHAT DO BROKERS WANT?

IBC asked brokers for their suggestions on how MGAs can improve their service. Here's what they had to say:

🏠🏠 "A system that produces binders would be beneficial"

🏠🏠 "Adoption of technology to improve connectivity to brokers"

🏠🏠 "Apart from competitive pricing and products, the relationship they are willing to build with our brokerage speaks loudest"

🏠🏠 "Better claims team that is geared to work with the broker"

🏠🏠 "A summary of coverage to forward to the client with the quote, not just all the wordings and endorsements"

🏠🏠 "Increase staffing and provide training by area, focusing on geographical needs. Train underwriters to understand how the operations of the risks they are insuring actually work"

🏠🏠 "Follow up with quotes; find out what is working and what is not working"

🏠🏠 "Many MGAs appear to write everything but are only competitive on a few areas. Focus on areas where you have underwriting expertise and own it"

🏠🏠 "If you are working on something for us, let us know that you are working on it and if we can expect to hear back in a couple of days. It's always nice just knowing that you're handling it instead of not hearing from you until you have it done"



**CUSTOMER SERVICE**

**FIVE-STAR MGAs**

- ★ Agile Underwriting Solutions
- ★ Anderson McTague & Associates
- ★ Angus Miller Insurance
- ★ Brownstone Insurance Managers
- ★ Burns & Wilcox Canada
- ★ Cambrian Special Risks
- ★ Chutter Underwriting Services
- ★ Encon Group
- ★ Frank Cowan Company
- ★ i3 Underwriting
- ★ Lions Gate Underwriting
- ★ Milnco Insurance
- ★ PAL Insurance Brokers
- ★ Signature Risk Partners
- ★ SRIM
- ★ TCB Underwriters

**MGAs' CUSTOMER** service satisfaction is largely linked to underwriters' performance. Brokers are generally pleased when underwriters are "friendly and easy to deal with" and when they get prompt responses to their emails and calls. On the whole, it seems MGAs are upholding this standard – 16 companies received five-star ratings for customer service – although their average performance did take quite a dive from last year, slipping from 8.40 to 8.02.

Most of brokers' complaints about customer service revolved around responsiveness and turnaround time. One respondent asked for "easier access to underwriters," while another remarked that his MGA was "OK once nudged," which suggests a lack of initiative. One broker in particular was dismayed that "certain underwriters are not shy to let you know that you are not a priority on their to-do list" – a clear customer-service blunder.

Another measure of an MGA's customer service is the claims experience and support provided, although many brokers said they have yet to experience this aspect of their MGA. One broker did ask for his MGA to step up service in this area by "sending out claims notices to brokers to confirm [when a] claim [is] open and once [it's] closed."



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## FIVE-STAR MGAs



### CLAIMS SUPPORT

#### FIVE-STAR MGAs

- \* ABEX
- \* Anderson McTague & Associates
- \* Angus Miller Insurance
- \* Cambrian Special Risks
- \* Chutter Underwriting Services
- \* Encon Group
- \* i3 Underwriting
- \* O2 Insurance Services
- \* PAL Insurance Brokers
- \* Pistagnesi Doyon
- \* Signature Risk Partners
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- \* TCB Underwriters

**BROKERS WERE** asked to rate their MGAs' claims support performance only if they'd had claims experience (only 46% of respondents did). Overall, MGAs seemed to have really improved in this area this year – it's the only category that received a bump in rating, going from a score of 7.71 to 8.00, and 13 MGAs earned five-star status for their claims support.

Performance was mixed among those who have experienced claims, although a number of brokers stressed that their claims experience has been limited. Some brokers commented that the MGAs they work with don't really provide much support for claims or that claims service really has to more to do with the MGA's choice of insurer. Those who

**“I didn't hear from the adjuster and had to go elsewhere for answers”**

did have positive experiences applauded their MGAs for “being willing to intervene with the company to move the response along” and “keeping the broker in the loop.” One broker cited feedback from a client, who said that “the experience and the quick response were great.”

Brokers whose MGA partners failed to live up to expectations mostly complained of slow responses and a lack of communication. “I didn't hear from the adjuster and had to go elsewhere for answers, even though coverage was not afforded under the policy,” one respondent reported. A couple of others mentioned that claims experience is often dependent on the adjuster or adjusting firm's familiarity with the product and way of interpreting the wording, which one noted could be different from other insurance companies.

### PREMIUM PRICING

#### FIVE-STAR MGAs

- \* Anderson McTague & Associates
- \* Angus Miller Insurance
- \* April Canada
- \* Brownstone Insurance Managers
- \* Cambrian Special Risks
- \* CHES Special Risks
- \* Chutter Underwriting Services
- \* Frank Cowan Company
- \* GroupAssur
- \* GroupOne Insurance Services
- \* Milnco Insurance
- \* PAL Insurance Brokers
- \* Signature Risk Partners
- \* SRIM
- \* Sum Insurance
- \* TCB Underwriters
- \* Totten Insurance Group

**PREMIUM PRICING** remains the second most important factor for brokers when choosing an MGA, but performance-wise, it hasn't yet managed to move past sixth place. However, the good news is that the overall score for premium pricing has remained pretty much the same: 7.99 this year, compared to 8.00 last year.

Those who found pricing satisfactory took into consideration the fact that they're working with hard-to-place risks. Brokers acknowledged that “pricing is fair for the most part, but they are still high on certain sectors,” and “it's due to markets and the type of risks, so [there's] not much to be done.” Others said they're more willing to pay a higher premium when they can spot certain advantages, such as good response time and product selection. On that note, a few respondents mentioned the need for better pricing for special events/events liability, as well as property exposures that can get quite expensive.

Some brokers also noted that having additional fees on top of the premium can make it seem like prices are too expensive. One broker suggested that MGAs “incorporate the underwriting fee into the premium, instead of charging it separately,” while another recommended applying “tiered fees [that] may be more effective at different premium price points.”

Brokers also came through with several suggestions that could make pricing seem more competitive, such as providing value-added services like direct billing, ensuring policies are issued and sent through together with the premium notice, offering more exclusive products, and exercising flexibility.



# FIVE-STAR MGAs



## TECHNOLOGY AND AUTOMATION

### FIVE-STAR MGAs

- ★ Angus Miller Insurance
- ★ Brownstone Insurance Managers
- ★ Cambrian Special Risks
- ★ PAL Insurance Brokers
- ★ Premier Canada
- ★ Signature Risk Partners
- ★ TCB Underwriters

**UNLIKE LAST** year, when technology and automation placed second to last in terms of priority, brokers ranked this category as more important than marketing support, reputation and even compensation this year. Performance-wise, it came in eighth, following a drop in the average score from 7.78 to 7.57.

The majority of brokers noted the need for better access, a better online portal, more web-based application forms/processes and online quoting for certain products. The use of email received mixed reviews – some brokers are happy to stick with their MGAs' current email system as long as the documents they need arrive on time, while others feel MGAs should consider shifting to an online system, since documents can get quite large and difficult to edit over email.

Ultimately, technology is all about making things easier and faster for brokers and giving them the option to do things at their pace. One broker was pleased that his MGA allowed him to “issue policies on [my] own, attach documents and get policy documents immediately,” while others commended their MGAs for a “great portal” and a “website [that] is very easy to navigate and user-friendly.” Even one broker whose MGA has “limited tech [options]” noted that “they make up for it with quick turnaround.” Several others commented that their MGAs' current setup is good enough and noted that “if it works as it is, don't mess with it.”

## COMPENSATION (COMMISSION, BONUSES, PROFIT-SHARE)

### FIVE-STAR MGAs

- ★ Agile Underwriting Solutions
- ★ Anderson McTague & Associates
- ★ Angus Miller Insurance
- ★ Cambrian Special Risks
- ★ Chutter Underwriting Services
- ★ GroupOne Insurance Services
- ★ Milnco Insurance
- ★ TCB Underwriters

**MGAs PERFORMED** about the same as last year in terms of the compensation they offer to retail partners, achieving a score of 7.55 compared to last year's 7.56, and eight MGAs earned a five-star rating – just one fewer than 2017.

Many brokers readily admit that they'll “always want more” commission, though a good number admitted that their MGAs have been quite fair with compensation. One of the top performers for this category was commended for not charging policy fees, and several brokers concurred that MGAs should consider reducing or waiving their fees in lieu of an increase in commission. Many others called for a 20% commission, which would help cover the extra fees they have to pay. Still, this category remains a relatively low priority for brokers – as one put it matter-of-factly: “[It's] all pretty standard [and] not as important as actually finding a solution for the insured.”

## MARKETING SUPPORT

### FIVE-STAR MGAs

- ★ Anderson McTague & Associates
- ★ Cambrian Special Risks
- ★ Milnco Insurance
- ★ PAL Insurance Brokers
- ★ Signature Risk Partners

**WHILE MGAs'** marketing support has always been the least important area for brokers, this time it managed to edge out two other categories – compensation and reputation. However, it looks like MGAs have mostly heeded brokers' advice and shifted their attention elsewhere, which would explain why marketing support placed last in terms of performance this time, scoring just 7.32 out of 10.

## It looks like MGAs have mostly heeded brokers' advice and shifted their attention elsewhere

Most brokers said they haven't experienced marketing support from their MGA and/or don't consider it to be particularly important. The few who gave more specific feedback all stressed the same thing: the importance of receiving regular communication and updates about products and coverages, including reminders about existing offerings that brokers might have forgotten about or not heard of.

# FIVE-STAR MGAs



## FIVE-STAR MGAs BY CATEGORY

MGA	Overall relationship	Technical expertise and product knowledge	Range of products	Underwriting responsiveness/turnaround time	Customer service	Claims support	Premium pricing	Technology and automation	Compensation	Marketing support
ABEX	●	●	●	●		●				
Agile Underwriting Solutions					●				●	
Anderson McTague & Associates	●	●	●	●	●	●	●		●	●
Angus Miller Insurance	●	●	●	●	●	●	●	●	●	
April Canada			●				●			
Brownstone Insurance Managers	●	●	●	●	●		●	●		
Burns & Wilcox Canada	●	●	●		●					
Cambrian Special Risks	●	●	●	●	●	●	●	●	●	●
Cansure	●		●							
CHES Special Risks	●		●				●			
Chutter Underwriting Services	●	●	●	●	●	●	●		●	
Encon Group Inc.	●	●			●	●				
Frank Cowan Company	●	●		●	●		●			
GroupAssur	●		●				●			
GroupOne Insurance Services			●				●		●	
i3 Underwriting					●	●				
KBK Insurance Canada		●								
Lions Gate Underwriting					●					
Milnco Insurance	●	●		●	●		●		●	●
O2 Insurance Services		●				●				
PAL Insurance Brokers	●	●	●	●	●	●	●	●		●
Pistagnesi Doyon			●			●				
Premier Canada	●	●		●				●		
Signature Risk Partners	●	●	●	●	●	●	●	●		●
South Western Group	●	●	●							
Sports & Fitness Insurance Canada			●	●						
SRIM	●	●	●	●	●	●	●			
Sum Insurance	●	●	●	●			●			
TCB Underwriters	●	●		●	●	●	●	●	●	
Totten Insurance Group							●			