

FW ThanksMeetingNext Steps

From: Grant Wainikka <grant@ibam.mb.ca>
Sent: Friday, October 18, 2019 1:27 PM
To: Jennifer Sokal
Subject: FW: Thanks/Meeting/Next Steps

Please see below:

From: Grant Wainikka
Sent: June 20, 2019 4:03 PM
To: BGraham@mpi.mb.ca; CWennberg@mpi.mb.ca
Cc: Susan Gilbert <sgilbert@miginsurance.ca>
Subject: Thanks/Meeting/Next Steps

Ben and Curtis - Thanks so much for your time last Friday. I think we can all agree that in person meetings are productive and add a lot of value.

The following are some takeaways from our discussion:

* There is concern on the part of IBAM and MPI that, with the current extension to the compensation agreement expiring in February 2021 we could find ourselves out of space and time to properly address this. We discussed the newly created BC Accord between IBABC, ICBC and CUISA that is effective July 1, 2019 to January 1, 2027. This accord recognizes that ICBC is heading into a period of significant change and transition and require a way to work through the challenges of defining future state while providing service to British Columbians. Specifically, here are some key points in wording in the introduction to the accord that allow all parties to take a breath by taking the fear of what might happen with compensation out of the picture while they work collaboratively on a solution:

“ICBC’s strategic priorities over the term of the accord will focus on implementing the Rate Affordability Action Plan while working with our brokers to continue to provide great service to our customers.... will engage and seek advice through consultation and collaboration in the development and discussion on this transformational change This accord is designed to guide and facilitate this journey with brokers. The broker is the sole distributor of Autoplan...recognize the need to be responsive to changing customer expectations on how a complex insurance product can be delivered in a cost effective manner while at the same time ensuring

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that the customer has the right coverage for their unique circumstances...financial health and stability of the distribution system is critical to fulfill our joint vision of the future..."

This type of assurance for MPI's distribution system will facilitate collaborative work in defining new delivery models. It puts to rest the concern of viability of brokerage locations as well as uncertainty around succession planning, mergers and acquisitions, technology upgrades, etc. Our suggestion would be to get compensation looked after in a long-term view in mid-2020 and the path forward to this is to ensure there is agreement to guiding principles that would become the basis from which an accord could be built.

* There was also discussion with respect to MPI going direct online. This is something IBAM and its membership remain opposed to unless both MPI and IBAM can agree on some specific services moving to an online direct model. We will continue to press to have this addressed in the guiding principles.

* I believe MPI and IBAM agreed that we should consider starting discussions in areas that are uncontroversial. For example, how would broker websites/BMS systems integrate with MPI back-end systems? What would the customer experience look like? etc. etc. These are topic areas that we will need to address in the future in any event.

IBAM is ready and willing to get going on our next gen and compensation discussions.

Please let us know when you would like to have a kick-off meeting.

Thanks.

-Grant & Susan