

Member Insurance Task Force Phase 1 Recommendation Report

Date: December 10, 2018
To: Editors' Association of Canada National Executive Committee
From: Member Insurance Task Force
Subject: Phase 1 Report and Recommended Next Steps

Task Force Charge

1. To determine the following:
 - Whether it is worthwhile recommending to members to have various kinds of insurance (disability, liability, life, home, auto) and, if so, how.
 - Whether insurance currently offered to members (liability, disability, life) is worth continuing and, if so, in what manner.
 - Whether other types of insurance (home, auto) are worth offering to members and, if so, in what manner.
2. Phase 1: Research and recommendations

Overview of Task Force Work Plan:

Principally by email, the Task Force has completed the following:

- Discussions of the Task Force Charge
- Sharing personal and work-related insurance experience, including details of pertinent offline discussions with insurance colleagues and subject matter experts
- Development of survey questions and wording to cover the Task Force Charge questions
- Creation of survey using SurveyMonkey; the *Help us improve our insurance products and services / Aidez-nous à améliorer nos produits et services d'assurance* survey sent to NEC for review, approval and distribution to members (October distribution)
- Sharing of survey results
- Skype meeting held to discuss survey results and recommendations to NEC
- Phase 1 Recommendation Report created and sent to all task force members for review and revision.

Summary of Task Force Findings:

Survey Results

The survey of members yielded 198 responses (15% of members), completed mainly by freelancers (75%), followed by salaried employees (22%). Respondents were half from Ontario, with about 15% from Quebec, 17% from BC, 12% from the Prairies and 5% from the Atlantic provinces.

Statistically, while the number of respondents is not high, it is probably valid, as the geographic breakdown is similar to that of the general membership.

The high proportion of freelancers suggests a non-response bias; freelancers were probably more likely to complete the survey because they were more interested in insurance.

Respondents were asked whether they had certain types of insurance, through Editors Canada or another provider, and whether they didn't want that type of insurance. The table shows the breakdown of responses (percentages are rounded).

| Type of insurance | Current have type of insurance | | Don't have | Don't want |
|--|--------------------------------|------------------------|------------|------------|
| | Through another provider | Through Editors Canada | | |
| Professional liability or errors/omissions | 13% | 2% | 67% | 19% |
| Life | 57% | 0% | 32% | 11% |
| Disability | 41% | 1% | 51% | 7% |
| Critical illness | 38% | <1% | 54% | 8% |
| Health and dental | 66% | <1% | 30% | 4% |

When asked whether they would be interested in a bundle of insurance offered through Editors Canada, 70% responded positively and 30% negatively. For professional liability or errors/omissions insurance, 85% of respondents said their clients do not require this, but 15% said they do need to meet this requirement.

The comments reflected the insurance needs of respondents. Many were interested in life and health insurance, but wanted to be able to choose which types of insurance they needed, rather than having to accept a "bundle" of many types of insurance together. They also need the premiums to be reasonable, and some mentioned the discounts available through group insurance. Some are facing critical situations concerning dental and drug coverage. One is keeping a part-time job in addition to freelance specifically because of the benefits.

Sample responses – Various insurance options:

"Offering affordable and adaptable insurance packages is a great benefit for members."

"If possible, "cafeteria-style" would be best: where one can choose specific kinds of insurance without having to purchase a full package."

"The type of insurance I would be most interested in is health insurance that goes beyond the public health plan, to include dental and travel insurance."

“... Once I retire, I will have to customize my coverage: dental, extended health, life insurance, etc. Bundling saves \$ and is the recommended way to go, especially for freelancers who need both business and other insurance.

Sample responses – Pricing:

“I would be interested in an insurance package if it were an affordable option.”

“I am not interested in raising membership dues for any insurance purposes.”

“Would love discounted health and dental!!!”

There were numerous comments on errors and omissions (E&O) insurance. Some clients are requiring it, others aren't, and sometimes the editors have argued that it is not needed – with or without success. Some respondents were concerned that requirements for E&O insurance are not justified and suggested Editors Canada communicate with clients about why. Many respondents are required to hold professional liability (general commercial) insurance but not E&O. Yet some respondents said they would hold E&O insurance even if clients didn't ask for it. One complained that Editors Canada's current provider (Affinity) did not return phone calls about E&O insurance, and another said their decision to remain a member would be affected by whether E&O insurance were available. Some mentioned lack of information about cost of E&O insurance and the high price once they had inquired.

Sample responses – E&O insurance:

“As a freelancer, I would really like the option to get E & O insurance through Editors Canada, and the availability of a good plan would impact my decision to renew my Editors Canada membership... For those of us who simply want to buy E & O insurance through Editors Canada, the process seems unnecessarily complicated...”

“My clients don't require E&O and liability insurance, but if it were easy to acquire and reasonably priced, I'd like to purchase it.”

« J'ai moi-même magasiné pour une assurance professionnelle le printemps dernier, et c'est très cher. Ça me coûte 1500\$ par année pour erreur et omission et pour une protection contre le piratage de documents confidentiels. J'étais déçue que Réviseurs Canada n'en offre pas à ses membres, car ce serait moins cher en groupe. »

“Suggest check with fed, prov govts to see what insurance they require and why. Then make sure what EAC offers can fit that.”

“...These contracts (especially from govt) have been created by lawyers who are covering all bases. We have simply negotiated them out of the contract, and there has never been any problem. This message needs to be promoted to the membership -- E&O insurance is ridiculously expensive and with a well-crafted contract (and even without), it is a very rare case that a client could make a case of editor liability ... despite what they may say.”

« Je pense que la demande d'une assurance responsabilité/erreurs/omission par un client est injustifiée (pour plusieurs raisons) et que Réviseurs Canada devrait plutôt faire des représentations en ce sens auprès des organisations qui en demandent. »

Sample survey responses – Current insurance broker:

“I looked into the previous package offered through Editors Canada and found a better package with broader coverage through my own inquiries.”

“I did try to contact the current insurance provider listed on the Editors Canada website (Affinity Insurance) for a quote on E&O/CGL insurance, but no one ever got back to me.”

Preliminary Findings

Enquiries made by task force members reveal that Canadian insurance companies tend to be in either commercial and home/auto insurance or in life/health insurance. In addition, some companies do not offer insurance in all provinces, and particularly in Quebec. This suggests that we may need to make a coordinated plan with several companies to cover all types of insurance and all provinces to offer the range of insurance options that is considered appropriate for EC members.

It has been suggested, however, that certain larger insurance providers *may* be able to collaborate with other companies to seamlessly present a group insurance package to EC members that would make available all the options we have mentioned. This possibility remains to be determined. A Request for Proposals (RFP) process could be used to obtain serious offers from insurance providers.

Finding a company or companies that can serve all provinces of Canada presents a challenge due to significant differences between the insurance legislation in various jurisdictions. In addition, all services must be available in both English and French, which is another reason why it may be necessary to deal with more than one company.

Suggestion from survey participant:

« La Personnelle, assurances générales (Québec) et La Personnelle, compagnie d'assurances (autres provinces et territoires) offrent des programmes avantageux d'assurance de dommages pour les groupes. En tant que membre de Réviseurs Canada, les membres pourraient avoir accès à des tarifs privilégiés pour leurs assurance auto et habitation si une entente de partenariat était conclue. Peut-être que cette offre pourrait être examinée par le groupe de travail. »

Task Force Recommendations:

The Task Force agrees that the provision of a flexible insurance package to EC members is a sound idea that has significant membership support. Based on preliminary discussions with insurance industry professionals, the Task Force requests the opportunity to further research the possibility and limitations of developing a group-based insurance package with the desired optional components.

With that opportunity granted, the Task Force would research in greater detail the matters discussed above. In Phase 2, a database would be created with insurance provider names, products and costs. With this data, the Task Force would be in a better position to recommend the most appropriate insurance provider(s) of a flexible insurance package that would align with EC members' needs.

Some members commented that their experience with Affinity had not been positive or helpful.

It is also noted that there is currently life and health coverage offered through Investors Group (now IG Wealth). The survey indicates that few members have taken advantage of this insurance, and those who have commented that the rates have not been discounted compared to those of other insurance brokers.

In addition, the creation of a new insurance program will allow the opportunity to work with a different broker or brokers.

With the NEC's go-ahead to begin this research, it is our expectation that the Phase 2 Recommendation Report can be completed in March 2019.

Recommendation 1: Continue to offer a flexible insurance package to EC members. This package should include Professional Liability, E&O, Life and Health (disability, dental, critical illness), and home and auto options.

Recommendation 2: Appoint the existing Task Force members and any others who are interested in participating to continue this process with the following charge:

- Take a deeper dive into the feasibility of offering a customized insurance package comprised of multiple options to EC members.
- Select reliable insurance companies based on cost, service, and coverage. Either counterpart companies that operate in English and in French or bilingual companies would be sought.

Action to Be Taken: The Task Force asks the NEC to adopt the above recommendation to grant the approval to perform deeper research enabling the creation of a relevant insurance provider database from which a recommendation can be made for the selection of insurance provider(s) and insurance products to align with members' needs.

Thank you for your consideration. If needed, the Task Force will send a member to be present at your Board meeting in March 2019.

List of the Task Force Members:

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| NEC task force supervisor | Patricia MacDonald |
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This report, which outlines recommendations for next steps, concludes the Phase 1 work of the Member Insurance Task Force.