



NEWS RELEASE

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Insurance brokers support B.C.'s prosperity, well-being

VANCOUVER –24 April, 2019– The Insurance Brokers Association of B.C. (IBABC) is pleased to acknowledge the results of a national study that measures the economic and social impacts of property and casualty (P&C) insurance brokers in B.C. and across Canada.

“Brokers already know the amazing value they bring to their communities and the economy,” said Shawn Fehr, IBABC president. “Our member brokers’ involvement in their communities extends much further than the offices where they give customers insurance advice or help with a claim. It’s nice to have that value confirmed by the evidence in this survey.”

To fully understand these impacts, the Insurance Brokers Association of Canada (IBAC) engaged Deloitte Canada to analyze the economic contribution generated by the insurance brokerage industry to the national and provincial economies, and to identify a range of social contributions.

In collaboration with IBAC’s 11 Member Associations, Deloitte surveyed 1,770 brokerage owners across Canada and estimated that in 2017, member brokerages contributed approximately \$5.4 billion to Canada's GDP, of which about \$3.3 billion was contribution to labour income. The brokerage industry also sustained an estimated 58,300 FTE (full-time equivalent) jobs in Canada. In other words, every dollar spent on broker business activities generated approximately \$1.49 in total GDP in Canada’s economy. Member brokerages also generate significant production and consumption taxes for the government, estimated to be more than \$480 million in 2017.

In B.C., insurance brokers are nearly on par with the national average with an estimated \$1.43 of value-added to B.C.s economy for every dollar spent on capital and operating expenditures by member brokerages in the province. Plus the average annual wage in the insurance brokerage sector is \$58,300 in B.C. compared to the provincial average of about \$49,000.

The study also illustrates a number of social benefits that insurance brokers bring to their communities. For example, 90% of brokerages surveyed donate financially and 70% of their employees volunteer their time to local charities and social causes.

B.C.’s social benefit stats rank among the highest across the country. B.C. brokerages spent an average of \$59,798 on direct donations and sponsorships and generated an average \$17,662 of charitable donations through fundraisers in 2017. A high percentage of insurance brokerages are able to conduct business in two or more languages in B.C. (68%), and 30% of brokerages are able to conduct businesses in four or more languages.

Many B.C. brokers (97%) also characterize their clients as having an average or above-average level of understanding of the importance of insurance. This high level of consumer understanding in B.C. correlates with the high level of P&C insurance sold in B.C. that’s transacted face-to-face versus online. (85% of sales occur in brokerages’ physical locations in B.C., compared to 78% in other provinces.)

“Customer service is such a large part of being an insurance broker, especially in B.C. with our robust market where brokers compete on service, convenience and expertise,” said Shawn Fehr, IBABC president. “Being involved and getting to know the people in your community means you can better help them when they need to come in as a customer. I’m proud to see that what we do makes a positive difference in our communities.”

About IBABC

The Insurance Brokers Association of B.C. serves as the voice of the general insurance brokerage industry and promotes its members as the premier distributors of insurance products and services in British Columbia. IBABC is the primary provider of pre-licensing and continuing professional education for the general insurance brokers in B.C. IBABC represents the interests of the public and its member brokers to government and to industry stakeholders.

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