

**REMARKS BY**  
**INSURANCE BROKERS ASSOCIATION OF CANADA**  
**TO THE**  
**HOUSE OF COMMONS STANDING COMMITTEE ON ACCESS TO**  
**INFORMATION, PRIVACY AND ETHICS**

**FEBRUARY 13, 2007**

**Check against delivery**

Merci monsieur le Président. Bonjour mesdames et messieurs.

Je m'appelle Steve Masnyk et je suis le directeur des communications de l'association des courtiers d'assurances du Canada.

Par l'entremise de ces 11 membres provinciaux et régionaux, l'association des courtiers d'assurance du Canada représente plus de 30,000 courtiers d'assurance, qui vivent et travaillent dans presque chaque communauté de notre pays.

Avec moi ce matin sont messieurs Bob Kimball, président de l'association, et Peter Fredericks, vice-président.

J'aimerais passer la parole à Monsieur Kimball. pour vous adresser suivi de monsieur Fredericks.

**BOB KIMBALL**

Thank you very much, and good morning everyone.

As Mr. Masnyk mentioned, my name is Bob Kimball and I am the Chairman of the Board of the Insurance Brokers Association of Canada.

I am also a working insurance broker in Sussex NB, a town of 4,500 people. I run a brokerage with 6 employees including my wife and I.

I'd like to give you some background on me so you see where my point of view comes from.

I am a second-generation broker. My father, three brothers, and wife are all brokers. Even my oldest son is working in insurance. The business gets into your blood.

My goal before you this morning is to hopefully provide you with an industry perspective, as well as a working perspective on the issues you were charged in looking into.

Firstly I'd like to commend your dedication in serving the public on an important issue that affects Canadians.

Privacy is one of the cornerstones of our society, and something that should never be willfully compromised.

We live in a world that is now being transformed by the greatest evolution of technology in our history, and safeguards need to be in place to protect Canadians from any abuses of their privacy.

I am here as an insurance broker, so I'll speak on how some of the issues before you affect our profession, and consumers of insurance.

I'd like to begin this morning with a comment on the general effectiveness of PIPEDA.

Through my experience, I would like to suggest to this committee that I believe PIPEDA works, and works well.

You may ask on what do I base that statement.

Well, I can tell you that the Insurance Brokers Association of Canada has not received a single complaint regarding privacy since PIPEDA has been in effect.

In addition, I have confirmed with the General Insurance Ombudsman that his office has not received a single complaint regarding breaches of privacy either when it comes to brokerages.

It is based on this evidence that I am of the opinion that the approach taken in the wording as well as the implementation of PIPEDA has been the correct one.

After the privacy legislation was passed in 2001, our association prepared and distributed a guide to all our brokerages dealing with the implementation of these provisions. (a copy of this is included in the package in front of you)

In addition, seminars and road-shows were offered to all our brokerages across the country to help them implement the new requirements.

Brokers embraced the guidelines as a regular part of their day-to-day business.

As brokers, we strive to cover and protect our clients. This is what we do every day; we provide clients peace of mind. We would not be in business if we did not this well.

Under this protective coverage also comes clients' personal information.

I'd like to share with you what this means in practice.

With that I'd like to ask Mr. Fredericks to address some of the issues raised in your consultation.

**PETER FREDERICKS**

Thank you, and good morning everyone.

Like Mr. Kimball, I am an insurance broker with an office of 4 employees located in Bedford Nova Scotia.

The first issue I'd like to comment on is the role and mandate of the Office of the Privacy Commissioner.

We believe that the ombudsman model is appropriate, and effective. Parties have access to collaborative dispute resolution, which thus far, has characterized the OPCC approach.

It is a model that places a fair balance between the requirement of a judicious overseer and market-place efficiency.

With respect to "work product":

This is an area that we believe needs clarification. It is widely accepted that information obtained during the usual course of doing business is proprietary to the firm. The current law is unclear on both the definition of "work product" as well as the fact that it should be excluded from falling under the banner of "personal information".

Our position is that the analysis and expertise surrounding the use of personal information is proprietary to the broker, and therefore should not be considered personal information under the law.

With respect to a duty to notify in the event of a breach of personal information, we concede that this is an increasingly sensitive topic for all Canadians.

Our profession is one based on assessing risk and placing it with appropriate coverage. We are there to protect our clients, whether it comes to their homes, cars, businesses, and of course their privacy.

Therefore, it flows that a breach of privacy would necessarily involve assessing the degree of the breach, informing the client of it, and mitigating any future breaches. This is intrinsic to our profession.

In most cases of inadvertent disclosure, the impact is very limited, and it is important to give the business an opportunity to swiftly assess, address and mitigate errors.

We believe it just makes good business sense to follow this model.

In addition, because of the nature of the insurance industry, we believe that regulating this duty would be challenging at best, and practically un-workable at worst.

Those are the views on some of the issues before you, and with that I'd like to thank the committee for giving us an opportunity to be here today, and we'd be happy to answer any questions.