



THE HEARTBEAT OF RISK MANAGEMENT, OCTOBER 2015

President's Message

By: Paul Provis, ORIMS President - Senior Risk Management Officer, Ontario Ministry of Government & Consumer Services

Hello to all ORIMS members. On behalf of the ORIMS Board we hope you all had an enjoyable summer with some rest and relaxation. For those of you who were able to attend the RIMS Canada Conference in Quebec City, we hope you took advantage of the top quality educational program which was offered, and of course, the social events. (We've included some photos which I'm sure everyone will enjoy). Hopefully you were also able to do a little sightseeing while you were there as well.

Now that fall is here everyone is back in work mode, including your ORIMS Board. The Board held its annual Blue Sky meeting back in July and brainstormed some excellent ideas to help enhance and improve ORIMS' value. We have many exciting new initiatives that will be announced in the coming months. As always, the ORIMS Board is excited to announce our upcoming slate of Professional Development sessions along with our ever popular social and networking events. ORIMS is pleased to announce that its first Professional Development session will be held on Wednesday, November 25th at the



McCague Borlack offices at 130 King St. W. Highlights of this exciting workshop can be found in this edition of the Pulse. More details will be provided as we get closer to the date.

I would also like to take this opportunity to reiterate the importance of getting involved in your local chapter. There are several types of membership available including Corporate, Associate and Student memberships. Membership is paid through RIMS Head Office in New York and includes value from both the "parent" organization and our local Chap-

ter. This year one of the Board's strategic goals is to enhance and demonstrate membership value. It is a great time to become or continue to be a member of RIMS/ORIMS. We are working hard this year to provide top value for your membership dollars. In the event that you are a new CRM graduate, new to the industry or not sure what RIMS/ORIMS is all about we invite you to try out our ORIMS only membership as a trial (\$150 annually). While it does not give you all the membership benefits of a full RIMS/ORIMS membership it will introduce you to our local Chapter benefits and events including Chapter Communications such as the award winning Pulse newsletter. If you have any questions about membership, please feel free to contact ORIMS' membership Director Glenn Morato (glenn.morato@sunlife.com).

ORIMS provides tremendous value to risk and insurance professionals such as first opportunity to attend networking and social events, ORIMS' job bank, access to risk management tools and resources, and the Pulse newsletter, so it is money well spent! ORIMS is always open to contribu-

tions and input for the Pulse. If you are interested in advertisement or sponsorship opportunities, or would like to contribute an article, please contact Colleen Bryan (colleenbemail@gmail.com), ORIMS Communications Director. It is a great way to raise the profile of your company.

ORIMS is also always looking for volunteers to help with our committees. We are planning an aggressive membership drive for this coming year so if you have some experience with membership and would like to be involved then we would appreciate your help. Please feel free to contact me with any questions you might have. Lastly, I encourage all our members to quite simply, "come on out!". We would love to see as many people as possible for our upcoming Professional Development Sessions and our networking events, such as the Christmas Luncheon on December 10th, our Curling Bonspiel on February 29th and our 2nd annual Spring Fling in May. I hope to see you all out there supporting your local RIMS chapter.

Sincerely,
Paul Provis
ORIMS President



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WILL I HAVE TO TIP THE DRONE WHEN IT DELIVERS MY PIZZA?

■ **By: Kate Browne,** Attorney, Swiss Re Corporate Solutions

From the Greek legend of Icarus to Leonardo da Vinci's "flying machine" and the Wright Brother's at Kitty Hawk, people have dreamed of flying, but today, we have aircrafts which have been deliberately designed to fly without any people on board. These sophisticated, unmanned aerial vehicles are commonly known as "drones". For a fraction of the cost of an airplane or helicopter, drones can soar past traffic jams to make urgent deliveries or fly through treacherous situations and dangerous places without risking human life to provide a "real-time, birds-eye" view of large areas.

Canada is widely recognized as being one of the world's most drone friendly nations, and Transport Canada has been issuing operating permits, known as Special Flight Operation Certificates (SFOCs), for commercial drones since 2007. As a result, risk managers and other insurance professionals may soon need to have a basic understanding of how drones are used and the challenges that can arise from operating them.

What is a drone? A drone is an aircraft that flies without a pilot on board. It can be a model aircraft bought at a hobby shop, a mini-helicopter used by an engineering firm or a fighter jet remotely sent into a war zone. Drones are also known as Unmanned Air Vehicles (UAVs) or Remote Piloted Aircraft Systems (RPAS).

How big will they be? The Association for Unmanned Vehicle Systems International predicts that within ten years (from 2015 to 2025) commercial drones will create approximately 100,000 new jobs and around USD 82 billion in economic activity.

What can drones do? The potential use of drones is limited only by imagination. Unlike planes, UAVs can be deployed on demand and can stay in the air longer than manned aircraft. Drones can carry high-resolution imagery equipment and sensors, which can quickly and easily capture images and videos. UAVs perform well under challenging conditions such as bad weather — which can significantly reduce the risk of injury to humans and enable organizations and people to share and analyse information in real time, thus allowing us to make faster and more educated decisions.

Many Canadian companies are already using drone technology to transform their business.

Agriculture and crop management: UAVs with advanced sensors and imaging capabilities can provide farmers with new ways to increase yields and reduce crop damage. Observing crops from the air can reveal irrigation problems, soil variations and pest or fungal infestations that cannot be seen at ground level. In the Okanagan and Niagara regions, farmers use drones equipped with infrared sensors to monitor the water, sugar and chlorophyll content of grapes from the sky rather than picking samples in the field.

Oil and gas: Companies are using drones to inspect flare stacks, pipelines, tailing ponds and onshore and offshore derricks. Ground Truth Exploration is using drones for aerial surveillance as it looks for gold in the Yukon, and companies such as Enbridge and TransCanada are using UAVs to monitor their pipelines for leaks and fractures.

Consumer product delivery: In December 2014, Transport Canada issued an SFOC valid for one year to Amazon, allowing the company to operate a testing facility in a rural area in B.C. for its Prime Air project. The goal is to eventually use drones to deliver packages to customers within 30 minutes of the order being placed, as long as the delivery address is within 16 kilometres (10 miles) from a distribution centre.

Search and rescue: Aeryon Labs, a Waterloo, Ontario-based company, manufactures small drones which fit into a backpack or the trunk of a police car. The Ontario Provincial Police use these drones to survey fatal accidents, and Coquitlam Search and Rescue in B.C. has proposed a pilot program to use drones to help law enforcement find people lost in the area's many forests. After last spring's 7.8 earthquake in Nepal, Global Medic, a Canadian humanitarian relief organization, used four drones that can fly as high as 13,000 feet to survey the damage and pinpoint rescue operations.

Media and entertainment: Reporters are increasingly using drones to capture footage during sporting and other media events. Journalists, photographers and even film staff are increasingly leveraging small drones to shoot videos and photos.

Insurance: Commercial, surety and personal lines insurers that cover property risks will likely begin to use drone technology. It is not difficult to imagine a property adjuster or risk engineer using a UAV to capture details of a building or location, to support claims handling or risk assessments. Drones can be used to enable a faster and more effective resolution of claims following a natural catastrophe. Claims adjusters will no longer need to wait until the roads are cleared and hotels and airports are reopened to assist their policyholders. Instead, they will be able to send in the drones to assess the extent of damage.

According to Clark Luby, Senior Vice President, Head Sales Canada for Swiss Re Corporate Solutions, drones are one of the leading emerging technologies getting the most attention. "We've been getting a lot of requests for information around the topic of drones over the past several months and have provided thought leadership workshops in both Toronto and Vancouver on the subject. When you see your neighbour flying one in his backyard, you can't help but think: what are the risks?"

As with any new technology, there are challenging issues such as safety, national security, and personal privacy. However, such obstacles are not insurmountable and, in the words of Leonardo da Vinci, "once you have tasted flight, you will forever walk the earth with your eyes turned skyward, for there you have been, and there you will always long to return."

Kate Browne is an attorney with Swiss Re Corporate Solutions, where she is Senior Vice President and Claims Counsel. Kate is a member of TIDA, the FDCC, and the DRI and the author of several white papers on topics such as punitive damages, personal jurisdiction over foreign manufacturers, the impact of bankruptcy on insurance coverage, self-driving cars and commercial drones.



RIMS Canada Conference: Toronto 2017 Awarded to ORIMS

■ By: Editorial Staff

The Ontario Chapter (ORIMS) of the Risk & Insurance Management Society is excited and proud to host the 2017 RIMS Canada Conference in Toronto on September 24-27, 2017 at the Metro Toronto Convention Centre. Work has already begun to plan this renowned event.

Karin McDonald (Hydro One Networks Inc.) and April Savchuk (Yamana Gold) accepted the honour and the challenge of managing an event at the largest venue and destination to host a conference in Canada. April and Karin are not the least bit faint at heart about managing conferences. Both having served as Chairs of the National Conference Committee and multi-term Past Chapter Presidents, they can also add to their acumen their service as Co-Chairs of Industry for RIMS Canada 2008 Toronto, as well as planning the ORIMS 50th Anniversary Gala at the Liberty Grand in 2010.

Karin and April approach the same tasks from very different perspectives. Karin indicates that *"April is a very big idea person and really creative in approach."* Conversely, April indicates that Karin *"helps put things into perspective and brings things down to earth... she keeps the project on budget and on schedule."*

Paul Provis, ORIMS President further adds, *"Karin and April have a deep knowledge of the Conference's mechanics and framework and have been instrumental in incenting and driving progressive changes in order to increase the value of the Conference and to ensure it remains sustainable. The results of their years of effort will culminate in a new Conference model for 2017."*

The first task at hand for the Co-Chairs was to appoint a Local Organizing Committee (LOC).

April and Karin approached the selection of their LOC very seriously. Karin notes that *"We knew right away that we would both agree on the same people, it was just a matter of convincing them that the work load would be manageable given the new model."* April and Karin could not be more proud to announce their 2017 LOC. *"We have amassed a fantastic team of Risk Managers with enough experience in this business to really bring significant value to the table yet still have many more years of success to enjoy which brings us a really fresh and open approach"* comments April.

Please meet your Local Organizing Committee appointees for Toronto 2017:



Karin McDonald, CRM
Director of Risk and Insurance
Hydro One Networks Inc.

Conference Co-Chair:

Karin is responsible for the procurement and administration of Hydro One's insurance, loss prevention and claims management programs. She has 30 years of risk management experience in the real estate and construction business as well as the utility business. Hydro One Inc., owned by the Government of Ontario, operates the largest electricity transmission/distribution system in Ontario and directly serves more 1.2 million customers.

Karin has been actively been involved with RIMS for the past 28 years. She is a Past President of both the Canadian Capital and Ontario Chapters of RIMS, Past Chair of the Canadian National Conference Committee and Co-Chaired the Industry and Exhibit Committee for the 2008 RIMS Canada Conference. Karin is currently serving as a member of RIMS Audit Committee.



April Savchuk, CIP, CRM
Senior Manager,
Insurance & Risk Management
Yamana Gold Inc

Conference Co-Chair:

April joined Yamana Gold in 2014 with responsibility for managing their insurance and risk functions. Yamana is a Canadian-based gold producer with significant gold production, development and exploration properties and land positions throughout the Americas including Brazil, Argentina, Chile, Mexico and Canada. April's career spans over 25 years working on the Broker, Insurer and Insured sides of the business in various functions including operational and enterprise risk management, compliance, claims management and distribution and marketing.

April has served two terms as President of the Ontario Chapter of RIMS, Co-Chair Industry of the 2008 Toronto Conference and is presently serves as Chair of the RIMS Canada National Conference Committee, Secretary of the Board of Directors of the William H. McGannon Foundation and as a member of the RIMS Nominating Committee.



Sarah A. Mikolich
BA, CRM
Manager,
Corporate Insurance
Hatch Ltd., Mississauga

Program:

Sarah has managed the global insurance program for Hatch, an international design & consulting engineering firm headquartered out of Mississauga, for 7 years. She began her career as an insurance broker 18 years ago, completing her RIBO license and CAIB certification. Sarah held such positions as Insurance Analyst at a financial services firm, and then as Manager, Global Insurance for 6 years at an international life & health sciences company where she also contributed to an enterprise risk management initiative.

Sarah completed her CRM in 2003 and has been an active member of RIMS and ORIMS for the last 12 years, including a 2 year term as Secretary on the ORIMS Board of Directors, and managing the registration desk at the 2008 RIMS Canada Conference in Toronto. Sarah is currently completing her 2 year term as Editor for the RIMS Canada Council Newsletter.



Melissa Ferreira
BA, CRM
Director – Treasury Services
Toronto Transit Commission

Secretary & Communication:

Melissa began her risk management career at Sun Life Financial in the corporate risk management office holding various positions throughout her 10 year tenure. In 2009, Melissa joined the TTC as the risk manager, responsible for the TTC's corporate insurance program with respect to operations and the active construction agenda for transit expansion as well as the operation of the TTC Insurance Company Limited, a provincially licensed insurance company that provides automobile coverage for TTC's fleet. In her current role, Melissa is responsible for managing the TTC's treasury and other financial programs, including; overseeing the corporate insurance program; managing all sales tax compliance and advisory activities; and overseeing activities to coordinate customs clearances and freight forwarding of all imports and exports.

Melissa is an active member of ORIMS and has held various positions on the Board and was a member of the External Affairs and Communication Committee of the RIMS Canada Council.



Kris Ceelen, CRM
Risk Manager
Oxford Properties

Industry & Exhibit:

Kristopher Ceelen began his career as multi-line adjuster with the Dominion of Canada. Since receiving his CRM designation in 2002, Kris has worked in the varying roles within risk management for the past 16 years and was previously on the Board of Directors of ORIMS as the Director of Education and the Webmaster.

Kris is now the Risk Manager for Oxford Properties with responsibilities for insuring over \$30B in assets under management across Canada, US and Europe.



Carrie Green
Manager, Finance & Administration
Canadian Universities Reciprocal Insurance Exchange (CURIE)

Treasurer:

Carrie was involved as a Director on the ORIMS Board for several years in the early 2000's and currently serves as Chair of the Communications and External Affairs Committee of the RIMS Canada Council.

One of the key changes to the 2017 Conference will be that RIMS will be the sole National Event Planner managing the Conference. This oversight eliminates the heavy burden placed upon volunteers and allows the RIMS Canada Conference to benefit from RIMS' marketing and conference planning expertise, as well as the Society's industry relationships and staff support. This new conference model has resulted in a smaller but more strategic LOC being formed. With that said, the model is designed so that the Canadian look, feel and content will remain distinctly Canadian.

A kick-off LOC meeting has already taken place and activity will ramp up once the excitement of the Quebec City Conference has passed. Our sources indicate that plans are underway to make the 2017 RIMS Canada Conference a real "Community Affair" but other than that, all lips of this Committee appear to be firmly sealed.

Please mark your calendars for September 24-27, 2017. We look forward to welcoming you to 2017 RIMS Canada Conference, the country's premier risk management and insurance event.

Executive Officers are Employees

The “Gap” Between Workers’ Compensation and General Liability Policies in Executive Officer Personal Injury Cases

■ By **Anthony Gatensby**, Associate Lawyer, McCague Borlack LLP

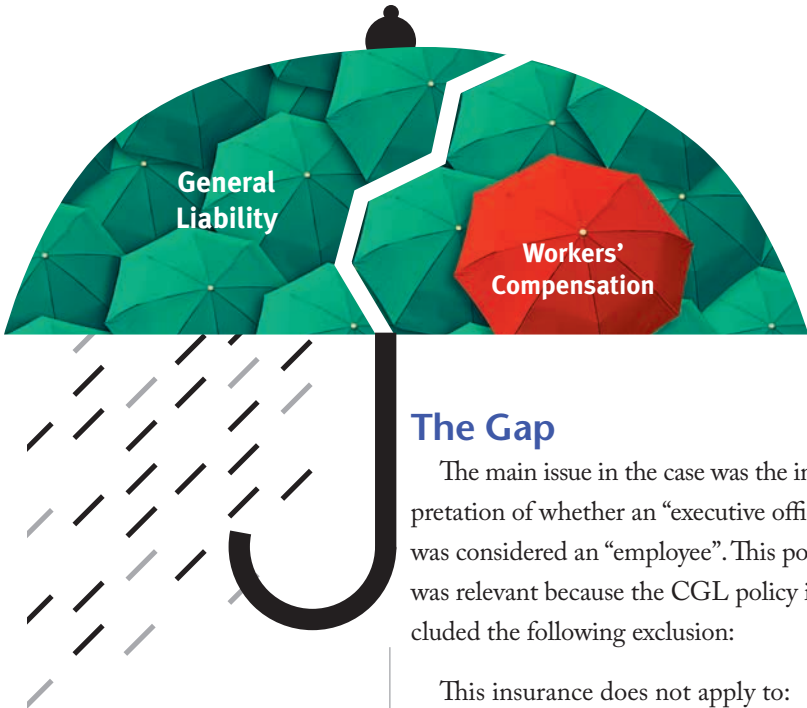
Insurance brokers must be cautious when dealing with corporations that opt their executive officers out of Ontario’s workers’ compensation scheme. A failure to appreciate the relationship between statutory and private coverage risks inadvertent exposure to significant liability.

Unfortunately for one insurance brokerage, this is exactly what happened in the recent Ontario Court of Appeal decision of *Sam’s Auto Wrecking Co Ltd (Wentworth Metal) v Lombard General Insurance Company of Canada*.¹ The unforeseen gap between workers’ compensation coverage and general liability insurance coverage ended up costing Dalton Timmis Insurance Group (“Dalton Timmis”) hundreds of thousands of dollars.



Facts

Under Ontario’s *Workplace Safety and Insurance Act (the “WSIA”)*, coverage is optional for executive officers.²



The Gap

The main issue in the case was the interpretation of whether an “executive officer” was considered an “employee”. This point was relevant because the CGL policy included the following exclusion:

This insurance does not apply to:

“Bodily injury” to an employee of the Insured arising out of and in the course of employment by the Insured.

Wentworth and Dalton Timmis argued that an executive officer was not an “employee” for the purposes of the exclusion. McCarter testified that he strongly believed that the exclusion would not exclude the personal injury claims of executive officers who were not covered by workers’ compensation.³

Their argument was largely based on what Laskin J.A., writing for a unanimous Court, acknowledged was an “odd result”:⁴

“The exclusion takes away coverage where an Ontario employer might wish to have it: for a workplace injury not covered by workers compensation legislation.”

Despite this, the Court of Appeal rejected the argument that an executive officer was not an employee. The Court of Appeal found that the case law heavily supported an executive officer being an employee, and that these terms were not mutually exclusive.

As well, the Court of Appeal found that this type of exclusion was typical for a CGL and was commercially viable:⁵

“Commercial general liability coverage is intended to protect the insured against losses to third parties or to the public arising out of the operation of the insured’s business... The coverage is not intended to protect the insured against losses to its own employees from workplace injuries.”

Further, the broker admitted that while there is an employer’s bodily injury liability “extension” which would have broadened

Continued on page 9...



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Bill McGannon - In Memorium

It is with deep sadness that the family of William H. McGannon announce his passing on August 26, 2015 after a long struggle with idiopathic pulmonary fibrosis at the age of 79 years.

Bill was born November 5, 1935 in Morrisburg, Ontario to William McGannon and Florence Ouderkirk. He came from Toronto to Calgary in 1977 as Corporate Secretary for Alberta Gas Truck Line later known as Nova Corporation. Upon his retirement in 1998 as Risk Manager for Nova Chemicals, the William McGannon Foundation was set up in his honour to award scholarships to deserving university business students.

Bill is survived by his beloved wife of 52 years Kathleen (nee O'Hagan); his son,



Patrick (Cynthia) of Calgary; and his daughters, Maureen Bennie (Ron) of Calgary and Dr. Kerry McGannon of Sudbury, ON. He is also survived by his cherished grandchildren: Marc and Julia Bennie and Sloan and Alexa McGannon.



He was predeceased by his parents, and his sister Beverly Parker.

If friends so desire, memorial donations can be made to the Canadian Pulmonary Fibrosis Foundation (47 Squire Bakers Lane, Markham, Ontario L3P 3G8) or at

<http://www.canadianpulmonaryfibrosis.ca/get-involved/donate/>.

Executive Officers are Employees

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the policy to cover the claims of employees who are outside the coverage of the WSIA, this extension was never issued.⁶

While the broker felt that the extension was unnecessary, he also testified that he had no knowledge of Wentworth's decision to remove its executives from workers' compensation coverage.

The Court of Appeal ruled that Lombard could rely upon the exclusion, such that the CGL policy did not provide coverage to Wentworth in the event of a personal injury claim by an executive officer. Wentworth and the Dalton Timmis had to foot the bill of their settlement agreement with Mr. Ferber.

Importance

This ruling shows that, as an insurance broker, it is important to ensure there is adequate alternative coverage available for companies who choose to exclude their executive officers from the workers' compensation scheme. Otherwise, as shown in this case, there can be severe financial consequences.

The broker and brokerage were unaware of the lack of workers' compensation coverage (the settlement precluded a court-led determination of liability). While a corporation should be providing all significant details, the case law shows that insurance brokers bear a high onus to understand their clients' business and insurance needs. If a broker does not understand his or her clients' liabilities, the client will not be properly insured.

To avoid the risk that arose in this case, brokers should ask about their client's existing workers' compensation coverage in order to ensure that alternative coverage in place – if any – is adequate. In the event that the situation is unclear, the policy is best referred to coverage counsel for a legal opinion.

- 1 2013 ONCA 186, released March 28, 2013 [ONCA decision].
- 2 SO 1997, c 16, sch A, section 12(3).
- 3 2011 ONSC 6441 at paras 32-34 [ONSC Decision].
- 4 ONCA decision at para 44.
- 5 Ibid. at para. 26.
- 6 ONSC Decision at paras 32-34.

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From Davos to Main St.

- third and final part

■ By **Daniel R. Galvao**, Credit Insurance Advisory Group

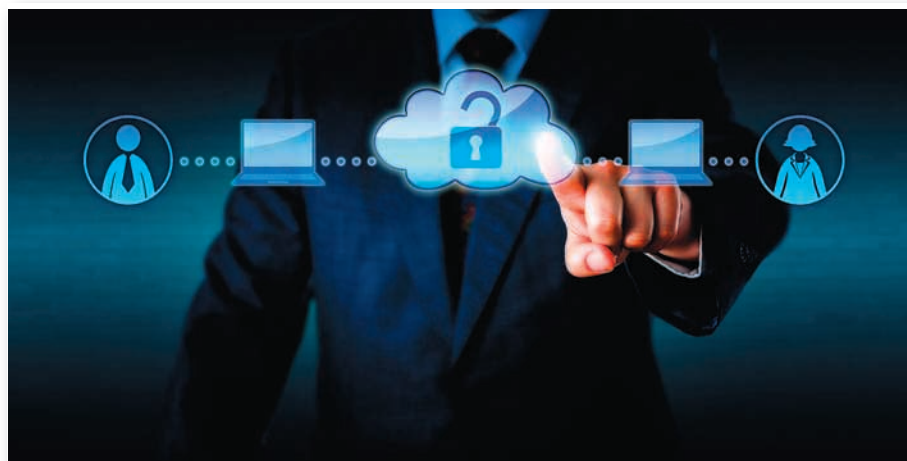
In this third and last part of the article, we will look into risks that could potentially be originated, aggravated or derived from the social political variables raised in the first two parts; namely: low oil prices, threat of rising interest rates and slow GDP growth.

It is not easy nor highly accurate to try to predict the specificity of perils or when they will likely occur, especially when they are of the operational (not financial) nature and the implicating variables are finance related. With that warning and purposely avoiding to get in the common place of everyday media or industry literature, I believe cyber risk, supply chain disruption risk and credit risk are the three top risks that should occupy the minds of Canadian risk managers in the short to medium term.

Cyber risk – from hype to here

Needless to say, we have moved from a risk that could potentially happen a couple of years ago, to attacks and breaches causing million of dollars in direct losses and consequential damages. The stark reality is that, with few noble exceptions, the risk management community including the insurance groups themselves is still trying to equip themselves with knowledge and tools to map and deal with cyber risk, given its highly technical nature and broad implications.

The peril goes beyond one's internal systems and into social media, mobile devices and its accessibility, cloud computing and storage to third-party big data analytics and the internet of things-IoT (or the interconnection of systems across multiple platforms). I am not savvy about IT security as I would like to be but reaching out to my network for this article, I contacted several professional experts in the field and one common theme appeared: except for some large financial institutions and key federal agencies, Canadian businesses and government is grossly misprepared for cyber attacks, be those of terrorist nature (a group, or groups with a common cause or agenda) to lone hackers and criminals looking to try to disrupt the way business is done, or profit from data theft and ransom of data. From personal health information to industrial data on cost of goods and key marketing material, the exposure in Canada is exponentially higher if we consider our connection to the US economy. It might be easier to attack or penetrate a system in Canada to gather intelligence or access to partners and suppliers south of the border.



The insurance industry continues to play catch up with the trends and demands of insureds in this area, however key issues such as coverage for malware, denial of service attacks and the ability to set up real policy sublimits to deal with liquidated damages and brand reputation continue to need to be addressed. Adding to that, the direct linkage to D&O coverage in which the breach of fiduciary duties (knowing and addressing key risks) could impact the compliance side of risk management, adding to the need of understanding and reporting on not-yet familiar concepts such as tokenization of data, separability of critical systems and Maximum Probable Loss scenarios that include regulatory fines, crisis services, legal defense and settlement costs.

To make matters more complicated, increasingly IT platforms are relying in third-party data administrators and systems logistics located outside North America, in countries such as the Philippines, India and Malaysia to name a few. Beyond the direct country risk implications of those locales (including natural catastrophe resilience) there is the issue of whose risk it is if an attack or data breach occurs in a supplier of IT services. Which brings us to our second peril...

Supply Chain Disruption – not just in my backyard...

When people think in supply chain, they normally envision a factory with raw materials coming in and widgets going out. However, as any risk manager worth its credentials know, it is way more complex than that. At the heart of it, is the concept of contingent business interruption (CBI). Can your operation be disrupted if a key infrastructure or supplier was affected, say by a cyber attack, for a couple of days, or weeks? Does your CBI coverage need physical damage to trigger indemnity?

The role of risk managers goes beyond contingency planning but its focus is in-

creasingly in accessing the nature of those exposures: who are we exposed to? (know your suppliers, partners) where are we exposed? (country risk, nat/cat risk) and finally do we have adequate coverage (CBI or Supply Chain Disruption) in place to deal with a potential catastrophic loss? Boards are clearly interested in knowing risk management is aware of connections with suppliers and partners, not just from a reputational risk perspective, but increasingly because board members themselves are nervous about potential leak of key information or the consequential damage of having to deal with crisis that initiated beyond the group's own reach.

With globalization making efficient use of assets and resources among different countries, risk managers are increasingly faced with the issue of analyzing and understanding the risk profiles of joint-venture partners and suppliers in places and cultures that are very different from the ones in Canada. If my backbone financial operation (ie. accounts payable, receivables, cash management) happens thousands of miles away, what happens if there is a major natural catastrophe disruption at the site? What if that operation is happening not even at my company site but a third-party provider? Can I rely on a secondary supplier closer to home, and at what incremental (emergency) cost? These questions are increasingly asked as lower cost base services are provided elsewhere.

Lower cost service providers tend to be clustered where there is a minimally educated workforce along with a leveraged currency cost advantage. Although this seems a tremendous competitive advantage, it comes with an expected high level of risk, which brings us to our last risk marker...

Credit risk – to be or not to be (credit rated), that's the question...

With lower interest rate levels comes

the consequential increased levels of debt. This is not a phenomenon isolated to Canadian households, but one that is prevalent globally, with a few exceptions where interest rates are kept higher for monetary policy reasons. It is clearly earmarked that when interest rates start to move up (and from the low levels they have been in North America they can only go up) there will be an incremental pressure on servicing debt.

Several Canadian business and organizations (government or quasi-government) still consider credit information a taboo: why should we acquire credit information on our clients and/or suppliers as this seems intrusive? The simple answer is that credit trend information can help business and organizations manage their exposures with foresight. Credit indicators typically work with predictor base algorithms which allow a risk manager to look into the possible (not to say probable) near future. The more elaborate answer is that with good interlinked credit information, risk managers can "see" the linkages between business and organizations beyond their own. For example, if a provincial crown corporation is able to verify the business connections of their key suppliers and in doing that identifies one or two potential reputational risks they are not comfortable with, it will be much easier to deal with that problem on the onset of the information being acquired, than at a crisis mode, once a loss has occurred. This would only be possible because some sort of credit rating system has been established prior to that information being acquired and because the providers of such information aggregate several millions of interconnected data points. That crown corporation risk management team would never be able to make those connections based on a simple client/supplier questionnaire. Think of it as a third-party "note comparison" on another business. Have we got to the same conclusion? Do you believe there is more risk here than what I've assessed?

With interest rates eventually moving up later this year and next, it is very important that risk managers keep up a finger in the pulse of potential risks to their operations by systemic defaults in Canada and elsewhere in the globe where they might be unwillingly exposed.

See you next year at the Davos 2016 debrief...

Announcement: *New Designs!*

ORIMS has a new Information Brochure which replaces the former desk calendar. While the format is still tri-fold, the brochure contains information about our organization on both sides. The Information

Brochure has been distributed to our members, sponsors and advertisers. If you have not received a copy of our new brochure, kindly contact the ORIMS Communications Director.

The ORIMS wall calendar is also changing. We are moving to a calendar year (Jan – Dec) format for 2016 and the calendar will include some new items. Distribution of the ORIMS wall calendar will be in December. Watch for it!

Who we are

RIMS was incorporated in 1960 and is the largest RIMS Chapter in Canada. The Chapter strives to be one of the pre-eminent chapters in all of RIMS through its Chapter leading newsletter the PULSE and regular professional development activities. It holds regular social functions such as the annual golf tournament and December Seasonal Luncheon that allow Chapter members and our industry partners the unique opportunity to network and establish strong personal, as well as, business relationships. If you are not a member, please contact our Director of Membership to inquire about joining RIMS and ORIMS and enhance the professional and personal enjoyment you get from your involvement in risk management. If you are a member we encourage you to attend your Chapter events and continue to benefit from all that RIMS and ORIMS has to offer!

Membership

RIMS is the leading organization of risk professionals in the world with members located in more than 60 countries. By becoming a member of RIMS you also join the Ontario Chapter, the largest in Canada. You will meet your industry peers as well as many of your suppliers and other industry players at our many chapter events. Our Risk Professional members run the gamut of industries, such as, financial institutions, education, health, public sector, manufacturing and more! Our Associate Members include brokers, insurers, adjusting firms, law firms, consulting firms and more! Networking with such a broad variety of members is great for both your professional and personal development.

Membership Categories

- Organizational (Corporate)
- Educational
- Professional (employees of Organization)
- Retired
- Associate (brokers, consultants, accountants, etc.)
- Transitional
- Student

For more information, visit the ORIMS website at: <http://ontario.rims.org/home>



September 2015	March 2016
SMTWTFS	SMTWTFS
1 2 3 4 5	1 2 3 4 5
6 7 8 9 10 11 12	6 7 8 9 10 11 12
13 14 15 16 17 18 19	13 14 15 16 17 18 19
20 21 22 23 24 25 26	20 21 22 23 24 25 26
27 28 29 30	27 28 29 30 31

October 2015	April 2016
SMTWTFS	SMTWTFS
1 2 3	1 2 3 4
4 5 6 7 8 9 10	5 6 7 8 9 10 11
11 12 13 14 15 16 17	12 13 14 15 16 17 18
18 19 20 21 22 23 24	19 20 21 22 23 24 25
25 26 27 28 29 30 31	26 27 28 29 30 31

November 2015	May 2016
SMTWTFS	SMTWTFS
1 2 3 4 5 6 7	1 2 3 4
8 9 10 11 12 13 14	5 6 7 8 9 10 11
15 16 17 18 19 20 21	12 13 14 15 16 17 18
22 23 24 25 26 27 28	19 20 21 22 23 24 25
29 30	26 27 28 29 30 31

December 2015	June 2016
SMTWTFS	SMTWTFS
1 2 3 4 5	1 2 3 4 5 6
6 7 8 9 10 11 12	7 8 9 10 11 12 13
13 14 15 16 17 18 19	14 15 16 17 18 19 20
20 21 22 23 24 25 26	21 22 23 24 25 26 27
27 28 29 30 31	28 29 30 31

January 2016	July 2016
SMTWTFS	SMTWTFS
1 2 3 4 5 6	1 2 3 4 5 6
7 8 9 10 11 12 13	7 8 9 10 11 12 13
14 15 16 17 18 19 20	14 15 16 17 18 19 20
21 22 23 24 25 26 27	21 22 23 24 25 26 27
28 29	28 29 30 31

February 2016	August 2016
SMTWTFS	SMTWTFS
1 2 3 4 5 6	1 2 3 4 5 6
7 8 9 10 11 12 13	7 8 9 10 11 12 13
14 15 16 17 18 19 20	14 15 16 17 18 19 20
21 22 23 24 25 26 27	21 22 23 24 25 26 27
28 29	28 29 30 31

Mission Statement

To promote and advance excellence in risk and insurance management by:

- Promoting the discipline of risk management and insurance and enhancing the image of the professional risk manager;
- Promoting the educational and professional development of risk managers as well as others within the risk and insurance management communities;
- Influencing legislation and regulation at the federal and provincial levels of government for the benefit of its members;
- Providing forums for the exchange of ideas and viewpoints among its members;
- Promoting a competitive insurance marketplace and the development of insurance products, which benefit all insureds;
- Promoting relationships with other professional societies and organizations in order to advance the objectives of the Corporation and its members;
- Continue to be a leading chapter of The Risk and Insurance Management Society Inc. ("RIMS").

For more information, visit the ORIMS website at: <http://ontario.rims.org/home>

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ORIMS Excellence in risk management for over 55 years

Membership Benefits

- Educational and professional development programs
- Social events
- Excellent networking opportunities!
- Award-winning chapter newsletter, "Pulse, The Heartbeat of Risk Management."
- Job Bank
- Access to risk management tools & resources
- Enhance your career.




CRM DESIGNATION

The Canadian Risk Management (CRM) is a highly recognized professional risk management designation awarded by the Global Risk Management Institute, Inc. (GRMI) and supported by the Risk and Insurance Management Society (RIMS). It is awarded to candidates who have completed the following 3 mandatory courses along with the three corresponding exams as published by the GRMI:

- ARM-54 Risk Management Principles and Practices
- ARM-55 Risk Assessment and Treatment
- ARM-56 Risk Financing

The CRM program courses are provided through select universities and colleges. In addition, the Insurance Institute of Canada offers an on-line CRM program that offers 2 credits towards the Chartered Insurance Professional (CIP) designation upon completion of the CRM certification.

Notice of Change to CRM Designation Requirements: GRMI has instituted a new requirement to obtain the CRM designation. Effective May 15, 2015, the process/requirements for those candidates who start the CRM course after April 2015 now requires the completion and passing of a standardized final exam for each of the 3 mandatory courses. For more information visit www.RIMS.org/Education.



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ORIMS Professional Development Workshop

Save-a-date
November 25, 2015

At McCague Borlack Offices
130 King St. W. Toronto
9:00 am to 1:00 pm.
Includes networking lunch

Demystifying the Claims Process – A Forensic Accountant's Perspective

Gerry Bouwman joined MDD Forensic Accountants' Toronto office more than twenty years ago. He is a Partner / Senior Vice President at the firm, a member of MDD's Global Executive Committee and the Canadian Director of Business Development & Marketing.

A seasoned forensic accounting professional, Gerry has vast experience performing economic damage quantification for matters related to business interruption,

extra expenses, construction, physical damages, contingency/entertainment claims, products liability & recall, lost profits, catastrophe services, business disputes and personal injury & wrongful death.

Gerry has been involved in engagements across a wide range of industries including, automotive, power generation, chemical manufacturing, film and entertainment, hotels and resorts, retail and wholesale and transportation. Most notably, he has worked on numerous assignments pertaining to

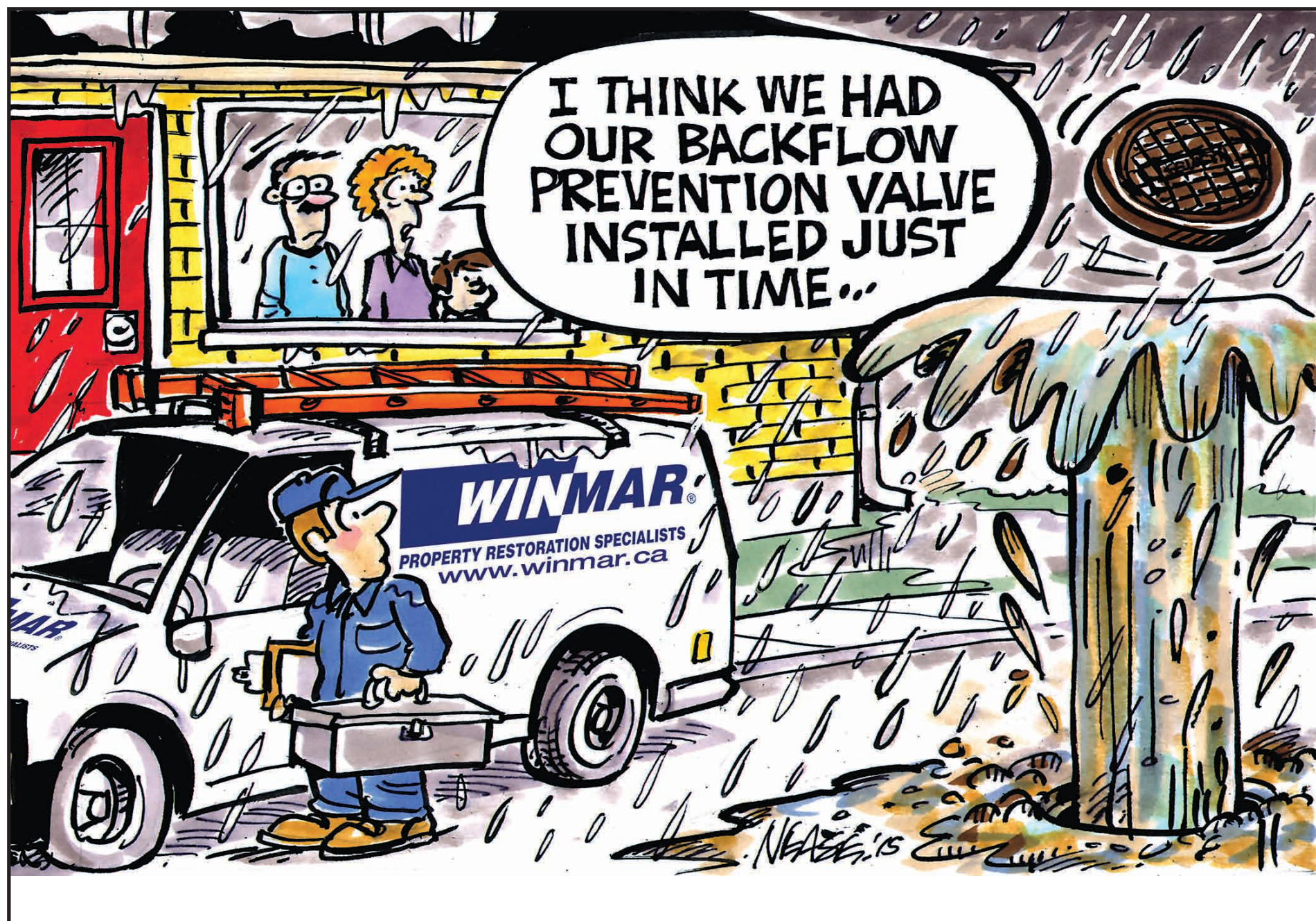
construction claims and disputes, mining and refining and steel processing, both in Canada and around the world.

Gerry will help to demystify what occurs after a claim happens. He will help you to understand Business Interruption Policies and impacts of different coverages on loss measurements.

Using actual claims Gerry and his fellow experts have been involved in, he'll discuss the language used in a typical business in-

terruption policy as well as the financial impact different types of coverage can have when measuring a loss. He'll also spend time discussing the ever-evolving world of cyber risk and how a forensic accountant would navigate a claim related to this high-risk issue.

Be sure to watch for the registration form by email or check the ORIMS website to register for this exciting workshop. Come out and network with your colleagues and learn new skills. Don't miss out!



2015 RIMS Canada Conference: "Panorama" Quebec City

The 41st annual RIMS Canada Conference was recently held in beautiful Quebec City from September 27th to 30th. It was a popular destination, as it was extremely well attended by delegates and industry partners from all over Canada, United States and the U.K. The conference kicked off on the Sunday by holding the annual Gala dinner on its new day (typically held on Tuesday as a grand finale). Attendees enjoyed an amazing dinner and entertainment by the talented Gregory Charles. It was a resounding success as evidenced by over 1,000 attendees and guests!

From Monday to Wednesday, the conference continued with a wide variety of professional development sessions, as well as, accomplished and impressive plenary and keynote speakers which included David Suzuki (famous geneticist and show host), Tim East (Director, Risk Manager at Walt Disney Co.), Maurice Greenberg (CEO Starr Companies) and Louis Garneau (champion track cyclist). Some of the many educational topics included cyber liability, climate change, ERM, and utilizing new technologies to mitigate risks (e.g. drones). The conference also provided for some excellent networking and social opportunities at some of Quebec City's finest restaurants and historical landmarks. Conference attendees were also treated to the delights of Quebec City, known for its museums, history, culture and fine dining. Quebec City celebrated its 400th anniversary in 2008 and it is the oldest French speaking community in North America. The famous Chateau Frontenac is said to be the most photographed hotel in the world! Some other interesting facts about Quebec City: It is the only walled city north of Mexico (4.6 kilometers of walls) and it is designated as a UNESCO World Heritage Site.



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if risk weren't
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Donald Stuart Award Presentation

Don Stuart Award: At the RIMS Canada conference, ORIMS was pleased to once again present the Don Stuart Award that is bestowed annually to a member of the Canadian Risk Management community who has

Maryam Morrison Photography



Tino Brambilla, 2015 Don Stuart Award winner

met the criteria of having made outstanding contributions to the field of risk management in Canada. ORIMS' President, Paul Provis, had the privilege of presenting the 2015 Don Stuart Award to Tino Brambilla of Manitoba Hydro, from Winnipeg Manitoba. Tino was recognized for his over 35 years of accomplishments and service to the Insurance and Risk Management community.

The ORIMS' Board would like to congratulate the Quebec local organizing committee for putting on a fantastic conference and for all their hard work and dedication. As a reminder, the 2016 RIMS Canada Conference will be held in Calgary, Alberta from September 11th to the 14th. We hope you will be able to attend.

Conference highlights Continued ...



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The PULSE is a publication of the Ontario Risk and Insurance Management Society and is published periodically throughout the calendar year.

The opinions expressed are those of the writers and the volunteer members of the PULSE Editorial Committee. Articles submitted to the PULSE for publication are subject to the approval of the PULSE Editorial Committee. Approval of such articles is based upon newsworthiness, and perceived benefit to the readership. All decisions of the PULSE are not subject to appeal. Individuals submitting articles to the PULSE hereby acknowledge their acceptance of the PULSE Editorial Policy.

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