

My background:

-Education/Childhood/Background:

-born as child # 5 to Ed and Peggy Harp in Cobourg in early 50's.

-parents: Due to early death of Ed's father in his 30's due to "Huntington's Corea", Ed had to quit school after grade 8. When I was a boy, he was an insurance agent for Monarch Life out of Winnipeg, a "Justice of the Peace" in Cobourg, and my parents ran the "licence bureau" in Cobourg. My father died at age 76 of heart disease, and my mother, Peggy, became 107 last October. Here is a pic from yesterday.

-Graduated from the U of T, studied Urban Planning. I was on the "committee of adjustment" of Cobourg for 12 years.

-joined Monarch Life in 1977, and then joined State Farm in 1980, in Port Hope. One of your Brighton Rotary charter members, Bob Briden was one of my customers, and he invited me to join the Rotary Club of Port Hope in 1987. I became club president in 1991. (my father was president of Cobourg Rotary club in 1987.

-During the 1980's I obtained the designation of CLU (estate planning), and CFP (financial advisor).

-In 1993 I moved to Gananoque to become agency manager for State Farm for eastern Ontario, and in 1996, by my choice, I decided to move back to Cobourg to be an agent in Cobourg. I was a charter member of Northumberland Sunrise and was it's 3rd club president in 2002.

-At this time, my SF agency is the 5th largest in Ontario and 10th largest in Canada

-I moved to "pot hole" lane in 2014 and joined Brighton Rotary and was scheduled to be Club president in 2016, but Jan 1 2015, State Farm was sold to Desjardins, and it has been a very tough, demanding transition during the last 4 years and I had to back away from Rotary temporarily.

My topic today: What's new in the world of insurance?

-When I started with State Farm in 1980, everything was done by paper. There were no computers in agent's offices. I had a "micro fisher" reader, and I was considered to be "high tech" compared to brokers.

-I got my first computer in the office in 1983, and this was quite a big deal. Now paper is almost a thing of the past, as are signatures, cash, and postal mail. We used to have several 1000's of dollars of cash bank deposits daily, but not any more. I used to spend 1000's on stamps, but not now. I used to take photos of houses with polaroid cameras. I used to wear a suit and tie. Employees printing and typing skills were a big deal.

Auto Insurance:

-Desjardins is Canada's 6th largest financial institution. They own Desjardins Direct Insurance, The Personal Insurance, and now what was State Farm Canada. In Ontario, Certas has 8.53% of auto insurance, second only to Intact at 9.32%. (see chart)

-We write up lots of business now and we never meet the person. No signatures, no money up front, all done by email or over the phone. But now the pricing of auto insurance is very data driven, and it is all about the details and making notes about what coverage items were offered and declined.

-Did you know that 3% of premiums are a hidden tax in Ontario?

-Rates are on the rise. Average in 2018 was about 8.5%. The new high tech features on vehicles are expensive to replace (rarely repaired), air bags, etc. \

-Distracted driving (cell phones/ texting/ gadgets), now more cause of injuries and claims than impaired driving.

-recently NDP and others want to remove location as factor, because Brampton has highest rates in the province. Claim fraud still huge problem, staged accidents, crooked lawyers, doctors, assessment centers

Home Insurance:

-water now more expensive for claims than fire. From 1955, Hurricane Hazel, insurance companies would not offer flood or seepage. Within 12 years, companies started offering sewer back-up, and claims started to rise, with more expensive finished basements, especially in Toronto, and basement apartments etc. then companies started to offer seepage and flood, but unusual intense weather is causing huge problems. Insurance companies have mapped the province by each block to see if creeks or ponds or low areas, and will decline to offer certain water coverage.

-biggest issue is the removal and prevention of mould

-real estate agents know that getting home insurance is not a slam dunk and is often a condition on deals. Got an oil tank over 20 years? Got a hot water tank over 12 years? Shingles over 20 years? Aluminum wiring? Old sump-pump? Soon 100 amp service not good enough. Wood stove without WETT certificate?

-A big factor now is credit rating? Back record for late or missed insurance premiums? Bad credit rating? Your home insurance will be more expensive or monthly payments may not be available to you.

-Young people do not understand the main value in renter's insurance.

Mutual Funds/Stocks/ Investments/

-Volatility big issue for people trying to save for retirement, and those in retirement.

-Annuities are becoming more popular. Better products now with cash refund options. Die too soon? Or live too long? Better tax treatment.