

Reference Sub-Committee 2017 Annual Report to the Executive Committee

**Reference Sub-Committee Members**

Allianz Global & Specialty, Americas  
Aviva Canada Inc.  
Chubb Insurance Company of Canada (Chair)  
General Reinsurance Corporation  
Intact Assurance/Insurance (Vice-Chair)  
Northbridge Insurance  
RSA Canada  
The Boiler Inspection & Insurance Company of Canada  
The Sovereign General Insurance Company  
Travelers Property Casualty of Canada  
Zurich Insurance Company

**Representative**

Abdur Malik  
Iain Stewart  
Julie Grenier  
Helen Kim  
Harvey Kenworthy  
Mark Rolfe  
Adil Asif  
Kathleen Henry  
Andrea Powell  
Rob West  
Robert Roughley

**Alternate**

Anja Duess  
Marcel Loose  
Suet Chan  
-  
Paul Spence  
John Scodeller  
Amanda Bellin  
Michael Storey  
Nicholas Lee  
Kevin Pinto  
-

**Wording Working Group (WWG)**

Chubb Insurance Company of Canada  
Intact Assurance/Insurance  
Northbridge Insurance  
The Sovereign General Insurance Company  
Aviva Canada Inc.

Julie Grenier  
Harvey Kenworthy  
Mark Rolfe  
Andrea Powell  
Iain Stewart

Reference Sub-Committee meetings were held on May 11<sup>th</sup>, 2017; October 25<sup>th</sup>, 2017; November 29<sup>th</sup>, 2017; and February 13<sup>th</sup>, 2018, at the office of Chubb Insurance Company of Canada, 199 Bay Street, Suite 2500, Toronto, Ontario. The Wording Working Group (WWG) met on March 9<sup>th</sup>, 2017; April 5<sup>th</sup>, 2017; May 11<sup>th</sup>, 2017; June 7<sup>th</sup> & 28<sup>th</sup>, 2017; September 20<sup>th</sup>, 2017; October 11<sup>th</sup>, 2017; November 1<sup>st</sup>, 15<sup>th</sup> & 29<sup>th</sup>, 2017; and January 10<sup>th</sup>, 2018. The Executive Secretary was present for all of these meetings.

**Summary of Reference Sub-Committee meetings:**

**1. Election of new Chair and Vice-Chair for the Reference Sub-Committee**

Chubb (Julie Grenier) has been the Chair since February 24<sup>th</sup>, 2016. On February 13<sup>th</sup>, 2018 Intact (Harvey Kenworthy) was elected Chair of the Reference Sub-Committee effective at the close of the CB&MUA's Annual General Meeting, to be held on February 14<sup>th</sup>, 2018. This is a two year term. Chubb (Julie Grenier) was elected Vice-Chair for a one year term, as is customary with retiring Chairs.

**2. Membership and Attendance**

There are currently 11 members sitting on the Reference Sub-Committee. Membership changes over the course of the year were the departure of Swiss Re (Mike Brown), due to this member's departure from the CB&MUA. Most member companies attended at least 50% of the Reference Sub-Committee meetings. Members should be urged to have their alternate attend if the representative cannot.

**3. Basic (bare bones) Boiler & Machinery wording (Phase 1)**

As instructed by the Executive Committee, since 2016 the Reference Sub-Committee's sole mandate has been to work on the CB&MUA wordings. The Reference Sub-Committee was first asked to work on a "bare bones" Boiler & Machinery (B&M) policy, the purpose of which is to act as an historical reference point for the association and its members. The Reference Sub-Committee completed the first phase of the project, and the last two endorsements are currently before the Executive Committee for their review and approval. **Phase 1** consisted of a 'bare bones' property

damage only B&M wording, including the 5 common extensions (ammonia contamination, expediting expense, hazardous substances, professional fees, and water damage). The policy language is legalese. A specimen policy wording is also ready to be submitted once the final approvals have been received.

#### **4. Basic (bare bones) Boiler & Machinery wording (Phase 2)**

In December 2017, as was done for Phase 1, we requested clear guidance and instructions from the Executive Committee for **Phase 2** of the wordings review. A questionnaire was submitted to assist in this task, and it is currently being reviewed by the Executive Committee.

#### **5. Recommendations to the Executive Committee**

Late 2017 the Reference Sub-Committee made two recommendations to the Executive Committee:

- (1) Blanket Group Descriptions: The Reference Sub-Committee recommended that the Executive Committee ask the Engineering Sub-Committee to review the Blanket Group Descriptions for accuracy, and update them if need be. We also recommended that the updated Blanket Group Descriptions be posted on the CB&MUA website. The Blanket Group Descriptions would be helpful to the members when drafting an endorsement (i.e. deductible, exclusion etc) pertaining to a specific Object.
- (2) The creation of a Wording Working Group at the Executive Committee level: The Reference Sub-Committee also recommended that the Executive Committee created its own Wording Working Group, perhaps drawing from the pool of EB underwriting, claims & reinsurance retirees, for a thorough review of the wordings submitted by the Reference Sub-Committee. Alternatively, the selected individuals could attend the Reference Sub-Committee's WWG meetings.

The Blanket Group Descriptions recommendation was well received and should be implemented. The second recommendation concerning the creation of a WWG at the Executive Committee level was tabled for further discussion.

Julie Grenier  
Chair, CB&MUA's Reference Sub-Committee

c.c. Michel Rivard, Chair, CB&MUA's Executive Committee  
c.c. Jean-Guy Turmel, Executive Secretary, CB&MUA