



**NINETY-THIRD ANNUAL REPORT  
2022-2023**

**JANUARY 24, 2023  
VANCOUVER, BRITISH COLUMBIA**

# MINUTES OF THE NINETY-THIRD ANNUAL GENERAL MEETING OF THE MARINE INSURANCE ASSOCIATION OF BRITISH COLUMBIA

Held at the  
Rosewood Hotel Georgia, 801 West Georgia Street  
Vancouver, B.C.

Tuesday January 24, 2023

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**Attendance:**

Mrs. Celeste Fox, President  
Mark Wilson, Vice President  
Ms. Mariella Dauphinee, Immediate Past President  
Mr. Shaun Booth, Treasurer  
Mrs. Kari Heagy, Secretary

The Secretary recorded the opening of the Annual General Meeting by the President, Mrs. Celeste Fox, at 4:38 pm.

**Minutes:**

The minutes of the January 25, 2022 Annual General Meeting were adopted without amendment:

Proposed by: Kari Heagy  
Seconded by: Jodi Gardner

**President's Report:**

President, Celeste Fox, welcomed the members and guests. She then delivered her report, as attached hereto.

**Treasurer's Report:**

Treasurer, Shaun Booth, presented the Auditors' report, as prepared by the Association's accountants, Pawluk, Voigt, Kaye & Such.

Adoption of the Treasurer's report was:

Proposed by: Shaun Booth  
Seconded by: Tyson Daniels

**Appointment of Auditors:**

Shaun Booth then called for the appointment of Pawluk, Voigt, Kaye & Such to review the Statement of Financial Position for the next year.

Proposed by: Shaun Booth  
Seconded by: Jodi Gardner

**REPORTS OF STANDING COMMITTEES**

**Market Committee:**

Dan Kim read his and Nilanjana Mittra's report – copy attached.

**Claims Trends:**

Mariella Dauphinee read her report – copy attached.

**Legislative Committee:**

Glen Krueger on behalf of David Jarrett read his report– copy attached.

**Education Committee:**

Kari Heagy read the report - copy attached.

**Social Committee:**

Jackie Farquharson read her report – copy attached.

**Communications Committee:**

Tyson Daniels read his report - copy attached.

**Scholarship Committee:**

Jennifer Bensley on behalf of Mark Wilson read his report – copy attached

**Report of the Nominating Committee:**

Mariella Dauphinee read her report – copy attached.

Adoption of the Nomination Committee report was:

Proposed by: Mariella Dauphinee  
Seconded by: Jennifer Bensley

The following have been nominated for election as Members of the 2023-2024 Executive Committee:

Mark Wilson  
Celeste Fox

Marsh Canada Limited  
Continental Casualty Company

|                    |                                     |
|--------------------|-------------------------------------|
| Jackie Farquharson | Harlock Murray Underwriting Ltd.    |
| Tyson Daniels      | BFL Canada                          |
| Sarah White        | Yacht Associates International Ltd. |
| Erica Grant        | Norton Rose Fulbright               |
| Shaun Booth        | Marsh Canada Limited                |

**Guest Speaker:**

Keeley Wylie, President of the Canadian Board of Marine Underwriters attended the 93<sup>rd</sup> Annual General Meeting and addressed our membership. A copy of his speech attached.

**New Business:**

There was no new business brought forward.

There being no further business brought before the meeting, the President moved for the adjournment of the 2023 Annual General Meeting at 5:30pm.

**MARINE INSURANCE ASSOCIATION OF BRITISH COLUMBIA**

**OFFICERS AND MEMBERS OF THE EXECUTIVE  
2023-2024**

**PRESIDENT**

Mark Wilson  
Marsh Canada Limited

**VICE PRESIDENT**

Jackie Farquharson  
Harlock Murray Underwriting Ltd.

**TREASURER**

Shaun Booth  
Marsh Canada Limited

**IMMEDIATE PAST PRESIDENT**

Celeste Fox  
Continental Casualty Company

- Tyson Daniels  
BFL Canada
- Erica Grant  
Norton Rose Fulbright
- Sarah White  
Yacht Associates International Ltd.

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Secretary: Kari Heagy  
Marsh Canada Limited

## **MARINE INSURANCE ASSOCIATION OF BRITISH COLUMBIA PAST PRESIDENTS**

1929-1931 B.G.F. Phillips  
1931-1933 F.A. Futcher  
1933-1934 R.B. Randall  
1934-1935 E.E. Sykes  
1935-1938 J.S. Marshall  
1938-1941 W.R. Arnold  
1941-1945 T.W. Warkman  
1945-1946 R.B. Randall  
1946-1947 R.C. Rolston  
1947-1948 J.T. Birch  
1948-1954 D.S. Harley  
1954-1955 J.L. Robertson  
1955-1959 C.A. deCosson  
1959-1961 resigned A.A. Hoelting / J.C. Barber  
1961-1963 J.C. Barber  
1963-1964 P.L. Wright  
1964-1965 C.A. deCosson  
1965-1967 N.G. Williams  
1967-1968 resigned H. Boyton / J.C. Barber  
1968-1970 R. Hayton  
1970-1971 R.J. Wildish  
1971-1972 G.A. Callender  
1972-1973 W.F. Heard  
1973-1974 E. Cave  
1974-1976 A.J. Heaney  
1976-1978 R. Hayton  
1978-1981 J.C. Barber  
1981-1983 R.H. Bodfield  
1983-1985 G.A. Dear  
1985-1986 D.R. Baldwin  
1986-1988 F.J. Fyfe  
1988-1990 A.J. Heaney  
1990-1992 P.J. Murray  
1992-1994 K.J. Gielty  
1994-1996 P.R. Skinner  
1996-1998 S.A. Kowan  
1998-2000 A.B. Murray  
2000-2002 P.J. Wyka  
2002-2004 L.J. Davis  
2004-2006 E.E. Myre  
2006-2008 M.R. Jones  
2008-2010 D.S. Pahkala  
2010-2012 resigned R.J. Race / D.R. Geros  
2012-2014 J.M. Gardner  
2014-2016 T.L. Antonio  
2016-2018 G.K. Clayton  
2018-2021 M. Dauphinee  
2021-2023 C. Fox

**President's Report – 93rd Annual General Meeting**  
**January 24, 2023**

Good Afternoon honoured guests, ladies and gentlemen.

Welcome to the 93<sup>rd</sup> Annual General Meeting of the Marine Insurance Association of British Columbia. I wish to welcome Keeley Wylie, President of the Canadian Board of Marine Underwriters who will provide us with a report from CBMU later in our meeting.

Also later in our meeting, you will be hearing reports from each one of the Committee chairs. These individuals are an integral part of the Association and we should all be very appreciative for their time, effort and dedication. It truly takes a village to run a volunteer association.

I am pleased to report that we welcomed a returning Full Member; Wylie-Crump Limited.

This past year, I attended two events representing the MIABC:

- Canadian Board of Marine Underwriters Fall Conference last November.
- Association of Marine Underwriters of San Francisco dinner banquet in December.
- Unfortunately, I was not able to attend CBMU's Spring Conference in May, however Mark Wilson presented the report for the West Coast.

The MIABC was also pleased to have Ryan Gauvin, Administrator of the Ship-source Oil Pollution Fund, as our special guest during our Executive Committee Meeting in August. He later presented in our Spring Education Seminar as well.

2022 was yet another year of learning experiences which the industry has taken in stride. The MIABC pivoted and engaged in the 'new' normal by embracing online education seminars and meetings all the while gradually reconnecting with each other through in person events. We recognized that there were advantages in operating virtually but nothing beats the lasting impressions and memories that in-person networking creates. So I could not be more thrilled to undertake my last AGM as President face-to-face with all of you.

In BC, the economy slowed down due to factors such as global inflation, rate hikes and tightening financial conditions.

Some occurrences that took place in 2022 that I feel are worthy of mentioning:

- In December, Canada along with its G7 partners and Australia imposed a price cap of US\$60 per barrel on crude oil originating out of Russia.
- An update from my report last year, the Roberts Bank Terminal 2 Project, a proposed marine container terminal in Delta led by port authority, is in the final stages of a federal environmental assessment process. If approved, the terminal will be a critical link for Canadas supply chains, increasing container terminal capacity by more than 30% on the west coast, supporting competition in the gateway, and strengthening reliable access to goods we use every day.
- The 2022 Cruise ship season had an impressive comeback story. Port of Vancouver marked a record year, with 306 ship visits – a six per cent increase from the 2019 pre-covid season.

- Locally, the English Bay barge that received media attention when it became stranded near Sunset Beach during an atmospheric river event was removed in November.

In the marine insurance market, the following observations from last year were noted:

- We continue to see a strong emphasis on ensuring profitability and tightening appetite for accounts that have poor loss histories.
- We continue to see rising rates, increased deductibles and a changing CAT environment due to severe weather frequency. A recent news article noted that, last year, BC had suffered \$80M in insured damages caused by Winter Storms and King Tides.
- We also observed there is a capacity crunch in all lines of business but most evidently in Piers, Wharves and Docks.
- There continues to be a shortage of marine surveyors due to mariners retiring.
- Lastly, the economic sanctions that have been imposed due to the war between Russia/Ukraine has disrupted the supply chain and a worldwide delay in ports. Both commercial and pleasure craft claims settlements have been impacted as well.

While we currently do not have a Claims Committee, we are delighted to have Mariella Dauphinee, Chair of CBMU Claims and Loss Prevention Committee and Vice-Chair of IUMI's Executive Committee to provide us with a "Claims Trend" report later in the meeting.

While I thought the most challenging part of my job as President was to keep members engaged in a time full of uncertainty, I was wrong. Past Presidents before me will agree, but I would say the most difficult part was finding volunteers willing to take on the roles that allowed MIABC to carry out its objectives.

It is no surprise when I say the British Columbia marine insurance market is shrinking. When compared to 10 years ago, we are seeing that there are less insurers, brokers, adjusters, claims handlers and surveyors working in the industry. With many of you having already served time on the association and the younger brokers and underwriters reluctant to take on these positions, the volunteer pool has become very limited.

Understandably we all have our own obligations that take priority especially in our new hybrid work environment.

Which is why I'd like to raise the following questions with the new incoming Executive.

Is it time for MIABC to change and align with our 'next' normal? For many years, while I respect tradition, we have operated based on legacy, is it ready to be modernized? Is it time to change "Full Members" to be extended to other sectors of the marine insurance market? Are the committees in place truly fulfilling a need in the marketplace? I leave you with that thought.

In closing, I would like to thank the Membership for allowing me to serve as President – it was a an absolute pleasure.

To the 2022 Executive:

- Vice President - Mark Wilson
- Legislative Chair - Dave Jarret
- Communications - Tyson Daniels
- Social Committee - Jackie Farquharson
- Executive Member – Jennifer Bensley – thank you for your hard work and invaluable time



Special thanks to Mariella Dauphinee, immediate past president, who was great source of support and guidance throughout my term.

And the rest of the team

- Underwriting Committee chairs - Dan Kim, Nilanjana Mitra
- Treasurer – Shaun Booth
- Secretary - Kari Heagy

All of which played an important role in the operations of the MIABC. Thank you so much.

Before I end my report, I would like to recognize dear friends of the association that we lost in the past year. True pioneers of the industry who will be truly missed, Joe Baxter, Pat Haliburton and beloved Peter Wright.

Respectfully submitted,

Celeste Fox  
President - MIABC

# MARINE INSURANCE ASSOCIATION OF BRITISH COLUMBIA

## ANNUAL FINANCIAL REPORT NOVEMBER 1<sup>ST</sup>, 2021 – OCTOBER 31<sup>ST</sup>, 2022

January 24 2023

Good afternoon, everyone,

Thank you for attending today's meeting.

We have submitted our Annual Financial statements to PVKS Chartered Professional Accountants for auditing. We are expecting these to be returned shortly. Once I receive these audited copies I will distribute them to the committee members and provide any updates to the financial statements at that time.

### MEMBERSHIP

During 2022, we had two full broker members withdraw from the association. These members were Shaw Sabey and OWL Marine Underwriting. There were no new members who joined the association during the previous fiscal period.

### OPERATIONS

The MIABC opted to focus on giving back to our community this past year. We are pleased to announce that during the 2021/22 fiscal year that the MIABC has donated a total of \$2,000 to the Vancouver Christmas Bureau, as well as provided a \$1,000 scholarship through the association's scholarship fund.

### FINANCIAL POSITION

During the last fiscal year, the MIABC recorded net profits of **\$6,513** with **\$41,622** in our bank account and **\$2,286** in our GIC Investment as of October 31<sup>st</sup>, 2022.

### LOOKING FORWARD

Based on the budgeted figures, we are projecting a net loss of **\$873** for the coming year. However, this number could be adjusted to reflect a small net profit as different events are scheduled throughout the year.

At this time, I would like to make motion to adopt financial report.

Can we please have someone second the motion?

At this time, I would like to make motion to adopt PVKS Chartered Professional Accountants as auditors.

Can we please have someone second the motion?

I would like to end my report by thanking all of our members for their continued support over the years.

Respectfully submitted.

Shaun Booth

Treasurer

Marine Insurance Association of B.C.

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**MARINE INSURANCE ASSOCIATION OF BRITISH COLUMBIA**  
**STATEMENT OF FINANCIAL POSITION - OCTOBER 31, 2022 and 2021**

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**ASSETS**

|   | 2022      | 2021      |
|---|-----------|-----------|
| <b>CURRENT:</b>   |           |           |
| Cash and term deposits                                      | \$ 43,908 | \$ 34,985 |
| Accounts receivable   | 2,300     | 2,025     |
| Prepaid expenses  | -         | 552       |
|   | \$ 46,208 | \$ 37,562 |
| <br><b>CAPITAL ASSET,</b>                                   |           |           |
| net of accumulated amortization of \$1,780 (2021 - \$1,766) | 44        | 58        |
|   | \$ 46,252 | \$ 37,620 |

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**LIABILITIES**

|                  |          |          |
|------------------|----------|----------|
| <b>CURRENT:</b>  |          |          |
| Accounts payable | \$ 1,500 | \$ 2,000 |

**NET ASSETS**

|                                      |           |           |
|--------------------------------------|-----------|-----------|
| NET ASSETS, beginning of year        | \$ 35,620 | \$ 41,576 |
| EXCESS OF REVENUES OVER EXPENDITURES | 9,132     | (5,956)   |
|                                      | \$ 44,752 | \$ 35,620 |
| NET ASSETS, end of year              | \$ 46,252 | \$ 37,620 |

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Approval of Financial Information:

Treasurer: \_\_\_\_\_

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**MARINE INSURANCE ASSOCIATION OF BRITISH COLUMBIA**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**FOR THE YEAR ENDED OCTOBER 31, 2022 AND 2021**

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|   | 2022         | 2021           |
|---|--------------|----------------|
| <b>REVENUES:</b>                                    |              |                |
| Members' assessments and entrance fees              | \$ 14,550    | \$ 6,900       |
| Net special function profit ( <i>see Schedule</i> ) | 158          | 1,060          |
| Interest on investments and other                   | -            | 872            |
|   | \$ 14,708    | \$ 8,832       |
| <br><b>EXPENDITURES:</b>                            |              |                |
| Gifts and donations                                 | \$ 2,081     | \$ 4,000       |
| Scholarship   | 1,000        | 3,722          |
| Administration                                      | 779          | 674            |
| Bad debt  | 600          | 2,465          |
| Insurance   | 552          | 2,523          |
| Accounting and legal                                | 550          | 1,390          |
| Amortization  | 14           | 14             |
|   | \$ 5,576     | \$ 14,788      |
| <br><b>EXCESS OF REVENUES OVER EXPENDITURES</b>     | <br>\$ 9,132 | <br>\$ (5,956) |

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**MARINE INSURANCE ASSOCIATION OF BRITISH COLUMBIA**

**SCHEDULE OF SPECIAL FUNCTIONS  
AND ANNUAL GENERAL MEETING**

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**FOR THE YEAR ENDED OCTOBER 31, 2022**

|            | Revenue         | Costs           | Profit (Loss) |
|------------|-----------------|-----------------|---------------|
| Wine night | \$ 2,320        | \$ 1,312        | \$ 1,008      |
| Pub night  | 650             | 1,500           | (850)         |
|            | <u>\$ 2,970</u> | <u>\$ 2,812</u> | <u>\$ 158</u> |

**FOR THE YEAR ENDED OCTOBER 31, 2021**

|                    | Revenue  | Costs | Profit (Loss) |
|--------------------|----------|-------|---------------|
| Education seminars | \$ 1,060 | \$ -  | \$ 1,060      |

**Marine Insurance Association of British Columbia**  
**Budget 2022/2023**

|   | 18/19         |               | 19/20         |               | 20/21          |                | 21/22         |               | 22/23         |          |
|---|---------------|---------------|---------------|---------------|----------------|----------------|---------------|---------------|---------------|----------|
|   | Budget        | Actual        | Budget        | Actual        | Budget         | Actual         | Budget        | Actual        | Budget        | Actual   |
| <b>Revenue</b>                                      |               |               |               |               |                |                |               |               |               |          |
| Members' Assessments and Entrance Fees (Schedule 1) | 16,950        | 13,950        | 13,600        | 11,850        | 6,900          | 6,900          | 14,900        | 12,250        | 13,150        |          |
| Education Seminars (Schedule 2)                     | 1,350         | 3,190         | 2,000         | 1,909         | 530            | 530            | -             | -             | -             |          |
| Special Education Seminars (Schedule 3)             |               | -             |               | -             |                | -              |               | -             |               |          |
| Special Functions (Schedule 4)                      | 1,335         | 593           | 1,050         | 1,024         | -              | -              | -             | 158           | (873)         |          |
| Interest on Investments                             | 13            | 12            | 13            | 23            | 25             | 24             | 25            | (15)          | 25            |          |
| <b>Total Revenue</b>                                | <b>19,648</b> | <b>17,745</b> | <b>16,663</b> | <b>14,806</b> | <b>7,455</b>   | <b>7,454</b>   | <b>14,925</b> | <b>12,393</b> | <b>12,302</b> | <b>-</b> |
| <b>Operating Expenses</b>                           |               |               |               |               |                |                |               |               |               |          |
| Credit Card Expense (Moneris Fees)                  | -             | -             | -             | -             | -              | -              | -             | -             | -             |          |
| Postage & Courier                                   | 50            | -             | 50            | -             | -              | 20             | 20            | -             | 20            |          |
| Annual Reports                                      | 25            | -             | 25            | -             | -              | -              | -             | -             | -             |          |
| Stationery & Supplies                               | 100           | 118           | 100           | -             | -              | -              | -             | 88            | 50            |          |
| Gifts & Donations                                   | 200           | 2,500         | 200           | -             | 3,500          | 3,348          | 2,000         | 2,056         | 2,000         |          |
| Insurance   | 4,000         | 4,200         | 2,700         | 4,241         | 4,250          | 1,692          | 1,800         | -             | 2,000         |          |
| Meetings  | 600           | 512           | 600           | 54            | 100            | -              | -             | -             | -             |          |
| Legal, Audit & Filings                              | 1,150         | 1,405         | 1,150         | 2,100         | 1,890          | 1,890          | 1,890         | 1,090         | 1,890         |          |
| Bank Charges  | 200           | 123           | 200           | 107           | 150            | 81             | 90            | 97            | 100           |          |
| Travel Expenses                                     | 4,000         | 1,811         | 4,000         | 1,672         | 500            | -              | -             | -             | 3,500         |          |
| Amortization  | 23            | 23            | 20            | 18            | 16             | 18             | 18            | 14            | 12            |          |
| Past Presidents' Lunch                              | 1,700         | 1,959         | 2,000         | -             | -              | -              | -             | -             | 1,500         |          |
| Web Site and Other Communications                   | 750           | 298           | 300           | 313           | 320            | 520            | 520           | 535           | 535           |          |
| CMLA Membership Fee                                 | -             | -             | -             | -             | -              | -              | -             | -             | -             |          |
| Bad Debt  | 2,000         | -             | 2,000         | -             | 2,000          | -              | 5,000         | -             | -             |          |
| <b>Total Operating Expenses</b>                     | <b>14,798</b> | <b>12,949</b> | <b>13,345</b> | <b>8,505</b>  | <b>12,726</b>  | <b>7,569</b>   | <b>11,338</b> | <b>3,880</b>  | <b>11,607</b> | <b>-</b> |
| <b>Extra Expense Projects:</b>                      |               |               |               |               |                |                |               |               |               |          |
| Scholarship   | 2,000         | 2,000         | 2,000         | -             | 4,000          | 2,000          | 2,000         | 1,000         | 1,500         |          |
| Education Fund for 1/2 Day Seminar Speakers         | -             | -             | -             | -             | -              | -              | -             | -             | -             |          |
| Marine clause update project                        | 2,000         | -             | -             | -             | -              | -              | -             | -             | -             |          |
| <b>Total Extra Expense</b>                          | <b>4,000</b>  | <b>2,000</b>  | <b>2,000</b>  | <b>-</b>      | <b>4,000</b>   | <b>2,000</b>   | <b>4,000</b>  | <b>1,000</b>  | <b>1,500</b>  | <b>-</b> |
| <b>Total Expenses</b>                               | <b>18,798</b> | <b>16,949</b> | <b>15,345</b> | <b>8,505</b>  | <b>16,726</b>  | <b>11,569</b>  | <b>15,338</b> | <b>5,880</b>  | <b>13,107</b> | <b>-</b> |
| <b>Excess(Deficit)</b>                              | <b>850</b>    | <b>796</b>    | <b>1,318</b>  | <b>6,301</b>  | <b>(9,271)</b> | <b>(4,115)</b> | <b>(413)</b>  | <b>6,513</b>  | <b>(805)</b>  | <b>-</b> |

| Schedules  | 18/19         |               | 19/20         |               | 20/21        |            | 20/21         |               | 22/23         |          |
|--|---------------|---------------|---------------|---------------|--------------|------------|---------------|---------------|---------------|----------|
|  | Budget        | Actual        | Budget        | Actual        | Budget       | Actual     | Budget        | Actual        | Budget        | Actual   |
| <b>Assessments (Schedule 1)</b>                                |               |               |               |               |              |            |               |               |               |          |
| Full Members \$350.00 each                                     | 10,150        | 8,750         | 8,400         | 8,050         | 4,200        | -          | 9,100         | 8,050         | 8,750         |          |
| Associate Members \$200.00 each                                | 6,800         | 5,200         | 5,200         | 3,800         | 2,700        | -          | 5,800         | 4,200         | 4,400         |          |
| Adjustments  |               |               |               |               |              |            |               |               |               |          |
| Country Members n/c  | -             | -             | -             | -             | -            | -          | -             | -             | -             |          |
| <b>Total Assessments (Schedule 1)</b>                          | <b>16,950</b> | <b>13,950</b> | <b>13,600</b> | <b>11,850</b> | <b>6,900</b> | <b>-</b>   | <b>14,900</b> | <b>12,250</b> | <b>13,150</b> | <b>-</b> |
| <b>Education Seminars (Schedule 2)</b>                         |               |               |               |               |              |            |               |               |               |          |
| Revenue (24 / 154 @ \$40 / \$0)                                | 9,300         | 6,640         | 6,000         | 2,500         | 530          | 530        | -             | -             | -             |          |
| Expenses (24 / 154 @ \$24.50 / \$0)                            | 8,000         | 3,450         | 4,000         | 591           | -            | -          | -             | -             | -             |          |
| <b>Total Education Seminars (Schedule 2)</b>                   | <b>1,300</b>  | <b>3,190</b>  | <b>2,000</b>  | <b>1,909</b>  | <b>530</b>   | <b>530</b> | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b> |
| <b>Special (1/2 Day) Education Seminars (Schedule 3)</b>       |               |               |               |               |              |            |               |               |               |          |
| Revenue (X @ \$X.XX)   | -             | -             | -             | -             | -            | -          | -             | -             | -             |          |
| Expenses (X @ \$X.XX)  | -             | -             | -             | -             | -            | -          | -             | -             | -             |          |
| <b>Total Special (1/2 Day) Education Seminars (Schedule 3)</b> | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>     | <b>-</b>   | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b> |
| <b>Special Functions (Schedule 4)</b>                          |               |               |               |               |              |            |               |               |               |          |
| <b>President's Reception</b>                                   |               |               |               |               |              |            |               |               |               |          |
| Revenue (96 @ \$45 / \$50 / \$60)                              | 4,210         | 4,475         | 4,250         | 4,230         | -            | -          | -             | -             | -             |          |
| Expenses (96 @ \$53)   | 5,181         | 5,074         | 4,500         | 4,421         | -            | -          | -             | -             | -             |          |
| <b>Net President's Reception</b>                               | <b>(971)</b>  | <b>(599)</b>  | <b>(250)</b>  | <b>(191)</b>  | <b>-</b>     | <b>-</b>   | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b> |
| <b>AGM</b>   |               |               |               |               |              |            |               |               |               |          |
| Revenue (83 @ \$175)   | 14,000        | 11,835        | 12,000        | 11,265        | -            | -          | -             | -             | 14,525        |          |
| Expenses (83 @ \$186)  | 13,400        | 11,733        | 12,000        | 10,050        | -            | -          | -             | -             | 15,398        |          |
| <b>Net AGM</b>   | <b>600</b>    | <b>102</b>    | <b>-</b>      | <b>1,215</b>  | <b>-</b>     | <b>-</b>   | <b>-</b>      | <b>-</b>      | <b>(873)</b>  | <b>-</b> |
| <b>Golf Tournament</b>   |               |               |               |               |              |            |               |               |               |          |
| Revenue  | 10,500        | 8,705         | 9,000         | -             | -            | -          | -             | -             | -             |          |
| Expenses   | 9,000         | 8,510         | 8,500         | -             | -            | -          | -             | -             | -             |          |
| <b>Net Golf Tournament</b>                                     | <b>1,500</b>  | <b>195</b>    | <b>500</b>    | <b>-</b>      | <b>-</b>     | <b>-</b>   | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b> |
| <b>Scholarship Fundraiser (Pub Night)</b>                      |               |               |               |               |              |            |               |               |               |          |
| Revenue  | 2,866         | 2,155         | 2,000         | -             | -            | -          | -             | 650           | -             |          |
| Expenses   | 2,660         | 1,260         | 1,200         | -             | -            | -          | -             | 1,500         | -             |          |
| <b>Net Pub Night</b>   | <b>206</b>    | <b>895</b>    | <b>800</b>    | <b>-</b>      | <b>-</b>     | <b>-</b>   | <b>-</b>      | <b>(850)</b>  | <b>-</b>      | <b>-</b> |
| <b>Port Tour</b>   |               |               |               |               |              |            |               |               |               |          |
| Revenue  |               | 480           |               | -             | -            | -          | -             | -             | -             |          |

**MARINE INSURANCE ASSOCIATION OF BRITISH COLUMBIA**  
**Annual General Meeting January 24, 2023**

**Market Committee Report**

Good Afternoon Everyone,

Market Committee held 2 scheduled meetings during the year with an average attendance of 10 people representing 6 full member local marine underwriting companies. Both meetings were held virtually, in February and in September.

Market Committee welcomed representation from Claims Committee in our meetings which allowed well rounded discussions on current issues from underwriting and claims perspective. One of the focus items for committee is to encourage participation from new members with strong underwriting presence in marine market however, with no representation in MIABC underwriting meetings held by Market committee. More participation from members will broaden the scope of discussions and offer a stronger platform to initiate any change on behalf of the membership

The committee had discussions on matters such as:

- Russia/Ukraine War and economic sanctions creating supply chain disruptions. Delays at ports worldwide. Impacting both commercial and pleasurecraft claim settlements.
- Capacity crunch in all lines of business, specifically in piers, wharfs and docks
- Luxury tax on high value vessels over \$250,000
- Impact of inflation on boat sale price
- Several initiatives and campaigns conducted by RBAC (Recreational Boating Advisory Council) to educate boaters on safety measures during boating and watersports activities

Market Committee would like to extend gratitude to the members that supported the committee throughout the years. Their expertise, input and knowledge benefit the entire organization.

Respectfully Submitted,

Dan Kim & Nilanjana Mittra  
Marketing Committee Co-Chair

**Notes on Attendance:**

February 23, 2022 – 12 members from 6 companies – HMU, PMU, CNA, Intact, Special Risk & Mutual  
September 28, 2022 – 8 members from 6 companies - HMU, PMU, CNA, Special Risk, Intact & Mutual

Fellow members of the Marine Insurance Association of BC and distinguished guests, good evening.

It is a pleasure to address you in person following a couple of years of online communication.

Although we do not have a Claims Committee, we thought it would be interesting to highlight some of the trends that we have seen in claims this past year.

Globally IUMI reported claims frequency rising since 2021, particularly for partial losses with a return of ship segments to pre-Covid activity levels. However, this is taking place at moderate levels. With respect to total losses, the low loss frequency since in 2021 has continued into 2022. The exception has been fire and explosion losses in engine rooms and cargo areas, which continue to cause concerns, particularly for car carriers and container vessels, which continue to generate large losses. Case in point, the car carrier "Felicity Ace", carrying 4,000 vehicles worth \$400-\$500 millions, which sank after a fire broke out in March 2022.

There has been a marked increase in general average cases with the increasing size of container ships. Up until five years ago, GA for cargo was a major event. Now GA has become a frequency event, as well as an intensity event. The Canadian market has not been spared, with some claims specialists reporting being inundated with GA claims on a regular basis.

The War in the Ukraine is an ongoing humanitarian crisis. It also sparked an energy crisis, as Russia cut gas flows to the EU by around 80%, leaving the block with a significant shortfall in its energy mix and a pressing need to find energy alternatives from other places. The war has devastated the Ukraine, isolated Russia further from the West and fueled economic insecurity around the world. The marine industry has been affected on multiple fronts, with loss of life and vessels in the Black Sea, disruption to trade with Russia and Ukraine, and the



growing burden of sanctions. The onset of the war precipitated cancellation notices for cargo and war and strikes coverage in the affected area in the Canadian market, as it did internationally. The impact of the war in the Ukraine is likely to continue to affect marine lines into 2023. According to Andrew Yeoman, chief executive of Concirrus, *"We enter 2023 going through one of the most difficult reinsurance renewal seasons, with the days of wide coverage and cheap capital firmly behind us. We are likely to see more restrictive capital, narrower policies and a market that has less options potentially leading to a continued hard market."* Insurers' and reinsurers' main concerns are not so much that of floating mines or attack while the vessels are crossing the Black Sea, as the risk of a vessel becoming stuck in a port for a long time.

Another interesting development has been the decline in ocean freight rates. According to Freightos, data shows that rates to ship a 40-ft container from Asia to the US West Coast have come down by more than 80% since the end of April, while prices to the East Coast have fallen by almost two-thirds. A big driver in falling logistics costs is a drop in consumer spending, which had been responsible for increased sales among many importers over the last two years. Consumers are reverting to their historical spending split of 70% on services and 30% on goods. The result has been pullbacks in the volume of container imports with large retailers such as Walmart and Amazon cancelling billions of dollars of orders, as they deal with excess inventory. A member reported stock accumulation concerns. The decline in volumes of imported containers to North America continued to fall through the year with congestion levels returning to normal in late November especially at LA/Long Beach. As port congestion clears up, a member reported less theft claims from railcars, which are now moving.

However, while supply chain disruptions have significantly diminished during the course of 2022, there is current pushback as a result of new disruptions in China tied not to Chinese regulations but to the real impact of the spread of Covid. During the last three years, China's aggressive lockdowns had maintained pressure on supply chains, but now it is the easing of restrictions and the consequent massive wave of Covid infections that could put pressure in the ability

to export goods from China.

Locally on the commercial side, many of the claims seen this year have been for local commercial vessels involving tug propulsion systems, barge groundings, allisions and capsizes and one claim involving damage to a swing span on the Fraser River. There have been numerous claims for damage to local docks/piers, and in particular fendering arrangements involving deep sea vessels. Claims involving local commercial fishing vessels remained steady with more claims related to the crab/prawn fleet than in previous years.

Late 2022 and into 2023 has seen the conclusion of some large claims affecting our market. Over a year since a 60' flat deck barge washed ashore on Sunset Beach in Vancouver on November 15, 2021 during the atmospheric river, the barge has now been dismantled in situ with costs anticipated to finalize somewhere between \$2.5 and \$3 million. The claim involving the barges "NA 5501" and "MLT 6000-1" which broke loose and floated across English Bay on December 26, 2018, and subsequently collided against mega yachts "Kogo" and "Kuma" along with other waterfront structures was finally settled in January 2023, resulting in a global settlement figure in the range of \$1.7 million.

Concerning yacht claims, these claims remain fairly consistent with mechanical breakdown incidents and impact incidents being the most common type of claim. Heavy weather/windstorm claims also continue to be casual. The length of time it may take to complete a repair has increased in some areas, particularly for older vessels where parts availability presents a challenge and/or where parts are on back order and delayed by supply chain issues. The beginning of the year was problematic as supply chain issues created little to no stock in many of the popular items such as engines, outdrives and specialized sensors and electronics. In some cases manufactures have taken advantage of this lack of raw material by dropping certain product lines such as sizes of engines. Trying to source certain models became almost impossible. This creates issues for insurers as in some cases the alternative model of engine available could double or triple the cost.

Repairers continue to have challenges in some areas in terms of staff availability and trying to schedule repairs in their yards and factoring in the issues around parts ordering. It is reported that repair facilities have significantly increased wages to retain the number of staff they have, going in some cases from an average wage of \$100 per hour to \$150,00 per hour. The same concerns are echoed across Canada. Members from the east coast have also reported problems concerning lack of repair facilities and qualified/competent repairers. This is affecting vessels of all kinds and sizes. The problem is magnified when the vessels are located in rural areas, away from the main cities.

It is reported that some market players have tightened wordings over the past year with items such as obsolescence wordings, ACV being applied to old vessel mechanical claims and wear and tear coverage becoming more limited.

It has also been reported that salvage and destruction costs have risen significantly. The Coast Guard Environmental response is much more proactive than previously and therefore wreck removal orders are quicker to be distributed.

Transport Canada/Office of Boating Safety have continued to run awareness campaigns to increase boating safety. This includes campaigns on the importance of wearing lifejackets and knowing how to use them; avoidance of riding on the bow of the boat; watching your wake campaigns; and controlling your speed when close to shoreline. At the beginning of the year, they also reported that they had noted an increase in recreational boat fires on the coast and so produced a checklist of what to do in the event of a fire.

Some of the concerns expressed by the RCMP to the Recreational Boating Advisory Council based on inspections and trends are as follows: Lack of knowledge of rules, regulations and boating etiquette; lack of operable safety equipment – insufficient life jackets, no flashlights, expired flares; new boaters unable to use or take time to use/locate their safety equipment; lack of navigational experience, with boat owners not understanding tides and currents, or having charts and/or being uncertain how to use their navigation equipment. Also, boaters unable to produce their Pleasure Craft Operator Card and vessel license.

Insured losses from natural catastrophes have increased by 250% in the last 30 years. As weather becomes more unpredictable with climate change, such events are likely to have a greater impact on trade and marine insurance. The east coast experienced the tail end of the Fiona hurricane in September 2022. It was perceived that the advance warning given to fishermen for additional time to haul their vessels may have prevented claims from occurring. Various members expressed that the number of marine claims reported was much smaller than expected. Similarly, marine surveyors reported limited claim activity.

On the cargo front, organized crime in the US and Canada is a factor in claims. High tech electronics and food such as lobster, cooking oil, and even items like toilet paper are targets. In essence, any cargo that is fungible, not traceable, is in high demand on the streets. Further, January/February and November/December saw several cargo claims for vessels departing from Asia with poor stowage arrangements. In addition, there were several yacht transport claims resultant of heavy weather and insufficient lashing of yachts stowed on deck.

Looking forward into 2023, as reported by *beinsure*, according to a recent poll, over a third of insurance industry insiders cited inflation as the standout challenge for 2023. It was significantly ahead of other key themes such as digitalization, climate change, regulation, COVID-19, cybercrime and geopolitics. Insurers are facing inflationary pressure in terms of the cost of running their business operation. Further, claims costs are rising as a result of the cost of materials to replace or repair (cost of parts and steel) . In addition, wage inflation is also raising claim payments. Finding qualified workers in certain segments is becoming difficult and therefore the cost of these workers continues to rise. As noted by Rich Soja of Allianz Global Corporate and Specialty, *“One of our biggest challenges is just making sure we’re getting the right price for an exposure because of the increased cost of paying a claim”*.

Respectfully submitted,

Mariella Dauphinee. MIABC Past President

**MARINE INSURANCE ASSOCIATION OF BRITISH COLUMBIA**  
**Annual General Meeting January 24, 2023 at the Rosewood Hotel Georgia**  
**Legislative Liaison Report**

The Legislative Liaison reported to the Executive Committee on the following developments and issues in 2022.

**Recent Supreme Court of Canada decision re: production of voyage data recorder (“VDR”) data:**

The Supreme Court of Canada recently released its decision regarding the use of voyage data recorder (VDR) information. We discussed the lower court decisions that was on appeal at the last Legislative Liaison update at the 2022 AGM

By way of background, the *Navigation Safety Regulations, 2020* set out the requirements for what navigation equipment must be carried and what information must be recorded onboard certain vessels. A Canadian vessel not engaged in an international voyage must have a voyage data recorder (VDR) if constructed after January 1, 2012 and provided the vessel is:

- (a) a passenger vessel of 500 gross tonnage or more; or
- (b) a vessel of 3 000 gross tonnage or more that does not engage solely on voyages in certain waters of the Great Lakes, which are clearly defined.

A Canadian passenger vessel of 500 gross tonnage or more not engaged on an international voyage and constructed before January 1, 2012, on the other hand, must have either a VDR or a simplified VDR. It is important to note that the above requirements do not currently apply to fishing vessels, pleasure craft or passenger vessels other than certain ferries.

VDR systems automatically collect and record information about onboard vessel operations and may record conversations and communications on the vessel’s bridge. That VDR information is not generally producible in civil litigation following an accident / incident as section 28 of the *Canadian Transportation Accident Investigation and Safety Board Act* (the “TSB Act”) states that such “on-board recording” is “privileged” and shall not be knowingly communicated to any person and shall not be required to be produced or used as evidence in any legal, disciplinary or other proceeding”. The rationale for such a broad protection from disclosure is to ensure that crew on board a ship, plane, locomotive or pumping station in a pipeline discuss operational matters in a frank matter. If crew understood that recordings of their communications might be produced in litigation in the future, including in litigation against them or their employer, it could, potentially, undermine the value and veracity of any such recordings and have an impact on what crew were willing to discuss on the bridge.

Although the Transportation Safety Board (the “TSB”) has previously successfully argued that these types of recordings should not be produced, the Supreme Court of Canada recently allowed cockpit recordings to be used in a civil suit in *Canada (Transportation Safety Board) v. Carroll-Byrne*, 2022 SCC 48. Those cockpit voice recordings are similar to information captured by VDR systems on board vessels.

The Carroll-Byrne case dealt with the landing of an Air Canada flight in a winter storm. The aircraft struck a light and then the ground before sliding along the runway. 25 people were injured and the aircraft was destroyed. The injured passengers commenced litigation after the incident against a number of defendants, including the aircraft manufacturer. That aircraft manufacturer applied to court to have access to the cockpit voice recordings contained in the aircraft's black box (similar to a vessel's VDR) as it argued that the recordings were necessary to determine the cause of the incident and to ensure a fair trial. The TSB intervened in that application to argue that the TSB Act prevents the disclosure or use of the sought after recordings as they are privileged pursuant to section 28 and that the privilege was justified as it allowed pilots to speak freely in the cockpit. The judge hearing the application at the trial level listened to the recordings in camera (i.e. without the public present) as required by the TSB Act and concluded that the recordings should be released as they were reliable, relevant, and necessary evidence for resolving the litigation. The judge concluded that the importance of the recordings to the administration of justice (i.e. determining liability in the civil action) outweighed the importance of the statutory privilege.

That decision was ultimately appealed to the Supreme Court of Canada. The majority of the Supreme Court affirmed the lower court decision to release the recordings. The court concluded that test to consider in an application for the release of privileged recordings under the TSB Act is whether the public interest in the proper administration of justice outweighs the importance of the privilege attached to the on-board recording. The decision maker must weigh two competing interests: (1) "the relevance, probative value and necessity of the on-board recording to the fair resolution of the dispute" and (2) "the effects of disclosure on pilot privacy and aviation safety".

The Carroll-Byrne decision will no doubt be relied on by parties seeking to obtain and use VDR data in a civil suit following an incident. The court may ultimately conclude that the VDR data should be disclosed if its probative value outweighs the privacy interests of the crew in the recordings and marine safety in general. It remains to be seen if the reasoning in Carroll-Byrne will also apply to allow the use of VDR data in criminal or regulatory proceedings following an incident.

### **Recent Covenant to Insure decision:**

In *Lehigh Hansen Materials Ltd. v. Sea Imp XI (Ship)*, 2022 BCSC 1556 the BC Supreme Court recently dealt with the allocation of risk following two barge groundings and stated that the question of how parties have chosen to allocate risk of loss is a factual one.

This litigation arose from the grounding of two barges while under tow. The supplier of the barges claimed damages in an amount exceeding \$800,000. The tow company argued that the barging agreement between the parties included a covenant to insure that required the supplier to obtain hull and machinery insurance for its own barges, and that this insurance was intended to be used to pay for the damages.

Although the barging agreement required the tow company to indemnify the supplier for all losses due to its negligence, the court concluded on a reading of the entire agreement that the tow

company could rely on the supplier's insurance for the barges as the parties allocated the risk of the loss to the supplier, not the tow company as "the parties allocated to [the supplier] the risk of damage to its barges while under towing by [the tow company], despite [the tow company's] indemnity". That was based on three parts of the barging agreement: (1) that the supplier covenanted to obtain hull and machinery insurance, (2) that the supplier's insurance was to be in an acceptable form to the tow company, and (3) the supplier's failure to obtain hull and machinery insurance meant that it was deemed to accept and pay for all claims that would have been covered by that insurance.

### **Update on Transport Canada's Small Vessel Compliance Program (SVCP):**

This is TC's voluntary program that is designed to assist and educate certain small vessel owners with compliance with the Canadian regulatory regime with the ultimate goal of increasing the Marine Safety and Security's oversight regime. It is available for non-pleasure craft vessels (tugs, workboats, fishing and passenger) of not more than 15 GT with 12 or less passengers that are not subject to mandatory inspections by TC.

The program is divided into three different areas covering small passenger vessels and workboats, small fishing vessels and small tugs. Paper and web based application processes were previously rolled out for small passenger vessels and workboats and fishing vessels between 2011 and 2021. Paper and web based applications were rolled out for the tugs in 2022.

The program is free of charge and is designed to assist owners and operators with understanding and complying with the Canadian regulatory regime. The application package consists of a detailed compliance report/checklist, compliance report guidelines and an annual compliance report / simplified checklist. A successful applicant will receive a letter of participation and decal confirming completion that are valid for five years. TC says that the program is designed to improve safety in the non-pleasure craft small vessel area and that participation can assist with meeting conditions for obtaining business permits in various jurisdictions and a decal may be required by some organizations as a contractual condition. TC says that increased voluntary participation will allow it to focus its inspections on non-enrolled, higher risk vessels.

Respectfully submitted this 24<sup>th</sup> day of January, 2023.



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David S. Jarrett,  
Bernard LLP



## **EDUCATION REPORT**

2022 was a year of continuing webinar-based presentations.

In the absence of an Education Committee representative, we were still able to hold three (3) seminars in 2022:

- April "An Introduction to Sanctions: Aims, Targets and Impacts"
- May "Building Coastal Resilience in Canada - Combining Built and Natural Infrastructure Solutions"
- September "Introduction to the Ship-Source Oil Pollution Fund"

Attendance at these seminars continued to average approximately 50 people.

Respectfully Submitted.

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*AGM Social Committee Chair Report*

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January 24, 2023

Good Afternoon members and honored guests, over the past year The Social Committee was faced with the difficult task of organizing events in a Post Pandemic world, weighing the membership's comfort level for attending person events against the ever increasing costs of hosting events.

While in person events were still scarce the Social Committee along with President Celeste Fox & Secretary Kari Heagy, continued with the MIABC Newsletter on the quarterly. The newsletter featured current event news articles, had regular contributions from the Vancouver Maritime Museum & Lloyd's of London Archives as well as advertised education seminars and events for the MIABC as well as our partner associations, CBMU and IUMI. We encourage contributions from the membership. If you have anything you would like to see featured in the newsletter, please reach out the MIABC executive.

On June 8, 2022, we bravely attempted a Pub night for our first event back in person after 2 years. We hosted this event at the Dublin Calling on Granville Street. This was a great venue and the staff were wonderful and very accommodating. The event saw over 30 people register which was a great start in the post pandemic world however the revenue was not enough to cover the minimum spend required and the event fell in deficit.

Early in the fall the Social Committee with the support of the executive made the difficult decision to delay the President's reception to January and host the AGM remote again. This was due to the ever increasing event cost particularly around the holidays, uncertainty on number of participants not to mention the anticipated flu season. However as the end of the year crept up it became obvious that our membership was looking forward to an in person event and while it was too late for a President's reception in December we elected to bring back the AGM & dinner in January instead. Turns out this is exactly what the association needed as we have a phenomenal turn out tonight.

Thank-you to the members for your support and sticking with us during and post pandemic. Our events are only a success with your participation.

Respectfully Submitted

Jackie Farquharson  
Social Committee Chair

Monday, January 30, 2023

## **2023 MIABC Annual General Meeting – Report of the Communications Committee**

Good afternoon Ladies and Gentleman,

The MIABC Communications Committee is pleased to continue serving the executive and our membership via email to keep you informed of Association-related events and education seminars.

The MIABC Website which was launched in August of 2019 continues to be updated with information on the upcoming events of the Education and Social Committees, corresponding registration information as well as the links to the registration pages.

We have recently had reports of members not receiving Association related emails. We would ask that you please check your spam and/or junk folder and if the problems persists, please contact me directly, or any member of our executive team and we will re-add to the distribution list.

If you or any of your colleagues have suggestion for content for the website, or if you would like to be added to our email distribution list, please speak with any member of our executive team.

We look forward to the continued input and support of the Association and its Membership, and we look forward to serving your interests in the future.

Respectfully submitted,



## January 24, 2023

As Vice President this year, I've had the pleasure of being Chair of the MIABC Scholarship Committee and working alongside the other two members of the Committee, that being, Jennifer Bensley and Mariella Dauphinee, whose help and participation has been of great value.

The Lynn Davis Memorial scholarship consists of two \$1,000 awards available to eligible candidates. In essence, full time students with direct affiliation with the Marine Insurance Association of British Columbia, accepted into a school of higher education. This year we received only one submission and thus awarded one winner.

Our winner this year is Jack Parry-Wingfield. Although Jack was the only applicant this year, his application was compelling and he has demonstrated himself as an active member of the community through numerous volunteer efforts and academic excellence.

Formal presentation will be made during the dinner.

This report is respectfully submitted,

January 24, 2023



January 16, 2023

**REPORT OF THE NOMINATING COMMITTEE  
OF THE  
MARINE INSURANCE ASSOCIATION OF BRITISH COLUMBIA**

The members of this year's Nominating Committee were:

|                    |                          |
|--------------------|--------------------------|
| Mariella Dauphinee | Intact Insurance Company |
| Michelle Jones     | CNA Canada               |
| Mark Wilson        | Marsh Specialty          |

The following persons have been nominated for Election as members of the 2022-2023 Executive Committee:

|                    |                                     |
|--------------------|-------------------------------------|
| Mark Wilson        | Marsh Specialty                     |
| Celeste Fox        | CNA Canada                          |
| Jackie Farquharson | Harlock Murray Underwriting Ltd.    |
| Tyson Daniels      | BFL Canada                          |
| Sarah White        | Yacht Associates International Ltd. |
| Erica Grant        | Norton Rose Fulbright               |
| Shaun Booth        | Marsh Specialty                     |

Respectfully submitted

A handwritten signature in black ink that reads "Mariella Dauphinee". The signature is written in a cursive style.

Mariella Dauphinee  
Chairperson, Nominating Committee

