



Cross Border Solution

Frequently asked questions (Broker)

1. What is the Intact Cross Border solution?

Intact's Cross Border solution supports Canadian based clients with U.S. exposure. This Cross Border coverage is offered nationally, and is handled by a local Canadian team that works closely with the Commercial Lines (CL) team, to provide clients with efficient, seamless, best-in-class service, featuring products with coverage that addresses cross border gaps and aligns limits with the Canadian policy.

Intact's Cross Border solution also supports U.S. based OneBeacon clients with Canadian exposure.

2. What are the highlights of the Cross Border solution?

- Products with broad coverage and appetite are available for both the Canadian and U.S. policies, through a master policy program with Difference in Conditions /Difference in Limits
- A Canadian based cross border team with the expertise to write U.S. risks
- A simple process where the entire account is managed with just one point of contact
- Choice of U.S. broker or access to our own U.S. based agency
- In-house claims service offered in both Canada and the U.S.

3. How does the coverage address gaps and limits on both sides of the border?

Intact is pleased to provide a 'master policy approach', by offering Difference in Conditions (DIC) and Difference in Limits (DIL) for property and liability, with combined limits (not applicable to Auto).

4. What are the lines of coverage offered?

Cross border will be used to write:

- Commercial Property
- Commercial General Liability (including Umbrella)
- Equipment Breakdown
- Automobile (non-owned, owned, garage)*
- Workers' Compensation**

Equipment breakdown, Auto and Workers' Compensation are all new offerings!

We hope to expand cross border to additional lines such as: Marine and D&O in 2018.

*Automobile

- Supporting auto with low to medium hazard risk
- We will not write specialty auto classes including 'for hire' trucking and passenger transportation.

**Workers' Compensation

- Statutory benefits as prescribed by individual States; low to medium exposures

5. What are the limits for the Cross Border solution?

Our underwriting appetite and coverage limits available for U.S. risks will now mirror what is available currently in Canada.

6. What is the benefit of a master policy with DIC/DIL for the broker and client?

Our comprehensive program provides coverage in both Canada and the U.S. through a master policy approach to offer assurance that the coverage on the U.S. exposure mirrors what is provided in Canada as much as possible.

7. How do combined limits, DIC and DIL work?

Combined limits: means the limits of the master are all of the available limits across the program. If we issue a \$1M master GL, and a local U.S. \$1M GL, there is a total limit of \$1M (the master limit), not \$2M. The master combines the limits of the local policy with the master policy.

For example:*

DIL: means the master will close applicable limit gaps. If the insured has an extra expense loss of \$150,000 in the U.S., and their local U.S. policy has a \$100,000 limit, but the master policy has a \$250,000 limit, the master will pay the additional \$50,000 not covered by the local U.S. policy.

DIC: means the master will close applicable coverage gaps. If the insured has an extra expense loss of \$150,000 in the U.S., and their local U.S. policy does not have extra expense coverage, but the master policy has a \$250,000 extra expense limit, the master will pay the entire \$150,000 loss.

Note: There may be exceptions to some of the catastrophe coverage in certain U.S. states.

*These are examples only; coverage is based on the specific policy.

8. Are service level agreements in place?

Yes, current regional Commercial Lines service levels will be maintained in most cases, so that accounts with U.S. exposures will experience the same great service received on other accounts. The quote will be provided within 5 days, 80% of the time.

9. Where is the cross border desk located?

Cross Border desks are currently located in Mississauga, Montreal and Vancouver, and are staffed by underwriters and assistants that specialize in placing this business.

10. Is service available in French?

Yes, we have French-speaking cross border staff.

11. Who does the Canadian broker work with?

The broker continues to work with the CL underwriter, who is the main point of contact on the account. Brokers send the submission to the regional Commercial Lines team which then works with the Cross Border desk on the broker's behalf.

12. Is a U.S. broker required on the U.S. policy?

Yes. OneBeacon is not licensed as a direct insurer.

13. Who is the U.S. broker?

We are now providing choice of U.S. broker. Canadian brokers may choose to use their own U.S. broker if it is contracted with OneBeacon and carries the required state licences. Intact can assist to place a U.S. broker contract with Specialty Advantage Insurance Services (SAIS), which is available as the broker of record for Canadian brokers that do not have a U.S. broker relationship.

14. Who is SAIS?

Specialty Advantage Insurance Services (SAIS) is OneBeacon's wholly-owned agency that is licensed in all 50 states.

15. Who issues certificates of insurance and Auto ID cards (pink cards)?

The U.S. broker/agent issues these.

16. Are there minimum premiums?

The current minimum premiums on the U.S. policy are \$500 USD per line, and \$1,000 USD per package policy.

17. Who is best suited for the Cross Border solution?

Small to medium sized Canadian-based accounts with P&C (including Equipment Breakdown, some inland marine, and Umbrella) and Auto (supporting P&C only, not trucking). We do not place U.S. only based business.

18. Is Intact still using its former cross border model?

We will transition business from our previous cross border solution starting in Q1, 2018, and we are exploring ways in which we may continue our relationships with that broker.

19. How is the U.S. premium paid?

The U.S. policy will be on an agency bill. The U.S. broker must pay as per their agency bill statement, in USD.

If the Canadian broker has chosen to use their own U.S. broker, it is up to them to arrange invoicing, and ensure their U.S. broker pays the premium on time.

If SAIS is used, the Canadian broker will receive an invoice from SAIS, with 30 days to pay the premium to SAIS.

20. Does the broker need to complete an ACORD application?

No, this is no longer required. The information requested in an ACORD application is required, however, the format is permitted to vary, as long as complete information is provided.

Note: In some cases, the best format may be the ACORD application, particularly for Workers' Compensation.

21. How are brokers compensated?

Commission will vary, for example, standard U.S. commission is 15% for P&C and Auto, Workers' Compensation varies but is typically 5%. Any commission is paid only to the U.S. broker or agency.

If the Canadian broker has chosen their own U.S. broker, any compensation arrangements are between these brokers, we are not involved.

If SAIS is used, a reduced commission will be paid to SAIS to cover internal costs, with premium reduced accordingly.

22. What if a Canadian client has a claim on a Cross Border account?

A Canadian claim is settled and managed as usual, within the standard claims process. A U.S. claim reported to OneBeacon on the U.S. policy is handled by OneBeacon adjusters. If there is a DIC/DIL claim, OneBeacon adjusts it with appropriate involvement by an Intact Insurance adjuster.

23. Who does a Canadian client contact if they need to report a claim?

Canadian claims should be reported to Intact at 1-866-464-2424.
U.S. claims should be reported to OneBeacon at 1-877-248-3455, in accordance with the reporting procedures on the U.S. policy.

24. What if a U.S. client has a claim related to the cross border solution?

U.S. claims should be reported to OneBeacon at 1-877-248-3455, in accordance with the reporting procedures on the U.S. policy.

25. Is Intact expanding its cross border solution to other countries?

Not at this time.