



RIMS CANADA™

NEWSLETTER | Brought to you by the RIMS CANADA COUNCIL

WELCOME FROM THE RIMS CANADA COUNCIL

“Success happens when good people with good intentions cooperate and work together over a shared interest.”

–Meg Whitman

That's us RIMS Canada – we are the power of many!

As we bring you our first quarterly newsletter for 2024, we have much to celebrate in the Council. Our new all-female RIMS Canada Council Executive Committee includes **Jacqueline Toering** (Chair), **Valerie Barber** (Vice Chair), **Carrie Green** (Treasurer), **Debbie Savoury** (Secretary), **Aaron Lukoni** (National Conference Chair) and **Tara Lessard Webb** (Communications & External Affairs/Diversity, Equity & Inclusion Chair). The broader council includes our own personal rockstar and RCC RIMS Liaison, **Annette Homan**, Past Chair **Steve Pottle**, RIMS Board Liaison **Kevin Bates** (who we are lucky to have stay on for another year), and our Chapter Liaisons: **Lance Kayfish**, BCRIMA; **Dale Frankoski**, SARIMS; **Alana Dahlen**, NARIMS; **Naomi Griffin**, SKRIMS; **Miles Barber**,



MARIMS; **Valerie Fox**, ORIMS; **Peter Cech**, CCC; **Marie-Claude Le Ber/Ginette Demers**, QRIMA; **Vanessa MacLean**, Maritime; and **Rhonda Tucker**, NALRIMS.

This welcome message was inspired by International Women's Day, which was celebrated on March 8, with a theme of "Inspire Inclusion." March was also Women's History Month south of the border, so we also

salute all the women rocking their risk management roles in the United States. Even after Women's History Month, our focus on inclusion should not diminish. Celebrate achievements of women. Raise awareness about discrimination. Take action to drive gender parity. Just as February was Black History Month in both Canada and the United States, we

need to remember to continue our collective inclusion efforts throughout the year to make a positive impact in our risk management community.

Recently, the RIMS Canada Council met for our annual planning meeting in *la belle province*, so *merci* to our local members from the Quebec chapter, QRIMA, for joining us during our visit and sharing insights on inclusion for our members. The two-day planning session was highly engaging and inclusive, and left us feeling energized and excited to be of service to our members from coast to coast. We have a great team of people representing RIMS Canada nationally to see us through the pivotal changes initiated last year, allowing us to better serve all our Canadian chapters and set them up for future success that is both resilient and sustainable.

The RIMS Canada Council also put the call out for some open volunteer positions. We are committed to transparency and fairly communicating volunteer opportunities to our entire community. I hope you saw the communications and put your name forward. If not this time, please consider joining us the future. We truly are better together!

We hope you enjoy the first newsletter this year, please let us know what you think. ■

NAVIGATING CYBERSECURITY RISKS IN MASTER SERVICE AGREEMENTS

by Dave Dhillon

In 2023, Canadian organizations faced a surging number of cybersecurity threats, including sophisticated ransomware threats, supply chain disruptions and phishing attacks. PwC's Global CEO Survey from 2022 found that 11% of Canadian CEOs believed their company would be either highly or extremely exposed to cyber risks over the next 12 months—and 18% over the next five years. Additionally, IBM's 2023 Cost of a Data Breach Report found that the average cost to companies of a cybersecurity breach in Canada was \$6.94 million.

It is no wonder that as organizations increasingly rely on third-party vendors to manage critical IT services, risk managers play a pivotal role in safeguarding against potential cybersecurity threats. Master service agreements (MSAs) form the foundation of these vendor relationships, outlining the terms, responsibilities and liabilities. Risk managers and their legal counsel can profoundly impact the consequences of a cyber incident by taking early steps in negotiating MSAs to proactively manage cyber vulnerabilities. By considering these issues, costs and delay from a cyber incident can be minimized, and the focus can be maintained on mitigating any organizational impact.

The following are the essential issues that risk managers should prioritize when evaluating MSAs:

1. COMPREHENSIVE RISK ASSESSMENT

It is important to understand the types of risk that come with working with a service provider, and the asset inventory that may be impacted by a cyber incident. First, consider the types of "assets" that your company has and their importance whether they are physical, intellectual, financial, human resources or reputation.

Risk managers should then consider any vulnerabilities (external or internal) to the assets, and review MSAs to consider how each service provider impacts these assets. Are the service providers handling your financial transactions? Are they managing your employee benefits plan? Do they offer cloud-based services vulnerable to a cyberattack? In addition, are the risk allocations appropriately managed in the MSA to ensure that the service provider takes appropriate care where necessary.

2. AUDIT REQUIREMENTS FOLLOWING A CYBERATTACK

MSAs will often allow one party the right to audit and assess a security impact after it occurs. However, it may be necessary for certain service providers to offer regular updates on their security

systems. For service providers offering high-risk services, risk managers should request passive security checks and audits to uncover any security vulnerabilities that are easily exploited. Moreover, there should be some assurance that the service provider's employees have regular cybersecurity awareness training that includes avoiding any phishing attacks (one of the most common vulnerabilities to an organization's cybersecurity).

Following a breach or a cyber incident, the MSA may include immediate (or no later than 24-hour) reporting by a designated cyber leader from the service provider to the risk manager. As the critical period for many cyber incidents is the first 72 hours after discovery, it is imperative that a risk manager be made aware of a cyber incident to take steps to protect any of their organization's vulnerable assets.

Finally, a service provider may have suffered a breach but be reluctant to provide information due to a legal risk. A post-breach right to audit in an MSA provides some avenue for a risk manager to compel a service provider to proffer information and expediate any forensic investigation as necessary.

3. CYBER INSURANCE

If a service provider is subject to a cyber breach, especially in instances where the provider is holding your organization's data or providing technology-based



services, the consequences can be costly for both organizations. To minimize the impact, risk managers should require service providers to carry and maintain a minimum level of cyber insurance during the relationship. This is especially necessary when dealing with small to medium enterprise service providers working in the technology space (i.e., SaaS, IaaS and PaaS). These service providers offer invaluable products, though the risk of a cyber incident can quickly deplete the company's financial standing.

Risk managers should request proof of insurance and policy details so that these can be raised when issues may arise. In addition, your broker or legal counsel should review the details of any cyber policy and consider integrating this into your breach response plan (keeping in mind any reporting and notification obligations). ■

Dave Dhillon is a cybersecurity and insurance lawyer practicing with the Toronto office of Clyde & Co LLP. He also serves as the co-chair of Link Canada (the 2SLGBTQ+ Insurance Network).

RISKS FACING HOSPITALITY PROVIDERS IN 2024

by Philip Porado, *Canadian Underwriter*

As Canada eases out of the COVID-19 pandemic, the country's restaurateurs, hoteliers, and event venue operators face a multitude of risks.

Changes over the past four years have hospitality providers swimming in a toxic soup of pandemic-stunted social habits, inflation-dented wallets, recession fears, climbing interest rates, escalating wages and other business costs.

"The greatest risks I would point to now are anything that impacts financial stability," said Michael Boynton, a vice president in NFP's business insurance division. "It could be reputation, their ability to adapt [or] just customer satisfaction at a macro level – any negative incidents that may damage customer trust and lead to a decline in bookings and revenue.

"From an insurance standpoint, we look at the safety and security risks, such as cyberattacks, natural disasters, liquor liability or even foodborne illnesses [from things like] surface contamination [that] can significantly impact the reputation and business of hospitality providers."

WATCHING THE BOTTOM LINE

When running their businesses, hospitality providers generally focus on managing revenue and expenses. But post-pandemic, "our clients are watching costs for labour and fixed expenses more

than ever," Boynton told *Canadian Underwriter*.

The emerging new normal has these firms monitoring cost of goods sold (COGS in industry parlance) and labour-fixed expenses, and asking themselves, 'Can these be easily moved in a business plan?'

"In prior years in the [hospitality] industry, everyone would fixate on socials and marketing for revenue. Now it's about managing expenses and labour percentages to make sure pricing is constantly aligned," he said.

"Produce is up significantly – double-digit percentages. So, they're watching that and asking themselves, 'How can we manage our costs, and how can [we align that with] pricing...so that our clients are still funnelling into our hospitality operations?'"

EMERGING TECH THREATS

Further, hospitality firms' growing reliance on point-of-sale payment systems increases the risk of revenue loss following a cyberattack.

"Those systems can go down," said Boynton. "There's a lot of technology in restaurants [as well as] events – things like processing food and beverage orders, menus are all online, bookings are done online through websites or email. All of that can be shut down."

Cyberattacks affecting hospitality providers' ability to operate can also cause reputational damage or lead potential clients to select other providers. And, sometimes, business shutdowns can spark a flurry of negative comments on social media.

"Online reputation management has been a key emerging risk. There's been a rise in online reviews

and social media, so hospitality providers are increasingly exposed to public criticism. There's just so many different ways to get negative criticism," noted Boynton.

And then there is geopolitical volatility. "Protests and rapidly changing political climates can be an issue, especially for larger events," he said.

In response, hospitality firms must carefully evaluate how much event cancellation coverage they are carrying for marquee events to ensure it will cover economic risks.

Plus, underwriters will expect companies to have procedures in place for event disruptions – including ensuring planners and staff clearly understand a venue's physical layout so they can facilitate a possible evacuation. ■

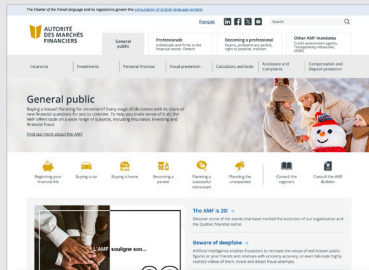
Originally published by *Canadian Underwriter* on February 26, 2024.



MISE À JOUR: AUTORITÉ DES MARCHÉS FINANCIERS (AMF)

L'Autorité souhaite entamer une discussion avec l'ensemble des parties prenantes du secteur financier québécois sur les meilleures pratiques qui favorisent une utilisation responsable de l'IA dans le secteur financier. Il s'agit d'une consultation générale sur les opportunités et les enjeux de l'utilisation de l'IA en finance, et sur les actions à privilégier pour atténuer les risques pour les consommateurs, les intervenants financiers, l'intégrité des marchés et la stabilité financière.

Les enjeux soulevés et les pratiques proposées dans le présent document touchent tous les intervenants du secteur financier, les investisseurs



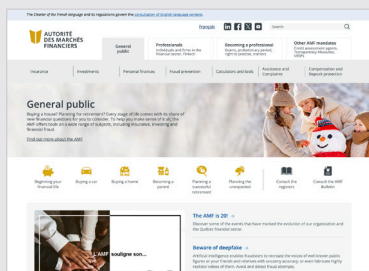
et les consommateurs de produits et utilisateurs de services financiers.

Les parties intéressées sont invitées à solliciter une rencontre avec les personnes-ressources de l'Autorité afin de soumettre leurs commentaires sur les pratiques présentées et leurs réponses aux questions listées ci-dessous avant le 14 juin 2024. Aussi, l'Autorité organisera des tables rondes et d'autres forums de discussion pendant cette période

afin d'obtenir des commentaires supplémentaires et d'approfondir sa compréhension de l'utilisation de l'IA dans le secteur financier. L'information sur les différentes façons de participer à cette discussion est disponible sur le site Web de l'Autorité. ■

PROVINCIAL REGULATOR UPDATE: AUTORITÉ DES MARCHÉS FINANCIERS (AMF)

The AMF is the regulatory and oversight body for Québec's financial sector. Its role is to ensure that individuals and firms in the financial sector comply with current Québec laws, notably in the areas of insurance, securities, deposit institutions (other than banks) and the distribution of financial products and services. The AMF wishes to initiate a discussion with all Québec financial sector stakeholders on best practices that promote the responsible use of AI. It will be a general consultation on the opportunities and risks associated with the use of AI in finance and on the actions that should be focused on to mitigate the risks



to consumers, financial players, market integrity and financial stability.

The issues raised and practices proposed in this document affect all financial sector stakeholders, investors and financial consumers. Interested parties are invited to request a meeting with the AMF contact persons so that they can submit their comments on the proposed practices and their answers to the questions below before June 14, 2024. The AMF will

also be organizing round tables and other discussion forums during this period in order to obtain additional input and deepen its understanding of the use of AI in the financial sector. Information about the various ways to participate in this discussion is available on the AMF website. ■

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GINETTE DEMERS HONORED WITH EXCELLENTIA AWARD

Every two years, AGRAQ-QRIMA gives out the Excellentia Award to a member of our industry. This award was established by the board of AGRAQ-QRIMA in 2005 to promote the advancement of the risk management profession in Québec. It serves to recognize an individual who has worked in the field of risk management and insurance for a company or organization, a role model to increase visibility of the risk management field. To be admitted, an ad hoc committee, made up of former Excellentia award nominees is created and proposes a nomination that must be supported by a board member of AGRAQ-QRIMA.

For the 2023 Excellentia Award, the committee nominated **Ginette Demers**. Ginette is a risk manager with extensive experience in both the North American and European insurance markets and currently serves as the director of risk management and insurance for Domtar. In addition to her professional career, Ginette has long been an active member of RIMS Canada in many different levels. She has served as a former chair of the RIMS Canada Council and was also part of the organizing committee for the national conference in both 2015 and 2005. She has contributed to



the local Québec chapter over the past decade and continues to provide guidance to the new board of directors.

Nancy Degré, president of the AGRAQ-QRIMA, presented the award to Ginette during the chapter holiday luncheon on December 6, 2023. Félicitations Ginette! ■

NEXT GEN SPOTLIGHT: Jared Cummins

Jared Cummins is finishing his final semester of the General Insurance and Risk Management Program at the British Columbia Institute of Technology (BCIT). Jared found his way to the program while looking for a career change from restaurant management, after over a decade in the hospitality industry. He felt that risk management was the perfect space to combine his customer service experience with his analytical mindset and love of solving problems.

BCIT caught Jared's attention because of its condensed programs and industry involvement. Students leave the two-year program with not only a diploma, but almost everything they need for a Chartered Insurance Professional and Canadian Risk Management designation. The most notable experience to come out of the program for Jared was the opportunity to participate in the Spencer-RIMS Risk Management Challenge in 2023. He competed along side three other BCIT students to prepare a written, comprehensive risk analysis on the Southeastern Pennsylvania Transportation Authority. After making it to the top 8, the team travelled to RISKWORLD 2023 in Atlanta to compete in the presentation rounds of the competition where they placed second overall, the highest finish of any Canadian team thus far.

RISKWORLD was an incredible opportunity for Jared to expand his knowledge of the industry and network with professionals around the world. He found it incredibly encouraging to see how open and willing everyone was to share their experience the moment they learnt you were a student. It highlighted the vast landscape of opportunity for students looking to get involved



in the industry. Jared is his class Set Representative and is now serving as the Student Director on the BCRIMA board, who generously sponsored the team's trip to RISKWORLD.

Outside of work and school, Jared enjoys spending time outdoors, cooking and reading anything history-, economics- or finance-related. He hopes to incorporate these topics into his risk management career and to continue to learn and grow.

It may be easy to think you have little to offer at the start of your career, but Jared's experience demonstrates the value of taking a few risks. After all, if you put yourself out there, you never know where it may take you or what difference a fresh perspective might make! ■



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RISK
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SKRIMS DEBUTS MENTORSHIP PILOT PROGRAM

by C. Nicholas Quigley

In the fall of 2022, the board and members of SKRIMS discussed our chapter's knowledge base as there was a great deal of experience in various vertical risk management sectors. With this background in mind, we realized it would be a missed opportunity if we let the information vanish as members retired or moved on. As the torch passes onto the next generation of professionals, allowing them to learn from those who came before is vital.

From this perspective, SKRIMS decided to pilot a mentorship program to pair

newer risk professionals with our experienced members. A newly formed mentorship committee was tasked with creating a plan to give the mentee and mentor direction. The committee included an intake questionnaire and a guidebook for the year-long program.

The goal of the pilot program was simple: To provide a one-year program of self-guided exploration for the mentee to understand the risk and insurance industry better, leaning on an experienced mentor to guide their exploration.

The committee received applications for six mentees and had four mentors work with them for a period of one year starting in 2023. At the end of the one-year pilot, we surveyed the mentees



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and mentors to understand the program's overall value and ask, "What can we do better?"

The results of the survey were positive. Mentees felt the mentors were very high quality, and mentors appreciated the mentees being engaged and willing to learn. Everyone agreed that scheduling consistent meeting times was a challenge. All respondents reported that they would

continue in future intakes. As the committee continues to analyze the information and implement improvements, SKRIMS hopes to have the next intake in the coming months. ■

C. Nicholas Quigley, CD, BESMS, RIMS-CRMP, GRCP, GRCA, IAAP, IDPP, IPMP, ABCP, AEM, is SKRIMS board member/mentorship coordinator and risk management specialist at SARC/SARCAN Recycling.

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Water and Women in Risk with Sarah Mikolich

Sarah Mikolich, risk and insurance coordinator at the Ontario Clean Water Agency, talks about her 25-year career path in risk and insurance management, describes the work of Ontario Clean Water Agency, and shares her tips for women entering the risk and insurance industry.

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risk management resources, including conference and education information.

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