



THE **SOVEREIGN**  
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## Do Four-Day Workweeks Really Work?

Our intentions tend to be much more real to us than our actions, and this can lead to a great deal of misunderstanding with other people, to whom our actions tend to be much more real than our intentions.

E. F. Schumacher

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Back in 2008, when gas prices skyrocketed, the state of Utah and 17,000 of its civil servants began an experiment. For the state, the goal was to reduce energy costs. The experiment was simple enough: A four-day, rather than five-day, workweek. It involved no employee cutbacks; instead staff began working four ten-hour days rather than their customary five eight-hour days. Most offices closed Friday, giving employees long weekends.

Did it work? Well, both government and employees like the new system. For the state, it produced a 13% reduction in energy use, and an estimated saving of \$6 million in gasoline costs. It also helps the state of Utah look good among environmentalists. What's more, with the extra two hours a day, many state offices opened earlier and closed later, becoming more convenient for users (from Monday through Thursday, at least).

Among employees, 82% of those surveyed want to stay on the new schedule. They cite benefits such as less commuting, reduced gas consumption, and lower energy bills of their own. Oh, yes there's also that small matter of three-day weekends, every weekend. There were some who had problems with the new schedule, primarily young parents who had trouble finding day care services with extended hours.

Going into the experiment, some feared people problems, such as burnout, since most employees would start an hour earlier and finish an hour later. But, that hasn't been a problem; in fact, workers now take fewer sick days than they did while working eight-hour days.

Utah became the first American state to mandate a four-day week, but it appears others will follow. Officials in the state report that delegations from other cities and states are either following their lead or contacting them for information. In addition, many companies have launched their own versions or are studying this option. (**The Four-Day Workweek is Winning Fans**, *Time*, September 7, 2009)



# How to Say "No" to Your Boss

Does your boss think you have time to do everything that pops into his or her mind? And if that's the case, how can we extricate ourselves without looking like slackers, being considered insubordinates, or worse? Here are five phrases you might use to start a conversation about your workload:

1. "Should this take priority over my current work?" In other words, if you must sacrifice something, let the boss make that hard choice.
2. "I'm not the best person for this task." Explain why this work would be a poor use of your time, respectfully of course.
3. "I could do it when I'm finished doing...." With a little luck, your boss will get impatient and assign the project to someone else.
4. "I'm not comfortable doing this." If you have ethical concerns or you've previously gone on record as strongly opposing this project, remind the boss of your reservations.
5. "Perhaps I can help you in another way." Again, if it's not your type of project, check to see if you can help the boss tidy up his or her to-do list, without compromising your time or principles.

(Say No To Extra Work, *AskMen*, [askmen.com](http://askmen.com))

# How Leaders Get Lost

As a leader or manager, you've got a lot on your mind and on your plate. So, the trees can begin hiding the forest. Let's look at five common ways in which leaders lose their edge, and how they might get it back:

1. *Ignoring the vision:* The clarity you once had about your destination and how you'll get there fades. If that happens, take some time, ask yourself some critical questions, and strive to once again see the vision clearly.
2. *Losing focus:* Once you establish or refresh your vision, you cannot afford to stray from it. Keep or regain your focus by identifying just a few key priorities and sticking to them.
3. *Taking inefficient action:* You now have your priorities, so it becomes a question of how you execute on them. Keep asking yourself if every item on your to-do list moves you toward your vision and goals.
4. *Doing things the hard way:* Focus on your strengths and leverage them to get work done quickly and well. Choose to do things the way that works best for you.
5. *Disconnecting from your work:* Reflect on the purpose of your work, the fulfillment you get from it, and connect your actions with your inner needs.

(The 5 Ways Leaders Lose Their Edge, *Phone+*, August 19, 2009)

# Beyond Relationships

Personal and business relationships have always mattered in our industry. But, new technologies now come between brokers and clients in many areas: web sites and automated phone systems, for example. Aiming for financial efficiency, we use these tools to ask customers to serve themselves, rather than taking time to help with routine matters. There's a price to pay, though, for that kind of efficiency, a price that can wipe out the gains we expect from technology. It's a breakdown in the traditional relationships we have with clients and customers.

For the perceptive manager, though, this also represents a new marketing opportunity: Keeping existing business and winning new business by paying attention to detail, being conscious always of value-added possibilities and by maintaining the personal touch. Provide added-value by first establishing relationships with your peers and within industry associations. Take the knowledge, expertise, and skills you gain from them to provide your clients with even better advice about risks, liabilities, and the protection of their assets. (**Commitment + added value = opportunity in a changing world**, *Agent & Broker*, August 1, 2009)

## Finding the Right Balance

A small-business owner occupies a unique space when it comes to managing employees. Owners report to no one above. That's great in some ways, but it also takes away a resource that can hold them accountable, act as a sounding board, or provide mentoring. Who will tell you that you aren't doing a good job of managing people? Likely only disgruntled, exiting employees, who you likely wouldn't believe anyway.

If you're a small-business owner who wants to find the right balance between micromanaging and being disconnected, you have no choice but to ask your employees. Spend a few minutes with every employee every few weeks, asking what you can do to help them do their jobs, and to help them take care of customers. Experts note that the most common mistake among such managers is to focus on personalities, not the company's goals, when dealing with challenging employees. In these situation, never talk about attitudes, instead focus on awareness and on facts.

There's a lot at stake. Most importantly, employees will treat customers in the way they believe they're being treated by you. Poor customer service among employees should alert you to your management style and practices. And, remember always that it's your job to give them what they need to do their jobs well. (*Ask the Expert*, August/September, 2009)



Dear Friends:

A short twelve months ago I wrote to you lamenting economic chaos that was gripping the entire world. Lehman Brothers was gone. Financial giants with names like Royal Bank of Scotland, ING, and AIG were teetering on the brink of disaster. Homeowners in the United States and parts of Europe were walking away from their mortgages in record numbers. In response, governments around the world were creating bailout packages of a magnitude previously unfathomable in order to ensure the survival of financial giants and our financial system.

A year ago it was difficult, if not impossible, to predict what lay ahead. Inflation? Deflation? The beginning of the next great depression? What was clear was that we could expect a period of significant volatility and uncertainty. We have certainly experienced a great deal of volatility and while the outlook seems much more promising, uncertainty persists.

In the fall of 2008 I expressed pride in the financial prudence that Canadians and Canadian business, and regulators had demonstrated. A year later it seems that this pride was well placed. In fact, our financial system is now held up as a model for the rest of the world.

At The Sovereign, we take a prudent and disciplined approach to managing our business and our capital. We have a conservative investment policy that focuses on the preservation of capital. We take a disciplined approach to managing through market cycles. Finally we partner with a small group of brokers who share our values and our belief that a financially sound and profitable insurance industry is in the best interest of clients, brokers and insurers alike. This approach has served us well. Through the volatility and uncertainty of the last twelve months we have seen our capital strength improve.

This prudence and discipline has allowed us to remain focused on our fundamental goal of working with you to find solutions for the complex insurance needs of your clients. This continued focus is evidenced by the fact that we have seen close to double-digit growth in our specialty and complex commercial portfolios so far in 2009.

I would like to thank you, our valued brokers, for your continued support this past year. As these (what are hopefully) the last chapters of this economic crisis unfold, we are committed to remaining a balanced and prudent partner focused on finding solutions for the insurance needs of your clients.

On behalf of The Sovereign, I would like to wish you and yours health and happiness as you celebrate the many special moments this season brings. I look forward to continuing our partnership with you in 2010!

Happy Holidays,



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# Young Drivers

*By Angela Altass*

Driving is a serious responsibility for anyone who gets behind the wheel of a motor vehicle. For new drivers, maneuvering a vehicle along the roadway can be a daunting task but one that is eagerly sought for the freedom and benefits a driver's licence can provide.

Although new drivers come in all ages, one tends to think of young teenage drivers who relish the concept that they have become of age to legally learn to drive and apply for their licence. Statistics have shown that with a new driver's licence and young age combination comes risk and concern.

In 2006, the most recent year for which data is available, a total of 713 young people were killed in road crashes in Canada – this included 353 teens aged 15 – 19, and 360 young adults aged 20 to 24. An additional 51,324 were injured in motor vehicle crashes – 24,594 teens aged 15 to 19, and 26,730 young adults ages 20 to 24 (Transport Canada 2007).

Young drivers are more likely than older drivers to engage in a variety of high-risk driving behaviours, according to *The Road Safety Monitor 2004*, a Traffic Injury Research Foundation document that notes the following as examples:

- Thirty eight per cent of 16 to 19 year olds report taking a risk while driving for fun. Only 12 per cent of those age 45 to 54 report doing so.

- Sixty six per cent of teenage drivers go driving just for the fun of it, at least occasionally. About one-third of drivers age 35 to 54 do so.
- Over 90 per cent of young drivers report driving in excess of the posted speed limit. The incidence of speeding decreases steadily with increasing driver age.
- Three-quarters of drivers 16 to 19 say that they speed up to get through a traffic light before it changes. This behaviour also decreases progressively among older drivers.

Not only are vehicle crashes the number one cause of death for teenagers, young drivers have nearly twice as many crashes ending in death as their demographic numbers would suggest, says Kathy Blair of SMARTRISK.

Canadian youth represent 13 per cent of the general population. In 2006, youth aged 15 to 24 accounted for approximately one quarter of all road fatalities (24.7 per cent) and injuries (25.7 per cent) in Canada. In fact, one in every five new drivers is involved in a collision during the first two years of driving. Teen drivers are a risk to others, not just themselves.

“Starting with the fact that teenagers are simply inexperienced,” she says. “There is no substitute for driving experience in all kinds of weather, road and traffic conditions to help drivers learn to navigate the roads with skill and to recognize and



respond to hazards. Teens, especially males, commonly overestimate their driving competence and underestimate their risks. In addition, many teens treat driving as a social activity, rather than as a way to get from point A to point B.

New drivers should be aware that driving on rural roads poses higher risks than urban roads, notes Blair.

“Gravel surfaces, soft shoulders, lack of lighting and conditions that may rapidly deteriorate in bad weather raise the risks,” she explains. “Also, lower volumes of traffic may encourage speeding.”

Although driving laws vary across Canada, parents can help young drivers by being aware of the risks and discussing them with their teens and helping them get lots of driving practice under low risk conditions before allowing them to undertake driving under what might be riskier conditions, advises Blair.

“Consider signing a driving contract you and your teen agree on that specifies under which conditions your teen has access to your car and under which conditions those privileges might be withdrawn,” she says. “These kinds of contracts are available in a variety of places, including through insurance companies and on websites and can be tailored to fit your needs.”

Parents can play an important role in shaping and influencing their teens’ attitudes, lifestyle and driving experiences even into the first few years of unsupervised driving, states *Reducing the Crash Risk For Young Drivers*, a document of the Traffic Injury Research Foundation. Further information is available at [www.trafficinjuryresearch.com](http://www.trafficinjuryresearch.com).

“Parents need to be informed that their driving behaviour influences their teens’ driving, and that they must be sensitive to this when supervising and managing their teens’ driving,” states the document. “In particular, parents should be positive role models by driving safely and obeying traffic laws. Education interventions that get this message to parents of young children may also be necessary, given that teens are exposed to parental

driving well before they begin to drive, which may be when the negative effects first take root.”

While driver’s education has not been linked to lower crash rates among graduates, it remains the most efficient way for new drivers to learn to drive, says Blair.

“Not all schools are necessarily equal, however,” she cautions. “Check out the driving school and its reputation before you sign up. Discover what is involved in the classroom training and on the road and consider how many in-car hours are provided and under what conditions.”

Parents should try to find the time to give their teens lots of supervised driving practice, in addition to the driving practice they get with their professional instructor, notes Blair.

“Whether there is a formal restriction in your province or not, consider making it a rule that your teen carries no teen passengers during their first unsupervised year of driving so they can gain valuable experience without the distraction of their friends,” she states. “Make sure your teen always wears a seatbelt and ensures every one else in the car does too. Back-seat passengers who are unrestrained become flying projectiles in a crash, increasing the risk of a person in the front seat becoming seriously injured or killed. Consider a driving restriction after 9 p.m. while your teen is first driving unsupervised particularly on weekends and ensure your teen knows never to use alcohol or drugs before driving.”

It is important that the young new driver feels comfortable with their co-driver, says Lesley de Repentigny, president of DriveWise Canada, a driver training program that combines virtual reality driving simulation with hands-on instruction, who has found that many young drivers are eager to receive proper training.

“Young drivers tend to be a bit more mature about driving today,” she says. “Parents should take into consideration that today’s environment is not like it was when they got their licences. There are more traffic challenges today.”

She notes that not all new drivers are teenagers.

“The eldest person we have had take our Safe Start program was 72 years old,” she commented. “Her husband was no longer able to drive so she decided to learn. Whatever the age of the new driver, they all approach driving with their own set of fears and needs. When they are on the simulators, you can really see people’s personalities emerge.”

Before taking a new driver out in your vehicle, ensure it is in top working order, plan the route that you will take and go over it with the new driver ahead of time, advises de Repentigny.

“Both for the co-driver and the new driver, it is best to start somewhere where it is not busy so they have a chance to just get a feel for the vehicle,” she states.

When it comes to insurance, the older new driver has the advantage from a rate perspective, says Derek Faulconer, president CRE Insurance Services Inc. and a member of the education committee of the Insurance Brokers Association of Ontario.

“Young drivers get hit hard when it comes to insurance rates,” says Faulconer. “Statistically, young drivers, particularly young men, have significantly higher incidents of claims and the industry prices accordingly. New drivers in general, whether new to the country or over 25 years of age, get the highest priced rate and when they are getting a car for the first time they are treated as a new driver.”

Today’s youth are used to video games and have a sense of invincibility, says Faulconer.

“They need to recognize that they are in control of a one and a half ton death machine,” comments Faulconer, who advises new drivers to talk to an insurance broker in regard to any discounts and other options that may be available to them. Faulconer also notes that driver training does affect insurance rates, but cautions one should take into consideration the timing of the training in relation to when the driver will

actually be listed on an insurance policy as well as ensuring that the training institute is government approved.

The good news, says Blair, is that rates of teenage driving fatalities have fallen significantly in the last decade, due in large part to the graduated driver licensing (GDL) laws put into place by various Canadian provinces and territories.

“These laws that typically take drivers through a learning phase and an intermediate phase before offering an unrestricted driver’s licence after successful completion of the first two stages, are designed to give young people experience driving in low-risk situations before they graduate to more challenging conditions,” notes Blair.

Both the Traffic Injury Research Foundation in Canada and the Insurance Institute for Highway Safety in the United States have studied the wide variety of graduated driver licensing laws and come up with a list of criteria to help reduce the risk for young drivers, notes Blair.

“The recently released U.S. study on fatal crashes from 1996-2007 found that strong restrictions on night driving produced big reductions in fatal crash rates,” says Blair. “A second key criterion lowering the fatal crash rate was a restriction that limited teenage passengers to zero, although limiting to one teen passenger also reduced rates, though not by as much.

Blair notes that the Insurance Institute of Highway Safety says an ideal graduated licensing law includes:

- Learner phase that begins no younger than 16 and lasts at least six months.



- Once licensed, teens are prohibited from driving unsupervised after 9 or 10 p.m. and this remains in place for at least one year, preferably until age 18.
- Parents should certify that at least 30-50 hours of supervised driving has been undertaken in the learning phase.

“Other criteria suggested by the Traffic Injury Research Foundation’s report included enforcing a zero blood-alcohol concentration for both stages of graduated licensing,” says Blair. “Ideally, graduated licensing allows beginners to get lots of supervised driving in all situations. Then when drivers move into the intermediate phase and are driving unsupervised for the first time, they should do so in low-risk situations: without teen passengers and in good lighting, before they graduate to unsupervised driving in all situations.”

GDL, however, cannot be viewed as a panacea for collisions involving young drivers, and complementary measures such as driver education and parental management of teen driving are needed to address the problem, notes *Reducing The Crash Risk For Young Drivers*.

## HOW GDL WORKS

New drivers, especially young ones, are at a higher risk of getting into a car collision than older, more experienced drivers. Drivers 16-19 years old are four times more likely to die in a car collision than those aged 25-34 and nine times more likely than drivers aged 45-54.

All provinces have introduced some form of graduated driver licensing (GDL) or a stage-based introduction of new drivers into the driving environment. It provides new drivers with the opportunity to gain driving experience under conditions that minimize their exposure to risk. It eases the new driver into the full range of traffic conditions. As the driver gains experience and competency, he or she is gradually exposed to more challenging situations.

Most GDL programs are multi-staged, typically an extended learner’s stage and an intermediate or novice stage before graduation to a full licence. The learner’s stage involves a period of supervised driving. This stage is viewed as critical and one that cannot be bypassed. Most graduated licensing systems stipulate that the learner’s licence must be held for a certain minimum period of time – typically several months or even a year.

Graduated licensing systems also impose a set of restrictions in both the learner and novice stages that relate to when they can drive, where they can drive, with whom, and how. These restrictions are intended to address conditions circumstances known to put novice drivers at risk. They include, for example, restrictions from operating on certain high-speed highways, being accompanied by a licensed adult at all times, driving during daylight hours only, and prohibiting driving after drinking any alcohol. Ideally these restrictions should be removed gradually and systematically, so that the novice enters the driving task and earns the privilege of full unrestricted driving in a step-by-step, progressive manner.

Graduated licensing programs also usually include a penalty structure that imposes sanctions at a lower threshold than what applies to fully licensed drivers. The threat of punishment or its application is assumed to deter unsafe driving or other violations and to ensure compliance with the terms and conditions of the graduated licence. One of the more popular sanctions has been to extend the graduated licensing period, or move the driver back in the system, basically withholding full driving privileges for a longer period of time. (*Source: Traffic Injury Research Foundation Website*)

(November/December 2009)