



CANADA'S INSURANCE BROKERS APPLAUD PASSAGE OF BILL C-208

Bill eliminates barriers to the inter-generational transfer of family-owned businesses

TORONTO, June 23 2021 - The Insurance Brokers Association of Canada (IBAC) applauds the passage of Bill C-208 yesterday. The bill introduced by Manitoba MP Larry Maguire eliminates the previous tax penalties for the inter-generational transfer of family-owned businesses.

“This is a big day for family businesses. I want to commend and thank MP Larry Maguire for his tireless work in moving this legislation forward and levelling the playing field,” said Peter Braid, Chief Executive Officer for IBAC. “For too long, family-owned businesses, including insurance brokerages, have been unfairly penalized for wanting to transfer their operation to a family member.”

IBAC has been a vocal supporter of Bill C-208. Earlier this year, Braid and IBAC President-Elect Robyn Young presented to the Standing Committee on Finance, encouraging MPs to support the bill. More recently, a support letter was sent to Senators on the Standing Senate Committee on Agriculture and Forestry.

“Many of the 3,400 insurance brokerages represented by our Member Associations are family-owned and operated,” noted Braid. “In larger provinces up to 25 percent are family-owned and it is closer to 50 percent in smaller provinces and more rural parts of Canada. IBAC felt that it was important to speak on their behalf and ensure that Ottawa supported the family succession of brokerage firms.”

Before the passage of C-208, a business sold to a family member was considered a dividend. If the same business was sold to a stranger, it would be considered a capital gain and eligible for a capital gains exemption which would lead to a lower tax rate for the seller.

IBAC President Kent Rowe concluded, “Family-run brokerages are pillars of the community and the lifeblood of the local and national economy. They serve and support their communities in good times and bad by creating employment and donating time, money, and other resources. We need to ensure that parliamentarians across Canada do more to support small businesses and remove the barriers that hold them back.”

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Representing over 38,000 insurance brokers across Canada, the Insurance Brokers Association of Canada (IBAC) is the national voice of P&C (Property and Casualty) insurance brokers and an advocate for insurance consumers.

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