

STANDARDS

FOR

REGISTRANTS REGISTERED BY

RIBO

"ACTING UNDER SUPERVISION"

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**PREFACE TO
STANDARDS FOR REGISTRANTS
REGISTERED BY RIBO TO "ACTING UNDER SUPERVISION"**

These standards for registrants restricted to "Acting Under Supervision" have been adapted to conform to the provincially harmonized National Broker Skills Profile for general insurance brokers. They have been approved by RIBO Council for the "Acting Under Supervision" restriction on registration.

They are based on the Basic Skills levels and describe in detail the skills which are required to pass the Entry Level RIBO examination. The depth of knowledge to be possessed of each skill is shown. The Committee has revised the level of knowledge required for certain skills.

Three levels of knowledge have been defined ranging from Level 1 (the most basic) to Level 3 (the most comprehensive). The required level of knowledge assigned is a measure of its importance to the basic skills which insurance brokers registered "under supervision" are required to possess. The complete knowledge level descriptions and the comprehensive descriptions are shown in the Preface.

It is hoped that this document will be a useful guide for educators to follow in designing courses and seminars for potential candidates for this examination. It should also help applicants who choose self-study in preparation for the test.

SKILLS PROFILE FOR GENERAL INSURANCE BROKERS

DEFINITIONS

SKILLS LEVELS

BASIC SKILLS:

When we say that a broker needs a basic skill level in a particular area of expertise, we are saying that the broker needs to have **Knowledge and Comprehension** of that particular area.

Definition of Knowledge: The broker recalls or recognizes information, ideas and principles in the approximate form in which they were learned.

Definition of Comprehension: The broker translates, comprehends, or interprets (explains or summarizes) information based on prior learning.

INTERMEDIATE SKILLS:

When we say that a broker needs an intermediate skill level in a particular area of expertise, we are saying that the broker needs to be able to **Apply and Analyze** the knowledge and comprehension of that particular area.

Definition of Apply: The broker selects, transfers and uses data and principles to complete a problem or task with a minimum of direction.

Definition of Analyze: The broker distinguishes, classifies and relates the assumptions, hypotheses, evidence, or structure of a statement or question.

ADVANCED SKILLS:

When we say that a broker needs an advanced skill level in a particular area of expertise, we are saying that the broker needs to be able to **Synthesize and Evaluate** the knowledge and comprehension of that particular area.

Definition of Synthesize: The broker originates, integrates and combines ideas into a product, plan or proposal that is new to him or her.

Definition of Evaluate: The broker appraises, assesses or critiques on a basis of specific standards or criteria.

Skill #1: Technical Skills

Outline: Develop and maintain related insurance, technical and personal competence. Complete appropriate studies, including courses and seminars, to attain and maintain insurance, technical and personal standards established for RIBO registration and Continuing Education requirements.

Description:

The broker is required to demonstrate skills and knowledge required for registration under supervision and Intermediate Level awareness of RIBO Continuing Education requirements.

The broker must have Intermediate Level knowledge of personal property and personal liability insurance, travel insurance, private passenger and light commercial automobile insurance, and Basic Level understanding of the various classes and forms of commercial insurance, including Surety, Marine & Aviation. He/she must understand the ongoing responsibility to maintain the competence to perform efficiently as an insurance broker under supervision.

The broker must have Intermediate Level knowledge and understanding of the content of all RIBO Bulletins.

Skill #2: Client Service & Sales Skills

Outline: Manage new and existing clients. Analyze and review risk and provide ongoing service.

Description:

The broker must possess Intermediate Level skills to prospect for potential new clients through referred leads and other sources. He/she must then apply Basic Level skills to gather relevant information in accordance with Office Practices and Guidelines.

The broker must have Intermediate Level understanding of techniques to review and evaluate the risks and needs of each personal lines client. The broker must have Intermediate Level ability to determine and communicate the appropriate adjustments needed to each insurance program. This includes negotiating with insurers and the ability to use their rate manuals.

The broker must have Intermediate Level knowledge of office procedures in order to process data and information accurately and speedily. The broker must have Intermediate Level ability to organize his/her daily schedule to permit client service work to be undertaken regularly and promptly, including insurance policy maintenance and claims processing.

Skill #3: Ethics & Professionalism

Outline: Develop and maintain highest standards of personal professional conduct at all times. Comply with the RIB Act, Regulations and By-laws, as well as insurance legislation, regulations and directives which govern daily work activity.

Description:

The broker must have Advanced Level awareness and understanding of the ethics of the vocation. This entails strict adherence to the RIBO Code of Conduct (Ontario Regulation 991, Sections 14 & 15) and in particular, observance of the stipulations regarding confidentiality of client information.

The broker must have Intermediate Level knowledge of RIBO Continuing Education requirements and comply with them. He/she should be aware of the resources offered by various industry trade associations (see Skill #4 – Industry Knowledge) in planning for personal career development.

The broker must demonstrate Intermediate Level knowledge of all sections of the RIB Act and Regulations, **excluding** Regulation 989 and Sections 16, 17, 19, 20 and 21 of Regulation 991. The broker must demonstrate Basic Level knowledge of Sections 16, 17, 19, 20, and 21 of Regulation 991, all sections of Regulation 989 and of RIBO By-laws. In addition, the broker must have Intermediate Level knowledge and understanding of the relevant sections of legislation which govern the day-to-day activity of brokers. These include the Insurance Act, and all revisions affecting automobile insurance, other relevant statutes and directives from the Financial Services Commission of Ontario (FSCO).

Finally, the broker must have Basic Level awareness and understanding of exposures to Errors and Omissions.

Skill #4: Industry Knowledge

Outline: Understand the role of insurance in society, the structure of the insurance industry in Ontario and its various components. Be aware of market trends and certain allied concepts.

Description

The broker must acquire Basic Level understanding of the role of insurance in society and the benefits of it provides. He/she must also possess Basic Level knowledge of the role of Brokers/Agents, Insurers, Underwriters and Adjusters. The broker must also have Basic Level understanding of the role of RIBO, other regulatory bodies and of industry associations. Also, Basic Level knowledge of market trends and the concepts of Reinsurance and Facility is required.

The broker must possess Intermediate Level knowledge of RIBO requirements for licensing and various levels of license. He/she must also have Advanced Level knowledge of and compliance with the obligations of fiduciary responsibility.

Skill #5: Office Skills

Outline: Develop and maintain skills to perform all job functions to work efficiently in the office of an insurance broker.

Description:

The broker must acquire personal skills to deal with others sensitively and to be a “team player” at an Advanced Level. This includes the readiness to listen to others, use of the telephone and verbal communication skills. Intermediate Level skill is required in written communication and literacy. An ability for analysis, prioritization and time management is also needed at an Intermediate Level. The broker must also possess Intermediate Level organizational skills.

Finally, the broker must possess Basic Level skill in non-verbal communication, automation, mathematics, negotiating and filing. He/she must also be aware of own limitations.

Skill #6: Risk Management Skills

Outline: Identify and assess exposures of all types and recommend methods to manage the risks associated with them.

Description:

The broker must have Intermediate Level knowledge and understanding how to identify exposures in standard residential, private passenger and light commercial automobile and pleasure watercraft risks and of travelers.

The broker must have Intermediate Level understanding of direct physical exposures, including construction features and other physical characteristics of residential property, occupancies and extent of protection. As well, the broker must have Intermediate Level knowledge and understanding of all elements of exposures to loss of private passenger and light commercial automobiles, pleasure watercraft and of travelers.

The broker must have Intermediate Level knowledge and understanding of primary exposures to indirect physical loss of residential property. This includes physical hazards created by other occupants in the same premises and in adjacent premises, and indirect consequences of physical damage to private passenger and light commercial automobiles and pleasure watercraft.

Furthermore, the broker must have Intermediate Level understanding of the significance of previous loss experience and how to interpret it. In the case of automobile risks, this includes the driving and conviction record of vehicle operators.

The broker must have also Basic Level understanding of the legal exposures to which risks may be subject. This requires the knowledge to identify contractual obligations, including those in lease agreements and the like, and to identify and interpret laws and bylaws affecting residential risks, including condominiums.

The broker must have Basic Level knowledge and understanding of the financial exposures, including loss of revenue and income, faced by residential owners after a loss. This includes losses to owners of private passenger and light commercial automobiles caused by uninsured or underinsured third parties and the forms and amounts of compensation under the Statutory Accident Benefits Schedule. It also includes the financial risks of travel for Canadians outside Canada and for foreigners traveling to and within Canada.

The broker must have Intermediate Level understanding of the liability exposures of residential risks and of private passenger and light commercial automobile and pleasure watercraft owners and operators, and how to identify them.

The candidate must have Basic Level knowledge how to categorize and assess the potential financial impact of all identified exposures on standard personal and residential risks, on private passenger and light commercial automobile and pleasure watercraft risks and on travelers.

The broker must have Basic Level knowledge and understanding to assess potential causes of direct and indirect loss or damage to risks from identified hazards in each class of personal lines exposure, i.e., fire and related perils, crime, liability, automobile, marine and travel.

As well, the broker must have Basic Level knowledge and understanding of methods to quantify exposures in the designated classes of risk. This includes residential property valuation guides and statutory requirements for automobile liability and accident benefits.

The broker must have sufficient Basic Level knowledge and understanding to advise the residence dweller, automobile owner and pleasure watercraft owner how to eliminate, reduce or assume minor property damage and liability exposures and to suggest the appropriate insurance response for the balance. This includes use of deductibles and their financial impact, and the value of security systems, safety procedures and driver training. It also entails correlating insurance coverages accessible to the broker from insurers with the client's needs. This necessitates keeping up-to-date on changes to industry residential, automobile, watercraft and travel policy forms and wordings.

Finally, the broker is required to have Basic Level ability to monitor risk management programs and modify them as changing circumstances demand.

APPENDIX A

TECHNICAL SKILLS

The technical skills in this report have been condensed for the purpose of keeping the skills profile simple and concise. The following skills are a broader definition of each of the major skills previously outlined.

(1) HOMEOWNER'S INSURANCE POLICY FEATURES

- ◆ Common Definitions
- ◆ Types of Construction
- ◆ Coverage A – Dwelling Building
- ◆ Coverage B – Detached Private Structures
- ◆ Coverage C – Personal Property
 - On Premises
 - Off Premises
 - Special Limits
 - Extensions of Coverage
- ◆ Coverage D – Additional Living Expense & Fair Rental Value
- ◆ Basis of Claim Payment
- ◆ Liability Coverages
- ◆ Homeowner's Forms
 - Named Perils
 - Perils Insured
 - Exclusions
 - Comprehensive Form and its Advantages
 - Perils Insured
 - Exclusions
- ◆ Other Habitational Policies
 - Mobile Home Forms
 - Condominium Owners Forms
 - Condo Concept and Additional Exposures
- ◆ Tenant Insurance Forms
- ◆ Secondary and Rented Dwelling Insurance Forms
- ◆ Seasonal Dwelling Insurance Forms
- ◆ Mortgage Clause
- ◆ Alarm Systems
- ◆ Endorsements and Floaters

- Replacement Cost
- Burglary and Robbery
- Inflation Protection
- Personal Articles Coverage
- Sewer Backup
- Television and Equipment
- Watercraft and Trailer
- Fine Arts

◆ Statutory and Additional Conditions

(2) HOMEOWNER'S LIABILITY POLICY FEATURES

◆ Key Definitions

- Persons Insured
- Premises Insured

◆ Coverage E – Legal Liability

- Personal Liability
- Premises Liability
- Tenants Legal Liability
- Employer's Liability

◆ Coverage F – Voluntary Medical Payments

◆ Coverage G – Voluntary Payment for Damage to Property Limitations

- Watercraft – owned/non-owned
- Motorized Vehicles – owned/non-owned
- Special Limitations
- Trailers
- Business and Business Property

◆ Exclusions

(3) COMMERCIAL PROPERTY POLICIES

◆ Coverage Options

- Named Perils
- Broad Form and its Advantages

◆ Commercial Policy Rating

- Fire Rate
- Loading

- ◆ Common Clauses
 - Definitions
 - Building
 - Stock
 - Equipment
 - Co-Insurance
 - Debris Removal
 - Reinstatement
 - Subrogation
 - Property Protection Systems
 - Extensions and Limitations
 - By-laws
 - Replacement Cost
- ◆ Other Commercial Property Forms
- ◆ Glass Insurance
- ◆ Valuable Papers, Records and Accounts Receivables
- ◆ Crime Coverages
 - Burglary
 - Robbery
 - Theft
 - Employee Dishonesty
- ◆ Boiler & Machinery
- ◆ Contractors Coverages
 - Builder’s Risk (COC)
 - Tool Floater
 - Contractor’s Equipment
 - Installation Floater
- ◆ Business Interruption
 - Common Concepts
 - Earnings Form
 - Profits Form
 - Extra Expense

(4) LEGAL CONCEPTS

- ◆ Criminal Law
- ◆ Common Law
- ◆ Statute Law
- ◆ Civil Code
- ◆ Civil Law

- Contract Law
- Tort Law
- Elements of a Tort
- Types of Torts
- Negligence
- ◆ Basic Legal Precedents
 - Ownership of Property – Occupiers Liability
 - Liability of a Landlord/Tenant
 - Liability of Bailee
 - Employer’s Liability
 - Liability of Independent Contractors
 - Joint Liability

(5) COMMERCIAL LIABILITY EXPOSURES

- ◆ Premises
- ◆ Operations
- ◆ Medical Payments
- ◆ Tenant’s Legal
- ◆ Products
- ◆ Completed Operations
- ◆ Personal Injury
- ◆ Special
 - Malpractice
 - Errors and Omissions
 - Garage
 - Umbrella Policies
 - Protective Liability
 - Environmental Liability
 - Professional Liability

(6) COMMERCIAL LIABILITY POLICIES

- ◆ Occurrence Form
- ◆ Claims Made Form

- ◆ Common Liability Policy Definitions
 - Liability Insuring Agreement
 - Bodily Injury – Personal Injury
 - Property Damage
 - Third Party
 - Legally Liable
 - Occurrence
 - Damages
 - Compensatory
 - Punitive
- ◆ Duties of Insured
- ◆ Supplementary Benefits
- ◆ Restrictive Activities (Exclusions & Limitations)

(7) FARM INSURANCE

- ◆ Definition of Farming
- ◆ Residential Property Coverages
 - Farm Property Coverage
 - Produce
 - Livestock
 - Loss of Farm Income
 - Rebuilding Clause
- ◆ Definitions
 - Insured Persons
 - Territory
 - Coverages
 - Personal
 - Premises
 - Operations
 - Tenant's Legal
 - Watercraft
 - Motorized Vehicles
 - Business
 - Exclusions
 - Supplementary Benefits
 - Limited Pollution
- ◆ Liability Coverages
- ◆ Medical Payments
- ◆ Voluntary Comp. for Damage to Property
- ◆ Endorsements

(8) BASIC AUTOMOBILE INSURANCE

- ◆ Financial Responsibility Law
- ◆ Private Automobile Insurers
 - Facility Associations
- ◆ Government Automobile Insurers
 - No Fault Plans
- ◆ Application Form
 - Information Required
 - Making an Underwriting Decision
- ◆ Automobile Insurance Policy – O.A.P. 1 Owner’s Form
 - Section 1 – Introduction
 - Section 2 – What Automobiles are Covered (All Sections)
 - Section 3 – Liability Coverage
 - Section 4 – Accident Benefits Coverage
 - Section 5 – Uninsured Automobile Coverage
 - Section 6 – Direct Compensation-Property Damage Coverage
 - Section 7 – Loss or Damage Coverages
 - Section 8 – Statutory Conditions
- ◆ Policy Endorsements and Other Forms
 - OPCF #5; #8; #19; #19A; #20; #23A; #27; #27B; #28; #28A; #30; #32; #37; #38; #43; #44R
 - Driver’s Automobile Policy – O.A.P. 2
 - Standard Garage Automobile Policy – O.A.P. 4
 - Standard Non-Owned Auto Liability Policy – S.P.F. #6
 - Standard Excess Automobile Policy – S.P.F. #7
 - Standard Lessor’s Contingent Automobile Policy – S.P.F. #8

(9) TRAVEL INSURANCE

- ◆ Common Clauses
 - Health
 - Pre-existing conditions
 - Excess hospital, medical and extended care
 - Accident dental treatment
 - Emergency transportation
 - Travel of family member

- Death or Disability
 - Funeral expense
 - Repatriation
 - Death benefits – accident
 - Disability and loss of sight benefits – accident
- ◆ Other Coverages
 - Trip cancellation or interruption
 - Baggage
 - Return of automobile
 - Delay of return travel
 - Child care attendant

APPENDIX B

SOFT SKILLS

The skills identified in this report have all been tangible skills that can be studied and tested through the usual examination process. It is important, however, to include “soft” skills which are essential to all independent insurance brokers/agents.

The following skills are required by all levels of licensing at an Advanced Skill Level:

- ◆ self-confidence
- ◆ self-sufficient
- ◆ self-motivated
- ◆ self-directed
- ◆ self-discipline
- ◆ demonstrates:
 - leadership capabilities
 - initiatives
 - eagerness to learn
 - flexibility
 - reliability
 - honesty
 - integrity
 - empathy
 - caring
 - compassion
 - trustworthiness
 - respect for authority
 - respect for confidentiality
 - positive & optimistic personality
 - awareness of office dynamics
 - awareness of external influences
- ◆ ability to:
 - team play
 - focus
 - multi-task
 - interpret
 - assess
 - make decisions
 - delegate