



RIBO



REGISTERED INSURANCE BROKERS OF ONTARIO

ANNUAL REPORT

2021 | 2022

www.ribo.com

RIBO COUNCIL 2021 - 2022

“With the dedicated team of brokers elected by our licensees, as well as public members, RIBO continues to serve the interests of consumers through regulating the profession.”

(Council members listed by column)

Melissa Bajwa
Simi Chahal
Christina Lee-Rotstein
Katie Mellor
Karol Pawlina
Brent Stefan
Thomas Watson

Rose Cavaliere
Hugh Fardy
George Longo
Rick Orr
Hadi Saleh
Alyssa Taksas
Cathy York-Sloan



REPORT FROM THE CEO

I AM PLEASED TO PRESENT MY REPORT FOR 2021/2022.

In the 2021 elections, Brent Stefan, Alyssa Taksas, and George Longo joined Council. Hugh Fardy was appointed President, with the remaining members of the Executive Committee being Katie Mellor (Immediate Past President), Rose Cavaliere (Vice President), George Longo (Treasurer), and Rick Orr (Secretary). Following the resignation of Mr. Longo, Melissa Bajwa was elected to Council through RIBO's election By-law, while Rick Orr was elected Treasurer and Thomas Watson was elected Secretary.

RIBO is fortunate to have long-standing and dedicated leaders.

This year marked the retirement of Winston Koo, our Director of Administration and Finance. We thank Winston for his years of dedicated service. Mark Abraham became our new Director of Finance and Corporate Services, bringing finance and HR leadership to our Leadership Team. Tim Goff, Director of Complaints & Investigations, announced his retirement, slated for Spring 2023, RIBO will recruit for his replacement through the remainder of the year.

RIBO continued its efforts to better support Principal Brokers. Flowing from industry consultations, we updated the Principal Broker Handbook giving Principals better tools to address challenges and trends in the industry.

The accumulation of experience and data will lead to fact-based policy development and strengthen our efforts in this sector. RIBO continues to improve communication with our licensees. Notably, the RIBO Review e-newsletter, our monthly bulletin, which includes updates on industry trends, the latest RIBO guidance on new requirements, and a summary of monthly regulatory activities. Additionally, we held online "town halls" sharing important information and providing dialogue between staff and licensees. We also launched our new online "Renewal Centre", a single location to find information relating to renewing annual licenses. The RIBO Code of Conduct for brokers clearly outlines the importance of treating customers fairly. In tandem with regulators across the country, we issued requirements for licensees to share with their customers related to regulators' professional behaviour and conduct expectations for Insurance Intermediaries, and the fair treatment of customers.

For example, the new "About Your Insurance Broker" Fact Sheet, must be shared with customers and allows the public and brokers to understand the roles and responsibilities when purchasing insurance in Ontario. Similarly, we continue to work with FSRA to emphasize the 'Take-All-Comers' Rule in the sale of auto insurance, ensuring eligible consumers have access to coverage at the lowest available rate.

Supporting our licensees in their efforts to treat customers fairly across all lines of insurance remains a key element in upholding our public protection mandate. This annual report in conjunction with our 2022-2025 Strategic Plan, outline how RIBO remains dedicated to public protection and the professionalism of our licensees.



PATRICK BALLANTYNE
CEO

The RIBO Code of Conduct for brokers clearly outlines the importance of treating customers fairly. In tandem with regulators across the country, we issued requirements for licensees to share with their customers related to regulators' professional behaviour and conduct expectations for Insurance Intermediaries, and the fair treatment of customers.

REPORT FROM THE PRESIDENT

I AM PLEASED TO PRESENT MY REPORT FOR 2021/2022.

Capping another year of transformational change at RIBO. I wish to thank my Council colleagues for their support and guidance. I would also like to acknowledge the new additions to staff at RIBO, as well as, past and existing staff members, whose expertise and dedication are helping to ensure the success of our modernization efforts. Finally, I want to acknowledge those of you who have reached out to me in the past year, not only with your concerns but also your encouragement and suggestions. You, the brokers are the 'self' in self-regulation and your dedication to your clients and to RIBO is truly inspiring.

The ongoing pandemic required RIBO to implement new IT systems and move away from paper-based processes. To achieve this, council has overseen an update of our technology, aimed at strengthening security, increasing efficiencies, and expanding our capacities. Our focus on technology, while necessary, was also an opportunity to challenge how we conduct our regulatory activities. A fresh mindset, constant improvement, and innovation has allowed for this evolution.

In this spirit, Council and staff engaged in a strategic planning initiative to guide us for the next 3-5 years.

This initiative included facilitated discussions that explored:

- **Our mission/vision/value statements**
- **Our current organizational structure**
- **Changing consumer (and stakeholder) expectations relating to service levels, efficiencies, and access to information**
- **The increasingly complex work environment for our licensees**
- **The provincial, national, and international regulatory environment (e.g., the Take-all-Comers rule for auto insurance, Fair Treatment of Customers, and the Canadian Insurance Services Regulatory Organizations (CISRO) Code of Conduct for Insurance Intermediaries)**
- **Industry trends including brokerage consolidation**

The results of these deliberations were fashioned into RIBO's first ever multi-year [Strategic Plan](#) adopted by Council in June and released in September.

This plan provides a forward-thinking road-map for Council and staff, that ensures accountabilities while embracing a nimble approach to fulfilling our public protection mandate.

We continue to consider other opportunities for strengthening our organization, and remain committed to ensuring our workplace is a positive and collaborative environment for our employees and licensees.

These are transformative and exciting times for RIBO. Everything we are doing today will strengthen RIBO and help us to better fulfill our commitment to public protection and customer service for decades to come.



HUGH FARDY
PRESIDENT

You, the brokers are the 'self' in self-regulation and your dedication to your clients and to RIBO is truly inspiring.

REPORT FROM THE PROFESSIONAL CONDUCT COMMITTEE

I AM PLEASED TO PRESENT MY REPORT FOR 2021/2022.

The Registered Insurance Brokers Act and Regulations govern all general insurance brokers in Ontario, and it is RIBO's responsibility to administer. As part of our mission to create a regulatory environment where consumers are well informed and treated fairly, RIBO's duty is to support professionalism in the industry while also enforcing the Code of Conduct and Regulations. Going forward, Council has decided to rename the Professional Development Committee to the Professional Conduct Committee. As its Chair, I am inspired by the team of experts who support this function. The team of examiners and investigators have gone through tremendous transformation in a short period of time, including retirements and the onboarding and training of new staff. RIBO's Examinations Program, consists of spot checks and broker reviews. The team showed resilience in transforming its approach to ensure compliance across 900+ brokerages, in addition to handling consumer complaints.

I am excited to see this continue to develop as part of RIBO's multi-year Strategic Plan. Investments in technology have created more efficiencies and helped decrease manual tracking and data entry. Working with our in-house Enterprise Technology staff has allowed our group to be more targeted and efficient. We have also been updating the spot check process. This provides us with the option to focus less on a financial review, and instead on broker operations and fair treatment of consumers. Look for this roll out over the next year. RIBO continues to be a source of information and expertise to the industry through published guidance such as the RIBO Review - RIBO's monthly bulletin. In 2022, RIBO received the final set of industry feedback on a new draft of the Principal Broker Handbook, which will be published by the end of the year. RIBO published an "About Your Insurance Broker" Fact Sheet and created a new requirement for brokers to share this with their customers.

We also engaged at a national level with other regulators to share best practices and work on policy initiatives to help foster increased awareness for consumers. RIBO continues to work with Ontario's Ministry of Finance (MOF), and Financial Services Regulatory Authority of Ontario (FSRA) on topics of mutual interest, supporting a healthy insurance marketplace. This action includes recent initiatives and focused spot-checks related to the Take-all-Comers Rule for auto insurance.

As a member of the Canadian Insurance Services Regulatory Organizations (CISRO), RIBO and other regulators published the new CISRO Principles for Insurance Intermediaries. Together with the new Fact Sheet, RIBO licensees, as of September 1, 2022, must share and publish this information. This guideline will help create better informed insurance customers that understand the responsibilities of their broker to act in their best interest. This important initiative puts RIBO's Code of Conduct, enshrined in regulation, into action. Licensees can expect to receive more guidance on the Code of Conduct and Fair Treatment of Customers principles in the years to come.



RICK ORR
CHAIRPERSON

RIBO's duty
is to support
professionalism in
the industry while
also enforcing the
Code of Conduct
and Regulations.

STATISTICAL SUMMARIES

In meeting the needs of consumers, we make every effort to ensure that their complaints are handled fairly, promptly, and professionally. In all dealings, the consumer is treated with respect and courtesy.

The following statistical summaries reflect the excellent work done by our Complaints and Investigations Department.

- RIBO received approximately 541 new intake complaints last year. The number of intake complaints has reduced due to RIBO transitioning from receiving complaints by telephone to an on-line complaint system.
- We began this year with 104 active files, meaning investigations or complaints proceedings were already in progress from the previous year.
- 56 new files were opened this year, which required investigation by RIBO staff. (Please refer to Chart 1 to review the sources and types of complaints).
- 65 files were resolved and closed this year, leaving 95 in progress which will be carried over.
- The Complaints Committee consists of a three-member panel, comprised of two brokers and a public member. The Complaints Committees met on 5 separate occasions.
- In each case, the broker who is the subject of the complaint is invited to the meetings. Brokers attended 100% of the time.
- During the Complaints Committee meetings, 1 of the files was closed in the broker's favour with 7 cases raising issues regarding misconduct, resulting in referral to the Discipline Committee for further review.
- Of the 7 cases that raised issues regarding misconduct, 5 were referred directly to the Discipline Committee for hearings and 2 were offered a resolution on a consent basis.
- The Discipline Committee consists of a five-member panel, comprised of four brokers and one public member. These panels held hearings on 4 days during the year. 2 cases were presented for approval on a consent basis and 2 required a hearing.
- The above number of cases include cases carried over from the previous year.
- Multiple penalties were assigned in many of the cases, which is the reason that the dispositions in the chart below add up to more than the total of the cases presented.
- This year, the random spot-check and broker review program resulted in 112 reviews (110 spot checks and 2 broker reviews), of which 7 resulted in formal proceeding. There were no reviews in progress that required follow-up at fiscal year-end. RIBO staff had previously targeted its annual spot check goals based on a general objective of visiting every registered brokerage once every five years.
- Over the next three fiscal years, 2022-2025, RIBO will leverage technology and data to automate regular compliance checks and identify risk factors to guide our examination program and investigations.

PROFESSIONAL DEVELOPMENT CHARTS

SOURCE AND TYPE OF COMPLAINT

Source of Complaint	21/22	20/21
Non – Compliance	12	18
Public	21	37
Member Brokers	16	10
Insurers	0	3
Lawyers	0	2
Government & Other Sources	7	9
Total	56	79

Type of Complaint	21/22	20/21
Code of Conduct	44	61
Other Misconduct	0	0
Delinquent Filing	1	4
Trust Funds	6	3
Equity Requirements	2	5
Financial Records	1	6
Non-Compliance (other regs.)	2	0
Criminal Allegations	0	0
Total	56	79

Disposition of Disciplinary Proceedings	21/22	20/21	19/20
Certificate of Registration Revoked	0	2	1
Certificate of Registration Suspended	1	0	1
Certificate of Registration Restricted	0	0	0
Attendance at Education Course Ordered	1	1	2
Additional Financial Reports Ordered	0	2	1
Fines, Payable to Ministry of Finance	0	1	3
Registrant Reprimanded	4	2	4
Dismissed in Broker's Favour	0	0	0
Adjourned	1	2	1

REPORT FROM THE QUALIFICATION & REGISTRATION COMMITTEE

I AM PLEASED TO PRESENT MY REPORT FOR 2021/2022.

The Qualification & Registration (Q&R) Committee has a broad mandate to ensure all registered individual license holders and brokerages meet minimum standards for education and training. As Chair, I am pleased to provide an overview of RIBO's Qualification and Registration operations and activities for the 2021-22 fiscal year. Being a broker means a lifelong commitment to learning and professional development. This pays dividends in enhancing both technical knowledge of brokers and business acumen which in turn ensures insurance customers are receiving coverage advice that is tailored to their individual needs.

In recognizing this important factor, the Q&R Committee retitled the continuing education accreditation category from Personal Skills to Professional Development. The Q&R Committee also approved allowing individuals to carry-over any Ethics hours completed by brokers, meaning that any hours completed as part of more in-depth training sessions can be contributed to the next licensing term.

RIBO staff will continue to focus on modernizing the renewal process by adding new questions to the 2022-23 renewal and reviewing how licensee compliance can be better supported through technology. As mentioned in the Report of the President, RIBO has released a Strategic Plan that will inform our work for the next three years. As part of this plan, RIBO will be conducting a review of each of its licensing exams, to ensure our qualification assessments reflect the skills and knowledge required of brokers in the industry today. Lastly, I am proud to announce that RIBO is spearheading work on a national level to develop a new P&C Broker and Agent training and education curriculum to be adopted Canada wide by CISRO members.

Once completed, this work has the potential to reshape the industry for future generations of brokers. This past June, RIBO licensing staff continued to refresh policies and procedures, marking one year since new applications for individual licensing were brought online. This past year, 2249 new licenses were issued, 92% of which were processed and approved within our service standard of seven business days or less.

The team also succeeded in implementing a new online application for license reinstatements which has successfully increased response times, with the majority being processed within two business days after receiving the online application. RIBO continues to provide guidance in the areas of trade name use, registration of non-active firms or personal tax corporations, and brokerage acquisitions. RIBO launched its web-based amalgamation application in response to the increased number of brokerage sales and mergers in the industry. The application aims to support brokers in understanding what is required to comply following an amalgamation.

I look forward to more developments in these areas for years to come, and I am proud to be part of the change Council is guiding RIBO.



ROSE CAVALIERE
CHAIR

RIBO staff continues to focus on modernizing the renewal process by adding new questions to the 2022-23 renewal and reviewing how licensee compliance can be better supported through technology.

STATISTICAL SUMMARIES

THE FISCAL YEAR AUGUST 1, 2021 – JULY 31, 2022

Examinations

RIBO's licensing examinations are delivered through our third-party service providers, the Insurance Institute of Ontario, and the Insurance Brokers Association of Ontario. Exams are available in paper-based and online formats and will be moving to 100 percent online in January 2023. These changes have improved accessibility for exam takers who can now write an exam 24/7 in the comfort of their own home, while still adhering to protocols that maintain the integrity of the exam. In 2021-22 over 5,000 exam takers wrote either a Level I Entry-Level exam or a Level I equivalency exam, nearly double the amount of exam writers compared to previous licensing years.

LEVEL I - NEW BROKERS – ACTING UNDER SUPERVISION

	21/22	20/21	19/20
Total Exams Written (including equivalency exams)	5,007	2,799	2,712
Pass Rate (including equivalency exams)	58%	55%	63%
Pass Rate (Level 1 entry-level exam)*	52%	59%	63%

(*) Pass Rate figures are for all Level I exams regardless of whether a course was taken or not. As of August 2020, RIBO no longer tracks pass rates based on whether individuals attended a course.

LEVEL II –UNRESTRICTED TECHNICAL AND MANAGEMENT QUALIFICATIONS

	21/22	20/21	19/20
Unrestricted Technical Exams Written	24	5	17
Pass Rate	33%	60%	18%
Unrestricted Technical Level 2 Exam Waived	101	110	23
Management Exams Written	98	48	42
Pass Rate	58%	52%	55%

RIBO is pleased to see a larger number of individuals seeking a Level II and Management or Principal Broker qualification. RIBO continues to encourage succession planning within brokerages by ensuring that Level I individuals are aware of potential career paths and can continue to develop professionally by taking the Level II examinations. RIBO accepts CAIB and CIP designations as an equivalency for the Level II Unrestricted technical exam.

Committee Decisions

Application for Secondary Business Exemption	Granted	Refused
Other than Financial – Individual	240	0
Financial* – Individual	5	0
Other than Financial – Firm	1	0
Application to Hold an out of province trust account	7	0
Other	12	0

(*) Secondary Business exemptions are granted for the sale of financial products including mutual funds, GIC, RRIF, RRSP and RESP vehicles

The Committee reviewed a total of **265** requests, with the majority being for secondary business exemptions. These requests require exemption from Regulation 991, Section 5 (i) (b). Over the course of the year, the Committee granted **246** secondary business exemptions, none were refused. **Five (5)** of the requests were for exemptions to sell financial products. Requests for secondary business exemptions are mainly from individuals who choose to supplement their incomes through other employment. In the decision process, the Committee evaluates each request, taking all comments and concerns into consideration, including the possibility of a conflict of interest, or undue influence.

In the other category, QR Committee decisions covered many topics including operational changes concerning exams, a review of the CE accreditation categories, fee changes for the new amalgamation application, and other general requests.

The Committee also recommended that Council grant permission to **7** brokerage firms in another province to hold their Ontario Trust Monies in their home province on the condition that they comply with the listed RIBO Regulations. Only one hearing was held with respect of a review of a secondary business exemption request.

Hearing Summary

		21/22	20/21	19/20	18/19	17/18
Review of Qualification to hold a certificate	Granted	0	0	0	1	0
	Refused	0	0	0	0	3
Application for Exemption Secondary Occupation	Granted	0	1	0	0	0
	Refused	0	0	0	0	0
Application for Removal of Restriction	Granted	0	0	0	0	0
	Refused	0	0	0	0	0
Other	Granted	0	0	0	0	1
	Refused	0	0	0	0	0
Total		0	1	0	1	4

All applicants have the right to request a hearing after the Committee has considered and proposed to refuse registration, exemption or has proposed to restrict, revoke or not renew an existing registration.

Registration

	21/22	20/21	19/20	18/19	17/18
Individual Registrants	19,557	18,630	18,999	19,628	19,485
Active Business Registrants					
- Corporations	895	928	941	1,023	1,021
- Partnerships	10	11	11	13	13
- Sole Proprietorships	2	3	4	5	5
- Consultants	10	9	9	12	10
- Wholesalers	67	60	56	59	56
Total Active Business Registrants*	984	1,011	1,021	1,112	1,105
Average number of individual registrants per business	19.88	18.43	18.61	17.65	17.63

(*) Non-active business registrations are not included in the registration numbers.

A number of corporate registrants have amalgamated over the last year, resulting in fewer brokerages overall that are generally larger in size (based on the number of sponsored licenses) than in previous years.

CHRIS WARD MEMORIAL AWARD

This award is presented in memory of RIBO's late president Christopher J. Ward, to the individual who receives the highest mark on their first attempt of either the Unrestricted-Management or Unrestricted-Technical examination. I am pleased to announce that this year's recipient is Amy Lynne Armstrong of Canada Brokerlink.

DONALD W. LAMBIE AWARD

This award is presented in recognition of Mr. Lambie's commitment to self-regulation and his outstanding contribution to the broker profession. Mr. Lambie is one of RIBO's founding fathers and additionally, acted as the first President.

The Donald W. Lambie Award is presented to the individual with the highest mark in the initial RIBO qualification examination (Level 1 "Acting Under Supervision" Exam).

I am pleased to announce that this year we have a three-way tie, the recipients are Kelly Wiseman of McDougall Insurance Brokers Limited, Jiaying Guo of CIS Insurance Brokers (Canada) Limited and Ginela Dela Cruz of Scoop Insurance Brokers Ltd.

We would like to congratulate the award winners, and we look forward to recognizing their achievements at the Annual General Meeting on November 10, 2022, which will be held virtually and in-person.

I would like to thank my fellow Committee members for their ongoing engagement and support as well as the Qualification and Registration department for their continued leadership and dedication to improvement.

Please do not hesitate to reach out and contact RIBO staff or Committee members at any time.

I wish everyone a safe and successful year ahead.



RIBO STAFF 2021 – 2022

“ RIBO’s staff continues to make every effort to provide fair and helpful service to our licensees and to the public. ”



(Staff members listed by column)

Mark Abraham
Valrie Bailey
Patrick Ballantyne
Michael Buck
Diana Campoli

Chris Casey
Calvin Chan
Irene Chung
Lise Clements
Tracy Cullen

Angela Daley
Melissa Forward
Tim Goff
Jorge Guzman
Jessica Harper

Arthur Kosikowski
Debbie Lee
Erica Lo
Sam Natur
Vera Raposo

Barbara Reid
Laurie Reynolds
Joanne Strangis
Chris Thorn
Wendy Wu

MEETING MINUTES

MINUTES OF THE FORTIETH ANNUAL GENERAL MEETING OF REGISTRANTS OF THE REGISTERED INSURANCE BROKERS OF ONTARIO HELD ON THURSDAY, NOVEMBER 4TH, 2021 AT 1:30 P.M. VIRTUALLY BY ZOOM PLATFORM.

• Opening of Meeting

The outgoing President, Katie Mellor, introduced members of the Board for 2021 that were in attendance virtually by ZOOM platform. They were: Peter Blodgett, Rose Cavaliere, Simi Chahal, Christina Lee-Rotstein, Royle Leung, George Longo, Rick Orr, Karol Pawlina, Hadi Saleh, Thomas Watson and Cathy York-Sloan.

The Chairperson then introduced Patrick Ballantyne, Chief Executive Officer of RIBO, and also acknowledged all of RIBO staff and thanked everyone for their dedication and hard work throughout the year.

• Appointment of Scrutineers: Report as to Quorum

The Chairperson called for the appointment of Christopher Thorn to act as scrutineer of the meeting. As there were no objections, this individual was so appointed.

The scrutineer informed the Chairperson that a quorum of members was present virtually by Zoom platform.

• Notice of Meeting

The Chairperson advised that the Notice calling the meeting, together with the Annual Report and Financial Statements of the Corporation, were provided electronically in accordance with the By-Laws of the Corporation.

• Constitution of Meeting

As the Notice of Meeting had been duly given to the registrants of the Corporation entitled to receive such Notice and having been advised by the Scrutineers that a quorum of registrants was present at the virtual meeting, the Chairperson declared that the meeting was properly constituted for the transaction of business as set out in the Notice of Meeting.

• Question Period Procedures

The Chairperson reviewed the procedures to be used during the question period following the business portion of the meeting.

• Minutes of the November 5, 2020 Annual General Meeting:

The Chairperson inquired if there were any objections to the dispensing of the reading of the Minutes. There were no objections raised.

It was moved by Peter Blodgett and seconded by Rose Cavaliere that the Minutes of the November 5, 2020 Annual General Meeting be approved as presented. Motion Carried.

Katie Mellor thanked all of those who joined us today for our second virtual Annual and General Meeting and expressed her pleasure in serving as RIBO's President during this momentous and exciting year.

Her report included the following comments:

The Registered Insurance Brokers Act was passed by the Ontario legislature in October of 1981, making this year, 2021, RIBO's 40th anniversary. The Government established RIBO as an independent self-regulatory organization (SRO) responsible for regulating the operations and the standards of practice and business conduct of Ontario's brokers, with a view to promoting the protection of the public interest. The existence of SRO's today is rare due to perennial concerns about professions acting in their own self-interest and not necessarily in the interest of the public. But back in 1981, the Government of the day showed tremendous confidence in Ontario's insurance brokers and believed in their ability to do the right thing, for clients and, more importantly, for the public at large. Forty years later, we continue to work hard to maintain that trust and to fulfill RIBO's mandate by regulating the broker profession in the interest of the Ontario public.

Ontario's broker professionals have been recognized not only for their skill and experience but also for their character and standards. The privilege of self-regulation is built upon this, and from a demonstrated ability to put their customer's interest first.

There are numerous safeguards in place to bolster and support RIBO's regulatory activities. For example, public members, appointed by the Government, are a key component to RIBO's governance and regulatory activities, sitting not only on Council but also on our Complaints and Discipline Committees. In addition, the Minister of Finance receives the results of an annual regulatory audit of RIBO. This helps ensure that our activities align with our public protection mandate.

As we recognize RIBO's 40th anniversary, we must also acknowledge the challenges posed by the ongoing worldwide Covid 19 pandemic. We remain focused on evolving our policies and processes in response to pandemic restrictions. Of note is the introduction of online licensing exams, as well as the transition to online license applications. Increased investments in infrastructure and technology have made these developments possible, and more are on the horizon. We thank you for your support, flexibility and adaptability as we implement these changes. We also welcome feedback about how RIBO can better support its members and facilitate compliance with the regulatory framework.

At this time, the Chairperson shared a video message from the Honourable Peter Bethlenfalvy, Ontario's Minister of Finance.

- **Announcement of Chris Ward Memorial Award**

The Chairperson advised that this year's recipient of the Chris Ward Memorial Award is Darlene Carleton of One Insurance Group Ltd. for her achievement in receiving the highest mark on her first attempt of the Level II Examination.

- **Presentation of the Donald W. Lambie Education Award**

The Chairperson advised that this year's recipient of the Donald W. Lambie Education Award is Matthew Bassani of Marsh Canada Limited for his achievement in receiving the highest mark in the initial RIBO Qualification Examination.

- **Presentation of Annual Report**

The Chairperson introduced the first item of business, namely the presentation of the Annual Report of the Corporation for the year ended July 31, 2021. She requested that a copy of the Annual Report be filed with the Minutes of this meeting.

It was moved by Peter Blodgett and seconded by Hugh Fardy that registrants approve the adoption of the Annual Report of the Corporation for the year ended July 31, 2021, including the standing Committee Reports and the Auditors' Report on the Financial Statements. Motion Carried.

- **Appointment of Auditors**

The Chairperson then requested that Kyle Snyder of PricewaterhouseCoopers read the auditors' report to members.

Following the reading of the auditors' report, the Chairperson inquired if registrants had any questions. There were no queries at this time.

It was moved by Rose Cavaliere and seconded by Katie Mellor that PricewaterhouseCoopers be re-appointed as Auditors of the Corporation until the next Annual General Meeting or until their successors are appointed, and their remuneration as such be fixed by the Council, and the Council be authorized to fix such remuneration. Motion Carried.

- **Election Results**

The Chairperson called upon the CEO to announce the results of the election. The CEO, Patrick Ballantyne, reported that this year there were three positions open for Council.

The two candidates re-elected and elected, respectively, to Council this year in the under 20 broker category are George Longo and Alyssa Taksas and the candidate elected to Council in the 20 and over broker category is Brent Stefan.

The Chairperson congratulated and welcomed George Longo, Alyssa Taksas and Brent Stefan to RIBO Council and thanked retiring directors Peter Blodgett and Royle Leung for their support and contributions during their terms on RIBO Council.

- **Question Period**

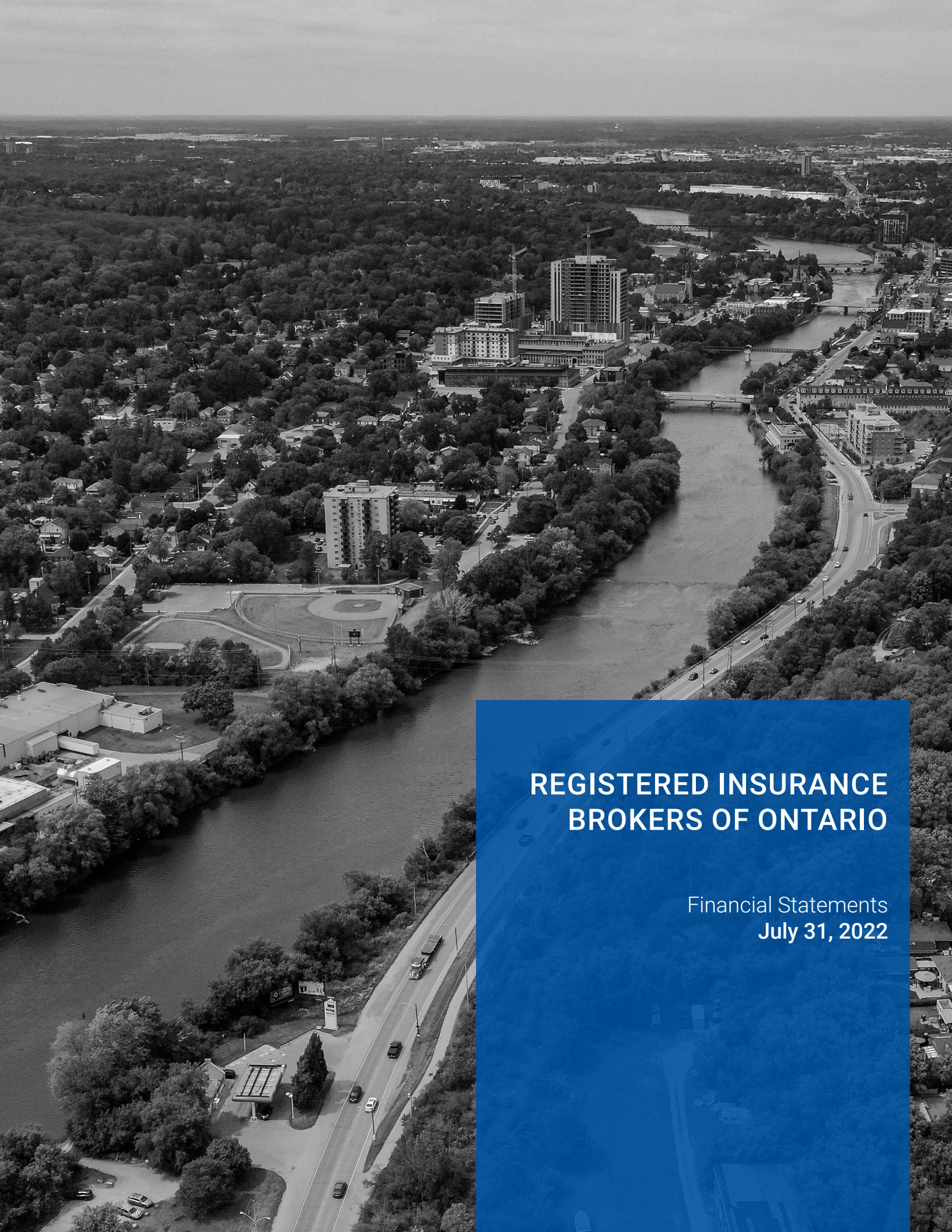
The Chairperson asked at this time if there were any questions from the members, and there were no questions.

- **Termination of Meeting**

On behalf of Council, the Chairperson expressed her appreciation to all registrants joining the meeting virtually this year.

She then requested a motion from the floor to adjourn the meeting.

At 1:48 p.m., there being no further business, it was moved by Peter Blodgett that the meeting be adjourned, whereupon the Chairperson declared the meeting adjourned. Motion Carried.



**REGISTERED INSURANCE
BROKERS OF ONTARIO**

Financial Statements
July 31, 2022



Independent auditor's report

To the Registrants of Registered Insurance Brokers of Ontario

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Registered Insurance Brokers of Ontario (the Company) as at July 31, 2022 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

What we have audited

The Company's financial statements comprise:

- the balance sheet as at July 31, 2022;
- the statement of operations for the year then ended;
- the statement of changes in the RIBO Professional Indemnification Fund for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP
PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario, Canada M5J 0B2
T: +1 416 863 1133, F: +1 416 365 8215

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If



we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
September 14, 2022

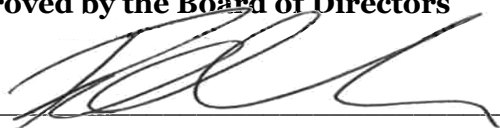
Registered Insurance Brokers of Ontario

Balance Sheet

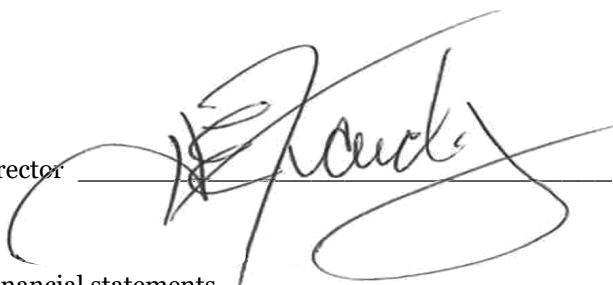
As at July 31, 2022

	2022 \$	2021 \$
Assets		
Current assets		
Cash (note 2)	5,572,787	5,321,380
Cash and investment in trust (notes 2 and 6)	1,000,792	1,000,792
Accounts receivable (note 2)	45,000	106,440
Prepaid expenses and sundry assets (note 2)	49,487	35,768
Total current assets	6,668,066	6,464,380
Property and equipment (note 3)	155,987	259,979
Total assets	6,824,053	6,724,359
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 2)	52,251	96,000
Unearned revenue (note 2)	2,042,606	1,858,947
Total liabilities	2,094,857	1,954,947
Fund Balances		
RIBO Professional Indemnification Fund (note 6)	1,000,792	1,000,792
Operating Fund (note 6)	3,728,404	3,768,620
Total fund balances	4,729,196	4,769,412
Total liabilities and fund balances	6,824,053	6,724,359

Approved by the Board of Directors



Director



Director

The accompanying notes are an integral part of these financial statements.

Registered Insurance Brokers of Ontario

Statement of Operations

For the year ended July 31, 2022

	2022 \$	2021 \$
External costs of regulation		
Qualification and registration	11,190	297,326
Complaints and disciplinary investigations and hearings	14,990	17,561
Consumer protection expenses	61,536	60,263
Total external costs of regulation	<u>87,716</u>	<u>375,150</u>
External costs of communication		
Bulletins and mailings	-	4,850
Election expenses	-	52,309
Annual meeting	6,112	8,434
Communication with other associations	10,761	4,674
Other communication expenses	114,776	26,263
Total external costs of communication	<u>131,649</u>	<u>96,530</u>
Administration costs		
Salaries and employee benefits	3,487,750	3,198,257
Rent, property taxes and utilities	470,707	476,323
Office and general	496,065	462,162
Professional fees	61,671	74,091
Committees	152,618	66,488
Computer expenses	406,432	379,576
Amortization	103,991	144,639
Total administration costs	<u>5,179,234</u>	<u>4,801,536</u>
Total operating costs	<u>5,398,599</u>	<u>5,273,216</u>
Funding of operating costs		
Registration and examination fees	5,270,616	5,016,133
Investment and other income	87,767	94,501
Total funding of operating costs	<u>5,358,383</u>	<u>5,110,634</u>
Deficiency of revenues over expenses for the year	(40,216)	(162,582)
Operating Fund – Beginning of year	<u>3,768,620</u>	<u>3,931,202</u>
Operating Fund – End of year	<u>3,728,404</u>	<u>3,768,620</u>

The accompanying notes are an integral part of these financial statements.

Registered Insurance Brokers of Ontario

Statement of Changes in the RIBO Professional Indemnification Fund

For the year ended July 31, 2022

	2022	2021
	\$	\$
Transfer from operating fund to trust fund	-	-
Fund balance – Beginning of year	<u>1,000,792</u>	<u>1,000,792</u>
Fund balance – End of year	<u>1,000,792</u>	<u>1,000,792</u>

The accompanying notes are an integral part of these financial statements.

Registered Insurance Brokers of Ontario

Statement of Cash Flows

For the year ended July 31, 2022

	2022 \$	2021 \$
Cash provided by (used in)		
Operating activities		
Registration fees collected	4,796,139	4,589,930
Examination fees collected	596,744	748,802
Investment and other income received	149,160	171,260
Cash paid to suppliers and employees	(5,290,636)	(5,173,092)
	<hr/> 251,407	<hr/> 336,900
Increase in cash during the year	251,407	336,900
Cash – Beginning of year	<hr/> 5,321,380	<hr/> 4,984,480
Cash – End of year	<hr/> <u>5,572,787</u>	<hr/> <u>5,321,380</u>

The accompanying notes are an integral part of these financial statements.

Registered Insurance Brokers of Ontario

Notes to Financial Statements

July 31, 2022

1 Significant corporate information

Registered Insurance Brokers of Ontario (the Corporation or RIBO) was continued as a corporate body without share capital under the Registered Insurance Brokers Act, R.S.O. 1980 (the Act). The Corporation operates as a not-for-profit organization with the general purpose of carrying out the powers and duties conferred on it by the Act. These powers and duties relate primarily to the regulation of insurance brokers in the Province of Ontario.

In accordance with its statutory responsibilities, the Corporation's duties include: administering the qualification and annual registration of brokers; carrying out investigations and conducting disciplinary proceedings in response to complaints and other causes of action; and maintaining communications with registrants and the public.

As required by the Act, the costs of carrying out these duties are funded by fees levied on broker registrants.

The Corporation is required to maintain an ability at all times to discharge its regulatory responsibilities under the Act. Certain costs of discharging these responsibilities (for example, those of disciplinary investigations and hearings) can vary significantly and, consequently, may not be accurately predicted and budgeted for in advance. Accordingly, the Corporation maintains a stop loss insurance policy to anticipate any requirement to finance investigation and trusteeship cost that may increase significantly in excess of the policy deductible in any year.

The Corporation is exempt from income taxes under Section 149(1)(l) of the Income Tax Act (Canada) as a not-for-profit organization.

2 Summary of significant accounting policies

Basis of preparation

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations, Part III of the Chartered Professional Accountants of Canada Handbook. The significant accounting policies adopted by the Corporation are summarized as follows;

Registration and examination fees

Fees are recorded on an accrual basis. Registration fees cover the annual period from October 1 to September 30 and are received in advance. Registration fees received during the period relating to periods subsequent to July 31, 2022 are deferred and included as unearned revenue on the balance sheet. Unearned revenue consists of fees paid in advance for the 12-month membership period to September 30, 2023 of \$1,203,530 (2021 – \$1,076,580) and fees relating to the last two months of the membership period to September 30, 2022 of \$839,076 (2021 – \$782,367).

Registered Insurance Brokers of Ontario

Notes to Financial Statements

July 31, 2022

Property and equipment and intangible assets

Property and equipment and intangible assets are recorded at cost. Amortization is provided on a straight-line basis over the assets' estimated useful lives as follows:

Computer software	3 years
Computer equipment	3 years
Office furniture	6 years
Leasehold improvement	6 years

Financial assets and liabilities

The Corporation initially measures its financial assets and financial liabilities at fair value and subsequently measures its financial assets and financial liabilities at amortized cost. Financial assets, at amortized cost, are tested for impairment at the end of each reporting period when there are indicators the asset may be impaired.

Receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan, and a failure to make payments for a period of greater than 120 days past due.

Financial assets measured at amortized cost include cash, cash in trust, accounts receivable and prepaid expenses and sundry assets.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. The estimates are reviewed periodically, and as adjustments become necessary, they are reported in the year in which they become known. Actual results could differ from those estimates.

No significant estimates are included in these financial statements.

3 Property and equipment

During fiscal year 2017-2018, the Corporation purchased new office furniture at a cost of \$88,801.

	2022		2021	
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Office furniture	88,801	66,601	22,200	37,000

Registered Insurance Brokers of Ontario

Notes to Financial Statements

July 31, 2022

The Corporation entered into an office renovation project with Jesslin Group over the course of fiscal year 2017-2018. The total project cost was \$487,317 plus a holdback amount of \$46,577, making a total investment of \$533,894.

			2022	2021
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Leasehold improvement	533,894	400,107	133,787	222,979

4 Financial risk management

The Corporation is exposed to liquidity and credit risk and has adopted an integrated risk management framework (the Framework). The Framework provides a consistent methodology to manage risks.

Liquidity risk

Liquidity risk results from the Corporation's potential inability to meet the obligations associated with its financial liabilities as they come due. The Corporation's unrestricted cash is held on demand making liquidity risk low. At July 31, 2022, the Corporation's accounts payable and accrued liabilities of \$52,251 are due within one year.

Credit risk

Credit risk exists when the Corporation is subject to the risk that a counterparty to an agreement with the Corporation will default on its obligation to perform under the agreement, such as accessing the assets deposited with the financial institution/bank. In addition, there may be practical or time problems associated with enforcing the Corporation's rights to its assets in the case of an insolvency of any such party. Credit risk is managed by the Corporation by using a reputable financial institution/bank for cash and trust account deposits, and the financial information of such financial institution/bank is reviewed to mitigate the risk. At July 31, 2022, the Corporation's exposure to credit risk arising from its accounts receivables was \$45,000 (July 31, 2021 – \$106,440).

Registered Insurance Brokers of Ontario

Notes to Financial Statements

July 31, 2022

5 Commitments

The Corporation is committed to making future minimum lease payments of \$408,275 for office premises and equipment operating leases.

The listing of commitments below represents future minimum lease payments for office premises and equipment operating leases as follows:

	\$
2023	266,057
2024	119,991
2025	15,658
2026	6,569
	<hr/>
	408,275
	<hr/>

6 Fund balances

RIBO Professional Indemnification Fund (the Fund)

The Fund was established on July 29, 1992 by a deed of trust to cover losses on claims for premiums misappropriated by brokers, not recoverable under the brokerage's standard fidelity bond policy, to a maximum of \$10,000 per claimant.

As at July 31, 2022, the Fund comprised cash in trust of \$1,000,792 (2021 – \$1,000,792).

Any shortfall in net assets of the Fund from a minimum of \$500,000 may be required to be reimbursed to the Fund from the Operating Fund at the discretion of the trustees of the Fund. At their discretion, the trustees may transfer any surplus above \$500,000 in the Fund to the Operating Fund. The RIBO Council, at its discretion, may amend the deed of trust to vary the minimum net assets required in the Fund.

Operating Fund

The Corporation maintains the Operating Fund to assist in the ongoing funding of operations.



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